Nufarm Limited
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nufarm.com

17 November 2021

The Manager
Company Announcements Office
ASX
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir/Madam

APPENDIX 4E FOR FULL YEAR ENDED 30 SEPTEMBER 2021 AND ANNUAL REPORT

Attached for release is Nufarm Limited's Appendix 4E and the Annual Report for the full year ended 30 September 2021.

Please note that the additional Appendix 4E disclosure requirements can be found in the Annual Report for the year ended 30 September from pages 51 to 144 which contain the Directors' Report and the Financial Statements and accompanying notes for this period.

This announcement has been released simultaneously to New Zealand's Exchange.

Authorised for lodgement by

Fiona Smith
Group General Counsel and Company Secretary
Nufarm Limited

Appendix 4E

Nufarm Limited
ABN 37 091 323 312

PRELIMINARY FINAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

This statement includes the consolidated results for Nufarm Limited group for the year ended 30 September 2021 compared with the 2 months ended 30 September 2020.

1. Results for announcement to the market

Trading results				
	Consolidated			
	2021	Restated* 2 months to 30 Sep 2020	Increase/ (Decrease)	Increase/ (Decrease)
	$000	$000	$000	%
Revenue from ordinary activities	3,215,651	267,320	2,948,331	large
Profit/(loss) from ordinary activities after tax attributable to members				
- Before material items	61,058	(87,448)	148,506	large
- After material items	65,128	(92,859)	157,987	large
Net profit/(loss) attributable to members				
- Before material items	61,058	(87,448)	148,506	large
- After material items	65,128	(92,859)	157,987	large

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

2. Dividends and distributions

Dividends to shareholders		
	2021 $	Restated* 2 months to 30 Sep 2020 $
Final Dividend		
Amount per security	4 cents	nil
Total value of dividend	15,196,285	nil
Franked amount per security at 30%	nil	nil
Amount per security of foreign source	4 cents	nil
Dividend		
Date payable	17 December 2021	n/a
Record date for entitlement	26 November 2021	n/a
Interim Dividend		
Amount per security	nil	nil
Franked amount per security at 30%	nil	nil
Amount per security of foreign source	nil	nil
Dividend		
Date paid	n/a	n/a
Total Dividends		
Amount per security	4 cents	nil
Dividend reinvestment plans	Yes	n/a
Net tangible assets per ordinary share *Net tangible assets includes both right-of-use lease assets and their associated lease liability.*	2.31	1.91
Control gained over entities	No	No

Dividends to shareholders	2021 $	Restated* 2 months to 30 Sep 2020 $
Control lost over entities (refer note 31)[1]	Yes	No
Greenfarm Hellas Trade of Chemical Products SA Date of control lost - 29 September 2021		

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

[1] During the year ended 30 September 2021, Greenfarm Hellas Trade of Chemical Products SA was liquidated, and AH Marks (New Zealand) Limited and Fidene Limited were amalgamated into Nufarm Holdings NZ Ltd.

3. Commentary

Additional Appendix 4E disclosure requirements and further information including commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the current period are contained in the Annual Report for the year ended 30 September 2021. The consolidated financial statements contained within the Annual Report for the year ended 30 September 2021, on which this report is based, have been audited by KPMG.

G A Hunt
Managing Director

17 November 2021

Annual Report 2021

Nufarm

Grow a better tomorrow

We are a global crop protection and seed technology company that has been helping growers fight disease, weeds and pests for more than 100 years.

Contents

Nufarm Limited ABN 37 091 323 312

Financial Year 2021 Overview

Uplift in earnings and profitability reflecting significantly improved conditions and commodity prices with tight supply driving strong demand for Nufarm products.

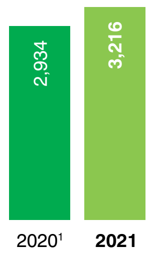
Our teams adapted quickly to the global Covid-19 pandemic and achieved strong safety performance

Good sales momentum was generated in all regions and seeds

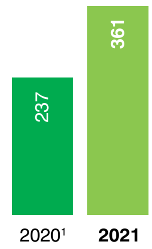
Significant earnings uplift across all regions and seeds

Safety (Lost time injury frequency rate per 1,000,000 hours worked)

Revenue (A$m)



Underlying EBITDA (A$m)



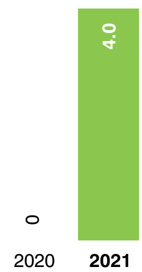
1. Proforma 12 months ended 30 September 2020 for continuing operations, refer page 24 for basis of preparation.

Underlying cash generation was improved through disciplined working capital management

Significant uplift in cash flow performance has enabled a return of dividend payments to shareholders

Underlying net operating and investing cash flow (A$m)

Dividend per share (cps)



2. 12 months ended 31 July 2020 before material items and discontinued operations.

Chairman's message

I am honoured to have been appointed Chairman of an agricultural company with a unique Australian heritage, a strong global presence, and exciting growth opportunities.

Strong operational performance and cash generation delivers returns to shareholders

I am pleased to report a significant uplift in financial performance across the Group which has delivered underlying EBITDA of $361 million[1] – an over 50 per cent increase on the prior year's underlying EBITDA. Revenues of $3.2 billion also increased by 10 per cent. Underlying net profit after tax was $61 million – a much needed turnaround from disappointing losses in previous years. We are particularly pleased to have achieved these strong results by supporting customers and keeping our employees safe whilst facing significant ongoing challenges caused by the Covid-19 pandemic.

We have also taken steps to improve working capital management and this, together with the strong business performance, has generated significant cash flow to support growth initiatives and future working capital needs.

The significant uplift in performance has allowed your Board to announce a return of dividend payments to shareholders after a 2-year period of suspended dividends due to challenging agricultural conditions. The Board has declared an unfranked final dividend of 4 cents per share.

During the year, a detailed review of Nufarm's capital management principles was undertaken which Greg will speak to in further detail in his commentary. As part of this review, the Board has adopted a change in the dividend policy to align dividend payments to free cash flow generation, subject to growth initiatives and the balance sheet maintaining our target leverage range. This change in policy ensures elevated attention to cash generation and greater focus on maintaining an appropriate capital structure for the Group.

Responding to Covid-19 challenges

The safety of our people is our most critical priority as a Board and Management team and this has guided our approach throughout the Covid-19 pandemic. It has been over 21 months since the pandemic began and we are proud to have been able to maintain supply to customers and growers, as an essential agricultural industry service, throughout the pandemic.

Being a global organisation has introduced its own unique challenges as Covid-19 status and restrictions continually change country to country. Each of our regions has its own Covid-19 Response Team which regularly assesses the local situation and adapts work practices to keep our people safe at all times.

We continue to prioritise the health and safety of our employees while ensuring we deploy Covid-19 safe work practices in line with government directives and business best practice. Our employees are understandably fatigued by the Covid-19 induced changing working conditions and community restrictions. We are very conscious that such distractions can increase the risk of incidents and work hard to continually reinforce safe work practices in this challenging environment.

Covid-19 has also brought many supply chain and logistic challenges across the globe which the team has been diligently managing to ensure we meet our customers' ongoing needs.

I would like to thank all of our people, led by Greg and the Executive team, for their dedication and commitment servicing our customers and growers during this time.

Environmental, Social & Governance priorities

At Nufarm, we contribute to a sustainable society while helping farmers get the best from their land. We actively look for ways to minimise our footprint and deliver more sustainable solutions. This year, to demonstrate our commitment to sustainable agricultural and production processes and continue to drive improvement through our business, we aligned to the United Nations Sustainable Development Goals (SDGs), which set the global sustainability ambition for 2030.

We continue to progress our ambition to transparently report our sustainability approach and performance, aligning our sustainability reporting to the Global Reporting Initiative (GRI) Standards. We also formalised our commitment by becoming a Task Force for Climate-Related Disclosures (TCFD) supporter during FY21 and have expanded our disclosures with the intent to align our reporting to the TCFD framework next year.

In addition, our seed technology business, Nuseed, is developing crops that look to positively impact global environmental issues and provide new economic opportunities for farming communities. The outlook for these activities is very exciting.

I encourage you to read our approach to sustainability on page 12 to this Annual Report and our detailed Sustainability Review which will be available publicly on our Nufarm.com website in December 2021. We welcome feedback on these actions.

1. Refer to page 19 for impact on underlying EBITDA due to change in accounting policy. Pre change in accounting policy the Group delivered underlying EBITDA of $370 million.

Board renewal

The task of Board renewal was commenced by the Board under the leadership of the previous Chairman and my appointment in July last year was part of that renewal. The Board takes a structured approach to Board renewal to ensure the necessary balance of skills, experience and diversity for effective governance at Nufarm.

Anne Brennan retired at the conclusion of the 2020 Annual General Meeting and Frank Ford advised of his intention to retire from the Board at the conclusion of the 2021 Annual General Meeting. We thank them for their valuable contributions over many years. The Board continued its structured succession process taking into consideration the current skills on the Board and the expected requirements into the future. As a result, I was pleased to welcome Ms Lynne Saint and Dr David Jones as independent Non-executive Directors in December 2020 and June 2021 respectively. Both Ms Saint and Dr Jones have already provided a valuable contribution to the Board since they joined.

Ms Saint has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as Chief Audit Executive and Chief Financial Officer of the Mining and Metals Global Business Unit. Her experience in a complex global business environment and her financial skill base is adding to the Board's experience and expertise.

Dr Jones has held Chairman and Director roles in large global agricultural businesses. His experience includes as Head of Business Development at Syngenta and former Chairman of Zeneca China, Arysta Life Science, and Plant Impact. His extensive knowledge and experience in the global agricultural industry is of great benefit to the Nufarm Board.

Closing remarks

Your Company has endured difficult conditions in recent times and, as such, this year's strong operational performance was much needed. A significant effort has been expended and is ongoing to ensure our crop protection and seeds businesses are even better placed to perform well in future years through a raft of growth initiatives and a continued focus on disciplined operational performance.

On behalf of the Board, I would again like to reiterate our thanks to all of our people for their unwavering dedication and commitment during such difficult times. We recognise the challenges that all of our people have faced – both personally and professionally – due to Covid-19 and their efforts in ensuring our customers' needs are met are greatly appreciated.

To all of our shareholders, thank you for your ongoing support.

John Gillam
Chairman

Managing Director's message

2021 has been a successful year for Nufarm. We have delivered solid financial results and continued to take action that will shape the future of our Company.

I am pleased to report that Nufarm has delivered a solid financial result in 2021, with revenue up 10 per cent to $3.2 billion and underlying EBITDA up 52 per cent to $361 million[1]. Underlying NPAT of $61 million marked a turnaround on the loss of last year[2], with improved seasonal conditions and the benefit of recent investments and our performance improvement program lifting earnings across all operating segments.

The improvement in our operating results has translated to higher cash generation, with free cash flow from operations increasing to $257 million. This outcome has further strengthened our balance sheet, providing the foundation to re-instate dividends and reinvest for future growth. Our leading metric of cash generation, average net working capital to sales, achieved a ratio of 34 per cent, exceeding our target range of 35 per cent to 40 per cent. This accomplishment reflected both tight availability of inventory due to global disruption in industry supply chains and a strong focus on actively managing working capital to generate improved cash returns for shareholders.

