

2020 Sustainability Review



“Our contribution to a more sustainable future is a source of pride for our employees. While we know there is more work to do, we are taking positive steps that will build a more resilient business to create value for all of our stakeholder groups.”

A message from our Chief Executive Officer

Nufarm has been creating new solutions to respond to farmers' changing needs for more than 100 years and yet there has perhaps never been a more exciting time to be part of the agricultural industry. Farmers around the world are being called on to produce more food with less resource and are increasingly at the forefront of global efforts to reduce the impact of humanity on our precious ecosystems.

The products and solutions Nufarm provide play an important role in helping farmers feed more people while using natural resources such as land and water more efficiently. In 2020 we have broadened our approach to sustainability to more explicitly recognise the role we play in contributing to improving the sustainability of modern agriculture. One of our most significant achievements this year has been the commercialisation of our proprietary Nuseed Omega-3 Canola oil and carinata crop. These plant-based solutions are helping address global challenges, with our omega-3 canola oil reducing pressure on wild-fish stock and our carinata crop providing a new, best-in-class feedstock for biofuel production to help reduce greenhouse gas emissions.

In this report we reflect on our achievements in 2020 and the priorities driving our efforts to improve our impact on the world around us. The content in this report is intended to complement our additional disclosure against the Global Reporting Initiative's (GRI) sustainability reporting standard, which you can find here www.nufarm.com/gri-reporting. This provides further detail on our approach to key sustainability issues and analysis of our performance for the year.

We appreciate your interest and I look forward to updating you on our progress.

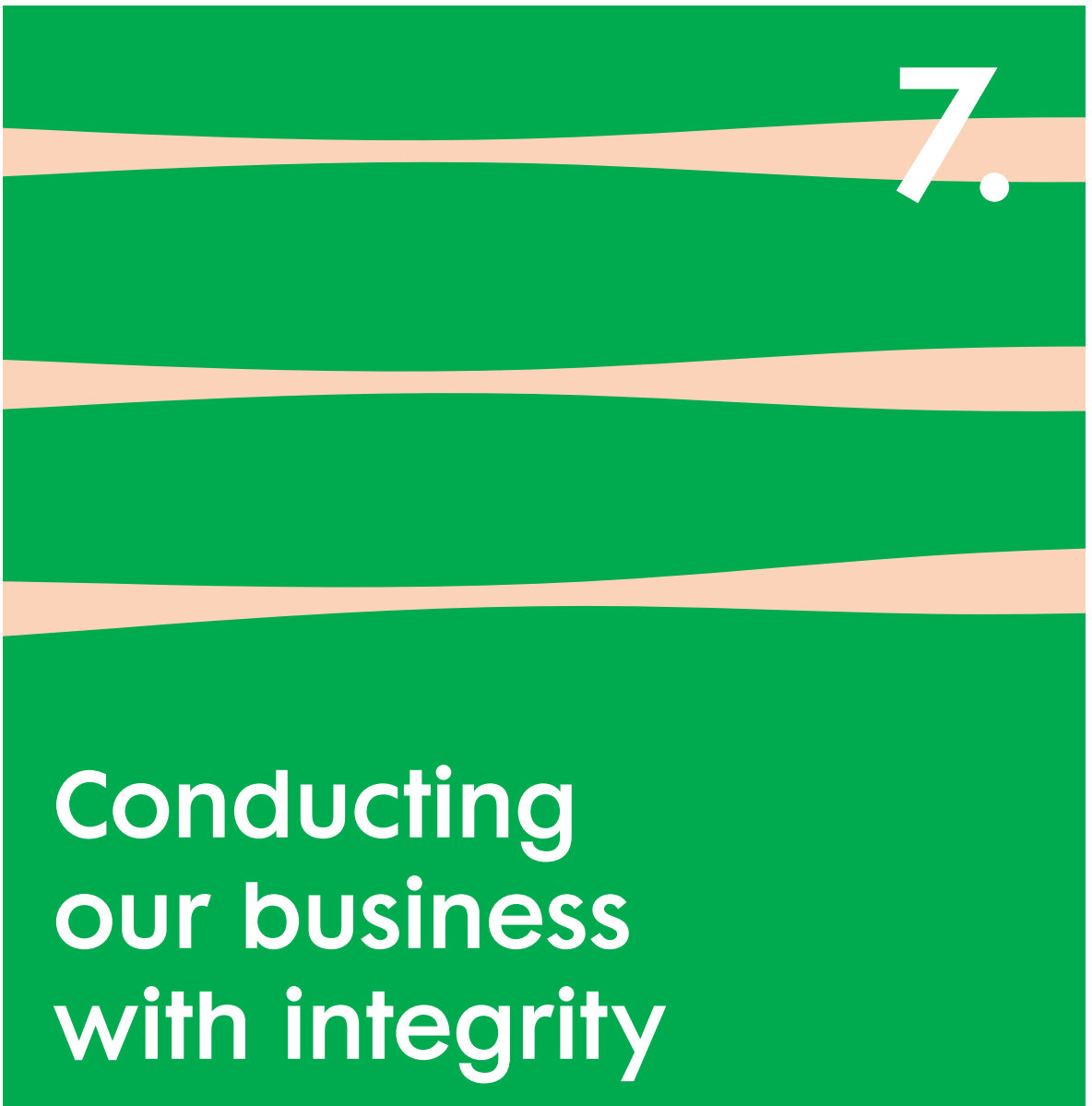
Greg Hunt
Managing Director and
Chief Executive Officer

Contents

We're pleased to present our environment, social and governance (ESG) reporting for 2020 in this new format. Our ambition in providing this Review is to make it easier to understand our key sustainability issues and provide an overview of our progress in 2020. The content in this report is intended to complement our additional disclosure against the Global Reporting Initiative's (GRI) sustainability reporting standard www.nufarm.com/gri-reporting

Information in this report relates to Nufarm and its wholly owned subsidiaries for the year ending 31 July 2020, which we refer to as "2020".

During the year we commissioned a new formulation plant in Greenville, Mississippi and data for this facility is included in the report for the first time. On 1 April 2020, we completed the sale of our crop protection and seed treatment operations in Brazil, Argentina, Colombia and Chile and the impact of these operations has been excluded from that date.



1.

Our business

Our mission

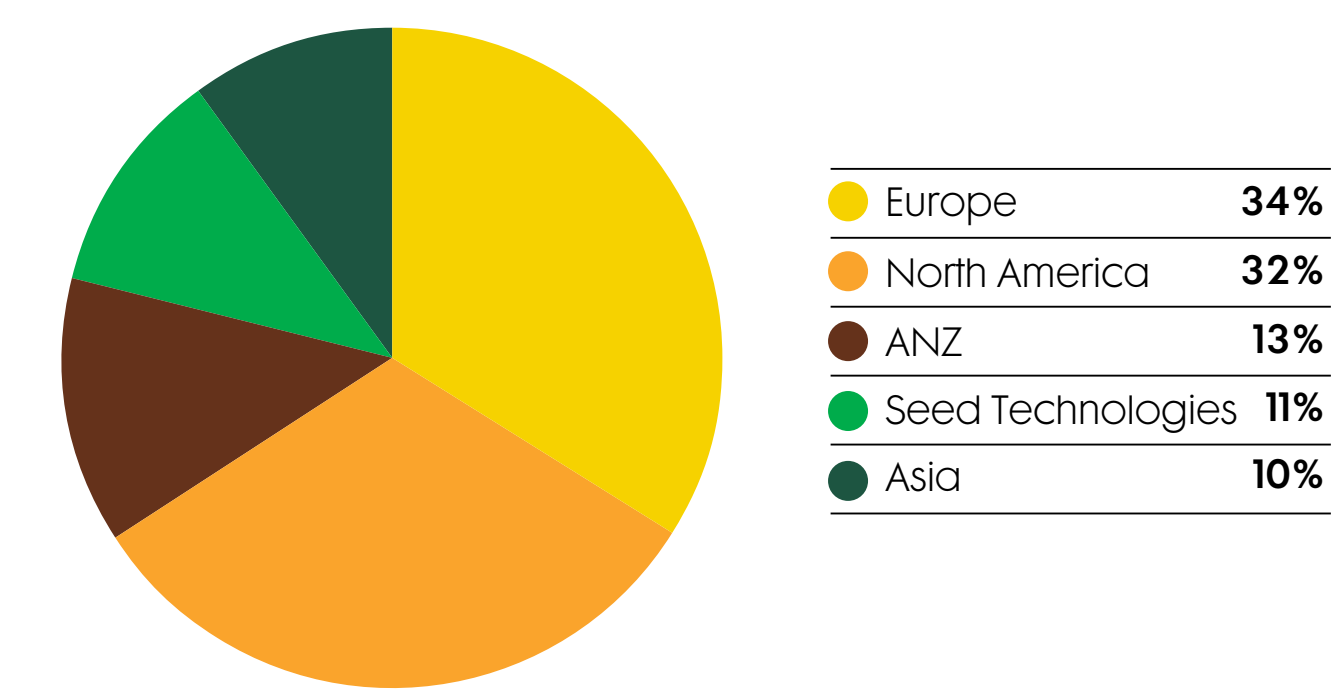
to “grow a better tomorrow” reflects our ambition for our customers, our people, communities and financial stakeholders.



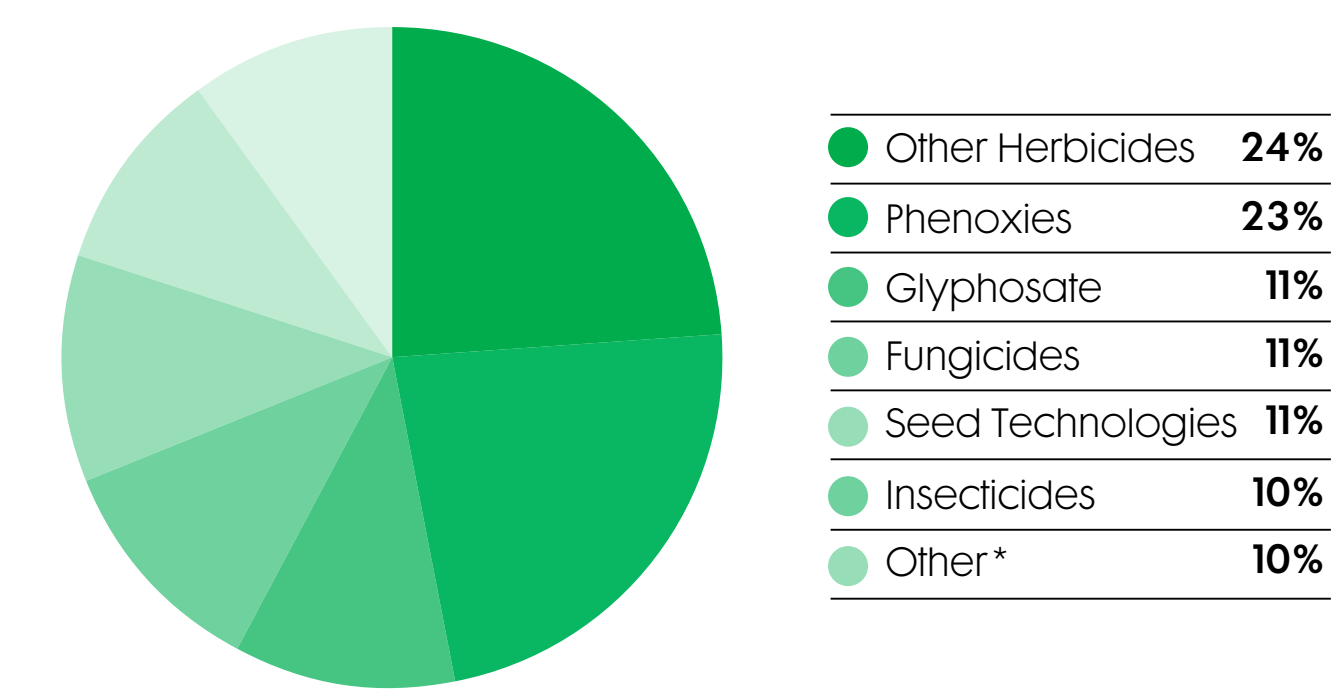
Our business

Nufarm is a leading developer and manufacturer of crop protection solutions and seed technologies.

