



SUSTAINABILITY REPORT 2017



Grow a better tomorrow.

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PEOPLE | VALUES | CULTURE

Everyone has a role to play
in serving the customer.

ABOUT THIS REPORT

This report, prepared by Nufarm Limited, provides information relating to our sustainability practices and performance for the financial year ending 31 July 2017, (referred to in this report as 2017). This reporting period aligns with our financial reporting. Details of our annual and half yearly financial performance can be found in our financial reports, which are available on our website: nufarm.com, as is our 2016 sustainability report.

Our annual sustainability report addresses a range of parameters and activities including health, safety, environment, our people, corporate governance practices and community relations, and covers Nufarm's significant locations and operations.

This report covers all Nufarm's businesses including wholly-owned subsidiaries. The health and safety data includes permanent and non-permanent employees as well as contractors across Nufarm manufacturing sites, offices and regional service centres.

Environmental data is provided by our manufacturing plants and summarised for this report. As of yet, it does not include environmental data from Nuseed, our sales offices or distribution centres; however, these represent a small percentage of our environmental footprint.

Nufarm finalised its manufacturing rationalisation during 2016. Historical data in this report includes former Nufarm operations – 2017 data reflects Nufarm's new manufacturing footprint.

Last year we began working towards Global Reporting Initiative (GRI) standards, and this report meets many of the core standards and some of the specific disclosures as per the GRI content index. This year we completed a preliminary materiality study to identify the key material topics we will report on from this year.

This report has been reviewed and approved by Nufarm's CEO and managing director Greg Hunt.

For more information please contact Nufarm's head office on +61 (0)3 9282 1000.



Our locations

Our global head office is located at Laverton North in Victoria, Australia, which is also the site of our largest manufacturing plant.

- Sales countries
- Crop protection production
- Regional HQ
- Seed R&D
- Seed production
- Procurement hubs

NUFARM AT A GLANCE



LTIFR

1.76

Target 0

3 manufacturing sites

LTI free for
> 4 years

Economic
value generated

\$3.1b



CSR
assessment of

23%

of key suppliers



Supporting
our local
communities

13 Crop
protection
manufacturing
and **15** seed
production
operations
globally

We develop and
manufacture quality
herbicides, fungicides,
insecticides and seed
treatment products



3,189

Employees in
35 countries



> 500

Tonnes of waste
improvements



23%

Female
employees



ABOUT US

Nufarm Limited is a publicly owned global crop protection and seed technologies business listed on the Australian Stock Exchange (ASX)(symbol NUF). We help tackle one of the world's most challenging sustainability issues: feeding the rapidly growing population. Nufarm companies manufacture, distribute and market crop protection chemicals. Our wholly-owned subsidiary, Nuseed, grows and distributes seeds and seed treatment products. Our products help farmers improve crop quality and yield.

Nufarm holds more than 3,300 crop protection product registrations. Our leading brands include Crucial, Agroxone, Clinic, Weedmaster, Stablan, Nuprid, Kaiso, Amicide and Credit. Nuseed focuses on three specialty crops: canola, sorghum and sunflowers.

We have manufacturing and distribution platforms in Australia and New Zealand, North America, Latin America, Europe and Asia and market products in over 100 countries, selling into the agricultural distribution channel and direct to large farms.

Our global head office is located at Laverton North in Victoria, Australia, which is also the site of our largest manufacturing plant. Including Australia, Nufarm has crop protection and seed production facilities in 27 locations across the world.

Strategic alliances

The company has strategic alliances with a number of agricultural and chemical companies, including Sumitomo Chemical Company Limited, which holds 23 per cent of Nufarm Ltd shares. These alliances involve joint marketing rights to particular products, research and development collaborations and manufacturing joint ventures.

Mission, vision and values

At Nufarm our mission, vision and core values shape everything we do. Our mission is to grow a better tomorrow.

Our vision is to be a world leader in innovative crop protection and seed technology solutions.

Our core values are:

Responsibility: We are accountable for our decisions and our actions. We recognise that trust is at the foundation of relationships and that acting ethically, safely and responsibly creates that trust.

Agility: We are resourceful and adaptable in meeting the needs of our customers and our organisation.

Respect: We respect others – colleagues, customers and stakeholders – and our environment. We care for all of our resources.

Empowerment: We are an innovative, entrepreneurial organisation where individuals and teams can do what is best for the customer, the organisation and our stakeholders.

Nufarm's vision
is to be a world leader in
innovative crop protection and
seed technology solutions.

Our core crops



Cereal



Soybean



Trees, Nuts
Vines & Vegetables



Pasture, Turf
& Ornamentals



Corn



A diverse team of Nufarm employees developed our mission, value and vision as a part of our ReNu program in 2012. After approval by our executive leadership team these have been communicated broadly internally and externally, guiding our strategy, our activities and our behaviours.

Nufarm has a code of conduct that has been approved by Nufarm's board of directors to guide employees' decision making and behaviour. New employees are inducted into our code of conduct when they join the organisation.

It's Nufarm's objective to carry out its business with no adverse effect on its people, the community and the environment and to strive for sustainable development and continual improvement. Our health, safety and environment (HSE) policy is available in the sustainability section of our corporate website.

A strategic response to global challenges

The global population is expected to exceed nine billion people by 2050, significantly increasing the demand for food. In 2016 Nufarm implemented a new business strategy with a focus on five key crop segments: corn; soybeans;

cereals; pasture, turf and ornamental; and trees, nuts, vines and vegetables, and four core regions: Australia and New Zealand; Latin America; North America; and Europe. By targeting these crops, we are aligning our expertise in sustainably improving crop efficiency with key food production regions of the world.

Global fish stocks are being rapidly depleted and in support of sustainable fisheries we developed omega 3 canola, the first land-based source of omega 3. Regulatory authorities in Australia, the US and Canada are currently assessing approval submissions and the company is harvesting its first pre-commercial large scale crop in Washington State, USA, with plans for a commercial launch in Nufarm's 2018/19 financial year.

Water stress impacts most growers from time to time and our wholly-owned subsidiary, Nuseed, has a strategy to develop top-performing seeds, including drought and salt-resistant varieties.

In 2017, we have continued to invest in our supply chain capability and

business systems that will enable us to better serve our customers. In Australia and New Zealand, we announced the merger of the Cropcare and Nufarm businesses into one effective business as of 2018. We completed changes to our manufacturing footprint in 2016 and continue to make improvements through our manufacturing efficiencies program.

Financial and economic performance

Our financial results are released annually and reflect the period 1 August to 31 July. We also release our half yearly results for the period 1 August to 31 January. These reports are on our website and list all entities included in Nufarm's consolidated results. A number of entities are included in these statements that are not covered by the environmental data in these reports; however, it is estimated that this report addresses 90 per cent of Nufarm's environmental footprint. Table 1 provides a summary of our financial results.

Table 1: Annual financial results

Year ended 31 July	Revenue			Operating costs			Underlying EBIT		
(\$'000)	2017	2016	Change (%)	2017	2016	Change (%)	2017	2016	Change (%)
Crop protection									
Australia and New Zealand	654,194	553,994	18.1	602,565	507,031	18.8	51,629	46,963	9.9
Asia	165,633	148,604	11.5	141,204	125,780	12.3	24,429	22,824	7.0
Europe	539,803	550,376	-1.9	453,976	477,359	-4.9	85,827	73,017	17.5
North America	761,050	653,939	16.4	690,785	594,651	16.2	70,265	59,288	18.5
Latin America	821,835	740,686	11.0	732,420	640,290	14.4	89,415	100,396	-10.9
Total crop protection	2,942,515	2,647,599	11.1	2,620,950	2,345,111	11.8	321,565	302,488	6.3
Seed technologies – global	168,600	143,618	17.4	132,201	114,899	15.1	36,399	28,719	26.7
Corporate	-	-	n/a	55,679	44,511	25.1	(55,679)	(44,511)	25.1
Nufarm group	3,111,115	2,791,217	11.5	2,808,830	2,504,521	12.2	302,285	286,696	5.4

Note:

1. Operating costs equals revenue less underlying earnings before interest and tax (EBIT).

Table 2 shows our total capitalised breakdown as at the end of the 2017 financial year.

Table 2: Capitalised breakdown

	2017 (\$000)
Net debt	680
Equity	1,600
Total capitalised breakdown	2,280

Total assets of group was \$3.64 billion.

Our impact on, and contribution to the economy is as important as our financial performance. Our contribution includes both direct and indirect employment, support of farming practices to improve efficiency and productivity, the support of local suppliers, capital investment programs, payment of taxes and contribution to local communities.

Our supply chain

Nufarm has 13 crop protection manufacturing facilities located in Europe, North America, Latin America, Asia and Australia enabling us to tailor our products to suit local conditions and respond rapidly to customer needs.

Supplier location is just one of many considerations evaluated when sourcing the raw materials and packaging needed by our manufacturing plants. We have significant suppliers located throughout Europe, Asia, North America, Brazil and Australia and more than 3,000 suppliers across the world to support our global supply chain network. Nufarm’s procurement organisation is led out of our head office in Australia and through procurement hubs in China, Malaysia and Switzerland.

We primarily sell our crop protection and seed products direct to channel partners, who are distributors that sell directly to growers and offer other agricultural inputs and advice.

Sustainability at Nufarm

Sustainability underpins our approach to doing business. Responsibility is one of our core values and we believe that acting responsibly generates long-term value for our stakeholders. Our sustainability strategy has six pillars: safety; environment; our people; ethical sourcing; product stewardship; and our community responsibilities.

Nufarm works in an industry where sustainability principles are entrenched. As a company engaged in the development, production and supply of inputs to agriculture, we see sustainability as an overarching business principle that generates value by delivering solutions to farmers and providing environmental benefits.

The organisation is now two years into deployment of its four-year sustainability strategy. Execution of the strategy is largely on track at this halfway stage, and as we move into the third year of our strategy we are increasing our focus on ethical sourcing, environment and community.

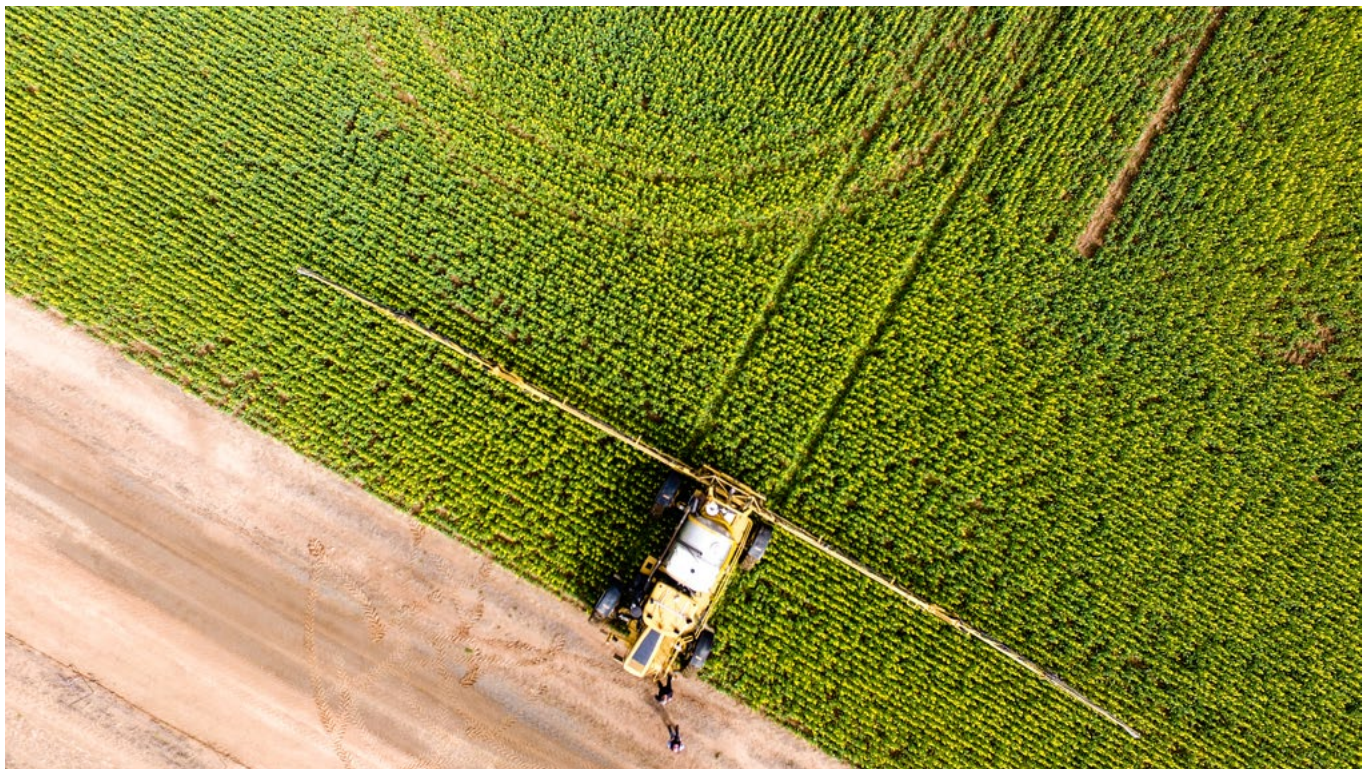


Table 3: Summary of achievements and objectives

Achievements for 2017

Supplier corporate social responsibility (CSR) assessment process launched using EcoVadis and 23 per cent of raw material suppliers assessed.
Supplier code of conduct developed incorporating human rights and environmental expectations.
Corporate HSE procedures were revised to align with our new corporate HSE standard.
Process safety management (PSM) analysis of our crop protection production facilities has been completed.
A human rights policy has been developed.
A preliminary materiality study was completed, identifying sustainability topics that are important to our stakeholders.
Our diversity and inclusion policy was revised and reissued to reflect contemporary best practice.
Launched two biorational products globally with several more in regulatory approval.
Provided work experience for 75 graduates or apprentices and employed nine of them permanently.
Modern slavery risk assessments of our operations are underway.
Environmental gap analyses of our crop protection manufacturing sites are underway.