Business highlights

The steps we have taken throughout 2021 to improve the competitiveness of our supply chain and cost base in the European business, coupled with normalisation of raw material costs, delivered the improvement in revenue and earnings we had prioritised for this region.

The newly created APAC region delivered a standout financial performance as the headwinds from the drought in 2019 and 2020 turned to tailwinds. The reinvestment in our product portfolio and business processes over the past few years enabled us to fully leverage the very favourable market conditions and strong demand while delivering a competitive and reliable offer for customers.

In North America our Turf and Ornamental business benefited from the easing of Covid-19 restrictions and improved market conditions drove strong demand for our crop protection portfolio. While industry supply chains within North America were strained by pandemic disruption, we achieved strong organic earnings growth reflecting the value of the investment we have made in both our manufacturing footprint and customer relationships.

Recent investment in proprietary new hybrid seed varieties in our Seed Technologies business, along with increased sales of Omega-3 Canola and Carinata, contributed to a significant lift in earnings for this segment. While Covid-19 disrupted salmon demand and slowed sales of our Omega-3 Aquaterra product in the first half, we saw good adoption of this new technology in the second half with a meaningful expansion in our customer base creating a strong platform to accelerate sales in coming years. Certification of both Aquaterra and Nutriterra by Friends of the Sea during 2021 has provided further validation of the sustainable benefits of this breakthrough technology for marine environments. Key milestones were also achieved in the development of Nutriterra, including US FDA recognition as a New Dietary Ingredient, and successful completion of a human clinical trial to support the planned commercial launch in the USA nutraceuticals market.

Carinata achieved another year of commercial expansion and verification of eligibility as a feedstock for Sustainable Aviation Fuel (SAF) by the International Civil Aviation Organisation (ICAO) was received during 2021. This confirms the strength of the end market growth options for this product.

Building resilience

The steps we have taken over the past two years to strengthen our business to deal with market volatility and uncertainty have created a solid platform for future performance. The divestment of our South American businesses has allowed us to retain a geographically diverse portfolio while focusing on the businesses and agricultural regions where we have strong relevance and can leverage opportunities to generate growth in margins and cash flows.

Our balance sheet has been reshaped to provide flexibility to invest in growth and allow us to pursue capital management initiatives, including the return to dividend payments to shareholders. Our stronger balance sheet and improved cash generation also offers flexibility to structure the Company's financing arrangements to deliver cost efficiency, ensure appropriate levels of liquidity and to reduce balance-sheet risk.

1. Refer to page 19 for impact on underlying EBITDA due to change in accounting policy. Pre change in accounting policy the Group delivered underlying EBITDA of $370 million.
2. 12 months ended 31 July 2020

During the year, we completed a review of our capital management principles to provide clear guidelines for capital allocation decisions and the application of free cash flow. Free cash flow from business operations will be deployed to support investment in growth objectives (where returns meet our internal Return on Funds Employed measures and exceed our weighted cost of capital) or the return of capital to shareholders if those investment opportunities don't exist.

The dividend policy has been reviewed to elevate attention to cash generation and maintain an appropriate capital structure for the Group. As a result, dividend payments are now linked to free cash flow generation, subject to the balance sheet maintaining our target leverage range of 1.5x – 2.0x and insufficient growth opportunities existing to utilise excess free cash flow.

Delivering sustainable growth

The investment we have made in our Seed Technologies business has opened new market opportunities for Nufarm. As we deliver against important milestones for our Omega-3 Canola and Carinata products, our confidence and excitement in the delivery of near-term value from these investments is growing.

We are also reinvesting in our crop protection portfolio. In 2021 we appointed a new Group Executive, Rico Christensen, to accelerate the development of our existing product portfolio opportunities and identify and evaluate new opportunities that will leverage the value of our global distribution network. The Board has established an Innovation Committee, chaired by Non-executive Director, David Jones, to provide oversight of the development and balance of our portfolio choices and selection.

The recent modest investment in two new growth opportunities, Enko and crop.zone are examples of early-stage investments with potential to provide future diversification of our portfolio to meet the changing needs of our customer base, regulators and communities. Our investment in the potential of these exciting new technologies will be balanced against lower risk opportunities within existing or adjacent technologies and known markets to ensure a good balance between risk and return for shareholders.

We also continue to invest in our people, and particularly in the safety of our people. While the disruption of Covid-19 created new challenges in maintaining the consistent improvement we have achieved in safety, a number of our operating sites achieved significant milestones during the year. Ensuring that every colleague returns home safely will continue to be our most important priority.

Closing remarks

In closing, I thank my Nufarm colleagues for their commitment and focus throughout a year of trying circumstances. The determination and flexibility you have shown to ensure continuity of supply to our customers during the disruption of the Covid-19 pandemic is a true reflection of the Nufarm brand and our customer promise.

To our shareholders, thank you for your support, continued confidence and shared belief in the future value to be delivered from our business.

Greg Hunt
Managing Director and Chief Executive Officer

About us

Our purpose and ambition

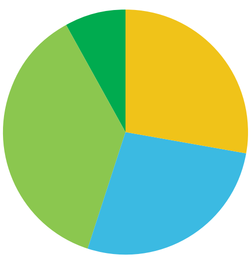
Nufarm is a global crop protection and seed technology company that has been helping growers fight disease, weeds and pests for more than 100 years. We do this by developing and manufacturing crop protection solutions and Beyond Yield™ seed technologies.

Our purpose is to help our customers grow a better tomorrow. Our ambition is to grow our relevance by delivering more sustainable solutions over more acres every year.

We develop, manufacture and sell crop protection solutions including herbicides, insecticides and fungicides that help growers protect crops against weeds, pests and disease. We operate primarily in the off-patent market, providing customers with long-standing foundational products and unique formulations. Our business is focused on five core crops across key geographies (Europe, Middle East & Africa; North America; and Asia Pacific). The crops we focus on are cereals; corn; soybean; pasture, turf and ornamentals (T&O); and trees, nuts, vines and vegetables (TNVV).

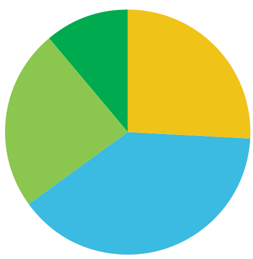
Seed Technologies combines our seed treatment portfolio and the Nuseed business. Our seed treatment products provide protection and treatment for damage caused by insects, fungus and disease. Nuseed develops unique plant output traits with specific customer and consumer benefits. We call this our Value BEYOND YIELD™ strategy. Nuseed distributes high yielding sunflower, sorghum and canola seed to customers in more than 30 countries.

FY21 Revenue*



APAC	**28%**
Europe	**27%**
North America	**37%**
Seed Technologies Global	**8%**

FY21 Underlying EBITDA*

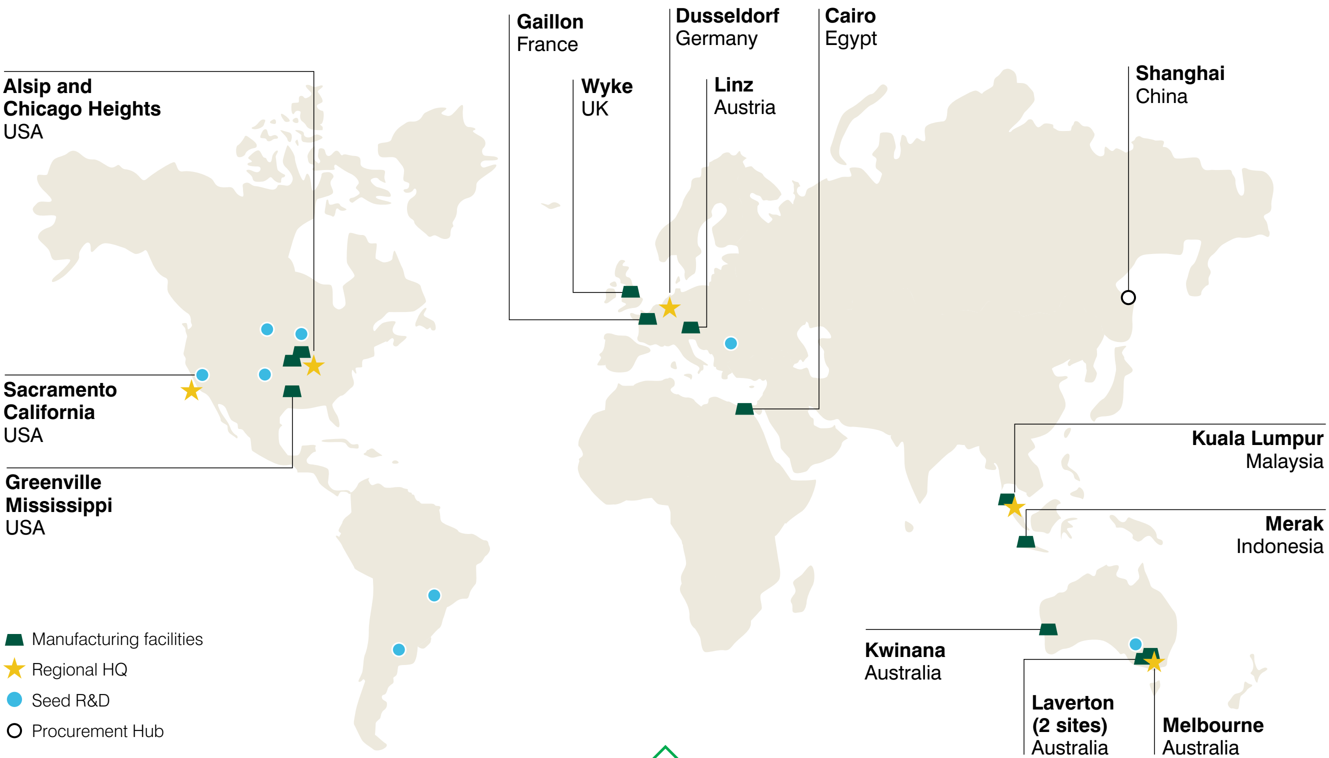


APAC	**26%**
Europe	**39%**
North America	**24%**
Seed Technologies Global	**11%**

* Excluding non-operating corporate

Our strategy, operating model and value proposition

Our crop protection strategy focuses on five core crops (corn; soybean; cereals; pasture, turf and ornamentals; trees, nuts, vines and vegetables) in three key regions (North America, Europe and Asia Pacific).



Soybean

Corn

Cereals

Trees, nuts, vines and vegetables

Pasture, turf and ornamentals

Our scale and global distribution footprint make us an attractive partner for major manufacturers and research organisations. By collaborating with these industry partners, we are able to offer our customers high-quality products at competitive prices and a growing range of new, differentiated products to meet more of their needs across the crop lifecycle.