Underlying EBITDA from continuing operations by region



Gross margin by product type



* Other includes Croplands equipment, adjuvants, plant growth regulators and industrial products.

Crop protection



We develop, manufacture and sell crop protection solutions including herbicides, insecticides and fungicides that help growers protect their crops against weeds, pests and disease. We operate primarily in the off-patent market, providing customers with long-standing foundational products and unique formulations. We focus our business on five core crops in key agricultural regions in Europe, North America and Asia Pacific.

Seed Technologies



Seed Technologies combines our seed treatment portfolio and the Nuseed business. Our seed treatment products provide protection and treatment for damage caused by insects, fungus and disease, while Nuseed focuses on developing plant-based solutions that deliver unique output traits providing specific customer and consumer benefits. Nuseed distributes high yielding sunflower, sorghum and canola seed to customers in more than 30 countries and in 2020 Nuseed added a new oilseed crop, carinata, to the portfolio.

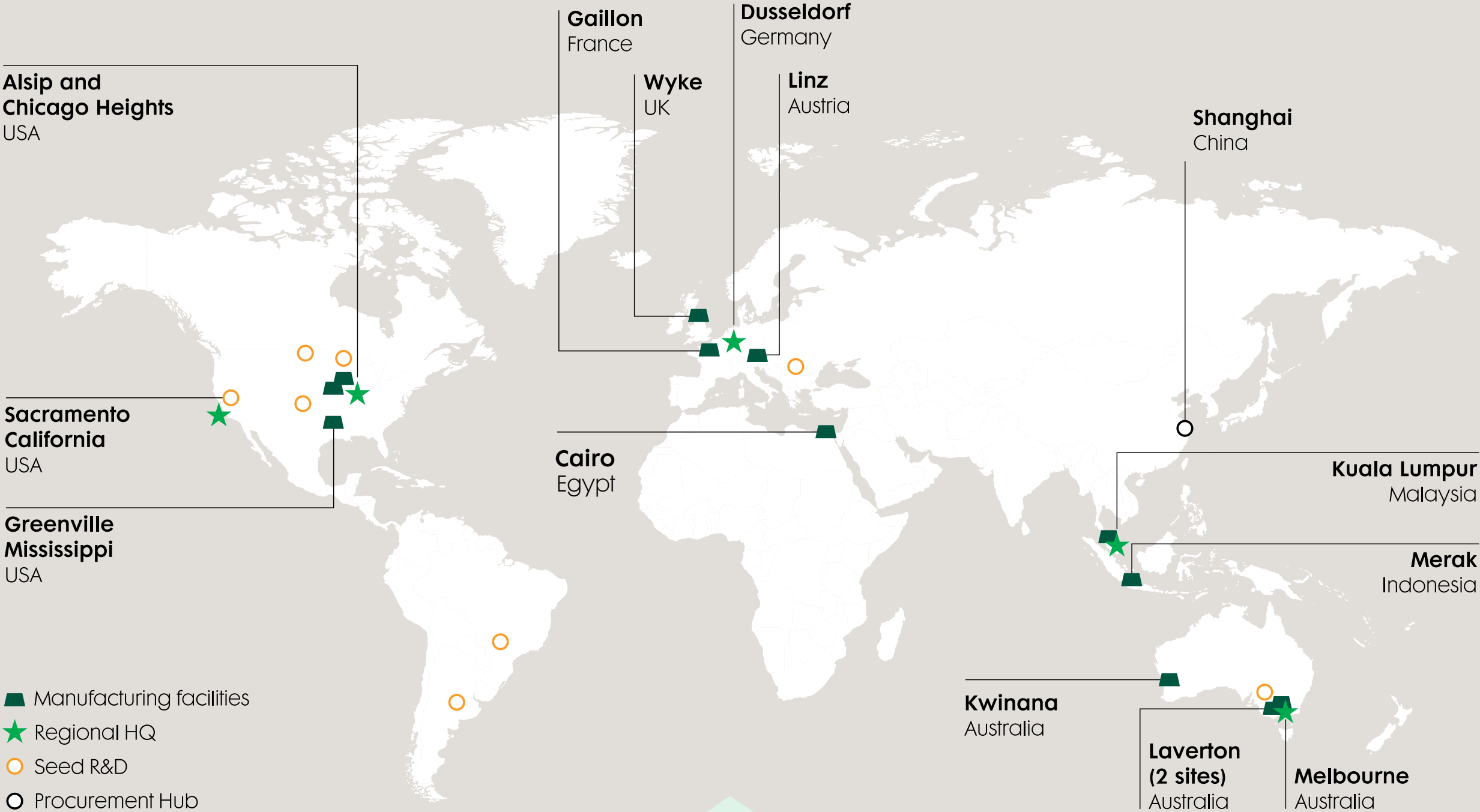


Our strategy and operating model

Our purpose is to create long term shareholder value by helping farmers get more from their land through the provision of crop protection solutions and seed technologies.

We focus our portfolio on five core crops that build on our strengths and add depth rather than breadth to the solutions we provide. The portfolio is diversified across key geographies and

product type to mitigate the impact of seasonality on our earnings and returns.



Cereals



Corn



Pasture, turf and ornamentals



Soybean



Trees, nuts, vines and vegetables

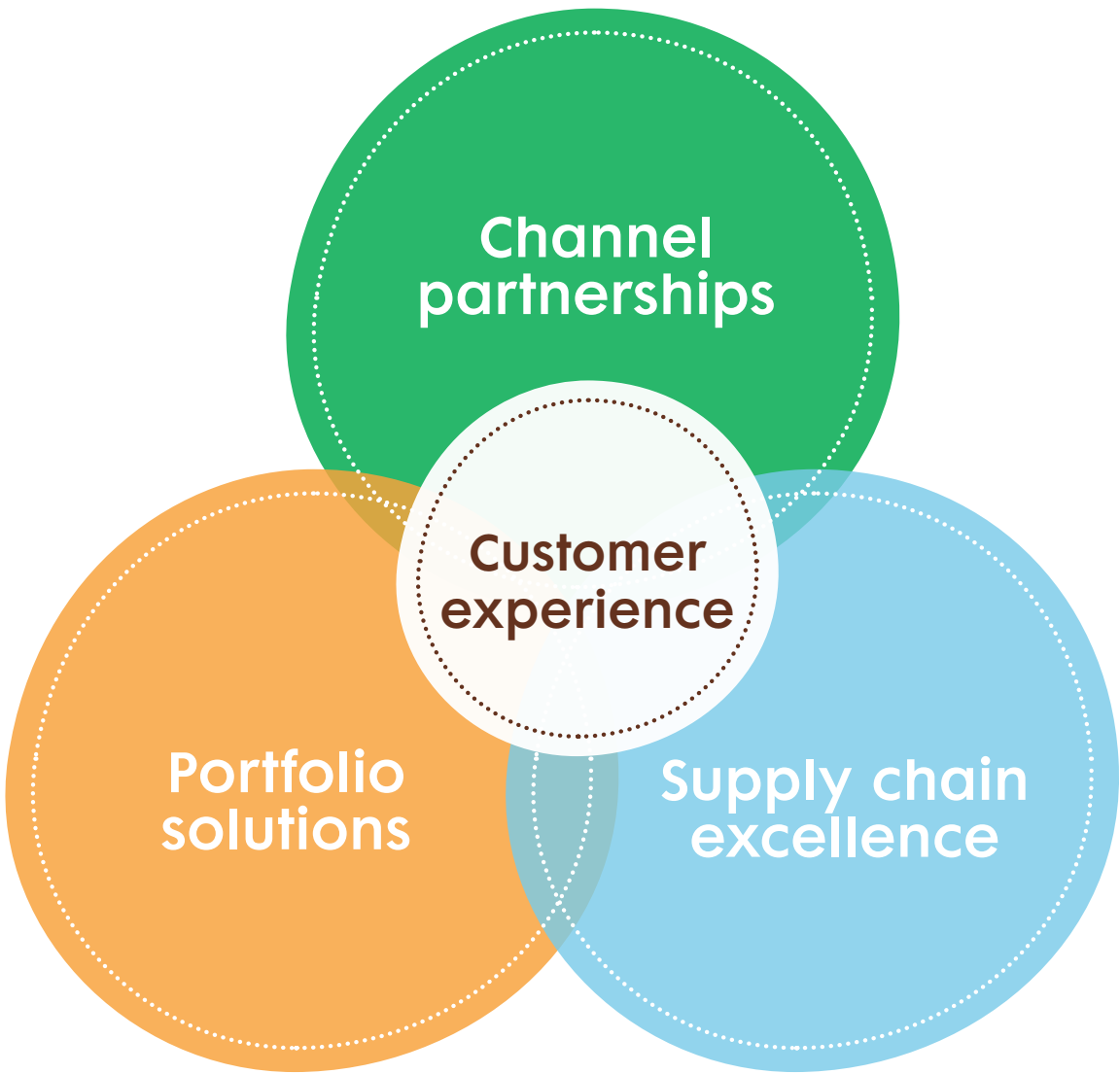
Our operating model puts the customer at the heart of all we do

Our customers are primarily channel partners who distribute our products directly to growers. We work with them and with growers to understand their challenges and develop solutions to address their needs.

Our product portfolio is focused primarily on the off-patent market. We combine our own in-house development expertise with leading industry players and research

organisations to provide innovative, differentiated and value-added products and formulations to farmers.

We operate a global manufacturing and supply chain network that provides us with the benefits of global scale while delivering a competitive and responsive, local service to customers wherever they are located.



People | Values | Culture | Process

The way we work

Our strategy is underpinned by the talent of our people, our values, culture and processes that ensure we are fair and ethical in how we conduct our business.

Our values

R

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.

A

Agility

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

R

Respect

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

E

Empowerment

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



2.

Engaging with our stakeholders



2. Engaging with our stakeholders

We engage with our stakeholders to identify emerging issues that are relevant to how we create long term value.



“Expanding our engagement is providing new insights and confirmation of the priorities of key stakeholder groups.”

Gordon Davis, Chairman of the Risk and Compliance Committee

Materiality assessment

This year we updated our materiality study to identify the sustainability issues most relevant to delivering on our strategy and those that matter most to our stakeholders.