Objectives for 2018

Implement CSR assessment as a part of our new supplier evaluation process.
Commence development of a community engagement strategy and framework.
Implementation of process safety management program across our manufacturing facilities.
ISO14001 implementation to commence at Linz, Austria, and Pipe Road, Australia.
Train 25 per cent of our people managers in inclusive leadership and unconscious bias.
Globally implement a new performance management system; Grow Plan Succeed (GPS).
Complete environmental gap analysis and implement environmental improvement plans across all manufacturing sites.
Implement our supply chain risk assessment policy.
Establish CSR assessment and environmental targets.

● Complete ○ Partially complete

MANAGING DIRECTOR'S MESSAGE



We strive to be a good company, one that's open about our sustainability performance. In this report we outline the work we are doing to make Nufarm a safer and more sustainable business by improving our safety performance, responsibly managing our impact on the environment and making a positive contribution to the communities in which we operate.



Safety is our highest priority and this year we have continued to focus on achieving our goal of zero harm. One of our core values is responsibility, and as a business we are focused on improving our safety culture by taking responsibility for the safety of our colleagues and ourselves.

Our most significant risks relate to the processing of chemicals at our manufacturing sites. This year we have improved our process safety management with the implementation of a new standard across our business that aligns with industry best practice.

Our biggest non-manufacturing risk relates to driver safety. We have many employees who spend time driving on public roads, and this year we have continued to deliver defensive driving and riding training programs across the business.

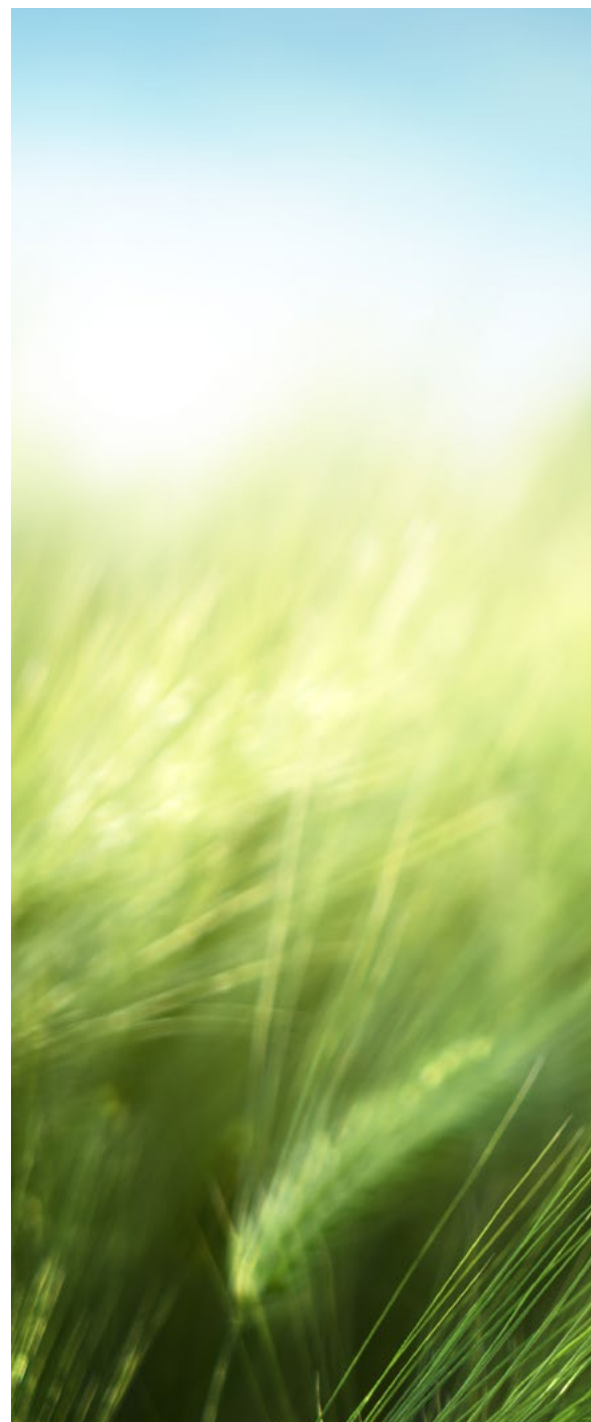
This year we have seen improvements in our overall safety performance. We reset our reporting metrics last year and have since seen our lost time injury frequency rate (LTIFR) trending downwards. We have continued to focus on injury prevention and it has been pleasing to see some of our manufacturing sites achieve significant periods of time without lost time injuries.

We have made some important steps towards our environmental objective of zero harm. We have two sites with ISO14001 certification and two more sites have plans to commence implementation in 2018. ISO14001 establishes best practice environmental management systems and aligns with the requirements of our corporate standards.

Nufarm respects human rights and takes a zero tolerance stance on all forms of modern slavery in our business and supply chain. This year we developed our first human rights policy and supplier code of conduct. We will continue to work towards ensuring our suppliers' behaviours align with our values.

We responded to feedback received through our employee survey by commencing a program to transform our global systems and processes and reshape our performance review process. We will continue this journey in 2018.

Our commitment to our customers is paramount. As the global demand for food and feed increases, we are looking at new ways to help growers maximise their production and manage their resources sustainably through innovative products and education programs.





Zero Harm

Taking important steps towards our environmental objective of zero harm

Nufarm engages with the communities in the areas in which we operate through a variety of programs. We also engage with the wider agricultural industry through our support of the Nuffield farming scholarship program in Brazil and Australia. One of our objectives for 2018 is to start the development of a global community engagement strategy.

For us to grow our business and deliver value to our customers we will remain focused on improving our sustainability culture and performance. We will build

"For us to grow our business and deliver value to our customers we will remain focused on improving our sustainability culture and performance."

on the progress we have made this year by continuing to deliver on our sustainability strategy, ensuring Nufarm remains a safe, sustainable business helping its stakeholders and customers grow a better tomorrow.

Greg Hunt
Managing director
and chief executive officer

MATERIALITY

Nufarm aims to be open and transparent to our stakeholders about our positive and negative environmental, social and economic impacts. In keeping with this objective, we are working to align our annual sustainability reporting with the core requirements of the Global Reporting Initiative (GRI) sustainability reporting standard. While not yet fully GRI

compliant, we are moving towards this for future years.

This year we completed a preliminary materiality assessment to identify the sustainability topics relevant to Nufarm and our industry. A survey was used to complete the study, which involved senior business decision makers, such as the board of directors and executive

leadership team. We did not engage directly with external stakeholders but will conduct a full materiality assessment in the future.

The findings of this study can be found in figure 1, and they have been used to guide the environmental, social and economic disclosures made in this year's report.

Figure 1: Material topics



ENGAGING OUR STAKEHOLDERS

Nufarm operates its businesses with the involvement, support and interaction of a range of stakeholders. These include our employees, customers, suppliers, the local communities we operate in, government regulators, financiers and investors. We engage with the stakeholders who influence or are influenced by our business, consulting with them to understand their concerns and expectations and using the feedback to help shape our business strategy and plans. Table 4 provides a list of our stakeholder groups and the frequency with which we engage with them.

We have a variety of approaches to engaging with our stakeholders. Our agronomists in the field are in direct contact with the farming community, providing expertise to support the growers while receiving feedback on the issues that matter to farmers. In Australia and New Zealand we have developed a formal customer

survey process to improve customer experience – The Voice of the Customer is a quarterly customer survey of our distribution channel partners with the feedback being used to drive change through the business. A similar program will be launched in the United Kingdom in 2018.

We have formal mechanisms to engage with our employees, and at some of our manufacturing sites we work with the local community through community development programs. Through our participation in industry associations such as CropLife and various chemical industry associations, we stay connected with industry-wide issues and contribute to their resolution. We often rely on these organisations to represent Nufarm's interests to relevant government authorities when a collective response is required. Our interactions with government regulators keep us engaged in the regulatory process.

We have open lines of communication with our investor community enabling us to gather feedback on our activities and monitor issues important to them. To increase accessibility of information about our activities, we place a high priority on responding to feedback, questions or concerns and provide information on our corporate website.

Key topics raised by our stakeholders include:

- Adverse weather conditions: Nufarm maintains a geographically diverse footprint, allowing unfavourable conditions in one region to be offset by favourable conditions in other parts of the business.
- Development of Nufarm products to combat herbicide resistance management. Nufarm is actively involved in this space through the development of products, programs, technology and participation in CropLife.



Listening to stakeholders

Our agronomists in the field are in direct contact with the farming community, providing expertise to support the growers while receiving feedback on the issues that matter to farmers



ENGAGING OUR STAKEHOLDERS continued

- Nufarm's spray drift management programs. Please refer to Product Stewardship section.
- Nufarm's ability to deliver the savings committed in our REACH program: Nufarm has achieved net \$101 million of savings as of 2017, demonstrating that we are on track to deliver the full saving of net \$116 million by the end of 2018.

- Nufarm's plans to acquire divested assets from the consolidation of the crop protection sector: Nufarm has kept the market informed of our strategic plans through investor and media communications.
- Senior executive remuneration and its linkage to share price: Nufarm's executive remuneration is linked

to a number of performance key performance indicators (KPIs), including those that align with shareholder interests. Full details of our process for setting senior executive remuneration can be found in the directors' report in our annual report, available on our corporate website.

Table 4: Stakeholder groups and engagement approach

Stakeholder group	Engagement approach	Frequency
Investors	<ul style="list-style-type: none"> • Financial reporting, one-on-one meetings and post result roadshows • Investor conferences • ASX announcements • Annual general meeting • Site visits and meetings • Sustainability reporting 	<ul style="list-style-type: none"> • Twice a year • Four times per year • As required • Annual • At investor's request • Annual
Financiers	<ul style="list-style-type: none"> • One-on-one meetings • Financial reporting • Covenant requirements reporting 	<ul style="list-style-type: none"> • Ongoing • Annual • Quarterly
Employees	<ul style="list-style-type: none"> • Employee opinion surveys • Performance reviews • Town hall meetings 	<ul style="list-style-type: none"> • Every two years • Annual • Regularly
Customers	<ul style="list-style-type: none"> • Customer surveys • Customer relationship management • Company website news • Site tours 	<ul style="list-style-type: none"> • Ongoing • Regularly • Ongoing • On request
Suppliers	<ul style="list-style-type: none"> • Supplier audits • Supplier relationship management • Corporate social responsibility (CSR) assessments 	<ul style="list-style-type: none"> • Initial and then as needed • Ongoing • Annual
Non-government organisations	<ul style="list-style-type: none"> • Industry group forums • Meetings 	<ul style="list-style-type: none"> • Regularly
Media	<ul style="list-style-type: none"> • Media releases • Interviews • Site visits 	<ul style="list-style-type: none"> • Regularly
Local communities	<ul style="list-style-type: none"> • Employee volunteers • Community relations activities 	<ul style="list-style-type: none"> • Ongoing • Ongoing
Regulators	<ul style="list-style-type: none"> • Site visits and inspections • Licence requirements reporting • Meetings 	<ul style="list-style-type: none"> • Several times per year • Annual • Regularly

SAFETY

The health and safety of our people is our priority and this year we have continued to work towards a goal of zero harm; implementing and embedding processes that identify and understand risks, hazards and preventative measures. This section details our performance in 2017.

The most significant hazards managed by Nufarm relate to the processing of various chemicals in our manufacturing sites. Across the global chemicals manufacturing industry, the appropriate risk controls to enable safe processing of these chemicals are well known and documented. Nufarm has developed its process safety management (PSM) standard based on these industry best practices. The Nufarm PSM standard addresses critical risk control factors such as facility design and construction, hazard identification, assessment and control, operations process safety, hazardous materials management, asset integrity and reliability, management of change, competence and training and emergency planning and response. Compliance with these requirements is audited by Nufarm and by the regulators in each jurisdiction in which we operate these facilities.

The most significant non-manufacturing hazard within Nufarm's global business involves our staff driving on public roads, often in rural environments, as a part of their job. Nufarm's driver risk reduction program includes defensive driver training, specifying active and passive safety features on company vehicles, fatigue management, restricting mobile phone use and ensuring fitness to drive.