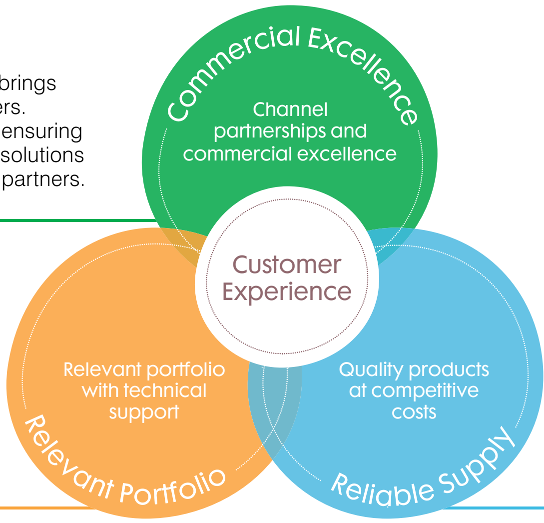
We believe our products and geographic diversity, along with our long-term customer relationships, help protect our business from adverse seasonal or commercial pressures in any one market while also providing a range of expansion opportunities in major cropping markets around the world.

Our operating model puts the customer at the centre of our business and decision making and provides a foundation for future growth.

Our Operating Model puts the customer at the centre

Delivering value to our growers, our channel and to Nufarm.
We recognise the value that our channel brings to delivering our solutions to our customers. Our commercial teams are committed to ensuring that we excel at realising the value of our solutions and growing our business for us and our partners.

A relevant portfolio of foundational, differentiated and innovative products backed by technical support and advice.
Our Portfolio team is both globally coordinated, to benefit from our One Nufarm approach, and locally focused, to ensure that we can identify and develop relevant solutions to meet the needs of our customers.



Supply of quality products at competitive costs.
We focus on improving the cost position, reliability and the quality across our product range with coordinated supply planning to meet customers' demands. Our global footprint means our supply team have optimised procurement practices and efficient and effective manufacturing. We have a logistics network that helps the team deliver on time and in full.

Our Value Proposition is to be a partner for growth

Being a partner for growth means understanding what our partners need and working to grow our businesses together, backed by an essential and relevant portfolio of products.

Our seed technology business

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.

Carinata is grown as a cover crop, between food crop rotations. Nuseed Carinata is RSB certified with a best in class, greenhouse gas (GHG) emissions reduction when used to replace petroleum diesel. Its amazing ability to sequester carbon dramatically improves soil health. Carinata also contributes to food production with its non-GMO high protein meal for animal feed without using additional farmland.

NUSEED CARINATA

Aquaterra® is the world's first land-based source of long-chain omega-3 fatty acids. An excellent complement to fish nutrition, providing docosahexaenoic acid (DHA), eicosapentaenoic acid (EPA) and alpha-linolenic acid (ALA), Aquaterra delivers enhanced production performance by elevating the omega-3 levels needed for higher-quality nutritious fish.

aquaterra®

Nutriterra is the world's first source of plant-based total omega-3 nutrition. Clinical studies show excellent bioavailability and efficacy. FDA recognises Nutriterra as a New Dietary Ingredient. Friend of the Sea certified, Nutriterra offers a sustainable alternative to marine-based nutrition.

nutriterra®

Our History

The customer has always been at the heart of what we do. We have a long history of focusing on the customer, beginning in 1916. Since then, our purpose has remained the same: to help our customers grow a better tomorrow.

1916

New Zealand Farmers Federation (NZFF) began with a few people delivering quality products to help farmers grow better crops.

1957

Nufarm Australia established by Max Fremder, providing solutions for farmers in Australia.

1970s

Nufarm forges a reputation for service and product quality, and moves to headquarters in Melbourne.

1988

Nufarm and NZFF unite and starts a period of increased growth while always focusing on the customer.

1988-89

Exports to America start in earnest and Nufarm USA is incorporated in 1989.

1991-92

Nufarm expands into Asia, opening offices in Singapore and Malaysia.

1994-98

Nufarm expands into Europe, acquiring businesses that strengthen our core and diversify to meet customer demand.

1999

Nufarm acquires one of its customers, Riverdale Chemical Company, to Make Nufarm Americas.

2004

Expansion into South America via Agripec (Brazil) and Agrogen (Columbia). Now over 3000 people are part of Nufarm.

2006

The Nufarm seeds business, Nuseed, is established providing hybrid crops that create value for the farmer.

2010

Sumitomo acquires a significant minority stake in Nufarm, giving access to an expanded portfolio to serve customers.

2015

Refreshed strategy to ensure that we focus on key crops in key geographical areas that meet customers' needs.

Nufarm today

Nufarm strengthens partnerships with the channel to provide quality solutions solving growers' needs.

Our culture, values and behaviours

At Nufarm, the safety of our people, our products, our customers and the community is foremost in all that we do.

We believe all incidents can be prevented and that we are all responsible for making sure everyone who works at, or visits our sites, goes home safely.

Our actions are anchored by our RARE values and guided by our ONE NUFARM behaviours.

Our employees are encouraged to unearth the possibilities, every day. We aim to provide an inclusive work environment where individuals are valued for their diversity and empowered to reach their full potential. This is a reference to our high performing culture and also reflects the three principles of our employee value proposition – own your growth, stay curious and come as you are.

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.

Environmental, Social and Governance

At Nufarm, we contribute to a sustainable society while helping farmers get the best from their land. Our ambition is to grow our relevance by delivering more sustainable solutions over more acres every year.

In 2021, to demonstrate this commitment, we adopted the United Nations Sustainable Development Goals (SDGs), aligning with those goals that we feel we can most strongly contribute. These goals set the global sustainability ambition for 2030.

We continue to progress our ambition to transparently report our sustainability approach and performance, aligning our sustainability reporting to the Global Reporting Initiative (GRI) Standards. In addition, we have commenced reporting of climate-related risks and will report against the Task Force for Climate Related Financial Disclosures (TCFD) framework next year.

We have undertaken consultation with a number of our key stakeholders. We are progressively expanding our materiality study and did so again this year. We have engaged; investors, analysts, customers, financiers, and important decision makers to determine the material sustainability matters relevant to Nufarm and how we can mitigate and reduce our impact. We look to improve on our approach every year to ensure we are incorporating elements of best practice where possible.

Detailed information on our sustainability approach, targets and performance can be found in our 2021 Sustainability Review and GRI Content and Index, which will be available on our corporate website.

Supporting sustainable agriculture to grow a better tomorrow

By 2050, food output will need to expand by as much as 50 per cent in some parts of the world to meet the demands of 9.7 billion people wanting more, higher quality and diverse food. At the same time, our food production system will be under increasing pressure from climate change impacts, water scarcity, urbanisation, and soil degradation. All of these changes have the potential to reduce the agricultural productivity and availability of land.

The challenges facing the world can seem daunting as we strive to transform our resource intensive and environmentally destructive practices to ones that equitably share the planet's resources and preserve our natural environment. It requires the commitment and effort of every one of us to change our current trajectory.

At Nufarm we match our ambition to our scale and core competencies, that is – we focus our efforts where we can have the greatest influence.

Central to our sustainability approach is enabling our growers to produce more from less, responding to the global demand for more food, while at the same time providing products that help them adapt to climate change impacts and minimise unintended environmental consequences.

Our crop protection business – turning world-leading scientific breakthroughs into sustainable local solutions

Our farmers are on the frontline of sustainable agriculture; doing their best with the knowledge and tools available to them to balance the land's productivity and their livelihood with the environmental and social responsibilities that come with its stewardship. Nufarm provides growers with a tool kit of crop protection products to help them achieve their goals.

We manufacture and sell products that enable sustainable farming practices such as no-tillage farming which reduces on farm fuel consumption by up to 60 per cent, significantly contributes to carbon sequestering, retains soil moisture, and reduces erosion. Products like Glyphosate help farmers produce more from less while reducing the environmental impacts of agriculture. Over 23 per cent of our product portfolio comprises products that enable more sustainable farming practices.

While there are exciting new biotechnologies being developed in the crop protection space, synthetic crop protection products remain an essential component of sustainable agriculture and our business. These products prevent significant crop losses to pests, weeds and disease and improving the quality and quantity of available food.

Our sustainable crop protection products provide growers an alternative to synthetic chemistry. Products in this category have lower or no human health and environmental impacts. Over 6.5 per cent of our product portfolio is made up of partially or fully sustainable products and it is growing. In the coming year we will direct nearly 20 per cent of our research and development budget to sustainable crop protection products, including biologicals.

This year we launched our brand NuBio in Europe, championed by a team dedicated to advancing biological pesticides. With 20 years' experience in biological pesticides, NuBio brings together our European biological product portfolio to make it easier for growers to find the right biological solution using our digital platform. From now on, biological insecticides, fungicides and bio-stimulants, as well as environmentally friendly spraying programmes, will carry the registered NuBio label. This means that farmers can easily identify effective biological solutions at a glance. The NuBio portfolio comprises more than 15 products and with new biological products in the pipeline, we will continue to launch them on to this platform into the future.

Last year we announced our investment in crop.zone, a German-based agtech company that has developed a hybrid-electric weed control solution, NUCROP™. NUCROP™ provides an alternative and complementary solution to chemical based weed control by using a conductive liquid and electrical voltage to control weeds and desiccate crops. This year we strengthened our relationship by converting our investment to an equity holding and are working with crop.zone to expand the range of applications and countries where the technology is available. This technology is recognised as a game changer in the potato industry, taking out two awards recently at Potato Europe's Innovation Awards.

Our seed technologies business – creating crops that positively impact global environmental issues and providing new economic opportunities for farming communities

Plant-based products have the power to solve important global problems. Today our Nuseed Value Chains and teams are connecting growers, industry, and end-users around the world to deliver new sustainable plant-based solutions with considerable benefits to consumers and our environment.

Nuseed Omega-3

Estimates indicate over 80 per cent of people worldwide are not getting enough Omega-3 in the food they eat. Wild fish stocks, the current major source, are already under intense pressure to supply the rapidly growing global demand. Nuseed Omega-3 Canola was developed to provide aquafeed and human nutrition markets from a land-based source.

This year marks a new milestone for our products Aquaterra® and Nutriterra®. The world's first non-marine source of long-chain omega-3 fatty acids were each certified as a Friend of the Sea; a global standard for products and services that respect and protect the marine environment.

Both Aquaterra® and Nutriterra® are derived from Nuseed Omega-3 Canola, where just 1-2 hectares of crop can produce as much docosahexaenoic acid (DHA) as 10,000 kg of wild caught fish, taking pressure off our precious marine resources.

In another significant milestone this year, the US Food and Drugs Administration (FDA) recognised Nutriterra® Total Omega-3 as a New Dietary Ingredient (NDI). This allows us to progress our plans to provide a sustainable source of plant-based Omega 3 to the human nutrition market.

Nuseed Omega-3 Canola was developed by Nuseed and its partners to deliver the nutrition of microalgae through renewable canola seeds. Canola is a rotational crop that improves soil and increases yield in subsequent planting and the Friend of the Sea certification verifies sustainable crop production.