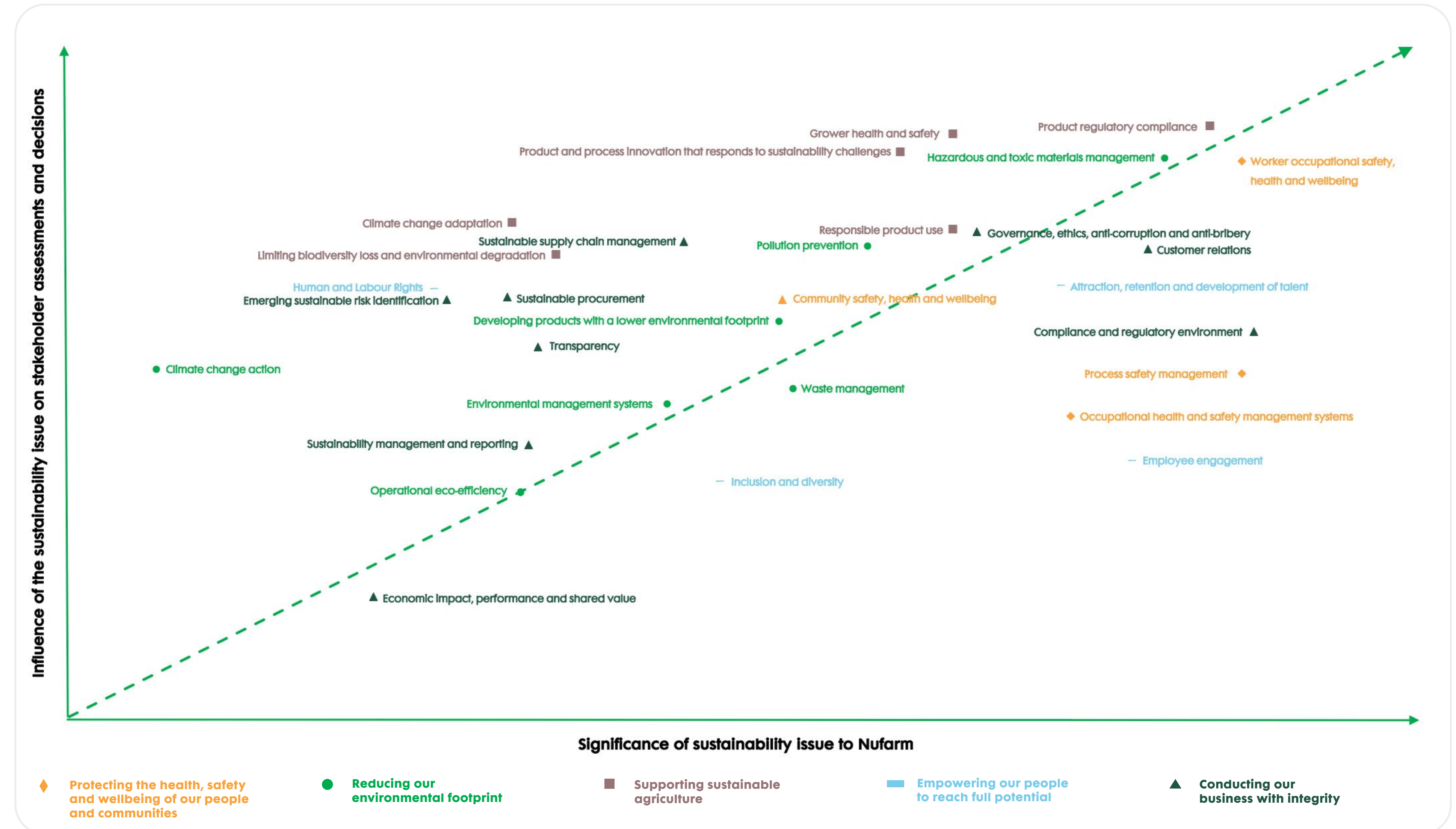
For the first time the materiality study includes feedback from external parties and this has helped us to better understand the priorities of some of our key external stakeholder groups.

The feedback we received from internal decision makers, employees, customers, and financiers relates to each of our five sustainability objectives:

1. Protecting the health, safety and wellbeing of our people and communities.
2. Supporting sustainable agriculture.
3. Reducing our environmental footprint.
4. Empowering our people to reach their full potential.
5. Conducting our business with integrity.

The results of the study validated “Product regulatory compliance” as the most important and influential issue identified by our stakeholders, followed closely by “Worker occupational safety, health and wellbeing”. Three of the top five issues related to Supporting Sustainable Agriculture, with “Hazardous and toxic materials management” rounding out the top five priorities.

The feedback and findings from this year’s study is helping shape and validate our sustainability priorities and reporting for 2021 and we will seek to further expand our external participation in the materiality study in coming years.



A close-up photograph of a man with dark skin and short hair, wearing a white lab coat. He is looking intently at a small green plant stem held in his hands. The background is a bright, out-of-focus blue sky. The text '3. Supporting sustainable agriculture' is overlaid on the left side of the image in a green, sans-serif font.

3.

Supporting
sustainable
agriculture



3. Supporting sustainable agriculture

With the world's population increasing in size and prosperity, farmers around the world are being called on to produce more food while reducing the impact of agriculture on our precious ecosystems. Our products provide solutions that help farmers grow more food while using fewer natural resources, including land and water.



“Climate change and a growing population add urgency to the need for innovation. Agricultural and ocean environments are under intense pressure to feed our planet without starving it of resources. Improving yields and new plant-based solutions are important elements in improving nutrition, supporting the environment and the getting the most from every acre.”

Brent Zacharias,
Group Executive Nuseed

Unlocking plant potential

The strategy and commitment of our Seed Technology business, Nuseed, to provide world-changing solutions through the power of plants means creating crops that positively impact global environmental issues and provide new economic opportunities for farming communities. We call this our Value BEYOND YIELD® strategy.

Protecting the world's wild-fish stocks

Estimates indicate that over 80% of people worldwide aren't getting enough omega-3 through the food they eat. Omega-3 fatty acids are considered an essential nutrient for eye, brain, heart, and cardiovascular health. The human body cannot make these critical nutrients, so we must consume them in the foods we eat. As awareness of the health benefits of omega-3 oils increases and populations with higher disposable incomes grow, demand for long-chain omega-3 oil is steadily increasing.

Healthy omega-3 oils typically originate in ocean microalgae. Fish consume the microalgae and until now, fish oil has

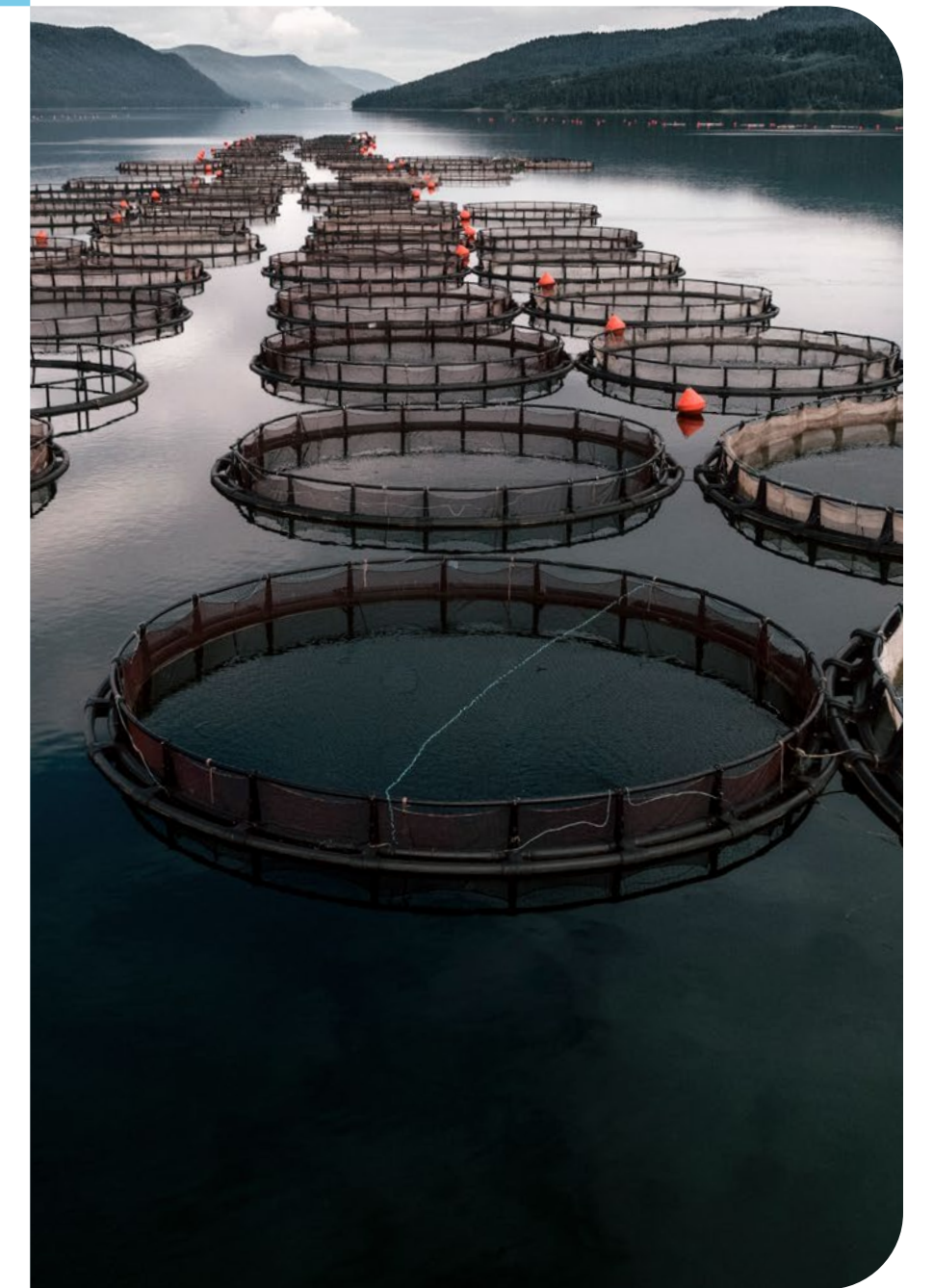
been the primary source of omega-3 nutrients. With limited supply options – primarily wild-caught fish – current levels of production are not sustainable and there is increasing concern to protect wild fish stocks from overfishing.

One alternative helping take pressure off our oceans is factories that grow micro-algae and convert it to omega-3 oil. However, it takes lots of water and energy to produce these algal oils, making it an expensive and resource intensive solution.

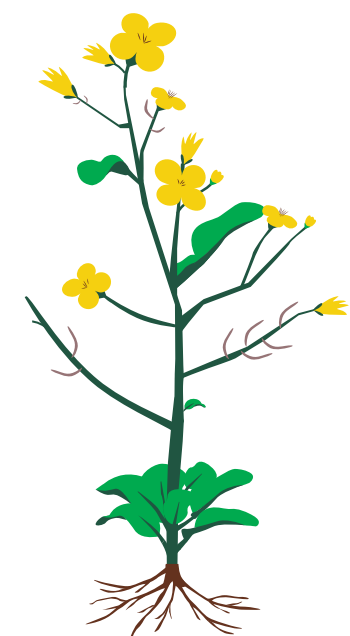
Nuseed takes a new approach by applying biotechnology to deliver the benefits of microalgae through canola, creating a rich source of land-based omega-3.

As a well-known global crop, canola is familiar to many farmers in key growing regions such as Australia, Canada and the USA. With Nuseed's omega-3 canola able to be grown on just a fraction of the world's existing, converted canola farmland, this breakthrough product will relieve pressure on wild fish stocks and deliver many nutritional, environmental and economic benefits.