In our four-year sustainability strategy launched in 2015, incident elimination was highlighted as the key priority for the first two years. The impact resulting from this focus can be seen in the performance trends in figure 2. In 2017, we strengthened our risk management with the completion of numerous initiatives investing \$14.6 million into our safety programs globally. In addition, several significant safety-related plant improvements commenced in 2017 that will be completed and reported in 2018.

Safety performance

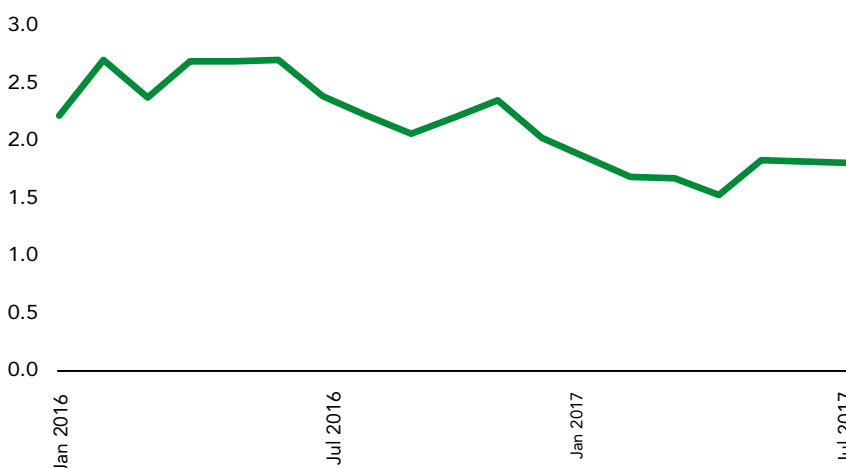
During 2015, we reset our injury reporting and classification processes to ensure that all injuries are reported and correctly classified, providing for consistent, company-wide safety performance measurement aligned with global best practice. This enables us to better investigate and address the root causes of serious injuries and therefore better manage the risks. Figure 2 shows the 12-month weighted rolling average lost time injury frequency rate (LTIFR) across the last 18 months. The 18 months of data reported here represents the period where the sustainability strategy initiatives started to have impact including the improved reporting of incidents and their consistent classification providing greater confidence in the integrity of our data recording.

While no injury is acceptable at Nufarm this improvement demonstrates significant progress towards our goal of zero harm.

This year our injuries have been predominantly sprains, cuts and contusions, along with several instances of chemical inhalation, all of which were promptly and properly responded to. The severity of injuries that people experienced (as measured by the length of time required to be absent from work following the injury) is measured by the severity index graph in figure 3.

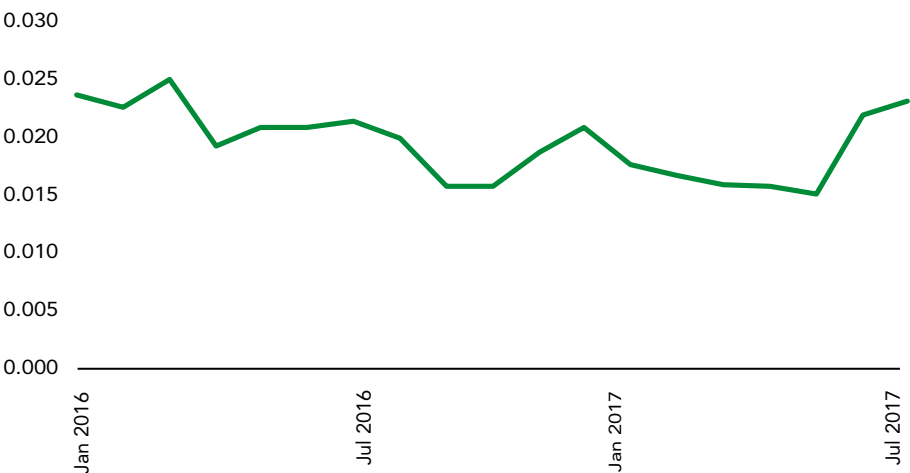
The injury severity index graph has taken a step upwards following an extended period of improvement. This is due to a shoulder injury to a person reported earlier in the year when he lifted a 15-litre drum of product leading to a 54-day absence.

Figure 2: 12 month rolling LTIFR



1. The lost time injury frequency rate (LTIFR) is the number of lost time injuries per million hours worked.

Figure 3: 12 month severity rate



We are satisfied that our efforts are delivering an improvement in safety behaviours, practices and management of hazards, which is reflected in the LTIFRs, particularly for Latin America and Asia. However, the rate of improvement has been below expectation in Australia and New Zealand, particularly in the non-crop protection parts of the business and also in North America. Additional resources have been directed to both the Australia and New Zealand crop protection and non-crop protection parts of the business to better address underlying hazards. Positive impacts from these interventions are expected in the coming reporting period.

Table 5: Lost time injury rate and severity

Region	LTIFR	SI
Australia and New Zealand	4.47	0.026
Europe	2.29	0.064
North America	1.23	0.004
Asia	0.00	0.000
Latin America	0.59	0.050
Group	1.76	0.022

1. The lost time injury frequency rate (LTIFR) is the number of lost time injuries per million hours worked.
2. Severity rate is the sum of lost days worked per thousand hours worked.



During 2017, we achieved several significant safety milestones on our journey to zero harm. Our manufacturing site in Merak, Indonesia received a national zero accident award for having had no lost time injuries since 2010. In January 2017, the Chicago Heights manufacturing site in North America

achieved five years without incurring a lost time injury. Nufarm's insecticide and fungicide manufacturing facility at Raymond Road, Australia, achieved more than four years without an LTI in June. Raymond Road's achievement is significant given the plant was redesigned and many areas rebuilt

during this period. It was further reinforced by the site winning Exporter of the Year at the Manufacturers Monthly Endeavour Awards in May, for its focus on safety, quality and efficiency.



Health and safety audits

In delivering against our sustainability strategy we have changed our approach to internal global health and safety audits to focus on fewer but higher risk injury hazards and to conduct a more detailed audit on these. In the audit program over the last two years a key assessment area has been safety culture and leadership at our manufacturing sites along with a focus on process safety management practices including hazardous materials processes and controls. Non-process safety risks including site vehicle safety and fall risks have also been closely reviewed. Good practices identified during these audits are transferred across to other sites facing similar

challenges. Reports arising from and improvement actions identified through these site audits are sent through to the group executive and board HSE committee.

Health and safety committees

There are active HSE committees across our business starting at the top with the board HSE committee. Site-based HSE committees provide an additional communication and planning channel to enable employees and management to work together on identifying improvements in employee engagement, safety culture and safety systems and to review and deploy lessons arising from incidents.

Health and safety compliance

Nufarm operates a number of major hazard facilities (MHF) that are closely regulated by government. Safety authorities and regulators often require periodic confirmation and verification that adequate and sustained hazard controls are in place and effective at major hazard facilities.

For example, our sites in Europe (Wyke in the United Kingdom, Gaillon in France and Linz in Austria) all fall under Europe's Seveso III directive. Our Wyke site has recently submitted its five-yearly control of major accident hazards (COMAH) safety report to the government regulator for its review.

In Australia, our Pipe Road facility is licensed as a MHF and has submitted their safety case for its five-yearly licence renewal and this is currently with WorkSafe for review. Our Raymond Road facility submitted its first safety case for licensing as a MHF in late 2016. A decision is expected from WorkSafe in 2018.

While we recorded 17 incidents of non-compliance with regulatory occupational health and safety requirements across our global operations this year, these were all promptly addressed to the satisfaction of the relevant regulator. While the severity of this non-compliance was relatively low, Nufarm's objective is to be fully compliant with regulatory requirements in all jurisdictions in which it operates.

Leveraging a One Nufarm approach to safety

HSE standard

Last year we developed a One Nufarm high level HSE standard with supporting procedures that define the boundaries within which all Nufarm sites and people must operate. This year we commenced applying these procedures at all our manufacturing locations. Particular focus has been placed on process safety management with the establishment of a global process safety management lead team to guide consistent deployment of these requirements across the business.

Safety training

Each manufacturing site has run training programs for staff across a wide range of topics. Training has been delivered in the areas of confined space entry, working at heights, fire safety, site safety standards, behavioural safety training, 5S auditor training and HAZOP training. Training is delivered regularly and updated to meet Nufarm safety standards and local regulatory requirements. This year we provided approximately 40,000 hours of safety training to our employees and contractors.

Health and wellbeing

In 2017 a number of initiatives across our sites focused on the health and wellbeing of our people. These have included physiotherapist-led training programs on lifting and stretching at Alsip and Chicago Heights in North America. The North American sites have also committed to increasing the availability of healthy food on site with 50 per cent of all food available from vending machines designated as healthy.

The Linz site ran a health day for employees with a focus on healthy eating and being active. In Brazil, a new health initiative, 'Nufarm in movement' was launched in partnership with the local community, to encourage people to exercise.

Sharing good practice

In addition to the initiatives deployed globally through the Nufarm sustainability strategy, individual sites share initiatives around the world through a monthly sustainability report that enables the rapid transfer of solutions from one part of the business to other Nufarm sites facing similar challenges. One of the practices that have been shared this year was the safety day events held at Fortaleza and Linz which will be replicated across Nufarm's other sites.

Other achievements

In May 2017, Nufarm Wyke in the United Kingdom won the Chemical Industries Association's Company of the Year award. Amongst other things, the judging panel was impressed by Nufarm's manufacturing excellence program which has driven safety improvements across the business as well as shaping investment in development programs.

Process safety management

The process safety management (PSM) program was launched in January 2017. The program is designed to identify and control hazards at manufacturing sites where a loss of containment could result in a catastrophic incident involving fatalities inside and/or outside the site boundary and/or significant environmental damage or negative community impact. This is a significant and critical undertaking for the business.

Each site completed a detailed PSM gap analysis comparing their site's critical safety systems with the performance requirements of the Nufarm PSM standard and their local government regulatory requirements. Based on the gap analysis each site developed a PSM gap closure plan and will report quarterly on their progress.

Each region and manufacturing site has allocated resources to ensure the successful and timely deployment of the requirements of the Nufarm PSM standard and its cascading detailed procedures.



A global PSM leadership team has been established to support and guide each manufacturing site to meet the deployment milestones in a One Nufarm way. Leading and lagging PSM performance metrics have been established, with a PSM program deployment progress report, metric reporting and analysis flowing through to the board HSE committee and the Nufarm executive.

Driver safety

One of the significant risks that impacts our sales and customer-facing employees is driving on public roads.

In 2017, Nufarm reviewed and updated its driver safety procedure specifying defensive driver training, fatigue management requirements, fitness to drive, vehicle safety specifications, mobile phone use and motorcycle and all-terrain vehicle (ATV) training and safety. These requirements are being deployed across all Nufarm's operations with the Latin American business taking a leading role.

Defensive driver training programs have been delivered in many locations in 2017 including Colombia, Brazil, Malaysia and France and motorcycle safety training has continued to be rolled out in Indonesia.

Forklift safety

Improvements were made to forklift safety in 2017 with the implementation of the blue beam light warning system for pedestrians deployed at Chicago Heights in 2016 and at the Merak site in Indonesia. The Chicago Heights, Gaillon, Fortaleza and Alsip sites also implemented physical barriers and designated walkways to keep pedestrians away from forklift traffic and the Gaillon and Fortaleza sites also conducted forklift defensive driver training.

Objectives for 2018

Looking forward to 2018, the key areas of focused improvement for Nufarm will be its process safety management program, which commenced in 2017, global deployment of a behaviourally based driver safety program and greater engagement of staff working in non-manufacturing roles.

"In May 2017, Nufarm Wyke in the United Kingdom won the Chemical Industries Association's Company of the Year award."



ETHICAL SOURCING

Nufarm recognises that our social and environmental responsibilities extend beyond our own manufacturing footprint, and we have a strategic objective to 'engage with our suppliers to uphold the same sustainability standards that we hold ourselves accountable to'.

This year we started implementing the ethical sourcing activities set out in our sustainability strategy.

Improving our purchasing systems

Over the last two years Nufarm has been working to upgrade our business systems to better support and leverage our global scale.

Our procurement team began the implementation of a global supplier and procurement management system, Ariba. Nufarm sources materials globally and the deployment of Ariba in 2018 will support a standardised approach to negotiating and entering agreements with our suppliers in the future, giving us a greater capacity to integrate sustainability measures into our procurement processes.

Respecting human rights in our supply chain

Nufarm developed its first human rights policy in 2017, in which we set out our zero tolerance stance on all forms of modern slavery in our operations and supply chain.

A copy of our human rights policy can be found in the corporate governance section of our website.

We have published a modern slavery statement on the actions we've taken to identify and prevent modern slavery. A copy of this can be found on the homepage of our corporate website.

Suppliers upholding our sustainability values

We have developed a global supplier code of conduct. This sets out Nufarm's expectations of suppliers, including those relating to business ethics, environment, human rights, child and forced labour and employee health and safety.