Agriculture is a key contributor to reducing atmospheric carbon; sustainable farming practices such as no till and retention of cover crops has been proven to improve soil carbon retention. Nufarm supports sustainable agricultural practices with both our crop protection and seeds products.

Nuseed Carinata

Nuseed Carinata is an independently certified, scalable and sustainable non-food oilseed cover crop used in the production of low-carbon fuel. After the crop is harvested, the oil is extracted and the remaining fibre is used as a source of traceable non-GMO plant protein.

Nuseed Carinata addresses many sustainability challenges. It reduces emissions by replacing fossil fuels, removes atmospheric carbon, and restores soil carbon as it grows and improves soil health. Grown between main crops, Nuseed Carinata generates extra income for growers from existing farmland and rewards certified sustainable farming practices.

Aviation and other, difficult to decarbonise transport sectors, are looking for sustainably scalable fuel innovations to substantially reduce their carbon emissions. Nuseed Carinata is independently certified by the Roundtable on Sustainable Biomaterials (RSB) and is listed by the International Civil Aviation Organization (ICAO) as having similar greenhouse gas (GHG) savings as top performing feedstocks, primarily waste and used cooking oil.

aquaterra® nutriterra®

Advancing our sustainability ambition

This year, to demonstrate our commitment to sustainable agricultural and production processes and to continue to drive improvement through our business, we aligned to the United Nations Sustainable Development Goals (SDGs), which set the global sustainability ambition for 2030.

SDG 2: *End hunger, achieve food security and improved nutrition and promote sustainable agriculture* and SDG 12: *Ensure sustainable consumption and production patterns*, both align with our core-competencies and as manufacturers of sustainable agricultural solutions represent where we contribute the most to these global ambitions.

SDG 13: *Take urgent action to combat climate change and its impacts,* SDG 14: *Conserve and sustainably use the oceans, seas and marine resources for sustainable development* and SDG 15: *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss,* reflect the areas of the environment we actively work to minimise any potential impacts from our products and operations.

Together, these SDG's reflect the balance the agricultural sector strives to achieve when needing to feed a growing population while protecting our precious environment and responding to climate change.

To further SDG 12, this year we set environmental targets to reduce air emissions and waste from our manufacturing sites by 2025 as well as committed to obtaining best practice ISO14001 environmental management system certification at our remaining five manufacturing sites still to achieve this certification.

This year we also established the foundation for our commitment to SDG 13, with a Board approved Climate Change Policy and progressed our reporting transparency of climate risks. In addition, to contribute to Climate Action we set ourselves a target to reduce our scope 1 and 2 greenhouse gas emissions, through renewable electricity and energy efficiency opportunities at our manufacturing sites by 2030. Further information on all of targets can be found in our 2021 Sustainability Review.

At the heart of our commitment to SDG 12 is the health and safety of our people, our customers, and the communities in which we operate. In line with this, Everyone Goes Home Safely remains a priority ambition of Nufarm's Board, management, and employees. This year, our Board and Executive Leadership team progressed this ambition through participating in a Process Safety Management training program that focused on the role of leadership in the ongoing safe and effective operation of a Major Hazard Facilities.

Managing impacts of climate change

Climate Change Governance

The Board has ultimate oversight of climate-related risks and opportunities through its sub-committee, the Board Risk & Compliance Committee. This Committee is responsible for overseeing and monitoring the identification, assessment, management, prioritisation and reporting of financial and non-financial risks that are material to the operations and achievement of Nufarm's strategy. The Charter was updated this year to include Environmental, Social and Governance (ESG) responsibilities.

Refer to disclosure 102-18 Governance Structure in our 2021 GRI Content and Index for details on Board oversight and the sub-committee charters.

The Board has this year strengthened its consideration of climate related risks with the development and approval of a Climate Change Policy and incorporation of climate change information in the Group Strategy setting/review process. The Board and Executive agreed to commence work on improving our disclosures on how climate change may impact our organisation and the communities we are part of. We have formalised this commitment by becoming a TCFD Supporter during FY21 and we intend to align our reporting to the TCFD framework next year.

Our Health, Safety & Environment (HSE) team monitor Scope 1 and 2 greenhouse gas emissions from our synthesis and formulation manufacturing sites. This is reported quarterly to the Executive Risk, Health, Safety & Environment (ERHSE) Committee and to the Board Risk and Compliance Committee.

The HSE team has a network of local representatives at our manufacturing sites across the globe who work closely with Site Managers and their teams to monitor emissions.

Our Portfolio Solutions team is undertaking sustainability assessments of our key products which will be an input to the annual product review cycle.

Climate change strategy and risks

Climate change will result in both acute and chronic physical impacts to our environment which will have consequential social, economic and political impacts across the globe. The magnitude and frequency of significant weather events will increase and their volatility will make them hard to predict. The weather patterns to which we have aligned so much of our social and economic activity are no longer stable but may bring opportunities for new enterprises and industries.

More intense and frequent weather events will make it harder to produce and distribute food using current methods:

- Crop damage events (from weather or disease) and water scarcity will reduce yields, causing prices to rise and be unaffordable for impoverished communities.
- Certain land will be climatically unsuitable to farm crops and/or will require more resilient or new crops to be grown in this geography.

Agriculture, and the wider food production system, is already a major source of greenhouse gas emissions and growers are taking action, either voluntarily or as mandated by government policy in their local area, to reduce their greenhouse gas (GHG) emissions and reduce their carbon footprint. Climate adaptation measures undertaken by growers, others in the agricultural value chain and energy providers may also contribute to increases in food prices.

Climate change will also affect aquaculture via acidification, changes in sea temperatures and circulation patterns, the frequency and severity of extreme weather events and sea level rises.

Nufarm's strategic response

Sustainable agriculture helps to combat climate change in many ways; through increasing land productivity and yields to limit further land clearing, growing renewable sources of fuel and materials, protecting soil against erosion and water loss and growing plants that sequester carbon.

As a global crop protection and seed technologies company, Nufarm is committed to playing its role in addressing climate change and its impacts. We recognise the need to reduce our own emissions and believe we can provide solutions to help our growers and end customers reduce the impact of their operations on climate change.

We believe our crop protection products support growers to increase crop yields, which reduces the need for land clearing and de-forestation by producing more food on less land. Our crop protection products also allow growers to practice minimal or zero tillage weed control, therefore retaining plant matter on their land after crops are harvested. Retained plant matter supports water retention, prevents wind erosion, promotes healthier soils and assists with carbon sequestration.

We believe that innovative plant-based solutions will play a role in addressing climate change and we are committed to exploring and commercialising these opportunities.

Our products assist the agricultural industry in moving towards carbon neutrality and promoting sustainable agriculture. During our most recent strategic planning process, we broadly identified the key uncertainties relating to climate change and how these may impact our business.

Transition risks

Changes in product demand – driven by adaptation policy & regulation Climate trends in agriculture mean that growers across the globe will need to adapt and evolve their farming methods and crop choice. Therefore, we will also need to evolve our product offerings and target markets. We believe that grower adaptation and evolution will occur at different speeds and to different extents across the globe, depending on the speed of government policy setting and regulation in that geographic region.	**Opportunity** for Nufarm Improving yields and new plant-based solutions are important elements in improving nutrition, supporting the environment and getting the most from every acre. **How our products help growers adapt** *Carbon sequestration case study:* 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. The sustainability benefits of Carinata include both carbon sequestration and carbon reduction. 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. *Water efficiency case study:* Sorghum, another Nuseed product, is both a more sustainable and economical corn feed ration replacement, requiring one third less water with comparable energy and nutrition. *Sustainability enabling crop protection products:* We manufacture and sell products that enable sustainable farming practices such as no-tillage farming, which reduces on-farm fuel consumption by up to 60 per cent, significantly contributes to carbon sequestering, retains soil moisture and reduces erosion. These products help growers reduce energy and time resources while increasing farm productivity and are an important part of our product portfolio.
Operational changes – fossil fuel & carbon footprint reduction/compliance with GHG policy & regulation Our manufacturing and processing facilities across many geographical locations may be impacted by regulatory changes to address climate changes. Preparing for and complying with these regulatory changes could result in an increase to our operating costs. It may not be possible to fully recover this in sales prices.	**Risk** for Nufarm It's important to us that we reduce our consumption of precious resources and minimise our impact on the world around us. Refer to our 2021 Sustainability Review and GRI Content and Index for more information.
Operational cost/cost of goods sold (COGS) increase – suppliers passing on transition costs Just as we will need to adapt our operations to reduce GHG emissions and carbon footprint, so too will our suppliers. Prices for production inputs including energy to run our production/processing plants may increase where suppliers pass these costs on.	**Risk** for Nufarm Just as Nufarm 'partners for growth' with our distribution channel partners, we also apply this philosophy when establishing and maintaining our key supply partnerships and alliances. As we and our partners plan our transition pathways, we will continue to work closely to understand and manage any increase to supply costs.

Physical risks

Changes in product demand – driven by climate unsuitability (chronic physical)

Future climate variability and unsuitability means that growers across the globe will need to evolve their farming methods and seed/crop /fish choice. Climate change impacts on aquaculture may also render Omega 3 -rich salmon farming unviable. Therefore, we will also need to evolve our product offerings and target markets. We believe that grower evolution will occur at different speeds and to different extents across the globe, depending on the speed of climatic unsuitability in that geographic region.

Changes in product demand – driven by acute physical events

The increasing volatility of weather patterns will increase the frequency and intensity of adverse weather events. These may result in significant crop damage and reduction in yields.

Opportunity for Nufarm

Sustainable solutions that are relevant

Climate change scenario analysis will give us more detailed insights on how climate change may impact our core crop selection and geographies. We will integrate these insights into our longer term strategic planning process.

How we are making crops more resilient

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.

New crop choices that help growers adapt to different climate conditions

Nutriterra® is the world's first plant-based source of total omega-3 nutrition, including docosahexaenoic acid (DHA), eicosapentaenoic acid (EPA) and alpha-linolenic acid (ALA). Until now, DHA and EPA was found exclusively in marine sources, mostly fish and algae. But our ocean cannot provide enough of this nutrient to meet human nutritional needs without depleting wild fish populations. Nutriterra® fills the gap between how much omega-3 is needed and how little the ocean currently produces and will be able to produce in the future. In August 2021, the U.S. Food and Drug Administration's (FDA) issued a notice recognising Nutriterra® Total Omega-3 as a New Dietary Ingredient (NDI). This acknowledgement allows us to progress our plans to expand into the human nutrition market and meet a growing demand for plant-based DHA and EPA omega-3 options.

Impacts on our operations (including supply chain) – driven by acute and chronic physical events

As climate change increases weather pattern instability, our operations may be subject to more disruption from physical events. Repeated disruptions may render parts of our supply chain and manufacturing arrangements unviable in the long term.

Risk for Nufarm

Our business continuity and insurance programs consider physical risk exposures relating to our manufacturing and non-manufacturing operations including identifying actions to physically strengthen our facilities.

The longer term suitability of our manufacturing footprint and supply chain arrangements is assessed through our strategic risk management process.