In September 2020, Nuseed announced first commercial sales of omega-3 canola oil to a major global salmon producer and confirmed our plan to double oil production in 2021.

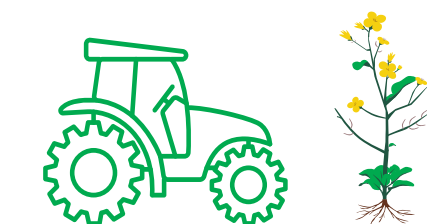
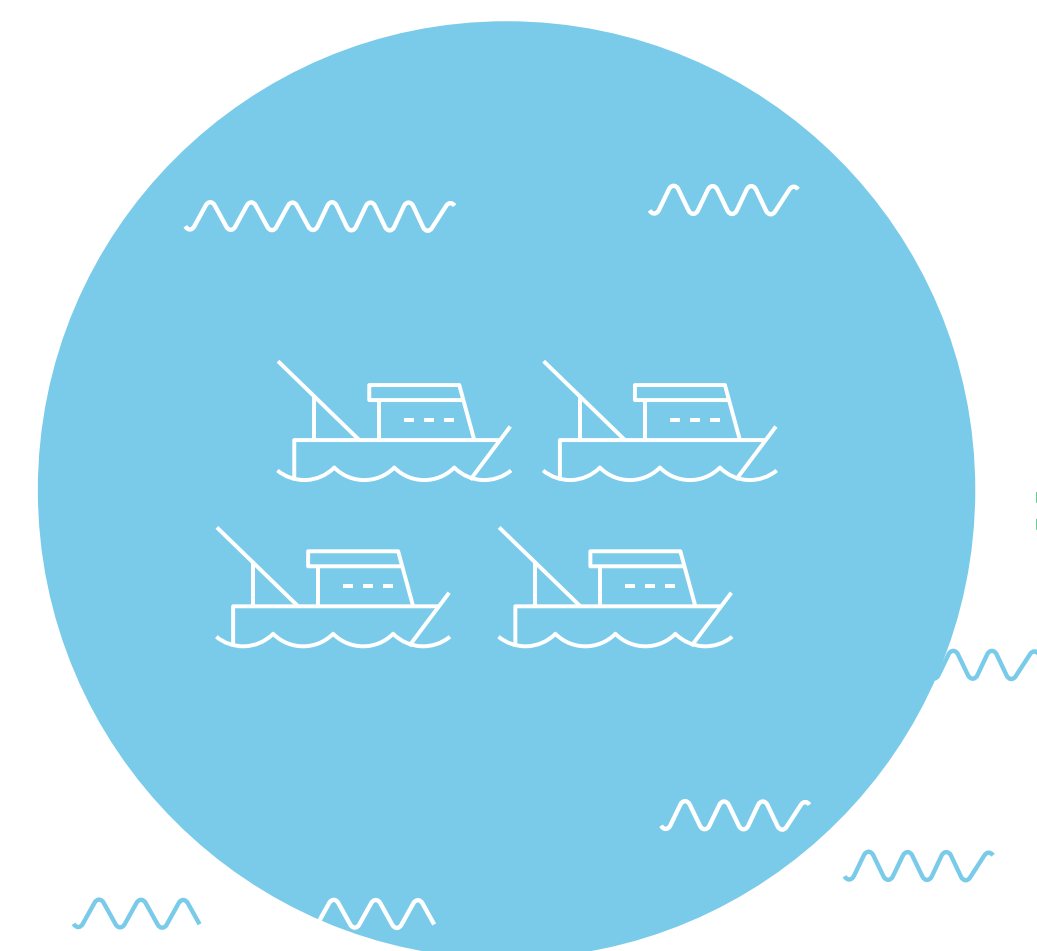
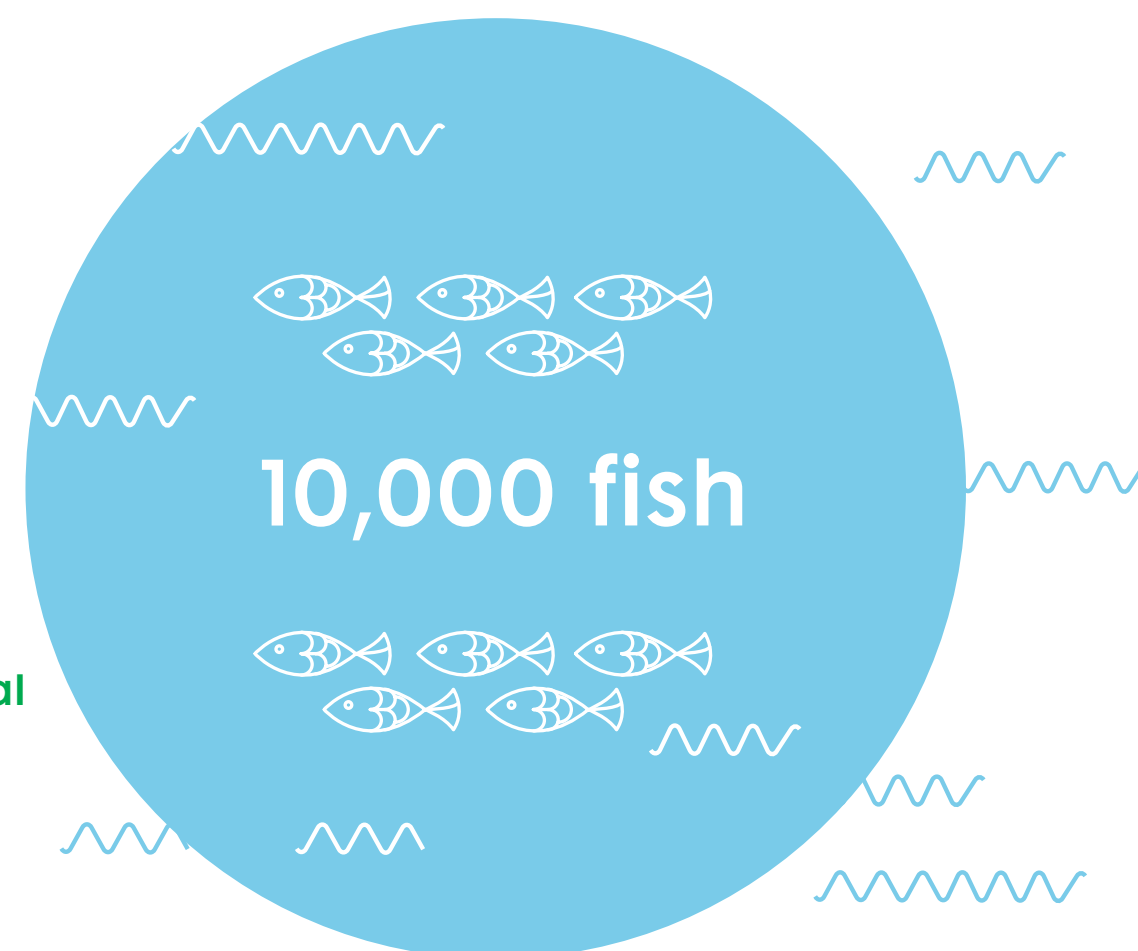


What Nuseed's oil will deliver



1 ha =

1 hectare of this canola has the potential to provide the omega-3 oil yield from 10,000 1kg fish.



Omega-3 Canola Oil produces 94.5% less CO2 than catching the nutritional equivalent of wild fish.

Our newest crop, Nuseed Carinata, is grown as a cover crop to produce non-food oil feedstock for renewable fuel production. A co-product of crushing Carinata to extract the oil is a high protein, non-GMO meal for animal feed – a valuable by-product generated without using additional farmland.

Replacing petroleum diesel with renewable fuels

The sustainability benefits of Carinata include both carbon sequestration and carbon reduction. Carinata oil is certified by the Roundtable of Sustainable Biomaterials (RSB) for the European Renewable Energy Directive (RED) standard and provides a best in class, greenhouse gas (GHG) emissions reduction when used to replace

petroleum diesel. International airlines have already proven the drop-in, purpose-built benefits of using Carinata as a feedstock for biofuel to reduce greenhouse gases.

After an 18 month pilot program in Argentina, Nuseed is now focused on increasing production of Carinata as a

rotational cover crop in major soybean growing regions, initially in South America. With an expectation of increased volumes, Nuseed entered into a multi-year offtake agreement with a leading European biodiesel producer in 2020 and sustainable agriculture practice incentives will be a priority for improved GHG reductions.



An aggressive crop that will outcompete many weeds, Carinata's abundant biomass takes carbon from the air and sinks it in the soil where it helps improve soil health



Carinata's extensive root system, low canopy temperature and thick, waxy leaves increase tolerance to heat and drought. Its taproot can reach three feet deep to reach unused nutrients



Growing carinata as a cover crop on underutilized land improves conservation of nitrogen and water, helps reduce soil erosion and improves soil health



The combination of carinata being grown between crop rotations and the co-production of high protein meal for animal feed makes it a biofuel feedstock that contributes to food production and doesn't require additional farmland.

Built-in benefits to help the environment

Nuseed's omega-3 and carinata renewable fuel programs are creating impressive sustainable solutions to global problems, however, these aren't the only ecological benefits of Nuseed's crop portfolio.

Sunflower

- Nuseed sunflower hybrids have many of the characteristics of their wild relatives, such as drought tolerance and a deep root system that mines for nutrients.
- The majority of sunflowers are produced in a reduced-tillage system which prevents erosion, leaving the stalks standing and fields undisturbed over winter which also provides an excellent food source for wildlife.



Canola

- New technologies allow farmers to target pests that damage seedlings, while allowing beneficial insects to flourish.
- Direct seeding canola preserves soil organic matter content and moisture while reducing erosion.
- Canola also makes an excellent habitat for bees.



Sorghum

- Requiring one third less water with comparable energy and nutrition, sorghum is both a more sustainable and economical corn feed ration replacement.
- Among other drought-tolerant features, sorghum has a smaller leaf to root ratio than other crops, and extensive root system, as well as a heavy wax layer on leaves/stems.
- Sorghum is also a sustainable bioethanol crop because of its water-use efficiency and ability to adapt to semi-arid regions where soil salinity is too high for most food crops.
- It also has the potential to become a tool in land reclamation due to its hardiness and ability to improve the soil.



Providing farmers with tools to protect crops and improve yields and resource efficiency

Our crop protection products provide farmers with important tools to help improve resource efficiency, reduce soil erosion and conserve moisture for plant growth. By improving crop yields, we also help to limit the amount of new land required for agricultural use as demand for food production increases. We support integrated pest management practices that combine cultural, biological and chemical methods and we are committed to promoting practices that encourage responsible, safe and efficient use of our products.

Safety first

Product safety has always been a critical priority for farmers and there is an increasing community interest in the safety of products used in agricultural supply chains. Our approach to product safety and stewardship goes beyond ensuring our products comply with regulatory requirements. Our primary focus in product safety is on ensuring our products are safe for farmers to use and safe for our food supply chain.

Product testing

Crop protection products are amongst the most regulated products in the world. Before any of our products are manufactured or sold they are assessed and registered by regulators based on extensive reviews of scientific studies and data.

These studies test for safety for people, wildlife and the environment. Regulators consider both published and unpublished scientific studies and only approve a product if testing shows it does not pose unacceptable risks. Once a product has been registered for use, regulators have the right to reconsider the approval or registration at any time. Products require re-registration after a set period of years, or when new research or evidence becomes available.