In 2018, we will progress the implementation of our supplier code of conduct by linking it to sourcing events through Ariba, and obtaining a contractual commitment from our new and existing suppliers to uphold our sustainability values.

A copy of the supplier code of conduct is available in the corporate governance section of our website.

Supplier corporate social responsibility assessment



In 2017, Nufarm partnered with EcoVadis to conduct corporate social responsibility assessments of our suppliers. This process increases our supply chain transparency, which is an important step towards reducing our environmental and social footprint by working with responsible suppliers.

EcoVadis is a global leader in this field, providing corporate social responsibility (CSR) ratings and scorecards for over 20,000 suppliers. The collaborative platform evaluates suppliers' policies, actions and results, focusing on four main criteria:

- Environment – assesses the supplier's stewardship of resources during operations and the sustainability of the products it produces.
- Social – evaluates a supplier's working conditions and the health and safety policies for its employees. This also addresses human rights issues, such as child and forced labour.
- Ethics – evaluates the supplier's business practices, such as bribery and competitive practices.
- Sustainable procurement – evaluates the supplier's procurement practices.

In 2017, Nufarm assessed 23 per cent of its existing suppliers (measured as a percentage of total spend), and we will be establishing targets for on-boarding suppliers in 2018.

Of the suppliers that were assessed, none were found to have significant

social or environmental impacts in this reporting period and there was no clear evidence of child or forced labour, although several suppliers failed to provide documentation to support their claims that they were compliant with globally acceptable practices.

Nufarm has not needed to terminate any business relationships due to negative environmental or social impacts.

The CSR assessments will be repeated annually.

In 2018, we will begin including CSR assessment of new suppliers as one of the elements of our new supplier evaluation process. The adoption of EcoVadis has provided us with valuable insight into our suppliers' sustainability practices and once the process of CSR assessment is embedded, we will use this to develop mutually agreed upon improvement plans with our lower rating suppliers.

Supplier risk management

A risk-based approach has been adopted to determine supplier priority for CSR assessment. This process considers the risk associated with the supplier's country of operation, their importance to Nufarm and their product industry. Nufarm has a number of important chemical suppliers in China and India who were given a high priority for CSR assessment based on country risk.

This process has been formalised with a new supply chain risk management policy, which will be implemented in 2018.

To support our risk management approach to procurement, Nufarm has commenced the implementation of a global supply chain risk monitoring service, RiskMethod, which will be launched in 2018. RiskMethod monitors risks to the supply chain, such as financial, geopolitical, health and safety, natural disasters, labour and quality. Together RiskMethod and EcoVadis will provide Nufarm with a solid platform for monitoring and responding to a broad spectrum of supply chain risks.

OUR PEOPLE

Our people are the core of our business and their dedication and innovation continue to underpin our success. We are striving to build a diverse and inclusive workplace where new ways of thinking and working are harnessed to drive Nufarm forward. This year Nufarm employed 3,189 people across five regions, a decrease of two per cent from 2016, which can be attributed to rationalisation activities that were finalised in 2016. The majority of our workforce remains full time, permanent employees, however where the nature of the role allows it, we support flexible work arrangements. Our full employee data can be found in tables 6 and 7.

Throughout a normal year, we employ casual contract staff to respond to the peak manufacturing months. As of the end of 2017 we had an additional 14 per cent of seasonal workers contracted to work at our manufacturing sites. Nufarm also engages a small percentage of specialist, professional service providers, such as business and engineering consultants, to support projects as required.

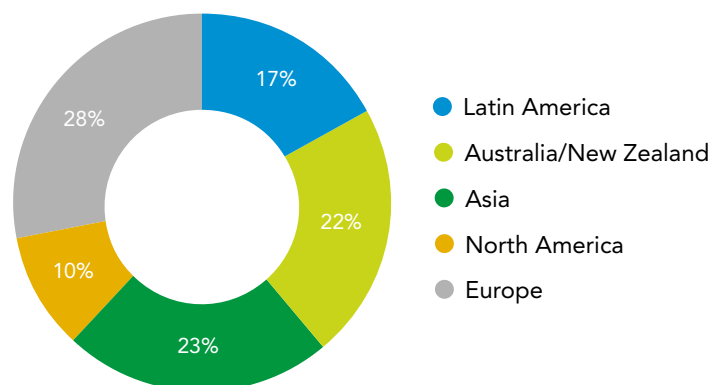
Listening to our people

In October 2016, 84 per cent of Nufarm employees provided confidential feedback through our Nufarm employee opinion survey. The results of the survey and the agreed actions were communicated to all employees. We run employee opinion surveys every two years and in 2018 we will run a mid-cycle pulse check survey.

In response to the employee opinion survey feedback we redesigned our performance management program in line with industry best practice. We have adopted a more agile approach to objective setting that will ensure employee priorities and development goals are more closely aligned to the needs of the business. We have called this program Grow Plan Succeed (GPS).

With the introduction of our GPS cycle, all employees are expected to engage in regular check-in conversations with managers and matrix managers to frequently discuss performance and development in real time.

Figure 4: Employees by region



1. Employees are represented as full time equivalent (FTE) employees.

Nufarm also committed to improving information technology systems following feedback from employees. These improvements are being delivered through an information technology transformation program that will continue into 2018. One of these projects is the implementation of a global human resources management system.

Developing new talent

To help grow our local talent we continue to expand our youth strategy year on year through a variety of programs.

We have active internship and graduate programs in Brazil, the United Kingdom, North America and Australia. In Australia, we offered permanent roles to all graduates in the 2017 program. In Brazil, Nufarm runs an internship program for university students and two apprenticeship programs; one for students from local high schools that offers a seven-month work experience program and another for young people from the local

community. Some of the participants in this internship program have gone on to permanent employment with Nufarm in the HR, IT and finance functions during 2017.

Apprenticeships offer an important opportunity for young people to access the employment market. Our Wyke site in the United Kingdom takes on five apprentices each year into three apprenticeship programs; control and instrumentation, mechanical and process.

This year 67 per cent of graduating apprentices at the Wyke site moved into permanent positions with Nufarm. The remainder are still in progress due to extensions or leaving the business with a completed apprenticeship.

North America continued to build its partnership with Purdue University, providing placements for students through its engineering co-op program. This program brings fresh ideas to Nufarm's engineering team while giving students valuable, real life work experience to supplement their classroom studies.



Grow	Identify learning and development opportunities
Plan	Set objectives and plan success
Succeed	Have regular conversations Real time feedback keeps us all on track

OUR PEOPLE continued

Building on the successful partnership with Purdue University for engineering undergraduates, Nufarm North America created a similar relationship with Governor State University for chemists to obtain analytical laboratory experience.

In Brazil, we offer employees the opportunity to participate in English lessons. This year there were approximately 30 employees from all levels of the business participating in the program, which combines classroom and online learning. Improved proficiency in English will enable employees in Brazil to participate more fully at a global level.

Respecting human rights

This year we developed a human rights policy that includes our zero tolerance stance on all forms of modern slavery in both our organisation and supply chain. In implementing this policy we have completed modern slavery risk assessments in 50 per cent of our regions. This process assesses the adequacy of our measures to identify and prevent modern slavery within our own business and in the use of contract labour. These risk assessments will be completed in 2018 for the remaining regions. In meeting our obligations under the United Kingdom Modern Slavery Act we have published a modern slavery statement. This can be found on the homepage of our corporate website, while our human rights policy can be found in the corporate governance section of our website.

Nufarm's human rights policy recognises and respects employees' rights and freedom to join or not to join organisations of their choosing, to associate freely and bargain collectively. Some of our employees are covered by collective bargaining agreements.

Career Transition

Nufarm continues its improvement journey this year, implementing the new business systems and processes needed to support its strategic growth plans. To make this journey possible, we have increased our technical

expertise with more than 10 per cent additional professional employees compared to last year.

Nufarm provides career transition support for employees leaving the business due to retirement or termination. In the future we will have the systems in place to quantify this globally.

Diversity and inclusion

We believe that diversity and inclusion are critical to the sustainable growth of our company through positively building our talent and developing an inclusive culture within the organisation.

In 2017, we revised our diversity and inclusion policy to reflect contemporary best practice. In 2018, we will implement this policy using a self-assessment and action planning tool kit. Our diversity and inclusion policy can be found in the corporate governance section of our website.

This year we have continued to encourage diversity and inclusion across the business. In Australia and New Zealand, we undertook a diversity and inclusion diagnostic and using this as a pilot, we will extend the process to our other regions to better understand our challenges and opportunities globally. We will then develop a meaningful and appropriate diversity and inclusion strategy that can be measured and monitored.

Other key initiatives this year include the ongoing work to improve female representation across all areas of the business and the continued support of a cross-cultural change leader network. We developed inclusive leadership and unconscious bias training to help build more diverse and inclusive work environments. This will be rolled out globally in 2018 and our objective is to train at least 25 per cent of people managers within the next year.

Women at Nufarm

Australia and New Zealand implemented smaller selling territories as part of a reorganisation and in

response to employee feedback. Reducing selling territory size will benefit parents returning to work and reduce time spent travelling. This will also reduce driving-related safety risks and improve work-life balance for all sales employees.

While female representation across the business remains at 23 per cent again this year we have been actively working to increase this. Board level female representation increased from 13 per cent to 22 per cent with the appointment of a new board member. Female representation also increased in people leadership positions from 17 per cent to 20 per cent and 29 per cent of all internal candidates promoted were female.

Across our regions, female representation has remained stable with a slight increase in the Latin American region, refer to table 6. In the European region, we continue to target gender diversity, leveraging union and collective agreements to improve gender and pay equality. The Australian and New Zealand



region is extending flexible working arrangements with the development of leave purchase and a gender neutral parental leave policies. Globally, 73 of our employees took parental leave this year.

A diverse workplace

We supply products in more than 100 countries across five regions. Our global footprint provides us with a culturally diverse workforce of leaders and teams, representing local cultures and customers. The Nufarm leadership team is culturally diverse, with at least six different cultural backgrounds reflected in the executive group, representing the company's diverse global footprint.

In 2017, we established a cross-cultural change leader network to bring together people leaders from all regions, functions and businesses to support our business transformation

and increase global collaboration as One Nufarm. This group represents the voice of the business and provides feedback on global initiatives. It is provided with information and resources to support the changes being introduced in their regions.

North America continues to leverage the unique talents of individuals living with disabilities through the 'Partners in Caring' initiative in partnership with Seroma Center. Across Nufarm, four per cent of our employees have a disclosed physical or mental disability.