Integrated Risk Management, Metrics and Targets

Nufarm Group is working toward managing all risks, including climate-related risks, in an integrated manner. This means that risk management activities are not separate to core business activity but are embedded in operations. Risk-based prioritisation assists business areas to focus their resources on their most significant activities. Risk assessments are being improved to support key decision-making activities. This is supported by the Group's Risk Management framework which is underpinned by the Group Risk Management Policy. It sets out the requirements and responsibilities for risk management across the Group.

Climate change has been identified as one of the trends/causes of a number of our Group strategic risks. Refer to the risk disclosure in this annual report for a summary of our key risks and further information on our risk management framework and processes.

Refer to the 2021 Corporate Governance Statement and GRI Content and Index for further information on our risk management principles.

We are currently finalising our metrics which will be published in the upcoming 2021 Sustainability Report, along with our targets.

Next steps in our climate change work program:

- Climate-change scenario selection and analysis;
- Continue to disclose our risk management process and key roles and responsibilities for oversight relating to climate-related risks and opportunities;
- Continue to enhance our disclosure of climate-related risks and opportunities each year;
- Continue to embed climate-related risk and opportunity understanding into our Group Risk Management risk hierarchy and tools; and
- Detailed risk assessment for material climate-change risks identified in the scenario analysis exercise.

Safety matters

We operate Major Hazard Facilities which have best practice process safety management systems. This year, our two North Laverton sites in Australia were issued 5-year unconditional Major Hazard Facility licenses by the government regulator, Worksafe. This is the highest level of Worksafe's licence to operate available and reflects the high standard and sustainable deployment of Nufarm's process safety management processes and culture at these sites.

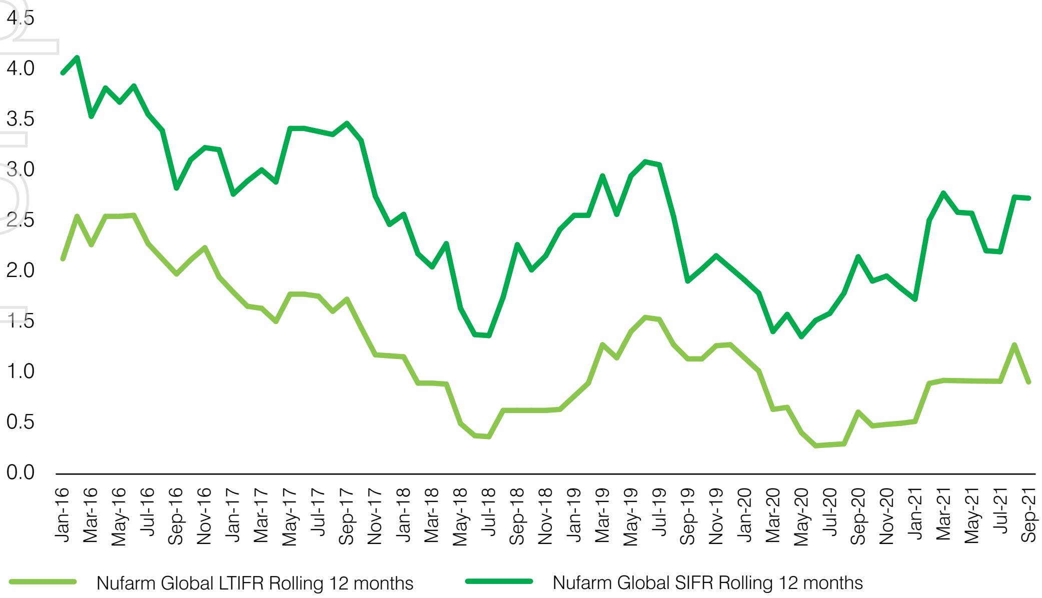
It has been more than a year since the Covid-19 global pandemic began and we are proud to be an essential service, operating throughout the pandemic to provide valuable inputs to the agricultural industry. We continue to prioritise the health and safety of our employees while ensuring we deploy Covid-safe work practices in line with government directives and business best practice. Our employees are understandably fatigued by the Covid-19 induced changing working conditions and community restrictions. We are very conscious that such distractions can increase the risk of incidents and work hard to continually reinforce safe work practices in this challenging environment.

Against this backdrop, several of our manufacturing sites have again delivered on our aspirations of Everyone Goes Home Safely through reaching new injury free milestones. Unfortunately, other sites, which had previously achieved significant injury free milestones, have had injuries of a strains, sprains or minor cut type nature. While there have been a number of contributing factors, despite our best efforts, we believe Covid-19 fatigue has contributed to the increase in the Lost Time Injury Frequency Rate (LTIFR).

This is not how we hoped to end the year. Recognising that this is a challenging time for many of our people, we have held discussions with staff across our business focusing on the impacts Covid-19 may be having on individuals and teams and steps and resources available to assist in dealing with these. We have also held mental health and wellbeing sessions that have been positively embraced by many across the business.

For further information on our sustainability approach, targets, and performance, please refer to our 2021 Sustainability Review which will be available in December 2021 and our 2021 GRI Content and Index, which will be available in early 2022. Both publications will be available on our corporate website.

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



Our SIFR includes Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs).

Operating and Financial Review

Group results

Following the divestment of the South American crop protection businesses on 1 April 2020 Nufarm changed its financial year-end to better align reporting periods with key sales periods and enable improved comparison with industry peers. This Operating and Financial Review includes financial information based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and audited by KPMG, including the two-month period ending 30 September 2020 (statutory comparative period). Information is presented on a continuing operations basis unless otherwise specified. Non-IFRS measures and proforma comparatives for the twelve months ended 30 September 2020 (proforma comparative period) have also been provided for insight into performance on a like-for-like calendar basis, and the basis for preparing the proforma financial information is set out on page 24. Non-IFRS measures and proforma figures have not been subject to audit or review. All amounts are in Australian dollars unless otherwise specified.

The results in the statutory comparative period are not proportional to the proforma results for 12 months ended 30 September 2021 as the operating profits/losses of the Group is subject to seasonality inherent within the crop protection and seed technology markets.

Summary financial results (continuing operations unless specified)	**12 months ended 30 Sep 2021 $000**	Restated* 2 months ended 30 Sep 2020 $000	Proforma 12 months ended 30 Sep 2020 $000	Change 30 Sep 2021 vs Proforma 30 Sep 2020 %
Revenue	3,215,651	267,320	2,933,500	10%
Revenue excluding Corporate revenue**	3,017,936	222,136	2,802,929	8%
Gross profit	834,705	39,920	737,871	13%
Underlying SG&A	(654,390)	(115,862)	(682,498)	7%
Research and development expenses	(36,663)	(6,132)	(22,298)	(60)%
Underlying EBITDA	361,107	(47,191)	237,170	52%
Underlying EBIT	153,100	(81,008)	39,995	283%
Operating profit/(loss)	156,977	(87,870)	n/a	n/a
Net external interest	(58,488)	(9,348)	(69,813)	16%
Foreign exchange (gains)/losses	(2,802)	(4,659)	(26,245)	89%
Underlying net profit/(loss) after tax	61,058	(87,448)	(73,079)	large
Net profit/(loss) after tax	65,128	(92,859)	n/a	n/a
Statutory effective tax rate	32%	9%	n/a	n/a
Basic earnings per share – excluding material items (cents)	14	(23)	n/a	n/a
Basic earnings per share (cents)	15	(25)	n/a	n/a
Total dividend per share declared in respect of period (cents)	4	–	n/a	100%

Accounting policy changes*	**12 months ended 30 Sep 2021 $000**	Restated* 2 months ended 30 Sep 2020 $000	Proforma 12 months ended 30 Sep 2020 $000	Change 30 Sep 2021 vs Proforma 30 Sep 2020 %
Underlying EBITDA – pre IFRIC accounting policy change	369,838	(43,379)	245,204	51%
IFRIC accounting policy change impact	(8,731)	(3,812)	(8,034)	9%
Underlying EBITDA	361,107	(47,191)	237,170	52%
Underlying EBIT – pre IFRIC accounting policy change	157,259	(78,815)	41,913	275%
IFRIC accounting policy change impact	(4,159)	(2,193)	(1,918)	117%
Underlying EBIT	153,100	(81,008)	39,995	283%

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements

** Corporate revenue is defined as the non-operating corporate segment revenue as presented in note 5 to the financial statements

Earnings

Underlying EBITDA improved significantly over the 12 months ended 30 September 2021 with increased revenue, higher gross profit margins and reduced costs. Underlying EBITDA is $408 million higher than the statutory 2 months ended 30 September 2020. Compared to the proforma comparative period, Underlying EBITDA increased by $124 million, representing growth of over 50 per cent.

Improved seasonal conditions and commodity prices generated strong demand for Nufarm crop protection products and seed technologies. This resulted in revenue (excluding corporate revenue) growth of 8 per cent relative to the proforma comparative period. Gross profit margin (excluding corporate revenue) increased from 26 per cent to 28 per cent over the prior year pro-forma comparative period.

Underlying selling, general and administration costs (Underlying SG&A) reduced by $28 million as compared to the proforma comparative period with the performance improvement program contributing approximately $20 million from cost reduction projects ($25 million since inception) which are expected to deliver sustainable, continuing benefits. Favourable currency translation also contributed to the reduction. Lower discretionary expenditure due to Covid-19 restrictions helped offset increased logistics costs and short-term incentive provisions. Research and development expenditure increased by $14 million as compared to the proforma comparative period due to increased innovation and development activities. These activities focus on new markets and new technologies as well as expansion of existing product registrations and formulations.

Depreciation and amortisation expense of $208 million included a positive currency translation benefit of approximately $11 million relative to the proforma comparative period. The underlying increase in expense related primarily to increased amortisation of Seed Technologies intellectual property following commercialisation (including Omega 3-Canola).

Net external interest costs reduced 16 per cent compared to the proforma comparative period reflecting both lower average net debt balances following the disposal of the South American crop protection businesses and a relative strengthening of the AUD currency to the USD currency which reduced interest costs on the Company's US dollar denominated high yield bonds.

Foreign exchange losses reduced to $3 million, reflecting reduced currency volatility, particularly in Eastern Europe. The Group has implemented a targeted currency exposure risk mitigation program to reduce foreign exchange risk in this region.

The statutory effective tax rate was 32 per cent. The improved profits in Australia enabled us to utilise previously unrecognised tax losses and which has offset the impact of not being able to recognise losses in certain European countries.

Net profit after tax increased to $65 million from a loss relative to the statutory comparative period, lifting basic earnings per share to 15 cents. Return on Funds Employed improved to 5.9 per cent, with the increase in underlying EBIT contributing to the improvement.