Promoting safe and responsible use of our products

We provide Technical Notes with all of our crop protection products to equip farmers and applicators with information on safe handling and how to get the best performance from our products. Our labelling and Safety Data Sheets also provide details of emergency response processes and practices.

We supplement this information with hands-on workshops to help train farmers about the responsible and safe use of our products. These workshops reiterate good spraying practices, nozzle selection and provide an opportunity for farmers to ask questions of technical experts.



Industry collaboration to reduce spills and improve farmer safety

In 2020, we joined forces with other agricultural organisations to introduce a standardised, closed transfer system (CTS) technology for crop protection packaging in Europe.

The pre-fitted screw cap and coupler improves speed and ease of handling to reduce the risk of spills. Nufarm is looking forward to helping to roll out trials of this innovation in 2021.

Improving environmental outcomes and farm incomes by reducing application rates

We develop products and spray technologies to help reduce chemical application rates. We do this through a range of strategies, including products with increased concentration and improved product compatibility that allows for fewer sprays. This not only helps reduce chemical application rates, it also helps reduce water and fuel usage.

Precision spraying technologies also allow farmers to target areas that need more management and reduce application rates on areas that need less. In 2020, Nufarm subsidiary, Croplands, launched our new precision spraying technology to more effectively target weeds and reduce product application rates. The new WEED-IT optical spot sprayer uses advanced sensors to detect chlorophyll in the leaves of actively growing weeds in fallow paddocks. The sprayer design allows farmers to spot-spray while also applying a blanket spray. This gives the option of using different herbicides at different rates to deliver excellent weed control and optimise crop protection application.



Sandy Nixon with his new WEED-IT Quadro 4000 on his farm in NSW, Australia. Sandy says cutting down the amount of spray the family uses is good for the soil, the environment, and the back pocket, "I used just 25 litres of chemical spot-spraying, compared to 1,000 litres if I had sprayed it all."

Investing in biological and alternative crop protection solutions

We are increasingly complementing our chemical portfolio with biological products and alternative solutions that can be used alongside, or as alternatives to, our chemical portfolio. In 2020 we launched Trunemco – a biochemical and microbial seed treatment to reduce crop losses caused by nematodes in soybean, cotton and corn crops. Trunemco works differently to traditional chemistries. It is a biological treatment applied to the seed prior to planting to prime the plant's own physiology, stimulating natural defence systems which protect against damage caused by soil nematodes. Trunemco also contains micro-organisms to produce healthier root systems and support stronger seedlings to help improve crop yield. The combination of Trunemco's effectiveness in increasing yields and its low toxicity profile make it an ideal candidate as an alternate solution to seed treatments for farmers. So far, we have launched this product in the United States and we are currently exploring options for use in other global markets.

Integrating sustainability into product development

The majority of our current crop protection portfolio is based on chemical solutions with a proven track record of efficacy and safety. In developing new products, we seek to create products that are more environmentally sustainable than their predecessors, less resource intensive and have a stronger safety profile. The following objectives guide our development team in the design of new products:

- Improve farmer efficiency and effectiveness by addressing resistance and maximising the value of other crop inputs such as fertiliser, water, seeds and fuel.
- Improve product safety through reduced toxicity and the use of solvents and adjuvants with the most optimal ecological and efficiency profile.
- Reduce environmental impact through more effective formulations that require lower chemical application rates, have lower residue and less impact on non-target organisms.
- Develop formulations that allow for improved manufacturing processes and better transport efficiency.
- Improve the safety and environmental impact of product packaging.

Reducing waste

We take ownership for our product through to the end of its life. When customers return product, we seek to rework it into new product as much as our strict quality standards and regulatory controls allow. We also partner with local service providers and non-profit organisations to collect empty, used product containers for reuse or recycling. These include, drumMUSTER in Australia, the Ag Container Recycling Council (ACRC) in the United States and PAMIRA's agricultural packaging recovery system in Germany. Together with rationalising our product range to reduce obsolete stock, these mechanisms help us reduce the impact our products have on landfill space and on non-renewable resources.



Addressing emerging resistance issues

Pest resistance is an ongoing threat to global food security and a key driver of the need for integrated pest management. We participate in CropLife’s local and regional resistance committees, IRAC, FRAC and HRAC (insecticide, fungicide and herbicide resistance action committees). In recent years we have also worked with research institutions to better understand the mechanism and biochemistry of 2, 4-D and auxin resistance in a range of weed species. We use this knowledge to develop further product and stewardship programs to help limit future resistance issues in the phenoxy auxin herbicide group.

In addition to these research efforts, we work with local industry bodies that provide farmers with education and practical weed control strategies to address weed resistance. These include WeedSmart in Australia, CATS (CombAt Troublesome weedS) in the United States and R-Evolution in Europe.

Ethical sourcing

We know our social and environmental impact extends beyond our own operations and sites, and we seek to ensure our suppliers can meet the same standards we aspire to ourselves. Our Supplier Code of Conducts guides our selection of suppliers and the ongoing evaluation of supplier relationships. It sets clear expectations of our suppliers including business conduct, environmental performance, human rights, child and forced labour and employee health and safety.

We assess our suppliers’ CSR scores against global benchmark data from the independent firm, EcoVadis. In 2020 we expanded the number of suppliers assessed through this program from 117 in 2019 to 136 in 2020, representing 48% of our supplier expenditure.

Our suppliers have a lot to be proud of. In 2020, the suppliers assessed scored an average of 14% higher than the global sector benchmark, with nearly two-thirds of our suppliers surpassing the minimum target score of 45, a far greater proportion than the global chemical sector average.

ecovadis

	Nufarm Suppliers	EcoVadis Global Chemical Sector
Average score	51.8	45.6
Proportion scoring over 45	66%	37%
Proportion of suppliers reassessed	68%	
Score improvement in reassessed suppliers	2.2	



4.

Health, safety
and wellbeing

4. Health, safety and wellbeing

Our most important priority is to ensure that every colleague goes home safely every day. We work toward this by embedding systems and processes that identify risks, actively reduce those risks, and foster a culture where people's health and safety is front of mind in everything we do.



“Our five-year safety trend shows a step-change improvement that reflects the developing maturity of our business and safety systems. Part of that maturity is recognising that we must remain chronically uneasy about safety – it only takes one small lapse for something to go wrong, and you can NEVER be fully comfortable about your safety. This eternal vigilance sits atop a solid foundation of risk management – systems, processes, audits, programs and training.”

Gerard Kennedy,
Global Sustainability Manager

Building on our safety performance

Our approach to safety is centred on strong accountable leadership, growing our safety culture and empowering our people to always act safely. It is underpinned by robust and effective safety management systems.

Our safety management system (SMS) is comprised of our corporate health, safety and environment (HSE) policy, standard, procedures and site-specific procedures. The SMS outlines how we identify risks, then apply and assure controls. It empowers our people to stop work if they feel it's unsafe and seeks to embed a positive culture of reporting safety risks.

Our process safety management (PSM) program sets the foundation for safety at our manufacturing sites. Launched in 2017, it provides a systematic and best practice approach to identify and control hazards at manufacturing sites where a loss of containment could impact employees, the environment and/or local communities. The program 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 PSM requirements is audited by our corporate teams and by regulators in the relevant jurisdiction.

In 2020 we continued our progress in closing out action items in the four-year plan developed during the PSM gap audit in 2017 with 97% of actions now completed (2019: 83%).

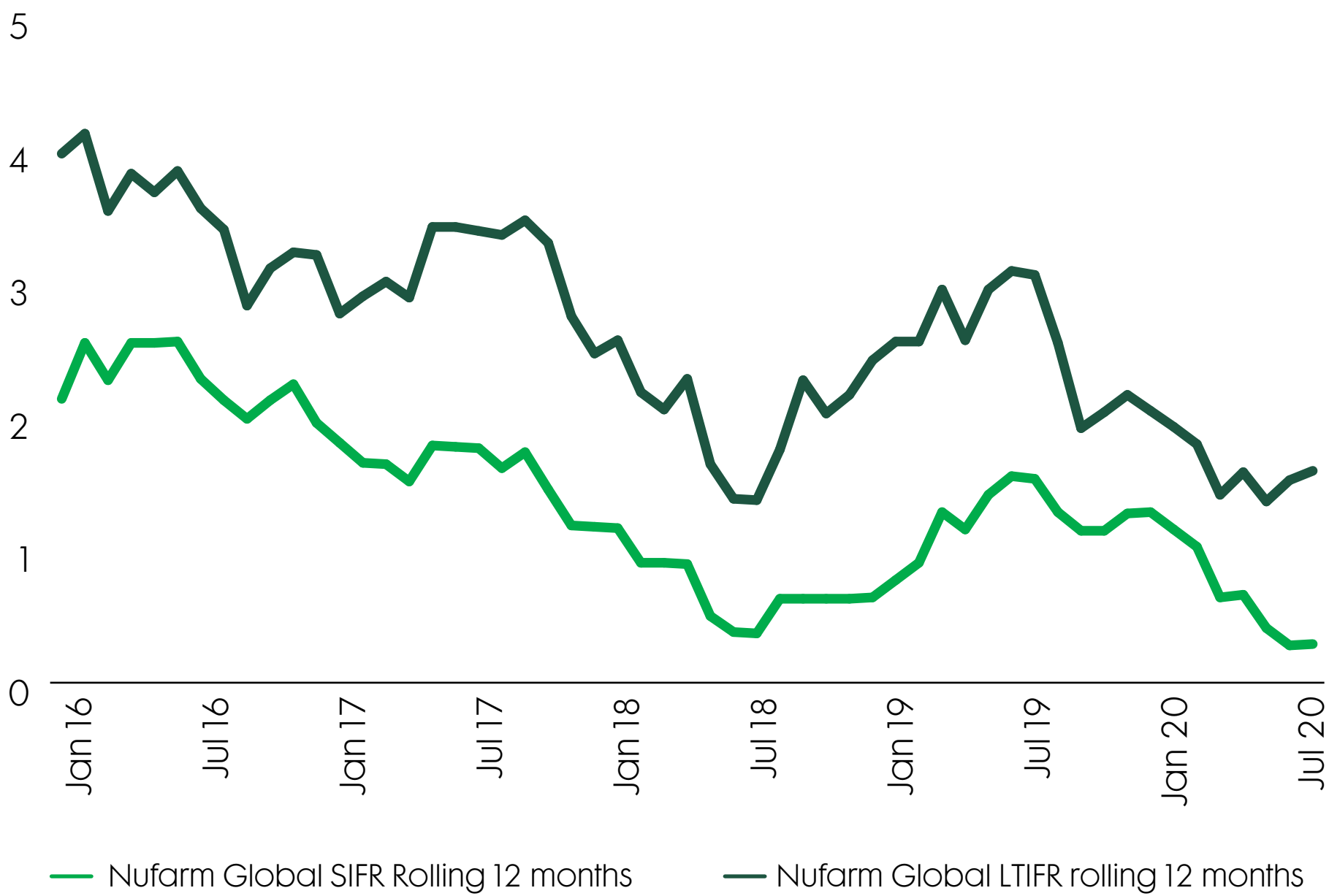
Best ever safety performance in 2020

In 2020 we achieved our best-ever safety performance. This was driven by strong, visible safety leadership that started with the Board of Directors and cascaded to leaders across the business. The commitment of every single employee and a deliberate increase in safety communications was also key to keeping safety top-of-mind and improving our performance.