Figure 5: Female representation by leadership level

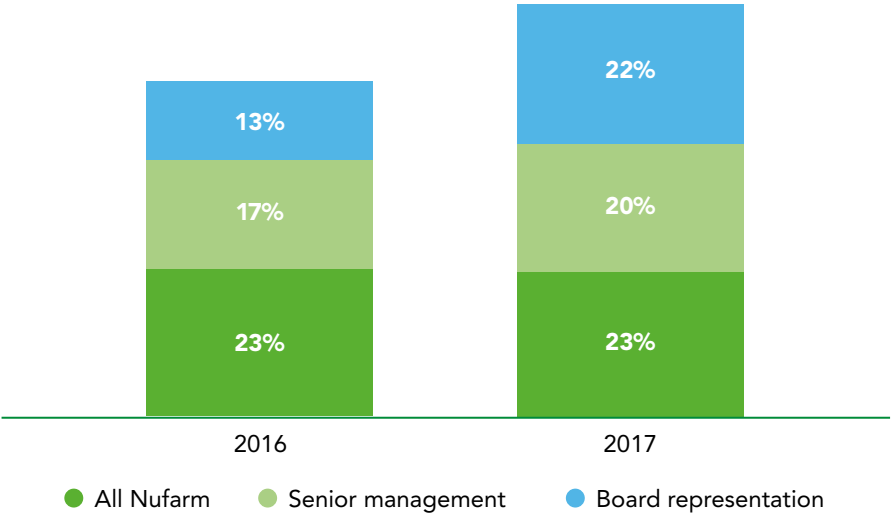


Table 6: Employees by gender

	Female	2016 Male	Total	Female	2017 Male	Total
Employees by employment contract						
Permanent	683 (21%)	2,081 (64%)	2,764 (85%)	687 (22%)	2,055 (64%)	2,742 (86%)
Non-permanent	62 (2%)	431 (13%)	493 (15%)	43 (1%)	404 (13%)	447 (14%)
Total	745 (23%)	2,512 (77%)	3,257	730 (23%)	2,459 (77%)	3,189
Employees by employment type⁴						
Full-time	625 (23%)	2,067 (75%)	2,692 (97%)	683 (21%)	2,394 (74%)	3,077 (95%)
Part-time	58 (2%)	14 (<1%)	72 (3%)	84 (3%)	67 (2%)	151 (5%)
Total	683 (25%)³	2,081 (75%)³	2,764	767 (24%)	2,461 (76%)	3,228
Employees by region						
ANZ	157 (5%)	531 (16%)	688 (21%)	162 (5%)	530 (17%)	692 (22%)
Asia	128 (4%)	596 (18%)	724 (22%)	128 (4%)	591 (19%)	719 (23%)
Europe	235 (7%)	704 (22%)	939 (29%)	212 (7%)	693 (22%)	905 (28%)
LATAM	95 (3%)	223 (7%)	318 (10%)	132 (4%)	416 (13%)	548 (17%)
NA	130 (4%)	458 (14%)	588 (18%)	96 (3%)	229 (7%)	325 (10%)
Total	745 (23%)	2,512 (77%)	3,257	730 (23%)	2,459 (77%)	3,189
New hires by region						
ANZ	n/a	n/a	n/a	32 (6%)	72 (14%)	104 (20%)
Asia	n/a	n/a	n/a	15 (3%)	137 (26%)	152 (29%)
Europe	n/a	n/a	n/a	28 (5%)	75 (14%)	103 (20%)
LATAM	n/a	n/a	n/a	30 (6%)	74 (14%)	104 (20%)
NA	n/a	n/a	n/a	13 (2%)	46 (9%)	59 (11%)
Total				118 (23%)	404 (77%)	522
Turnover by region						
ANZ	n/a	n/a	n/a	-26 (5%)	-72 (14%)	-98 (19%)
Asia	n/a	n/a	n/a	-14 (3%)	-141 (28%)	-155 (30%)
Europe	n/a	n/a	n/a	-37 (7%)	-74 (15%)	-11 (22%)
LATAM	n/a	n/a	n/a	-23 (5%)	-69 (14%)	-92 (18%)
NA	n/a	n/a	n/a	-11 (2%)	-43 (8%)	-54 (11%)
Total				-111 (-22%)	-399 (-78%)	-510
Employees by function						
Supply chain	252 (8%)	1,162 (36%)	1,414 (43%)	237 (7%)	1,165 (37%)	1,402 (44%)
Sales	158 (5%)	868 (27%)	1,026 (32%)	155 (5%)	876 (27%)	1,031 (32%)
Portfolio solutions	98 (3%)	211 (6%)	309 (9%)	97 (3%)	179 (6%)	276 (9%)
Finance	137 (4%)	108 (3%)	245 (8%)	139 (4%)	100 (3%)	239 (7%)
Corporate	62 (2%)	82 (3%)	144 (4%)	57 (2%)	66 (2%)	123 (4%)
Information technology	6 (<1%)	68 (2%)	74 (2%)	8 (<1%)	63 (2%)	71 (2%)
Human resources	32 (1%)	13 (<1%)	45 (1%)	37 (1%)	10 (0%)	47 (1%)
Total	745 (23%)	2,512 (77%)	3,257	730 (23%)	2,459 (77%)	3,189

	2016			2017		
	Female	Male	Total	Female	Male	Total
Employees by category⁶						
Key management personnel ⁵	0 (0%)	5 (<1%)	5 (<1%)	0 (0%)	5 (<1%)	5 (<1%)
Executive and senior management	30 (1%)	170 (5%)	200 (6%)	19 (<1%)	102 (3%)	121 (4%)
People manager	78 (2%)	349 (11%)	427 (13%)	81 (2%)	313 (10%)	394 (12%)
Professionals	199 (6%)	933 (29%)	1,132 (35%)	340 (10%)	1,174 (36%)	1,514 (47%)
Manufacturing shop floor	121 (4%)	877 (27%)	998 (31%)	64 (2%)	787 (24%)	851 (26%)
Administration	317 (10%)	178 (5%)	495 (15%)	243 (8%)	56 (2%)	299 (9%)
Other	-	-	-	20 (<1%)	24 (1%)	44 (1%)
Total	745 (23%)	2,512 (77%)	3,257	767 (23%)	2,461 (77%)	3,228
Employees accessing parental leave⁴						
Took parental leave	n/a	n/a		41	32	73
Promotion⁴						
Internal	n/a	n/a		39 (24%) ⁹	121 (76%) ⁹	160

Table 7: Employees by contract type

	2016		2017	
	Permanent	Non-permanent	Permanent	Non-permanent
Employees by region and employment contract				
ANZ	n/a	n/a	666 (21%)	27 (1%)
Asia	n/a	n/a	347 (11%)	372 (12%)
Europe	n/a	n/a	887 (28%)	18 (1%)
LATAM	n/a	n/a	531 (17%)	17 (1%)
NA	n/a	n/a	311 (10%)	13 (0%)
Total			2,762	447

Notes:

1. All data has been compiled from local payroll systems and our financial consolidation system.
2. Unless otherwise specified, data is reported as full time equivalent (FTE) employees.
3. In 2016, employees by employment type comprised of permanent employees only, while in 2017 non-permanent employees have been included.
4. Reported as head count.
5. Key management personnel are defined in the directors' report in our annual report which is available in the investor centre on our corporate website.
6. Employees by category are reported as FTE in 2016 and headcount in 2017.
7. Not available (n/a); this data was not collected in 2016.
8. All percentages are calculated as a fraction of the total FTE or headcount except where indicated.
9. Percentage of each male and female promotions is calculated as a fraction of total internal promotions.

GOVERNANCE



**Donald McGauchie
AO**

Chairman

Joined 2003

Chairman of the board nomination and governance committee and board HR committee member



Greg Hunt

Managing director and chief executive officer

Joined 2012



Anne Brennan

Joined 2011

Board HR committee and board audit and risk committee member



Gordon Davis

Joined 2011

Chairman of the board HSE committee, board HR committee and board audit and risk committee member



Frank Ford

Joined 2012

Chairman of the board audit and risk committee and board nomination and governance committee member

Nufarm is committed to the highest standards of corporate governance and has a range of policies and procedures in place to support this aim. Details of board committees and their terms of reference, along with other corporate policies and protocols, can be found in the governance section of our website. Nufarm is listed on the Australian Securities Exchange (ASX) and we comply with the ASX Corporate Governance Principles and Recommendations (the Principles).

Board of directors

The governing body of the company is the board of directors. The board's responsibility is to oversee the company's operations and ensure that Nufarm carries out its business in the best interests of all shareholders and with proper regard to the interests of all other stakeholders.

The board charter defines the board's individual and collective responsibilities and describes those responsibilities delegated to the managing director and senior executives. A copy of the board charter is available on the corporate governance section of the company's website.

Board members are selected based on their experience and skills to ensure the board properly discharges its responsibilities.

There are nine members of the board and as at the date of this report, most of the directors are independent with the exception of Dr Bruce Goodfellow and Toshikazu Takasaki (non-executive directors) and Greg Hunt (managing director and chief executive officer). As a major shareholder in Nufarm, Sumitomo Chemical Company's

interests are represented by one board member position, which has been held by Takasaki-san since 2012.

The board reviews its composition and terms of reference annually. It also evaluates the performance and determines remuneration of the managing director and senior executives. Full details of the executive remuneration structure are set out in the remuneration report on pages 27 to 42 of Nufarm's 2017 annual report.

Board committees

The board is supported by four committees: the audit and risk committee; the nomination and governance committee; the human resources (HR) committee; and the health, safety and environment (HSE) committee.

The HSE committee is responsible for reviewing and reporting to the board on strategic matters including significant environmental and safety issues. It provides oversight on the annual sustainability report and, in conjunction with the board, has approved the group's sustainability strategy.

The responsibilities of the HR committee include reviewing and making recommendations to the board in relation to Nufarm's board and executive remuneration strategy, structure and practice. The committee is responsible for seeking and approving independent remuneration advisers who provide independent remuneration advice, as appropriate, on board, chief executive officer and other key management personnel remuneration strategy, structure, practice and disclosure.

The HSE and HR committees have joint oversight of Nufarm's material social aspects while making recommendations to the board on matters of policy and practice. Copies of both the HSE and HR committees' charters are available on the corporate governance section of the company's website

The responsibilities of the nomination and governance committee include composition of the board, reviewing the mix of skills and diversity on the board and recommending changes to the board membership and whether to support the re-election of a retiring director. In conjunction with the human



Bruce Goodfellow

Joined 1991

Board nomination and governance committee member



Peter Margin

Joined 2011

Chairman of the HR committee



Marie McDonald

Joined 2017

Board audit and risk committee member and HSE committee member



Toshikazu Takasaki

Joined 2012

Board HSE committee member

resources committee, the nomination and governance committee ensures the diversity policy is applied to the selection of board members. In FY17, the board comprised 22 per cent women. A copy of the committee's charter and a summary of the policy and procedure for director appointments are available on the corporate governance section of the company's website.

Each year each board committee will self-assess whether it has discharged its responsibility as set out in its charter.

Executive leadership

The board has delegated authority for the daily management of Nufarm's environmental and social aspects to the executive leadership team. Reporting directly to the CEO, the group executive for manufacturing and supply chain, Elbert Prado, is responsible for environment and safety, while John Holding, group executive for people and performance, is responsible for the other social aspects of Nufarm's operations.

Conflict of interest

Board members must identify any conflict of interest they may have in dealing with the company's affairs and then refrain from participating in any discussion or voting on these matters. Further information on this policy can

be found in the board charter, available in the corporate governance section of the company's website. Directors and senior executives must disclose any related party transaction in writing.

Information on cross-board memberships and major shareholdings is made publicly available to interested parties as it arises through our annual financial report and statements released to the ASX.

Code of conduct

Nufarm's code of conduct guides our work and represents our commitment to fair, ethical and professional business practices and legislative requirements. We require all Nufarm directors, employees, contractors and consultants to be familiar with and uphold the company's code of conduct in all business dealings. Wherever we operate, the health and safety of our people, our contribution to sustainable development, and conducting business with integrity are key priorities in delivering value to our shareholders and stakeholders. We build strong, mutually beneficial relationships with the communities we operate in, respecting their laws and customs. We are politically impartial except where the board believes it is necessary to comment due to any perceived major impact on the company, its business or any of its stakeholders.

Other policies

Where there are no legislative requirements with which to comply, we develop policy statements to support the code of conduct and ensure appropriate standards are met. These policies include the communications policy, diversity policy, security trading policy and continuous disclosure protocol. We have a whistle-blower policy to provide employees with a confidential mechanism to report any suspected unethical or illegal behaviour. Nufarm's code of conduct and additional policies can be found in the corporate governance section of the company's website.

Our regional legal counsel teams have provided training in our anti-corruption policies this year. In the future, our new HR business system will track and record training.

Risk management

The board is committed to identifying, assessing, monitoring and managing its material business risks. To that end, the board has implemented a sound risk management framework, which it reviews at least annually to ensure its effectiveness.

The board is responsible for the oversight of the company's risk management system. The board makes sure that appropriate policies are in place to ensure compliance with risk management controls and requires management to monitor, manage and report on business risks.

The board delegates certain responsibilities to board committees and primarily to its audit and risk committee, which is chaired by an independent director. The audit and risk committee's responsibilities include providing an oversight of the effectiveness of Nufarm's enterprise-wide risk management and internal control framework. In so doing, it considers the interests of all relevant stakeholders.

The company recognises a number of operational risks related to its crop protection business, including:

- market consolidation;
- climate conditions and seasonality;
- regulatory, freedom to operate, product registration, product use and business sustainability;

- human resources and change management;
- relationships with key suppliers and customers; and
- licences and operating permits for manufacturing facilities.

Further information can be found in Nufarm's audit and risk committee charter and risk oversight and management, both available in the corporate governance section of the company's website.

Critical environmental or social concerns are reported directly to the board as they arise and delegated by the board to the relevant group executive for resolution. There were no critical environmental or social concerns to report to the board this year. There have been no new legal actions against the company this year for anti-competitive behaviour, anti-trust or monopoly practice; however, there is one ongoing investigation into anti-competitive behaviour in agribusinesses in Hungary, of which Nufarm Hungaria is one.

Memberships

While Nufarm does not subscribe to any externally developed sustainability charters or principles, we do practice the standards established by a number of industry groups to which we belong. Nufarm is a member of Responsible Care, a global, voluntary initiative developed by the chemical industry that operates in 52 countries.

The Sustainable Agriculture Initiative (SAI) platform is an initiative aimed at contributing to the development of sustainable agriculture. We also participate in chemical industry associations in a number of countries such as CIA in the United Kingdom, and Chemistry Australia and other associations such as CropLife.



ENVIRONMENT

Working towards environmental best practice

Nufarm's goal is zero harm to the environment; we are committed to avoiding or minimising the actual and potential environmental impacts of our operations.

Last year we developed a new corporate health, safety and environment standard, raising the bar on the environmental requirements of our business. This year we developed the underlying corporate procedures, setting out Nufarm's expectations in our key environmental risk areas: waste and emissions, soil and groundwater protection, and resource use and conservation.

We commenced environmental gap analysis against these standards at our manufacturing operations and will complete these at all our locations in 2018, establishing environmental improvements plans and deploying our environmental improvement program across the business.