Cash flow

Cash flow	**12 months ended 30 Sep 2021 $000**	Restated* 2 months ended 30 Sep 2020 $000	Change %	12 months ended 31 Jul 2020 $000	Change %
Underlying net operating cash flow	439,807	(119,683)	large	216,553	large
Net operating cash flow – material items	(15,616)	(10,306)	(52)%	(417,557)	98%
Total net operating cash flow	424,191	(129,989)	large	(201,004)	35%
Underlying net investing cash flow	(146,299)	(17,105)	large	(161,514)	89%
Net investing cash flow – material items	–	–	n/a	1,277,106	(100)%
Total net investing cash flow	(146,299)	(17,105)	large	1,115,592	large
Total underlying net operating and investing cash flow	293,508	(136,788)	large	55,039	large
Total net operating and investing cash flow	277,892	(147,094)	large	914,588	large

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements

Cash generation improved significantly with higher operating cash flows and reduced investing cash flows contributing to underlying net operating and investing cash flow of $294 million for the year.

Underlying net operating cash flows increased $223 million relative to the 31 July 2020 statutory comparative period, due in large part to the improvement in underlying earnings and the relative closing working capital position, with Net Working Capital closing $191 million favourable to the 30 September 2020 balance. Cash flow generation is highly correlated with changes in Net Working Capital and Underlying EBITDA.

Net cash from investing activities reduced significantly compared to 12 months ended 31 July 2020, to an outflow of $146 million. The Company experienced some delays in project expenditure as a result of Covid-19 restrictions across manufacturing facilities and for development projects of intellectual property.

Balance Sheet Management

Financial position	As at 30 Sep 2021 $000	As at 30 Sep 2020 $000	Change %
Net debt	316,817	606,207	(48)%
Net working capital	854,431	1,044,934	(18)%
ANWC/sales excluding non-operating corporate revenue (%)	34%	45%	(1,044)bps
ANWC/sales (%)	32%	43%	(1,055)bps
Leverage – continuing operations (includes lease liabilities)	0.88	2.47	(65)%
Gearing %	13.0%	22.9%	(986)bps

The Group's financial position strengthened considerably during the period as a result of the improved Net Working Capital position as at 30 September 2021 consolidating the improvement during the year ended 31 July 2020 following the sale of the South American business. Net debt has reduced 48 per cent from 30 September 2020.

The Average net working capital/sales (ANWC/sales (%)) continued to improve to 32 per cent (34 per cent excluding non-operating corporate revenue). Management has a clear focus on maintaining this metric between a targeted range of 35 per cent to 40 per cent via a range of actions including customer terms, supplier negotiations and effective stock management. In the year ended 30 September 2021, the Group was able to exceed this target as customer liquidity was high resulting in early season customer negotiations locking in prepayments and terms. Maintaining or exceeding the targeted range remains a key focus across all regions.

Capital Management

During the year, we completed a review of our capital structure and capital management principles with the aim of maintaining a robust and durable capital structure and clear guidelines for the application of free cash flow generated from business operations.

Nufarm's stronger balance sheet following the divestment of the South American crop protection businesses on 1 April 2020 offers additional flexibility to:

- structure the Company's financing arrangements to deliver cost efficiency;
- ensure appropriate levels of liquidity; and
- reduce balance-sheet risk.

Our financing arrangements aim to ensure we have the required financial resilience to withstand adverse trading cycles without experiencing undue balance sheet stress.

Our capital management framework provides the basis for capital allocation decisions, including the application of free cash flow. An ongoing commitment to continuous improvement in net working capital management is the cornerstone to expand Nufarm's capacity to be consistently cash generative.

Subject to Board discretion, Nufarm intends to adopt a cascading approach to capital allocation decisions that is consistent with maintaining targeted credit metrics and a sound financial structure in the following manner:

1. Application of free cash flow to investment growth projects and/or small bolt-on acquisitions where the projected returns satisfy internal ROFE measures that exceed Nufarm's weighted average cost of capital.
2. Consideration of the payment of a dividend from part of free cash flow, subject to compliance with a core target leverage (statutory) range of 1.5x – 2.0x, under the adoption of a new dividend policy.
3. Consideration of any excess capital to be returned to shareholders in circumstances where Nufarm is below its targeted leverage metrics and insufficient growth opportunities exist to utilise excess free cash flow. These capital return measures may include special dividends and share buy-backs.

Dividend

As part of our review of the capital management framework, the Board has adopted a change in the dividend policy to align dividend payments to free cash flow generation, after allowing for investment growth opportunities, and subject to maintaining our target leverage range of 1.5x – 2.0x. Nufarm's dividend policy ensures elevated attention to cash generation, especially net working capital management, and greater focus on maintaining an appropriate capital structure for the Group.

Today, the Board has declared to pay an unfranked final dividend of four cents per share, a level covered by the Group's free cash flow. The final dividend will be paid on 17 December 2021 to the holders of all fully paid shares in the Company as at the close of business on 26 November 2021. The dividend reinvestment plan (DRP) will be made available to shareholders for the final dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the Company's ordinary shares on the ASX over the 10 day period commencing on 22 November 2021 and ending on 3 December 2021. The last election date for shareholders who are not yet participants in the DRP, is Monday 29 November 2021.

Review of operations

Nufarm's business has two main reporting segments, crop protection and seed technologies. The crop protection business is focused on major agricultural markets in Europe, North America and Asia Pacific (APAC). The seed technologies business operates in more than 30 countries across the globe.

				Proforma		
		Restated*				
Revenue – Underlying ($000s)	**12 months ended Sep-21**	2 months ended Sep-20	Change	12 months ended Sep-20	Change	Change %
Crop protection						
APAC	858,407	92,463	765,944	754,298	104,109	14%
North America	1,112,423	74,323	1,038,100	1,054,286	58,137	6%
Europe	806,485	48,293	758,192	796,204	10,281	1%
Total Crop protection	*2,777,315*	*215,079*	*2,562,236*	*2,604,788*	*172,527*	*7%*
Seed Technologies – global	240,621	7,057	233,564	198,141	42,480	21%
Corporate	197,715	45,184	152,531	130,571	67,144	51%
Nufarm Group	**3,215,651**	**267,320**	**2,948,331**	**2,933,500**	**282,151**	**10%**
Discontinued operations	–	–	–	442,422	(442,422)	(100)%
Nufarm Group	**3,215,651**	**267,320**	**2,948,331**	**3,375,922**	**(160,271)**	**(5%)**

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements.

				Proforma		
		Restated*				
EBITDA – Underlying ($000s)	**12 months ended Sep-21**	2 months ended Sep-20	Change	12 months ended Sep-20	Change	Change %
Crop protection						
APAC	111,550	691	110,859	75,983	35,567	47%
North America	104,394	(6,224)	110,618	96,854	7,540	8%
Europe	171,696	(19,119)	190,815	102,183	69,513	68%
Total Crop protection	*387,640*	*(24,652)*	*412,292*	*275,020*	*112,620*	*41%*
Seed Technologies – global	46,322	(4,515)	50,837	29,492	16,830	57%
Corporate	(72,855)	(18,024)	(54,831)	(67,342)	(5,513)	8%
Nufarm Group	**361,107**	**(47,191)**	**408,298**	**237,170**	**123,937**	**52%**
Discontinued operations	–	–	–	28,085	(28,085)	(100)%
Nufarm Group	**361,107**	**(47,191)**	**408,298**	**265,255**	**95,852**	**36%**

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements.

				Proforma		
		Restated*				
EBIT – Underlying ($000s)	**12 months ended Sep-21**	2 months ended Sep-20	Change	12 months ended Sep-20	Change	Change %
Crop protection						
APAC	91,436	(2,354)	93,790	57,045	34,391	60%
North America	71,716	(11,210)	82,926	66,402	5,314	8%
Europe	45,953	(39,818)	85,771	(21,267)	67,220	(316)%
Total Crop protection	*209,105*	*(53,382)*	*262,487*	*102,179*	*106,926*	*105%*
Seed Technologies – global	17,817	(9,420)	27,237	6,566	11,251	171%
Corporate	(73,822)	(18,206)	(55,616)	(68,750)	(5,072)	7%
Nufarm Group	**153,100**	**(81,008)**	**234,108**	**39,995**	**113,105**	**283%**
Discontinued operations	–	–	–	23,180	(23,180)	(100)%
Nufarm Group	**153,100**	**(81,008)**	**234,108**	**63,175**	**89,925**	**142%**

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements.

Crop Protection

APAC

Underlying EBITDA of $112 million was up 47 per cent on the proforma comparative period with higher revenues, improved gross profit margin in Australia and New Zealand and lower operating costs driving the improvement.

Revenue increased 14 per cent with volume growth driven by easing of drought conditions in Australia and Indonesia, particularly in the first half of the year.

The Australia and New Zealand business generated Underlying EBITDA of $82 million, with improved seasonal conditions, better commodity prices and tight industry supply generating strong demand. Increased sales of Nufarm branded crop protection products and Croplands spraying equipment contributed to a positive product mix, lifting margins and earnings. Recent product launches including Crucial®, Terrad'or® and Saracen® have been successful and have contributed positively to the growth.

The Asia businesses generated Underlying EBITDA of $29 million, with increased sales volumes and reduced operating costs more than offsetting the impact of unfavourable currency translation.

Manufacturing at the Raymond Road insecticide and fungicide (I&F) manufacturing facility in Australia ceased in September 2021 and the land and buildings are now expected to be sold during the next financial year. I&F products for the Australian market will now be sourced from a combination of Nufarm's Malaysian & North American manufacturing plants, domestic toll formulators and imports.

Europe

Underlying EBITDA increased to $172 million or 68 per cent (80 per cent in Euro), with higher revenues, improved margins and reduced operating costs contributing to the outcome.

Revenue increased 1 per cent relative to the proforma comparative period. In Euro, revenues were up 6 per cent on the same period. Sales performance in Germany, the UK, Baltic markets and parts of Eastern Europe was particularly strong with improved seasonal and trading conditions in these countries. Revenues also benefitted from increased sales of bromoxynil and beta-cyfluthrin which were in extended sell-out periods as they were phased out of the market during the 2021 calendar year.

EBITDA improved with strong commercial performance, an easing in certain raw material costs and increased production volumes which improved manufacturing cost recoveries. Positive product mix contributed to the improved margins, with lower volumes of non-branded product sales into industrial markets and increased sales of differentiated products from the Century and Surf (acquired portfolio) range.

Regional operating costs were lower relative to the proforma comparative period. An increase in freight and logistics costs relating to increased volumes, Covid-19 disruption and the Brexit transition was more than offset by lower discretionary spending costs due largely to Covid-19 restrictions.

Manufacture of 2,4-D synthesis at the Linz manufacturing facility ceased in March 2021. Financial benefits from the closure are expected to begin to be realised in the new financial year as existing stock levels are utilised.

North America

Underlying EBITDA increased 8 per cent relative to the proforma comparative period. In US Dollars, underlying EBITDA increased 25 per cent relative to the same period, with strong commodity prices and improved demand offset by increased expenditure due to global and regional logistic constraints which saw increased costs in warehousing and freight.