Several sites reached important safety milestones in 2020. Our Chicago Heights site in the United States reached eight years lost time injury free and our Raymond Road site in Australia reached seven years without a lost time injury. Year on year, since August 2019 to July 2020, the Lost Time Injury Frequency Rate (LTIFR) reduced by 77%.

The important and tangible implication of these injury statistics is that more people are going home safely from work every day.

Nufarm Global Serious Injury Frequency Rate and Lost Time Injury Frequency Rate – rolling 12 month averages (per million hours worked)



Setting the tone from the top

The Nufarm Risk and Compliance Committee plays an important role in fostering a strong HSE culture. The Committee's oversight of material HSE issues, progress of implementation of HSE programs and performance outcomes helps to preserve safety as our number one priority.

During the year members of the Committee visited manufacturing sites around the world to gauge progress and reinforce the priority of safety with local staff. The Committee Chair also wrote to staff to recognise the progress made in embedding the PSM program and the improvement in the number of people going home safely every day.

Global safety stand-down

Keeping safety front-of-mind is critical to ensuring everyone goes home safely. On December 6, 2019 Nufarm people across the globe participated in a co-ordinated stop work activity. Safety is just as important at home and on holidays as it is at work and teams and employees from every element of our business used this time to focus on what going home safely means to each of them.

From Greenville to Gaillon employees all over the world stopped work to join with their colleagues in discussions, workshops, safety shares and to commit to pledges. A wide range of work and non-work safety issues were explored, and localised action plans were developed to follow up on new opportunities to ensure we keep ourselves and our colleagues safe.

"I can't believe how lucky I am to be working for a company that actually stops work across the globe to prove to me that my safety is important!"



Training

All employees and contractors undertake occupational health and safety induction training when they join Nufarm. Further training is tailored with individual plans and training records maintained in our training systems. Training is based on needs assessments and competency-based training approaches relating to the hazards each employee may encounter while performing their job. This year we provided more than 54,000 hours of safety training for our own people and non-Nufarm employees.

Driver safety

The most significant non-manufacturing hazard for our employees involves driving on public roads, often in rural environments. We manage this risk with active and passive safety features for all company business vehicles and our driver safety procedure which incorporates requirements for fatigue management, restricts mobile phone usage and ensures fitness to drive.

All frequent drivers must undertake hands on defensive driver training, supplementing this with online training via the Alert Driving program. This program is a personalised, interactive, behaviour-based defensive driving training program. We have also made this program available to our broader employee base to help make them safer on the road. This year we provided online driver training for over 500 frequent drivers across the business.

Pandemic response

The health and safety of our people was the key priority for our business response to the COVID-19 pandemic. With many of our employees required to work on-site in roles that are critical to maintaining essential supplies for global food chains, the introduction of a range of physical safety measures to protect these employees was the focus of the initial phase of our pandemic planning.

The response from teams across our logistics and manufacturing operations was swift. New protocols and ways of working to meet the needs of our people and the requirements of relevant government and health authorities ensured that manufacturing sites continued to operate, and our customers were supplied with critical inputs for agricultural production with minimal disruption.

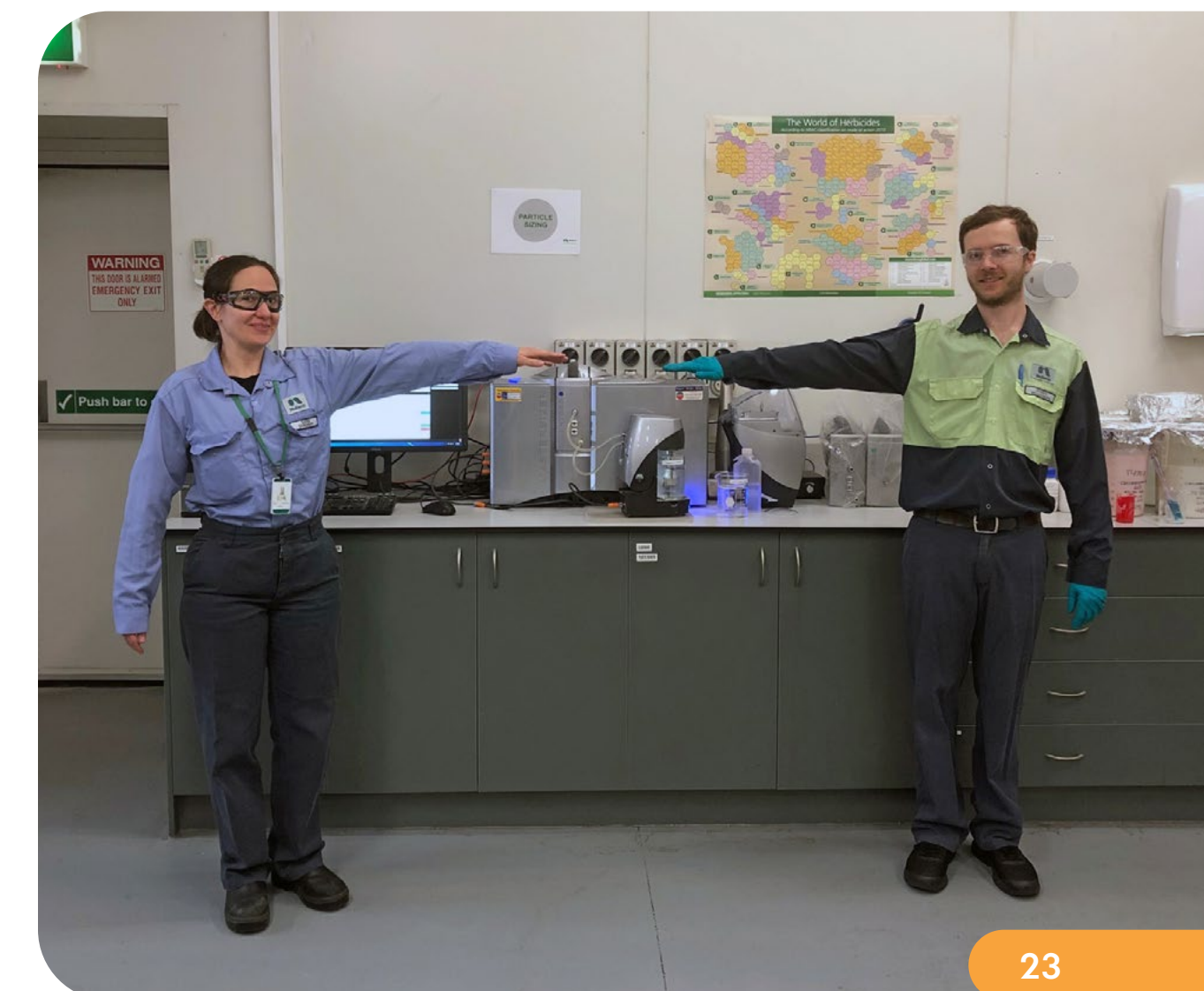
A large contingent of our workforce was also required to adapt to working from home for prolonged periods. It soon became evident that additional mental health resources could help support these people and keep our teams together. A range of programs were rolled out across the business including the “Check on a mate” campaign launched by our CEO, flexible work schemes designed to accommodate changes in family care-giving needs, training of mental health first aiders, access to virtual workshops on coping through COVID-19 and reminders of the availability of existing employee assistance programs.

A snapshot of activities at our manufacturing sites as they adopted new COVID-19 protocols

- The number of employees on-site is restricted to necessary employees, body temperature screening is introduced, and workforce planning is adapted to reduce the likelihood and impact of a potential outbreak.
- New physical barriers, disinfection routines and work protocols to enforce social distancing requirements help protect employees from infection while on-site.
- Occupational health professionals are engaged to provide advice and education for employees.
- In-house manufacture of disinfectants is commenced to ensure plentiful supply and reduce the impact of increased demand on local communities.
- Rigorous return to work protocols are enacted and employee “hotlines” staffed by occupational health professionals ensure rapid and virtual access to pandemic-related health advice people are going home safely from work every day.



A number of our sites quickly transitioned to producing hand sanitiser during 2020. Making us self-sufficient and limiting our reliance on supplies from the community.





5.

Reducing our environmental footprint



5. Reducing our environmental footprint

While crop protection products help farmers improve efficiency and the impact of food production on our environment, manufacturing our products also has an impact on the environment. It's important to us that we reduce our consumption of precious resources and minimise our impact on the world around us.



“We are a responsible operator and work to reduce our resource consumption and minimise adverse environmental impacts through robust environmental management systems and a risk-based approach that helps us to continuously improve our performance.”

Elbert Prado, Group Executive
Manufacturing & Supply Chain

Strengthening our environmental systems

Manufacturing our products uses energy, water, fuel and chemicals. It results in greenhouse gas and air emissions and produces waste and effluent. Three years ago we launched a program to strengthen our environmental management systems to improve our impact on the environment. The program included a detailed environmental analysis that identified more than 1,000 actions we could take to close the gap between our performance at that time and the standard we aspire to.

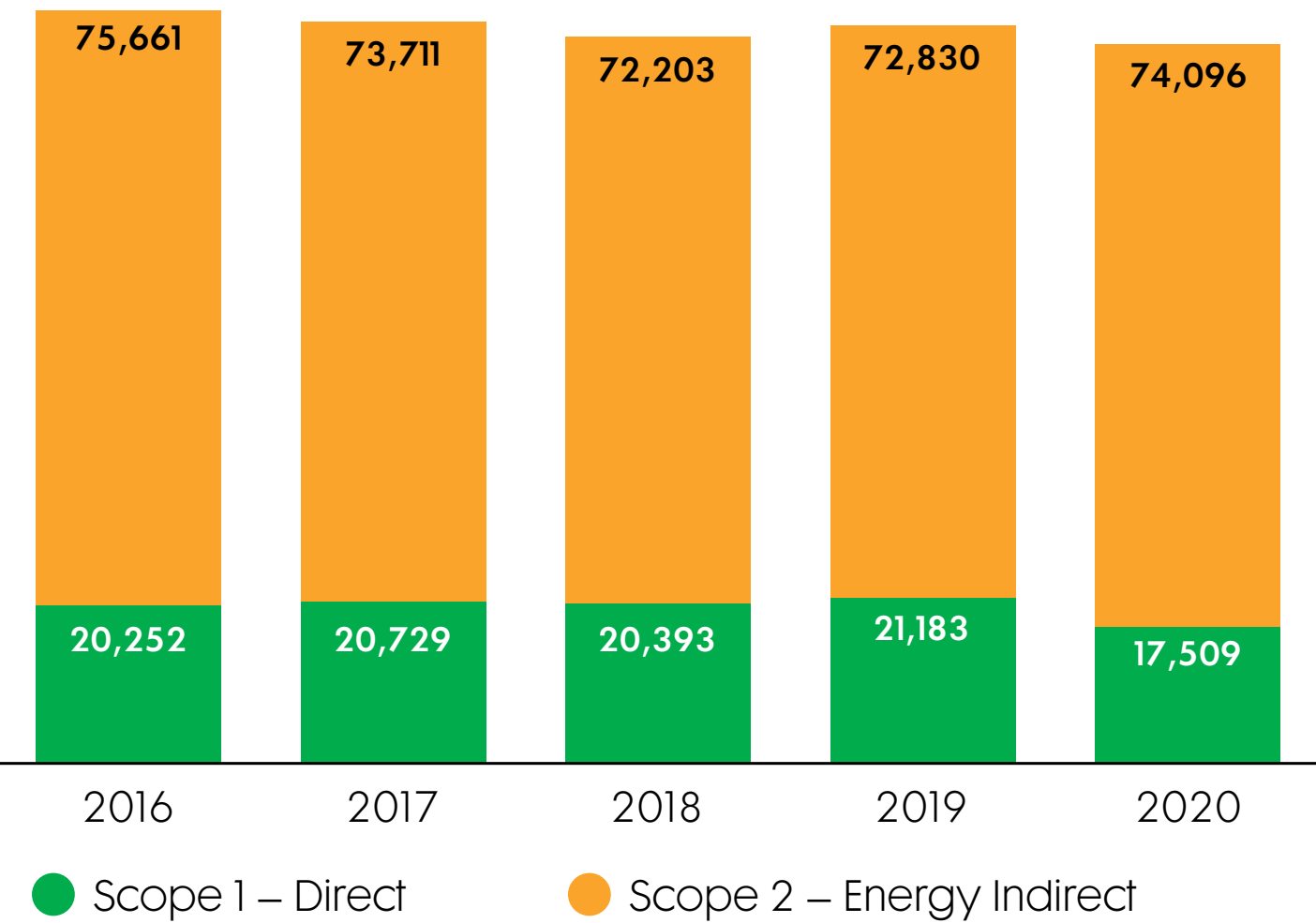
By the end of 2019 65% of those actions had been completed and our goal for 2020 was to achieve 90% completion. Despite the restrictions imposed by the outbreak of COVID-19 causing a number of delays, we've been able to complete 88% of the total actions identified. We also completed corporate environmental audits at five of our key manufacturing sites in 2020 before COVID-19 restrictions and changes to our on-site operating priorities limited our activities to essential requirements and personnel only.