Our approach to environmental management is one of robust identification of environmental impacts and assessment of the adequacy and effectiveness of their layers of controls. We then implement management systems to maintain the controls and drive continuous environmental improvement through the organisation. This approach is fully implemented at our Wyke, United Kingdom, and Gaillon, France, sites, where we continue to maintain our ISO14001 environmental management systems certification. Our sites in Linz, Austria, and Pipe Road, Australia, have both committed to implementing ISO14001 environmental management systems, and these two-year projects will commence in 2018.

We provide environmental training to our people, this year investing over 1,000 hours in the activity, and our efforts have been rewarded. At our Merak site in Indonesia, the local district presented Nufarm with an award for being an eco-friendly company, recognising compliance and community development activities.

Our environmental footprint

We work to reduce our environmental footprint at our manufacturing sites with innovative solutions to the challenges we face. Our environmental results for this year can be found in tables 9 and 10.

Energy

Our synthesis activities are our most energy intensive, consuming approximately 80 per cent of our total energy use. We purchase and generate our own steam for heating raw materials and production vessels. Our site in Linz, Austria, reuses waste steam and ammonia generated by other manufacturers in Chemiepark, the complex in which we are located. Chemiepark is an industrial park where a number of large chemical companies operate from the same site, gaining efficiencies from shared manufacturing services.

For improved energy efficiency, we have a combined heat and power (CHP) plant on our site at Wyke, controlled by a third party. Our energy reduction this year is mostly due to a change in product mix at our manufacturing sites, efficiency gains from our manufacturing rationalisation and some energy improvement initiatives.

This year our manufacturing sites continued to upgrade lighting to LED and improve the efficiency of steam distribution systems. We installed a new boiler at our manufacturing site in Gaillon, France, which is expected to reduce the site's total energy consumption by 10 per cent in 2018. We implemented power factor correction at Pipe Road, Australia, and we installed an economiser on the CHP plant operating from Wyke, in the United Kingdom; both projects will deliver energy savings outside of Nufarm in 2018.

Greenhouse gas emissions

Being in the agricultural industry we witness first hand the impacts of extreme weather events attributable to climate change, and we recognise

we have a role to play in reducing greenhouse gas emissions. This year our greenhouse gas emissions were two per cent lower than 2016, with a corresponding reduction of seven per cent in greenhouse gas intensity. While some of this reduction came from energy improvement initiatives, lower energy use and increased renewable energy in the electricity network also contributed to the reduction.

We also had a leak of a non-ozone depleting refrigerant from one of our manufacturing facilities that accounted for four per cent of our total greenhouse gas emissions. This occurred over two reporting years, so the other half of the emissions will be reported in 2018. The preventative maintenance controls are under review to avoid a reoccurrence of this situation.

Other air emissions

Our air emissions result from steam-generating boilers and our formulation processes. We make efforts to control these with scrubbers, reducing their environmental impact and eliminating potential odour-causing emissions. In an effort to prevent odour impacting on our local community at Maracaná in Brazil, the site conducted odour training for a group of its manufacturing employees so they can rapidly identify and correct odour-causing issues.

We are committed to reducing our air emissions and to this end we have constructed an incinerator at our site in Linz, Austria, to eliminate our hazardous air pollutant (HAP). This will be commissioned in early 2018 and we will also trial incinerator technology at the same site to reduce some of our volatile organic compound (VOC) air emissions. If successful, these projects should reduce our annual VOC and HAP emissions by as much as 12 tonnes.

NO_x, SO_x and CO emissions are generated by our boilers and the increase this year is primarily due to an increase in fuel use.

Waste and effluent

We work to find innovative ways to reduce waste streams or reduce the environmental impact of the waste. This year our site in Wyke, United Kingdom, built a solvent extraction plant. This plant is currently being commissioned and when fully operational will greatly reduce the chemical oxygen demand of the site's effluent. The site also established an alternative disposal method for one of its waste streams. From 2018, 40 tonnes of waste that would have been incinerated off-site will now be reused by another chemical manufacturer.

At our site in Gaillon, France, we developed a process to clean empty containers, diverting 28 tonnes of waste from incineration to recycling and eliminating 43 tonnes of scope 3 greenhouse gas emissions at the same time. A concerted focus on improved waste management at our Alsip plant in Chicago, North America, resulted in over 500 tonnes of waste eliminated when compared to last year, which represents more than 30 per cent of the site's total waste.

Strict quality controls and manufacturing product mix have a strong influence on our ability to recycle and reuse water. We have further strengthened these controls this year and as a result have increased our volume of wastewater. We are now working to find innovative solutions to minimise this waste stream and share the solutions across all our manufacturing operations.

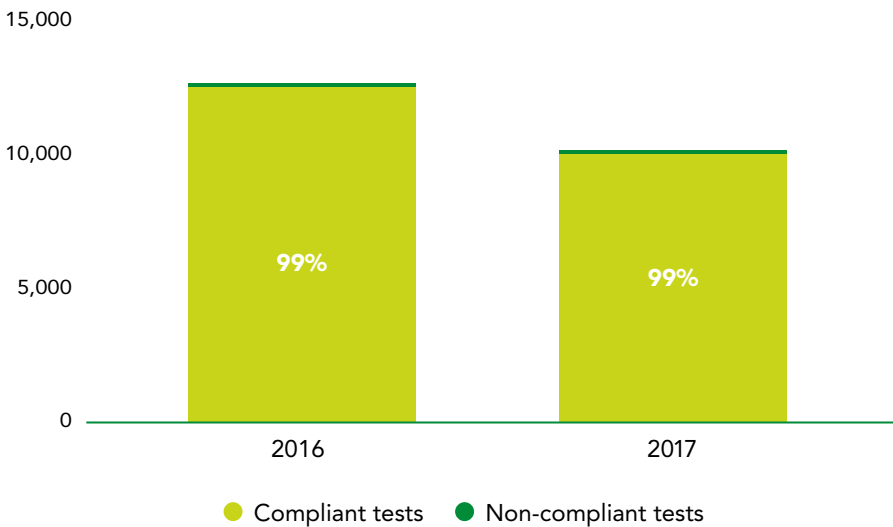
Our sites discharge effluent and rainwater in line with their local effluent discharge limits, and at some locations we have onsite effluent treatment and cooling to ensure these requirements are met. We monitor our effluent discharges and one of the main components of our effluent is salt, which is a waste product of our phenoxy synthesis operations. We have had no significant impact on natural water bodies from either effluent discharges or run-off from our sites this year.

Soil and groundwater

A major focus at our manufacturing sites is the prevention of loss of containment of chemicals that could result in soil or groundwater contamination. We have control measures in place to prevent loss of containment incidents and minimise the risk of them impacting on soil or water. This year we have continued with routine groundwater monitoring at several of our sites and carried out studies to identify legacy contamination issues.

In 2017, we discovered a leaking underground effluent pipe at our manufacturing site in Linz, Austria, and it is estimated up to 3,000KL of wastewater was released into the soil. The leak was fully contained within the manufacturing site and presented no risk to human health or the wider environment. The soil is currently being remediated and leak detection equipment has been installed to prevent a future reoccurrence.

Figure 6: Environmental tests



While most of our sites are in industrial areas, some operate close to residential neighbourhoods and from time to time we receive complaints from our neighbours. This year we had five noise and

Environmental compliance and complaints

We have a goal of zero non-compliance with regulatory requirements, but unfortunately have had four non-compliances with environmental regulations this year. These were promptly responded to and we continue to work closely with our local environmental regulators to close any outstanding issues. We have not received any monetary fines or sanctions related to these incidents.

Where required, sites undertake compliance testing of their emissions to the environment. As a result of our manufacturing rationalisation in 2016 there were less sites to monitor in 2017 and therefore less compliance tests required to be carried out compared with last year. As was the case in 2016, we again achieved > 99 per cent compliance for our sites as can be seen in figure 6.

odour complaints where our investigations revealed our operations were the cause. We have processes in place to quickly respond and rectify any concerns raised by our neighbours.

Table 8: Environmental complaints

	2016	2017
Number of complaints received where investigation revealed Nufarm was the cause	0	5
Number of complaints received where investigation revealed Nufarm was not the cause	2	2
Number of complaints where the cause was undetermined	3	2
Total environmental complaints	5	9

Table 9: Environmental measures

	2016	2017	Unit of measure
Energy consumption¹			
Fuel consumption (non-renewable)	47,282	61,702	GJ
Fuel consumption (renewable)	50	0	GJ
Electricity consumption	320,885	306,030	GJ
Heating (gas) consumption	269,562	244,776	GJ
Steam consumption	397,740	394,202	GJ
Total energy	1,035,519²	1,006,710	GJ
Energy sold	0	0	GJ
Energy intensity³	2.43	2.23	GJ/tonne or m³ of production
Water withdrawal⁴			
Surface water	4,134	4,176	ML
Groundwater	702	601	ML
Rainwater collected and stored	1	0	ML
Wastewater from another organisation			ML
Municipal water supply	791	794	ML
Total water	5,628	5,571	ML
Water intensity	13.19	12.34	KL/tonne or m³ of production
Greenhouse gas emissions⁵			
Scope 1 – direct	22,036	23,568	Tonne CO ₂ e
Scope 2 – energy indirect	81,580	77,865	Tonne CO ₂ e
Scope 3 – other indirect	n/a	n/a	
Total greenhouse gas emissions	103,616⁶	101,433	Tonne CO₂e
Greenhouse gas intensity⁷	0.243	0.225	Tonne CO₂e/tonne or m³ of production
Air emissions⁸			
Nitrogen oxides (NOx)	29.80	35.61	Tonne
Sulphur oxides (SOx)	0.26	1.15	Tonne
Carbon monoxide (CO)	8.66	11.70	Tonne
Volatile organic compounds (VOC)	29.49	21.55	Tonne
Persistent organic pollutants (POP)	0	0	Tonne
Hazardous air pollutants (HAP)	3.69	3.48	Tonne
Particulate matter (PM)	1.25	1.00	Tonne
Ozone depleting substances (ODS)	0	0	Tonne of CFC-11 equivalent
Other air emissions	0.07	0.20	Tonne
Total air emissions	73.22	74.69	Tonne
Air emission intensity	172	165	grams/tonne or m³ of production



Table 9: Environmental measures continued

	2016	2017	Unit of measure
Effluent¹⁰			
Discharged to municipal sewer	484	396	ML
Discharged to surface water	4,700	4,576	ML
Discharged to groundwater	11	> 1	ML
Offsite treatment	164	263	ML
Unplanned discharge	0	0	0
Total effluent	5,359	5,236	ML
Effluent intensity	12.56	11.60	KL/tonne or m³ of production

Notes:

1. United States Energy Information Administration (EIA) conversion factors have been applied.
2. Energy consumption for 2016 has been restated; it was erroneously reported as 1,079,005 GJ.
3. Energy intensity includes only energy consumed within the organisation, as reported under energy consumption.
4. All water withdrawal determined from direct, meter measurements or from municipal water supplier billing.
5. Intra-governmental Panel on Climate Change (IPCC) default emission and global warming potential factors have been applied to estimate emissions. Electricity retailer conversion factors were applied to electricity indirect emissions, where available. Greenhouse gases included in the calculations are CO₂, CH₄, N₂O and R422d where Nufarm has operational and financial control over the emissions.
6. Greenhouse gas emissions for 2016 have been restated; these were erroneously reported as 109,891 tonne CO₂e and some scope 2 emissions were incorrectly reported as scope 3 emissions. Scope 3 emissions are not currently reported.
7. Greenhouse gas intensity includes only the scope 1 and 2 emissions reported under greenhouse gas emissions.
8. Air emissions have been determined by a combination of direct, online measurement, emissions monitoring and estimation.
9. VOC air emissions for 2016 have been restated as they were erroneously reported as 13.49 tonnes.
10. Effluent has been determined by direct meter measurement.

Table 10: Waste

	2016	2017		
	Waste	Non-hazardous	Hazardous	
Waste type and disposal¹				
Reused	0	1.00	284	Tonne
Recycled	7,953	4,830	540	Tonne
Composted	0	0	0	Tonne
Recovered (including energy recovery)	2,969	1,160	2,848	Tonne
Third party treatment	1,781	278	1,580	Tonne
Incineration	4,993	199	8,419	Tonne
Deep well injection	5	0	2,051	Tonne
Landfill	1,727	1,026	451	Tonne
On-site storage	19	283	0	Tonne
Direct to surface or groundwater	0	0	0	Tonne
Total waste	19,447	7,777	16,173	Tonne
Waste intensity	45.56	17.44	35.82	kg/tonne or m³ of production
Transport of hazardous waste²				
Hazardous waste transported	n/a		15,889	Tonne
Hazardous waste imported	n/a		0	Tonne
Hazardous waste exported	n/a		164	Tonne
Hazardous waste treated	n/a		1,578	Tonne
% of hazardous waste exported	n/a		1%	Tonne

Notes:

1. Waste disposal method has been determined from information provided by the waste contractor.
2. All waste not reused or recycled on the same Nufarm site it is generated is transported.

PRODUCT STEWARDSHIP

Product stewardship at Nufarm is the way we bring responsible and ethical management to our agricultural chemicals and seeds. Through our sustainability strategy we are looking to establish a structured, global product stewardship program, to further strengthen the responsibility we take for our products throughout their entire lifecycle.