Revenues increased 6 per cent relative to the proforma comparative period. In US Dollars, revenue increased 19 per cent relative to same period. Strong commodity prices and improved demand has underpinned the demand for crop protection products. The Turf & Ornamental segment has also seen improvement as Covid-19 restrictions have eased during the year. Global and regional logistic constraints saw increased costs in warehousing and freight continued over the second half of the financial year. These constraints are expected to continue well into FY22. Good customer support flowing from the successful commissioning of the Greenville manufacturing plant last year also contributed to the strong performance.

Freight and logistics cost increases were partially offset by a reduction in discretionary expenditure due to Covid-19 restrictions limiting travel and product promotional activities.

Seed Technologies

The seed technologies segment includes sales of seed and downstream products managed by the Nuseed business and seed treatment products.

Underlying EBITDA of $46 million represented an improvement of 57 per cent over the proforma comparative period, with higher sales and gross profit margins the primary drivers of the improvement.

Revenues increased 21 per cent on the comparative period with strong volume growth from new hybrid seed varieties, product launches for Omega-3 Canola and Carinata, and a return to more normal seasonal conditions in Australia driving significantly higher endpoint royalty income on FY20 canola sales. Nuseed's leading market share position in Australian canola continues to strengthen.

Margin improvement resulted from a more profitable product mix, with the increased share of hybrid canola in Australia and stronger sales of higher margin sorghum and sunflower products in USA and South America. European sunflower sales and margin were, however, adversely impacted by Covid-19 related logistics and cost impacts. Overall, global seed treatment sales and margins declined slightly year over year with lower sales in the European and APAC regions; offset partially by initial sales and strong margins from the Trunemco launch in North America.

The change in corporate reporting periods results in the majority of Nuseed's full year earnings now falling within the first half of the financial year.

The Covid-19 related reduction in food service demand for salmon resulted in lower than anticipated full year sales of Aquaterra® (Nuseed's Omega-3 Canola oil for aquaculture use) to Chilean aquaculture customers. Positive use experience, repeat orders and stronger demand from new customers was experienced in the second half of the year as Chilean salmon markets started to recover. Nuseed expects to recommence commercial plantings of its Omega-3 Canola in calendar year 2022.

Results from a human clinical trial for Nutriterra® (Nuseed's Omega-3 Canola oil for human nutrition markets) were received during the year, confirming the product's safety and efficacy as a novel plant-based source of total omega-3 nutrition. The results of this trial will support ongoing discussions relating to the commercialisation of Nutriterra®. Recognition was also received from the FDA for Nuseed Omega-3 as a New Dietary Ingredient in August 2021.

During the year, Nuseed further scaled production of its proprietary Carinata oilseed cover crop in Argentina. Carinata is a non-food cover crop for certified sustainable low-carbon fuel production. Carinata grain was delivered to off-take partner Saipol, in Europe, for processing, where it is marketed under the Renewable Energy Directive regulatory framework.

Outlook

The outlook for soft commodity prices remains positive and improved seasonal conditions in key grain producing regions is resulting in strong demand for crop protection products.

Increasing cost of raw materials as well as global logistics and supply chain challenges, will continue to pressure margins however we expect price increases and volume growth will provide an offset.

Strong demand and channel restocking is likely to create earlier than normal sales as customers look to secure supplies.

With the change in our financial year end the seeds business now delivers the bulk of its earnings in the first half. High commodity prices are driving strong demand for canola, sunflower and sorghum seed. As Covid-19 restrictions reduce, and the salmon market further recovers, we expect expanded adoption of Aquaterra. As such, we intend to re-commence commercial plantings of Omega-3 canola in calendar year 2022. Fundamental market trends are supportive of expanded demand for Carinata as a low carbon fuel feedstock. Nuseed intends to expand commercial plantings of Carinata in calendar year 2022.

For the full FY22 financial year, assuming consistent currency translation to FY21, the Group is projecting:

- Depreciation and amortisation to be materially in line with the year ended 30 September 2021
- Increased capital expenditure to approximately $190 million as Covid restrictions continue to ease with carry over capital expenditure from FY21 and targeted investments in growth opportunities
- An underlying effective tax rate which is materially in line with the current year assuming the mix of geographical earnings is consistent with FY21

An update on trading conditions will be provided at the Annual General Meeting to be held on Friday 17 December 2021.

Basis of preparation of selected proforma financial information for non-statutory reporting periods ('proforma')

With the exception of the calculation of proforma Underlying net profit/(loss) after tax, the proforma financial information presented in this report has been measured using the accounting policies of the Group in place at 1 October 2020 including the retrospective impact of the change in accounting policy detailed in note 3(a)(ii) to the financial statements. The proforma Underlying net profit/(loss) after tax has been measured by reference to proforma underlying EBIT less net external interest less net foreign exchange losses multiplied by the underlying (pre material items) effective tax rate for the 12 months ended 31 July 2020. The information is presented on a continuing basis and adopts certain non-IFRS measures of the group, defined herein. The proforma information does not provide information regarding material items due to the inherent complications associated with reliably measuring statutory measures on a continuing basis, at a point in time in a financial year that had not been subject to review or audit. The pro-forma information has not been subject to review or audit.

IFRS and Non-IFRS financial information

Nufarm results are reported under International Financial Reporting Standards (IFRS) including underlying EBIT and underlying EBITDA which are used to measure segment performance. This release also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

The following notes explain the terms used throughout this profit release:

(1) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is underlying EBIT before depreciation and amortisation. We believe that underlying EBIT and underlying EBITDA provide useful information, but should not be considered as an indication of, or an alternative to, profit/(loss) for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

(2) Underlying EBIT is used to reflect the underlying performance of Nufarm's operations. Underlying EBIT is reconciled to operating profit below on a continuing basis.

Operating profit reconciliation	12 months ended 30 Sep 2021 $000	Restated* 2 months ended 30 Sep 2020 $000
Underlying EBITDA	361,107	(47,191)
add Depreciation and amortisation excluding material items	(208,007)	(33,817)
Underlying EBIT	153,100	(81,008)
Material items impacting operating profit	3,877	(6,862)
Operating profit	156,977	(87,870)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the financial statements.

(3) Non-IFRS measures are defined as follows:

Term	Definition
Underlying EBIT	Earnings before net financing costs, taxation and material items.
Underlying EBITDA	Underlying EBIT before depreciation and amortisation.
Underlying net profit after tax	Profit/(loss) for the period attributable to the equity holders of Nufarm Limited excluding material items.
Gross profit margin	Gross profit as a percentage of revenue.
Underlying SG&A	Sales, marketing and distribution expenses plus general and administrative expenses less material items.
Net external interest	Comprises other financial income, interest expense – external/debt establishment transaction costs and lease expense – finance charges as described in note 10 to the 30 September 2021 Annual Report.
ROFE	12 months rolling underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt).
Net debt	Total debt less cash and cash equivalents.
Net working capital	Current trade and other receivables, non-current trade receivables/trade finance receivables and inventories less current trade and other payables.
Underlying net operating cash flow	Net cash from operating activities excluding material items.
Underlying net investing cash flow	Net cash from investing activities excluding material items.
Average net working capital	Net working capital measured at each month end as an average over the last 12 months.
ANWC/Sales (%)	Average net working capital as a percentage of the last 12 months revenue.
Leverage	Net debt/rolling 12 months underlying EBITDA.
Gearing (%)	Net debt/(net debt plus equity).
Underlying income tax benefit/(expense)	Income tax benefit/(expense) excluding material items.
Underlying effective tax rate	Underlying income tax benefit/(expense) divided by underlying net profit after tax.
Constant currency	References to constant currency indicate a comparison removing the impact of exchange rates. It is the 12 months ended 30 September 2021 translated at the corresponding monthly exchange rates over the 12 month period ending 30 September 2020.

Key risks

A summary of the material risks that could impact the achievement of Nufarm's business objectives is included below. The Group's processes for managing risk are set in the Group's Corporate Governance statement which is available in the corporate governance section of our website, www.nufarm.com/CorporateGovernance.

The risks below are set out in no particular order. There are interdependencies between them and so an increased exposure for one risk may elevate the exposure of other risks. Nufarm may be impacted by other more general risks that Australian businesses with global operations may face as well as emerging risks that are not listed below.

Strategic context	What this means for Nufarm Ltd (risk/uncertainty)	How this is being managed

Strategic growth (medium to long term)

Climate change

As an input supplier to global agriculture, demand for crop protection products and seed solutions is influenced by climatic conditions that help determine the timing and extent of cropping activity as well as weed, pest and disease pressures.

Refer to the Environmental, Social & Governance section of this report for further details on Nufarm's climate-related risks and how they are being managed.

Regulation and market access

The crop protection industry is highly regulated with government controls and standards imposed on all aspects of the industry's operations. Crop protection products are subject to regulatory review and approval in all markets in which they are sold, with the requirements of regulatory authorities varying from country to country. Europe, in particular, is highly regulated and there is increasing political influence on the regulatory system. This is increasing the uncertainty in predicting regulatory outcomes.

In relation to seed, Omega 3 trait presence in canola is also highly regulated in many markets across the globe (e.g. China).

Continued legal and community focus on the impact of crop protections products has been increasing, particularly in the US which may give rise to increased litigation risk in personal bodily injury class actions.

Demand for new/different products and supporting manufacturing capability

Regulatory policies can have an impact on the availability and usage of crop protection products and, in some cases, can result in the restriction or removal of certain products from the market, which may have a material adverse effect on the financial performance of Nufarm.

Over time, our synthetic crop protection products may become less commercially viable in certain markets. This may bring the opportunity to increase our biological and other sustainable solutions presence in those markets.

This may require re-alignment of our manufacturing footprint which will require capital investment to ensure we have the manufacturing capability to produce new products that are pivotal to our growth.

If the manufacturing footprint is not aligned to product portfolio, there is a risk that Nufarm's assets will be under-utilised and/or not ready to manufacture new product lines, thereby impacting our financial performance.

Continually evolving our product portfolio and customer strategy

- All product development is aligned to Nufarm's strategic focus on key geographies and crops. This is supported by centralised systems and processes to approve and monitor development activities and provide ongoing support and technical advice to the marketing and commercial functions.
- The Nufarm portfolio team conducts regular assessments of advancements in application technology and product development. This is a key input to the product development pipeline and participation in potential partnerships with third parties with access to alternative technologies.
- Nufarm monitors regulatory developments across its key regions of operations closely and completes detailed regulatory risk scenario analysis biannually. The Nufarm portfolio team considers this analysis in the maintenance and ongoing development of our portfolio.
- Nufarm participates in several industry bodies and task forces which provide input and analysis to regulatory bodies on the use of our key products.

Alignment of manufacturing capability

- Assessment of the viability of our manufacturing footprint is completed on an ongoing basis. This has resulted in some investment, such as the newly commissioned formulation facility in Greenville, USA and divestment in manufacturing capability in Australia and Austria.
- Capital plans developed to support replacement of ageing plant and preventative maintenance programs have been established to minimise production downtime.