Reducing greenhouse gas emissions

This year we reduced our Scope 1 GHG emissions by approximately 17% with improvements at our manufacturing site at Wyke in the United Kingdom driving the improvement. This site operates a significant refrigeration system and while using a refrigerant with very low ozone depleting potential, it had a very high global warming potential.

Last year we started a program to improve the reliability, maintenance and monitoring of refrigerant gas levels and this year we replaced the gas with an alternative with a significantly lower global warming potential. Overall we reduced our scope 1 and 2 greenhouse emissions by 2.5 percent when compared with last year.

Greenhouse gas emissions (Tonne CO₂e)



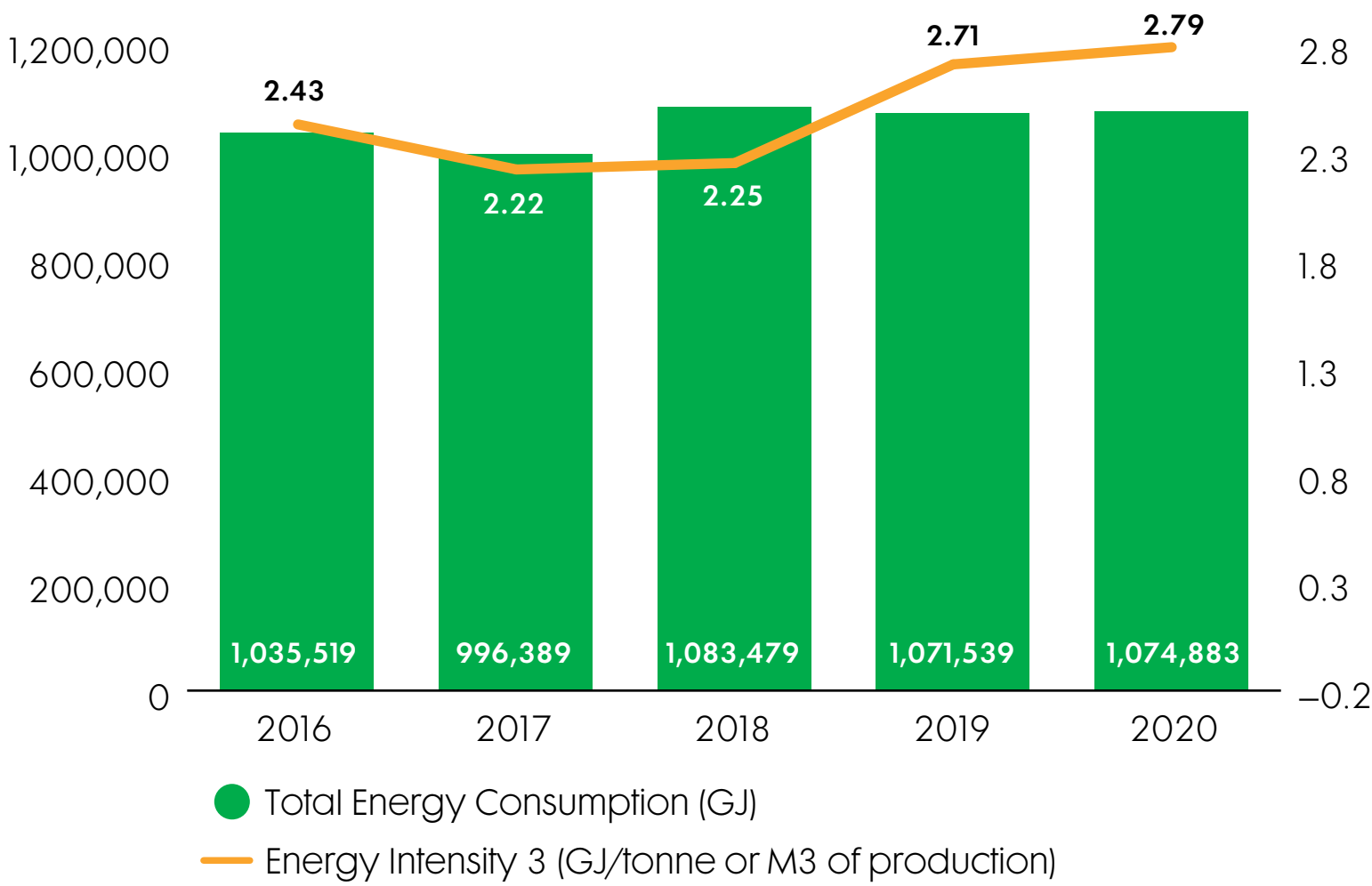
Improving energy efficiency

Our energy profile varies year to year depending on our product mix. The products we synthesise from raw materials are much more energy intensive than the products we formulate from active ingredients procured from other suppliers.

During 2020 we undertook third-party energy audits at each of our European manufacturing sites, which represent over 50% of our total energy footprint. These audits have been used to establish internal energy reduction targets along with a program of energy efficiency projects to be implemented over the next few years.

In Australia our Pipe Road manufacturing site installed a condensate recovery system which is expected to reduce the site's energy usage. Commissioning of the system was delayed due to COVID-19 restrictions, however it will be brought online as soon as practicable and will also deliver reductions in greenhouse gas emissions, water and effluent.

Energy Consumption



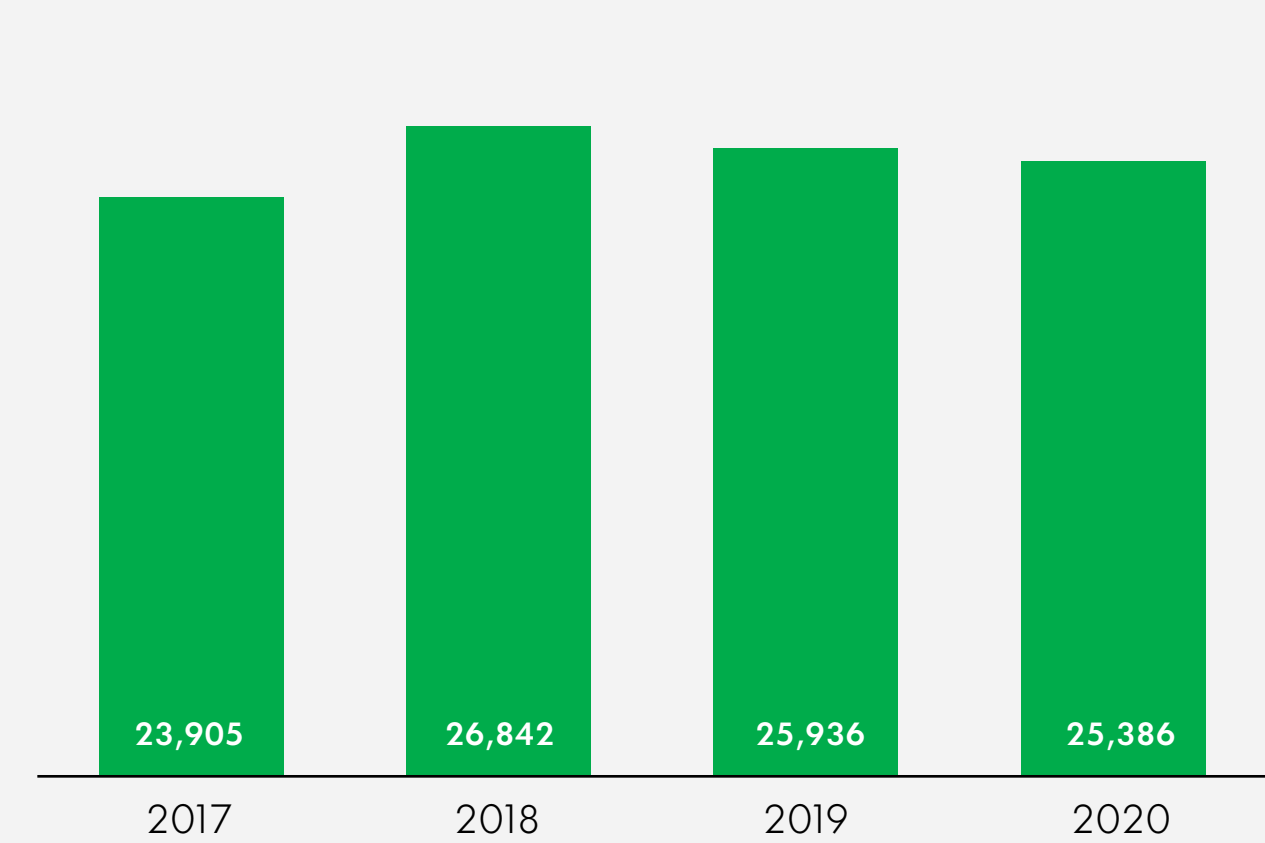
Reducing waste

In 2020 our site in Linz, Austria implemented a process to recover Hydrogen Chloride (HCl) from a waste water stream. So far, the project has diverted approximately 200 tonnes of HCl from effluent. In 2021 we expect to recover as much as 1,800 tonnes of HCl and save 1,200 tonnes of sodium hydroxide which would have been required to neutralise the HCl in our waste water treatment plant.

At Wyke in the UK our team is piloting a biological waste water treatment plant to treat synthesis waste water on-site. The plant uses a membrane bio reactor and UV treatment technology initially trialled in partnership with Cranfield University. The early results are promising and the project is expected to progress through the design and planning approval phase over the coming year. Once fully operational, the treatment plant would

significantly improve the quality of the discharged water, allowing the now non-hazardous waste water to be discharged to the domestic sewer. With around 200ML of waste water currently being transported to a third-party waste water treatment facility in a neighbouring county, there's significant potential to remove tankers from local roads, reducing energy usage and scope 3 greenhouse gas emissions.