All our new products undergo extensive evaluation and field trials to ensure that they comply with relevant regulatory requirements. We refine our formulations and their use patterns to minimise their environmental impact and educate our customers and consumers in their safe use and disposal.

Developing for lower environmental impacts

We work to improve the environmental profile of products through a number of techniques such as substitution of solvents and adjuvants with either natural materials or ones with a lower ecological toxicity profile. We also work to increase the concentration of our products to improve transportation efficiency and refine the formulations to support lower on-field chemical application rates.

Spray drift stewardship

Drift is the airborne movement of agricultural chemicals in the form of droplets or vapour away from their intended target. Chemical drift from spray applications is a growing concern in agricultural areas due to the potential, unintended impact it can have on neighbouring crops, animals, human health and the environment.

Responsible crop protection begins with developing products with lower drift capability and then equipping farmers with the knowledge and support they need to ensure their spray remains within the targeted area.

Reducing drift is a priority within our business and our focus has been on finding ways to reduce the off-target risks from some of our core herbicide molecules. We are working to improve formulations and tank mixtures by reducing their volatility and physical drift and have done extensive testing on drift using a spray chamber and wind tunnel to replicate a range of conditions. We are using these results to develop a range of new products and improve existing ones.

Correct application is just as important as the product design, and weather is a critical spray parameter as spraying in the wrong conditions has the potential to cause drift. We provide a number of support tools to help growers understand when to spray; such as Spraywise Decisions®, an online tool to help farmers select optimal spraying time. A range of other factors also need to be considered when spraying, such as spray equipment set-up and matching the right nozzle to the crop protection product. We provide local education programs to both growers and our channel partners with a focus on maximising the effectiveness of their spray while minimising off-target impacts.

Recommendations to improve spray quality have been included on labels to reduce spray drift in Australia. We are conducting ongoing research to enhance the roll-out of these initiatives.

This is a significant, ongoing project for the business, one which is providing us with a knowledge platform that could allow the learning to be transferred to other products in the future.

Supply chain

At Nufarm supply chain stewardship begins with the sourcing of raw materials and packaging. This year we engaged EcoVadis, a leader in supplier corporate social responsibility (CSR) assessment, to conduct corporate CSR assessments of our key raw material suppliers. Next year we will begin work with lower-performing suppliers to improve some of their practices.

In Europe, we have an ongoing process to ensure our existing purchased materials are REACH compliant. REACH, or registration, evaluation, authorisation and restriction of chemicals, is a European Union chemicals regulatory process that has been put in place to further improve the protection of human health and minimise environmental risks. REACH compliance is now a standard element of our raw material sourcing process.

Supply chain stewardship continues through to the distribution of our products. As a global supplier, it is necessary for us to rely on the services of third party distributors as well as our own. Where possible we manufacture locally, reducing the cost and environmental impact of transporting liquid products long distances. We apply United Nations (UN) packaging standards to our products to protect them on their journey so they arrive at our customers in the same condition as they left our sites.



PRODUCT STEWARDSHIP continued

In Latin America, we have a product stewardship program, Nufarm Care, cornerstone of which is educating distribution partners and customers in the correct and safe, storage and transport of our products.

Integrated pest management

Integrated pest management is the combination of a range of crop management methods aimed at delivering more effective and sustainable pest control strategies. Some of these methods include biological controls, crop rotation and cultivation techniques, using disease resistant plant varieties and chemical controls.

Finding biological solutions to pest management

Biorationals are one of the fastest growing segments in crop protection and another area of research and development for us. Biorationals are made from materials that are mostly derived from natural or biological origins; they provide a sustainable solution to the increasing global demand for food but with lower environmental impacts. Nufarm is committed to developing a range of biorational products to complement our existing synthetic chemistry products and be used in conjunction with them.

In 2017, Nufarm began sales and of marketing several biorational products across the business and has others that are awaiting regulatory approval. We became the distributor for bio-ferm products in Canada, France, Belgium, the Netherlands, Poland, Portugal and Turkey. Bio-ferm produces Botector® a biological botryticide for berry and grape growers and Blossom Protect™ used for fire blight control and storage diseases in pome fruit when applied pre-harvest.

Nufarm also markets Phero-Ball®, a unique product developed by M2i Life Sciences in France. Phero-Ball®

contains a pheromone used to control the pine processionary moth by creating mating disruption. Nufarm markets Neem Azal™ in Belgium and the Netherlands. Neem Azal™ is a bio-pesticide used to control insect pests in ornamental and vegetable crops. In Australia and New Zealand, Nufarm has an agreement to develop and commercialise Grandevo™ from Marrone BioInnovations. Grandevo™ is a bio-insecticide for the control of mealy bugs on grape vines. In Brazil we market Armigen™ to control helicoverpa in major summer crops, like soybean and cotton.

Pest resistance

Pest resistance is an ongoing threat to global food security and a key driver of the need for integrated pest management. Nufarm continues to focus resources in this space, helping growers to improve crop productivity. We participate on CropLife's local and regional resistance committees; IRAC, FRAC and HRAC (insecticide, fungicide and herbicide resistance action committees). We are involved in research projects to further our understanding of resistance mechanisms. This year in Brazil and Argentina we launched ZethaMaxx a product designed to target the growing problem of glyphosate-resistant weeds in soybean.

Through our wholly-owned subsidiary Croplands, we continue to manufacture and market WEEDit, a sprayer that uses up to 70 per cent less chemicals with its infra-red, chlorophyll detection sensors. Through appropriate use, this equipment helps tackle herbicide resistance and retains soil moisture profiles during summer months, leading to more productive, sustainable farm land.

We also have a range of initiatives and decision tools to support and educate growers in managing herbicide resistance. The CATS (CombAt Troublesome weeds) platform in the United States provides comprehensive

integrated weed management solutions to help growers control and prevent the development of resistant weed populations. In conjunction with the Australian growers, we developed Weed Logic, a tool that provides the growers with a medium term strategy for sustainable and cost-effective resistance management.

In Australia, Nufarm is a sponsor of WeedSmart (weedSmart.org.au), a program where industry, governments and universities have partnered to enhance on-farm practices and promote the long term, sustainable use of herbicides.

Responsible use

We actively work with customers and growers to educate them in the responsible and safe use of our products. Globally we belong to CropLife, an international organisation that undertakes stewardship activities and advocates for the safe and sustainable use of crop protection products.

This year Nufarm engaged a spray application specialist, based in the Australia and New Zealand region, to deliver training for growers and who has conducted several education and stewardship days for our channel partners. The program contributes towards the Agsafe chemical handling accreditation which is a legal requirement for selling agricultural chemicals. Agsafe is a not-for-profit organisation that fosters three programs for the environmentally safe handling, storage, transportation and disposal of agricultural and veterinary chemicals and containers in Australia.

In the United Kingdom, we have developed a grassmanship program designed to promote best practice agriculture by providing livestock farmers with information on management practices to help maintain and improve the long term productivity and profitability of their farms.

In particular, we focus on sensitive pasture areas and partner with water authorities to protect waterways from agricultural chemical use.

In Australia, Nufarm continues to support Spraywise® Decisions, an innovative internet subscription service that helps rural landholders and contractors to better plan and match the timing of chemical applications to prevailing local weather. Nufarm also runs Spraywise® which has been instrumental in helping growers better manage their spraying activities, minimising drift, reducing chemical use and maximising spray effectiveness.

Glyphosate stewardship

Glyphosate is one of our core molecules and while extensive scientific evaluation by public authorities has concluded that glyphosate poses no unacceptable risks to either health or the environment if used according to the manufacturer's label, glyphosate continues to be a high-profile topic. In June 2016 glyphosate was relicensed in Europe for 18 months and is due to be reviewed in December 2017. Nufarm's has responded to the regulatory changes in Europe and our European glyphosate portfolio complies with the new European Union requirements for glyphosate composition.

Nufarm is a member of the European glyphosate task force and our European strategy focuses on products that are fully compliant with the new, lower-use rate conditions of registration. In North America, we are a member of the joint glyphosate task force, formed to generate data in support of regulatory re-evaluation. In Australia, Nufarm is part of the glyphosate sustainability working group, an industry-based body that forms recommendations and advice on how to ensure the longevity of glyphosate via strategies to mitigate resistance issues.

Product labelling

The agricultural chemical product registration process is very comprehensive and we comply with all national and international requirements in the countries we sell our products. All our products are labelled to meet regulatory requirements which includes a statement of active ingredients. We provide consumers with detailed information and safety data sheets (SDS) on the safe handling and use, storage and appropriate disposal.

In Europe, we are well progressed towards the REACH compliance deadline of May 2018 for the substances covered by legislation and that are manufactured at our European sites.

Container management and obsolete stock

At the end of a product's life we partner with local service providers and non-profit organisations for the safe collection of empty containers. In Brazil, we work with inpEV, in Australia, DrumMuster, in the United States, the Ag Container Recycling Council (ACRC) and with PAMIRA's agricultural packaging recovery system in Germany, to name a few. These organisations and others collect used agricultural chemical packaging from farmers and distributors and recycle the materials.

Through these mechanisms, we reduce the impact our products have on landfill space and on non-renewable resources.

Through our product life cycle management process we closely manage the withdrawal of products from the market and work with authorities and customers to ensure the changes are communicated through to consumers. In parallel, we have formulation development activities underway to ensure a smooth transition to a replacement product.

"In 2017, Nufarm begun marketing several biorational products across the business and has others that are awaiting regulatory approval."



COMMUNITY

Nufarm is committed to building a company that delivers a sustainable future for our people, our customers and the communities in which we operate. We aim to make a positive contribution to these communities as well as society as a whole, and specifically the farming community.

We operate in a diverse number of locations and countries where our manufacturing sites develop their own community engagement programs to best fit their local environment. Many of our manufacturing sites are in industrial zones; however, there are several that are close to residential areas and in these locations we work closely with local communities.

Engaging with the communities in which we work

In North America, Nufarm's Chicago Heights and Alsip sites have a partnership with the Chicago High School for Agricultural Sciences (CHAS). The students are involved in several activities, including working on the Idea Farm located at Nufarm's Alsip site. The students use the Idea Farm to plant crops and keep beehives. In 2017, Nufarm also provided the opportunity for students to shadow Nufarm employees for a day and gain an understanding of working in the crop protection and agriculture industries.

At the Gaillon site in Normandy, France, Nufarm engages in several community activities. These include an annual briefing on Nufarm's safety and environmental activities to local community leaders and sponsorship of local football and athletic teams. We partner with the regional chemical union to run a student program, providing onsite training for local high school students covering all aspects of site operations, including sustainability.

At Nufarm's Wyke site in the United Kingdom, we provide support and sponsorship for local community groups and charities, including local children's charities and sports teams.

Nufarm also sponsors an annual chemistry award at the University of Bradford.

In Merak, Indonesia, Nufarm contributes to the local community through initiatives including fruit tree planting, supporting a local school and clearing weeds in municipal areas. Nufarm also provides internship opportunities for students from local high schools.

These programs would not be such a success without the dedication of Nufarm employees who volunteered over 400 hours of their time to our local communities this year.

Greencare for Troops



In 2017, Nufarm became a major supporter of Greencare for Troops in North America. Greencare for Troops provides lawn and landscape services to the families of deployed military personnel and post 9/11 veterans.

Our North America turf and ornamental business committed to a financial contribution of US\$150,000 to support the program. Nufarm's contribution will enable Greencare for Troops to expand its program and support more military families and veterans. Nufarm's partnership with Greencare for Troops will extend our community participation in the United States and provide opportunities for our employees to volunteer and participate in this program.

Supporting education and innovation in farming

In 2017, Nufarm sponsored a Nuffield scholarship in Brazil through the Nuffield international program. The Nuffield Farming Scholarship program provides a unique opportunity for farmers and agribusiness professionals to travel internationally for a minimum of 16 weeks, researching agricultural production, distribution, management and/or communication. This year was the first time there had been a scholarship offered exclusively to a scholar from Brazil. We have agreed to continue our support for this program in 2018.

In 2018, Nufarm will sponsor a scholarship for a primary producer from South Australia.

In addition to funding the scholarships, Nufarm has supported the program by providing travel support and advice to scholars through its global network.

Looking ahead

Community is one of the pillars of Nufarm's sustainability strategy. Our strategic objective for community is to 'Support our society through developing community, strengthening partnerships and ensuring alignment with or exceeding community standards for corporate behaviours'.

In 2018, we will commence development of a global policy that establishes expectations across Nufarm regarding community engagement as core to our business sustainability and social licence to operate. We will also commence work on the development of a strategy and framework for our regions and manufacturing sites.



Making a difference in Maracanaú



Nufarm's manufacturing site in Brazil is in the Maracanaú district of Fortaleza, close to residential areas. Recognising the site's important role in this community, Nufarm developed its socio-environmental responsibility program in 2009.