Total Waste (tonne)



6.

Empowering our people



6. Empowering our people

Our people and culture play an important role in delivering on our strategy and meeting community expectations. We aim to provide an inclusive and diverse work environment where individuals are valued for their diversity and empowered to reach their full potential.



"We believe we are stronger as a business when our plans and operations reflect the thinking of all our people, drawing on a broad range of cultures, backgrounds and experiences."

**John Holding, Group Executive,
People and Performance**

Creating strength through inclusion and diversity

We know that diverse workforces contribute to better engagement with customers and communities and create high performing cultures that deliver sustainable growth for stakeholders. Inclusion and diversity at Nufarm is about living our values of Responsibility, Agility, Respect and Empowerment.

Last year we launched our Inclusion and Diversity strategy to set diversity targets and create a safe and inclusive workplace that embraces and leverages the power of our diverse workforce.

In 2020 our focus has centred on reinforcing employee understanding and capability around diversity and inclusion, working to minimise potential bias and increasing gender equality within our internal pipeline.

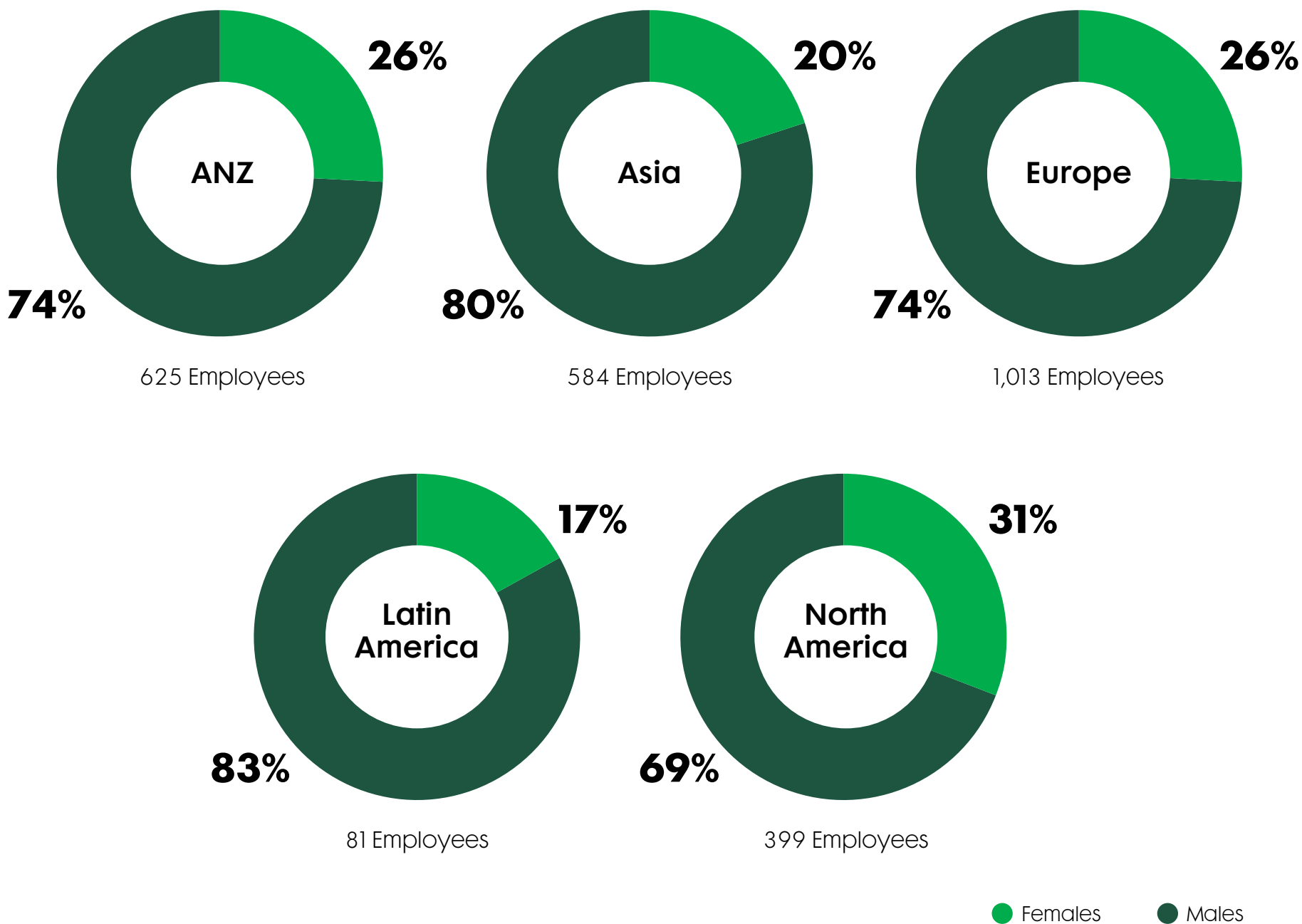
Female representation in our workforce has increased from 24% to 25% however we still have a way to go before we reach our target of at least 30%. We're working toward this with initiatives that include reviewing how we recruit and promote from within our own talent pool.

In 2020 we promoted more female internal candidates to senior management roles than males and 31% of all new hires were female.

The rollout of our unconscious bias awareness training, "Cultivate", and an increase in communication activities to encourage teams to start conversations about inclusion have been welcomed by our colleagues. Cultivate has been rolled out across North America and Australia and adapted to a virtual format, ready for deployment to other regions in 2021.

A snapshot of our workforce by region and gender

Our workforce includes 2,702 full-time employees as of 31 July 2020. Our people originate from 63 different countries, speak 37 different languages and at least 15 different cultural backgrounds are represented in our executive and senior management team.



Developing our people

Our customers’ changing needs inspire us to stay agile and continually develop the skills and knowledge of our employees. We encourage employees to “own your own growth” and support them with a program, “Grow, Plan, Succeed”, that aligns their priorities and career development goals with customers’ needs and our business objectives.

Our employee value proposition

In 2020 we challenged ourselves to better define the value we provide for employees and explore what is unique about being part. of the Nufarm family. The outcome was our new employee value proposition – *unearth the possibilities* – which supports how we attract, retain and develop our people.



Come as you are

We trust and respect one another and celebrate our differences. Feel empowered to be who you are and unlock your potential.



Stay curious

We want our people to explore new ideas, get creative and be heard.



Own your own growth

We encourage employees to take advantage of opportunities where together we can all make difference.



Meet Kriti

Kriti joined Nufarm as a student and in seven years she’s grown to be a leader in our team.

“Studying Chemistry and Chemical Engineering at university, I never imagined my career would take me here. The support I’ve had at Nufarm to continually grow has been incredible. With each new challenge I accepted there were always people beside me, helping me succeed. So far, I’ve worked in the laboratory, in production and now HSE. The possibilities are endless.”

**Apr 2017
Production Engineer**
Working with various departments and gaining insight of wider business operations

**May 2014
Synthesis Technician**
Worked Part Time while I finished my studies

**Jan 2013
Student Chemist**
Joined Nufarm for 12 Weeks Work Experience

**Sep 2018 to Present
Process Engineer**
Currently on secondment as Process Safety Engineer

**Nov 2015
Production Chemist**
Learning from the shop floor working with highly experienced operators

**Sep 2013
Laboratory Technician**
A New Phase of Professional Life Begins





7.

Conducting
our business
with integrity



7. Conducting our business with integrity

Our governance framework, and adherence to that framework, are fundamental in demonstrating accountability to stakeholders and promoting a culture of ethical, lawful and responsible behaviour.



“Ethical behaviour builds lasting relationships and creates long-term value. By demonstrating our integrity and creating a culture of compliance and accountability we also strengthen our commitment to continually improving performance and mitigating our risks.”

Fiona Smith, Group General Counsel & Company Secretary

Strengthening our governance frameworks

In 2020 the Board of Directors undertook a comprehensive , externally facilitated Board Review that focused on Chairman succession , Board succession planning and board capabilities, executive succession planning and the governance structure of all Board Committees.

Review and redesign of governance structures

Nufarm's Board Committees allow Directors to be more actively engaged in specialised issues that are of high importance to stakeholders and the delivery of the company's strategy. As part of the review of the company's governance structures, a number of our Board Committees were restructured during the year to better reflect the company's needs and the expectations of our external stakeholders.

The responsibilities of the Risk and Audit Committee were separated into a separate Audit Committee and a new Risk and Compliance Committee. The Risk and Compliance Committee incorporates the Health, Safety and Environment Committee's responsibilities and its scope has been expanded to assist the Board in overseeing all aspects of risk, both financial and non-financial, as well as overseeing compliance. The scope of the Human Resources Committee responsibilities was also expanded to include oversight of succession plans for the CEO's direct reports and receiving reports on any material breaches of the Code of Conduct.

Review and expansion of governance policies

All governance policies were reviewed in 2020 to ensure they reflect a high standard of corporate governance and comply with the 4th edition of the ASX Corporate Governance Principles and Recommendations (ASX Principles). Changes to the Continuous Disclosure Policy were adopted and a new Whistleblower policy was introduced and promoted across the company to provide a clear and transparent way for employees and contractors to report unethical, unlawful or irresponsible behaviour without fear of intimidation or recrimination.

Review of key risks and risk management framework

In 2020 the Audit and Risk Committee (prior to the board committee restructure) oversaw a review of the Risk Management Framework that resulted in an updated risk appetite statement including tolerance metrics within in which management is expected to operate. An Executive Risk Committee has also been established to further strengthen the oversight and management of risk.

Board renewal

Early in the 2020 financial year Nufarm's Chairman of ten years, Donald McGauchie, advised that he would retire from the Board and in September 2020 he was succeeded as Chairman by John Gillam, who joined the Board in July 2020. In May 2020, another long-standing director, Anne Brennan, also advised of her intention to retire at the 2020 Annual General Meeting. Both Gordon Davis and Peter Margin have been on the Board for a period of nine years and have advised that while they will stand for re-election at the 2020 Annual General Meeting they do not intend to serve the full term to allow for a period of further board renewal.

As part of the ongoing succession planning for the Board, the Nomination and Governance Committee undertook a review of the Board skills matrix in 2020 which took into consideration the skills and experience the Board currently requires but also the skills and experience that will be required for the Company during its next phase of development. The Board also introduced a non-executive tenure policy that provides for non-executive directors to retire after nine years (or twelve years in the case of a Chairman who has served in the role of Chair for less than six years) from the first date of election of shareholders. The Board, may in exceptional circumstances, exercise discretion to extend the maximum term where it considers such an extension is in the best interests of the Company.

A refreshed and renewed Code of Conduct

During 2020 we worked on refreshing our Code of Conduct and this will be launched in our new financial year. The Code outlines the behaviours expected of our employees and people who work on behalf of Nufarm. The scope of the Code includes expectations around compliance with regulations and that all actions must be governed by the highest standards of integrity and fairness.

Our actions must be for the benefit of customers, employees, investors and the company. If a breach of the Code of Conduct is suspected, employees and contractors can report directly to any senior manager, Human Resources, Legal or the dedicated Integrity Helpline managed by an external, third-party provider.



A man wearing a dark cap and a grey hoodie is holding a young girl in a grey vest. They are both holding green leaves and looking at them. They are standing in a vast green field under a clear sky. A small rainbow is visible in the air near the man.

Helping farmers get
more from their land

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 **Nufarm**
Grow a better tomorrow