Nufarm commissioned a study to understand local businesses and the primary needs of the community close

to our Maracanaú manufacturing site in Brazil, and we found we had some work to do to improve our standing. With the results of the study, we developed a social responsibility policy designed to make Nufarm more sustainable. Our goal was to make tangible contributions to the development of the community adjacent to our facility and improve our relations with the local community.

In 2015, a social responsibility committee of employees from all areas of the Maracanaú site was established. The committee agreed a program of activities with a focus on training, education, sport and health. An employee volunteer program was established and this has seen employees involved in delivering education and training to residents, as well as supporting local schools and kindergartens. In the public schools in Maracanaú, Nufarm works to raise awareness of the importance of environmental preservation. The initiative also sponsors sports

programs, aiming to improve the quality of life through leisure activities and the use of public spaces.

To help residents better understand our business they are invited to visit the Nufarm site. This year Nufarm conducted 80 plant tours for members of the local community.

The program has resulted in better engagement with the community and a better understanding of what Nufarm does. Nufarm is now recognised for making a positive contribution to the local community.

Nufarm Brazil was honoured with the award at the Empresas Mais – Brazil (Companies Plus Award), in the category of 'Best Company, Chemical and Petrochemical'. The awards were assessed on performance in the areas of economic performance, sustainability and also corporate governance initiatives.

GRI CONTENT INDEX

GRI standard and disclosure titles	Reference	Comments
General disclosures		
GRI 102: General disclosures 2016		
102-1: Name of the organisation	About this report: page 2	
102-2: Activities, brands, products, and services	About us: page 4	
102-3: Location of headquarters	About this report: page 2	
102-4: Location of operations	About this report: pages 2-3	
102-5: Ownership and legal form	About us: page 4	
102-6: Markets served	About this report: pages 2-3 About us: page 4	
102-7: Scale of the organisation	Nufarm at a glance: page 2 About us: pages 4-6	
102-8: Information on employees and other workers	Our people: page 19 and tables 6 and 7 on pages 22-23	
102-9: Supply chain	About us: page 6	
102-10: Significant changes to the organisation and its supply chain		No significant changes to the organisation's locations, capital structure or supply chain during the reporting period.
102-11: Precautionary principle or approach		Nufarm has a risk assessment approach to identifying potential social or environmental impacts of its operations or products.
102-12: External initiatives		Nufarm does not currently subscribe to any externally developed economic, environmental or social charters, principles or other initiatives.
102-13: Membership of associations	Governance: page 26 Product stewardship: page 33	
102-14: Statement from senior decision maker	Managing director's message: pages 8-9	
102-15: Key impacts, risks, and opportunities	Governance: pages 25-26	
102-16: Values, principles, standards, and norms of behaviour	About us: pages 4-5	
102-17: Mechanisms for advice and concerns about ethics	Governance: page 25	
102-18: Governance structure	Governance: pages 24-25	
102-19: Delegating authority	Governance: pages 24-25	
102-20: Executive-level responsibility for economic, environmental, and social topics	Governance: pages 24-25	
102-21: Consulting stakeholders on economic, environmental, and social topics	Engaging our stakeholders: pages 11-12	
102-22: Composition of the highest governance body and its committees	Governance: pages 24-25	
102-23: Chair of the highest governance body	Governance: page 24	
102-24: Nominating and selecting the highest governance body	The board charter: page 8, http://www.nufarm.com/Assets/37224/1/NUFARM_BOARD_CHARTER090817.pdf Nomination & Appointment of Directors: http://www.nufarm.com/Assets/36903/1/NominationAppointmentofnewDirectorsPolicy060617.pdf	
102-25: Conflicts of interest	Governance: page 25 The board charter: page 12, http://www.nufarm.com/Assets/37224/1/NUFARM_BOARD_CHARTER090817.pdf	
102-26: Role of highest governance body in setting purpose, values, and strategy	About us: pages 4-5 and 6	
102-27: Collective knowledge of highest governance body		Information unavailable.
102-28: Evaluating the highest governance body's performance	Nomination and governance charter: http://www.nufarm.com/Assets/34400/1/NomGovCommCharteradoptedbyBoardat0616Meeting.pdf	
102-29: Identifying and managing economic, environmental, and social impacts	Partially responded to in Governance: page 25	
102-30: Effectiveness of risk management processes	Governance: pages 25-26	
102-31: Review of economic, environmental, and social topics		Nufarm's group risk profile, which includes sustainability topics, is reviewed by the board at least annually.

GRI standard and disclosure titles	Reference	Comments
102-32: Highest governance body's role in sustainability reporting		This report was reviewed and approved by Nufarm's chief executive officer, Greg Hunt.
102-33: Communicating critical concerns	Governance: page 26	
102-34: Nature and total number of critical concerns	Governance: page 26	
102-35: Remuneration policies	Governance: page 24 and pages 27-42 of the 2017 Annual Report	
102-36: Process for determining remuneration		Information unavailable.
102-37: Stakeholders' involvement in remuneration		Information unavailable.
102-38: Annual total compensation ratio		Information unavailable.
102-39: Percentage increase in annual total compensation ratio		Information unavailable.
102-40: List of stakeholder groups	Engaging our stakeholders: table 4 on page 12	
102-41: Collective bargaining agreements	Our people: page 20	
102-42: Identifying and selecting stakeholders	Engaging our stakeholders: pages 11-12	
102-43: Approach to stakeholder engagement	Engaging our stakeholders: pages 11-12	
102-44: Key topics and concerns raised	Engaging our stakeholders: pages 11-12	
102-45: Entities included in the consolidated financial statements	About this report: page 2	
102-46: Defining report content and topic boundaries		The reporting boundary is defined as all Nufarm owned entities.
102-47: List of material topics	Materiality: page 10	
102-48: Restatements of information	Environment: notes to table 9 on page 30	
102-49: Changes in reporting	About this report: page 2	
102-50: Reporting period	About this report: page 2	
102-51: Date of most recent report	About this report: page 2	
102-52: Reporting cycle	About this report: page 2	
102-53: Contact point for questions regarding the report	About this report: page 2	
102-54: Claims of reporting in accordance with the GRI standards		While Nufarm continues to progress towards meeting the full requirements of the GRI sustainability reporting standards, this report does not yet meet all of the requirements of the standard.
102-55: GRI content index	GRI Content index: pages 36-39	
102-56: External assurance		This report has not had external assurance.
Material disclosures		
GRI 201: Economic performance 2016		
201-1: Direct economic value generated and distributed		Information unavailable.
201-2: Financial implications and other risks and opportunities due to climate change		Information unavailable.
201-3: Defined benefit plan obligations and other retirement plans	Note 26, Employee benefits on pages 84-86 of 2017 Annual Financial Report	
GRI 202: Market presence 2016		
202-1: Ratios of standard entry level wage by gender compared to local minimum wage		Information unavailable.
GRI 203: Indirect economic impacts 2016		
203-1: Infrastructure investments and services supported		No investments in infrastructure or services were made this year.
203-2: Significant indirect economic impacts		Information unavailable.
GRI 205: Anti-corruption 2016		
205-1: Operations assessed for risks related to corruption		All of our locations undergo a comprehensive internal audit every two or three years, depending on the significance of the location. One element of this audit is a review of the transactional and operational controls in place to prevent corruption. Where a concern or area of risk is identified during the audit a detailed review is conducted and corrective actions implemented if required.

GRI CONTENT INDEX continued

GRI standard and disclosure titles	Reference	Comments
205-2: Communication and training about anti-corruption policies and procedures		Our corporate code of conduct establishes our commitment to fair, ethical and professional business conduct; complying with all laws and regulations and reporting any incidents of fraud or corruption. This is further reinforced in our procurement policy and supplier code of conduct. All new employees are inducted in our code of conduct and a copies of our corporate and supplier codes of conduct can be found on our corporate website. Our global and regional procurement and legal teams receive cyclical corruption awareness training.
205-3: Confirmed incidents of corruption and actions taken		There have been no confirmed incidents of corruption within Nufarm in this reporting period.
GRI 206: Anti-competitive behaviour 2016		
206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance: page 26	
GRI 301: Materials 2016		
301-1: Materials used by weight or volume		Information unavailable.
301-2: Recycled input materials used		Information unavailable.
301-3: Reclaimed products and their packaging materials		Information unavailable.
GRI 302: Energy 2016		
302-1: Energy consumption within the organisation	Environment: table 9 on pages 29-30	
302-2: Energy consumption outside of the organisation		Information unavailable.
303-3: Energy intensity	Environment: table 9 on pages 29-30	
302-4: Reduction of energy consumption		Energy reductions are a result of improved efficiencies from our manufacturing rationalisations, a change in production product mix and some energy conservation initiatives. However, we do not have the information available to quantify how much of this year's energy reduction is directly attributable to energy conservation activities.
302-5: Reductions in energy requirements of products and services		Information unavailable.
GRI 303: Water 2016		
303-1: Water withdrawal by source	Environment: table 9 on pages 29-30	
303-2: Water sources significantly affected by withdrawal of water		We have not had a significant impact on any water sources as a result of our water withdrawal this year.
303-3: Water recycled and reused		We reuse production clean out water where quality standards allow, however we do not have data available to quantify this, this year.
GRI 305: Emissions 2016		
305-1: Direct (scope 1) GHG emissions	Environment: table 9 on pages 29-30	
305-2: Energy indirect (scope 2) GHG emissions	Environment: table 9 on pages 29-30	
305-3: Other indirect (scope 3) GHG emissions		Information unavailable.
305-4: GHG emissions intensity	Environment: table 9 on pages 29-30	
305-5: Reduction of GHG emissions	Environment: page 27	
305-6: Emissions of ozone-depleting substances (ODS)	Environment: table 9 on pages 29-30	No emissions of ozone-depleting substances.
305-7: Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environment: table 9 on pages 29-30	
GRI 306: Effluents and wastes 2016		
306-1: Water discharge by quality and destination	Environment: table 9 on pages 29-30	
306-2: Waste by type and disposal method	Environment: table 9 on pages 29-30	
306-3: Significant spills	Environment: page 28	
306-4: Transport of hazardous waste	Environment: table 9 on pages 29-30	
306-5: Water bodies affected by water discharges and/or runoff	Environment: page 28	
GRI 307: Environmental compliance 2016		
307-1: Non-compliance with environmental laws and regulations	Environment: page 28	
308-1a: New suppliers that were screened using environmental criteria		
GRI 308: Supplier environmental assessment 2016		
308-1: New suppliers that were screened using environmental criteria	Ethical sourcing: page 18	

GRI standard and disclosure titles	Reference	Comments
308-2: Negative environmental impacts in the supply chain and actions taken	Ethical sourcing: page 18	
GRI 401: Employment 2016		
401-1: New employee hires and employee turnover	Our people: table 6 and 7 on page 22	
401-3: Parental leave	Our people: page 20 and table 6 and 7 on page 23	
403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		Our safety data is not currently available by gender.
GRI 403: Occupational health and safety 2016		
403-3: Workers with high incidence or high risk of diseases related to their occupation		Information unavailable.
403-4: Health and safety topics covered in formal agreements with trade unions		Information unavailable.
GRI 404: Training and education 2016		
404-1: Average hours of training per year per employee		This information is currently unavailable, however we have implemented a HR management system this year and will have training data available for the Nufarm group in the future.
404-2: Programs for upgrading employee skills and transition assistance programs	Our people: pages 19-20	
404-3: Percentage of employees receiving regular performance and career development reviews	Our people: page 19	
GRI 405: Diversity and equal opportunity 2016		
405-1: Diversity of governance bodies and employees	Our people: page 21 and table 6 on pages 22-23	
405-2: Ratio of basic salary and remuneration of women to men		Information unavailable.
GRI 406: Non-discrimination 2016		
406-1: Incidents of discrimination and corrective actions taken		Information unavailable.
GRI 407: Freedom of association and collective bargaining 2016		
407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people: page 20 Ethical sourcing: page 18	
GRI 408: Child labour 2016		
408-1: Operations and suppliers at significant risk for incidents of child labour	Our people: page 20 Ethical sourcing: page 18	
GRI 409: Forced and compulsory labour 2016		
409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our people: page 20 Ethical sourcing: page 18	
GRI 413: Local communities 2016		
413-1: Operations with local community engagement, impact assessments, and development programs		
413-2: Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier social assessment 2016		
414-1: New suppliers that were screened using social criteria	Ethical sourcing: page 18	
414-2: Negative social impacts in the supply chain and actions taken	Ethical sourcing: page 18	
GRI 416: Customer health and safety 2016		
416-1: Assessment of the health and safety impacts of product and service categories	Product stewardship: pages 31-33	
416-2: Incidents of non-compliance concerning the health and safety impacts of products and services		Information unavailable.
GRI 417: Marketing and labelling 2016		
417-1: Requirements for product and service information and labelling	Product stewardship: page 33	
417-2: Incidents of non-compliance concerning product and service information and labelling		Information unavailable.
417-3: Incidents of non-compliance concerning marketing communications		Information unavailable.
GRI 419: Socioeconomic compliance 2016		
419-1: Non-compliance with laws and regulations in the social and economic area	Safety: page 15	



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