Strategic context	What this means for Nufarm Ltd (risk/uncertainty)	How this is being managed
Post-pandemic economic & geo-political uncertainty Whilst the impact of Covid-19 has not been significant on our business operations, the flow-on effect of this pandemic on how and where the global population lives and works remains to be seen. Uncertainties around economic policy-setting and the geo-political environment will impact movements around the globe and previously well-established supply chains may continue to be disrupted. The cost of capital may potentially increase.	**Capability to execute strategy** Inability to operationalise our strategy could result in loss of market share and variability in our earnings. • **Capital** – Nufarm's manufacturing footprint may require capital investment to ensure we have the manufacturing capability to produce new products that are pivotal to our growth. • **Supply chain** – Our growth depends on getting our products between Nufarm global locations and to customers efficiently and effectively. Freight and logistics availability and supply generally may become increasingly harder and costlier to do which may negatively impact our financial performance. Supply chain partners may cease to exist or financial pressure may drive others to take shortcuts that impact their quality of service or integrity. • **Workforce capability** – The Covid-19 pandemic will continue to change how people work and what they do for work. Executing our strategy will mean strengthening existing functions and introducing new processes/functions. If we can't retain or attract existing and new skills, there is a risk that these processes and functions will not operate at the standard that will be required to execute our strategy.	**Continually monitoring our operational capability** • The Finance team is reviewing Nufarm's capital management principles against our longer-term objectives and also Nufarm's capital structure. • The manufacturing capital expenditure plan is reviewed annually as part of the budgeting process. • The Procurement team is undertaking a number of reviews to improve diversification of supply and reduce key dependencies. • Suppliers operating in high-risk jurisdictions are subject to Ecovadis risk assessments. • The People Plan and HR strategic priorities are set annually and monitored throughout the year. • An annual talent showcase and succession planning processes ensure that key roles/competencies are identified and managed.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Operational continuity (what we do)	
Weather volatility – seasonality The timing of weather seasons in the geographies in which Nufarm operates is uncertain and varies from year to year. Consequently, there is a risk that unusually early or late seasons may have a negative impact on demand for Nufarm products in a particular year and therefore its financial performance.	• Nufarm's operations are global, providing geographic diversification to climatic and seasonality risks and our product portfolio is diverse, supporting a wide range of agricultural applications. • At an operating level, Nufarm's business planning processes incorporate forecasting and supply planning based on typical weather conditions. These plans are reviewed on an ongoing basis as the seasons progress to align supply with changing demand.
Weather volatility – physical damage An increase in extreme weather events as a result of changing climatic conditions could also result in operational disruptions, such as physical damage to our manufacturing facilities or disruption to our supply chain for key raw material inputs or delivery of finished goods to our customers. Significant disruption to our manufacturing facilities could materially impact production and our financial performance.	• Nufarm maintains a comprehensive insurance program which is supported by continuity strategies across our global manufacturing footprint and key suppliers. • Arrangements have been established with key toll manufacturers to support our internal manufacturing capability.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Third party supply interruptions Nufarm relies on supply of various active ingredients, intermediates and other inputs from a number of third-party suppliers, including suppliers based in China. The reliability of supply and the cost of these inputs can be impacted by a range of factors including, but not limited to, manufacturing closures or temporary disruptions, compliance with more stringent environmental and/or safety standards, and other changes in government policy or regulation. Significant interruptions can impact our ability to fulfil orders which may ultimately increase our costs.	• Nufarm's procurement and integrated business planning processes include the ongoing assessment of supply availability as input to manufacturing and safety stock levels. • Where possible, we have entered into specific supply arrangements to assist with availability and pricing of key active ingredients. • Alternate supply arrangements have been established, where permitted under regulatory requirements. • Our manufacturing facilities are geographically aligned with distribution to minimise disruption to supply.
Cyber-attack/unauthorised access Nufarm's operations are supported by several key IT systems and applications. Complete or partial failure of the IT systems, applications or data centre infrastructure due to unauthorised access, cyberattacks or natural disasters could have a significant impact on Nufarm's ability to maintain operations and service customers. This could adversely impact Nufarm's financial position and/or reputation.	• Nufarm has made significant investment in IT systems, infrastructure and capability to support the efficient operation of the business. This investment has included a global integrated business planning system, new financial system across Europe, significant uplift in our customer platforms and realignment to the Cloud for certain services to gain access to improved technology and capability. • Nufarm has implemented disaster recovery strategies over its key IT systems, applications and data centres, which are reviewed and tested on a regular basis. • Cyber threats are assessed on an ongoing basis to the best of our knowledge based on the continually evolving nature of these threats. Security controls are updated to mitigate these risks supported by a combination of external and internal vulnerability testing.
Loss of key personnel The loss of key personnel or the inability to recruit and retain or motivate high calibre staff could have a material adverse effect on Nufarm. Nufarm operates globally and has facilities in multiple jurisdictions. Management of a complex business that operates globally has a higher employee risk/complexity than a business which operates in one jurisdiction. The addition of new employees and the departure of existing employees, particularly in key positions, can be disruptive and could have an adverse effect on Nufarm and may impact Nufarm's financial performance and future prospects.	• Critical roles across the organisation have been identified and appropriate succession and retention strategies developed. • Guidelines for remuneration and reward have been developed to ensure Nufarm can attract and retain talent.
Operational sustainability & compliance (how we do it)	
Safety incident Operation of Nufarm's manufacturing sites across the globe require major hazard facility licences. Operating within these environments can lead to personal injury, loss of life or damage to property. Regulatory bodies undertake regular audits of Nufarm's sites to ensure that it is appropriate to renew the licences. These audits can result in suspension of operations, fines or penalties or remediation expenses. Covid-19 has heightened fatigue amongst our staff, in particular those living in areas of prolonged lockdowns and restrictions.	• A robust and comprehensive Health, Safety and Environment (HSE) program is in place which provides clear guidance on culture, behaviours, process, metrics and reporting. • This program includes the ongoing audit and assessment of HSE risks and practices. • A program of regular reporting at a local, regional and global level is in place, including quarterly reporting to the Executive Management and Board. • Close monitoring of Covid-related fatigue by Executive Management. • Wellbeing seminars, encouragement of leave-taking and a range of other Covid-related fatigue support measures are in place and continue to be advocated throughout the organisation.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Environmental damage Nufarm operates in a regulatory environment that establishes high standards in terms of environmental compliance. Any material failure by Nufarm to adequately control hazardous substances and manufacturing operations, including the discharge of waste material, or to meet its various statutory and regulatory environmental responsibilities, could result in significant liabilities as well as ongoing costs relating to operational inefficiencies which may arise.	• Environmental risk assessments have been completed across all our key operational sites and guidelines on the management of environmental risks aligned to ISO 14001 on environmental management systems have been implemented. • Local management engage with local environmental authorities on key risks and compliance.
Product contamination/quality Nufarm manufactures and supplies a range of crop protection products and seed solutions which must be manufactured, formulated and packaged to exact standards, with strict quality controls. The performance of those products would be negatively impacted if those quality standards are not met and this could, in turn, have an adverse impact on the reputation and success of Nufarm.	• Quality guidelines and procedures are defined across the manufacturing process, including external tolling activities. This includes a detailed contamination prevention program with associated procedures. • Manufacturing processes are subject to rigorous testing to ensure quality standards are met and an ongoing review program is in place with the aim of ensuring operations adhere to the quality standards.
Compliance breach Nufarm's global footprint requires compliance with government legislation and regulations across all the countries within which we are established to maintain our licenses to operate. New legislation or changes to requirements could have an adverse impact on our operations, financial position or relationship with key customers and suppliers. This includes requirements relating to occupational health and safety, environment, product registration, sanctions and anti-bribery, data privacy, taxation and review of contractual obligations with key suppliers and customers. Geopolitical risks such as changes to tariffs and sovereign risk impacting the political stability of certain countries we operate in could impact the price and volume of agricultural products traded in these regions.	• Policies and procedures have been developed supporting legislative and regulatory compliance. Nufarm's Code of Conduct provides overarching guidance on behaviours and is supported by procedures for sanction implications, ethical sourcing and management of sensitive personal data. • Nufarm also maintains a dedicated internal legal team across its key regional operations, which is supported externally as required, to provide input on key legislative and regulatory compliance. • Nufarm's internal tax department has developed specific guidance on the group's tax strategy and policies to ensure compliance and alignment with tax authorities on the treatment of transactions. • Nufarm has an online global whistleblower program to allow employees to report any unethical, illegal or fraudulent behaviour.
Financial exposures (how we fund what we do)	
Debt financing Nufarm has significant short term bilateral funding and supplier financing facilities to fund its working capital requirements. Continued access to these facilities is dependent upon compliance with relevant banking covenants and the successful renewal of these facilities as and when they fall due. Nufarm's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If Nufarm is unable to refinance its debt obligations, or to do so on reasonable terms, it may have an adverse effect on the financial position and performance of Nufarm.	• A clearly defined funding strategy is in place which includes a diversified funding structure with a range of debt maturity profiles. • Board and executive oversight is in place to monitor ongoing compliance with key banking covenants and facilitate the early identification of any covenants under stress. • Further details on strategies to manage liquidity, credit and market risk is included in note 27 of the Consolidated Financial Statements.
Foreign exchange exposure Global crop protection companies such as Nufarm purchase inputs and determine selling prices in a range of international currencies and are therefore exposed to fluctuations in exchange rates. Further, a substantial portion of Nufarm's revenues, costs, assets and liabilities are denominated in currencies other than Australian dollars. As a result, exchange rate movements affecting these currencies may impact the financial performance and future prospects of the business of Nufarm.	• Nufarm has implemented a range of financial risk management policies and procedures to assist with the management of foreign exchange exposure. The group treasury function manages financial risks in accordance with these policies. Where possible, currency and interest rate risk is managed through hedging strategies (refer note 27 of the Consolidated Financial Statements).
Working Capital Management Effective management of working capital is a key operational priority across the group and is impacted by factors such as changing customer demand as a result of seasonality and climatic conditions, changes in customer credit profiles and supply constraints.	• Policies and procedures have been developed to support the management of customer credit, inventory and procurement. • Nufarm's procurement and integrated business planning processes provide a focus on working capital management regionally and globally. This is supported by an investment in systems and data analytics to provide timely data on key working capital drivers. • Performance metrics supporting working capital management have been defined at a global and regional level and included in individual objectives and performance related remuneration for senior management.

Board of Directors

John Gillam BCom, MAICD, FAIM (Chairman)

Independent Non-executive Director

John Gillam joined the Board on 31 July 2020 and was appointed Chairman on 24 September 2020.

John has extensive commercial and leadership experience from a 20-year career with Wesfarmers where he held various senior leadership roles including CEO of the Bunnings Group, Managing Director of CSBP and Chairman of Officeworks.

Other directorships and offices (current and recent):

- Chairman of CSR Limited (Director since December 2017 and Chairman since 1 June 2018)
- Chairman of BlueFit Pty Limited (since February 2018)
- Director of the Heartwell Foundation (since 2009)
- Director of Clontarf Foundation (since 2017)
- Former Director of Trinity Grammar School (from June 2018 until June 2021)

Board Committee memberships:

- Chairman of the Nomination Committee

Greg Hunt Managing Director and Chief Executive Officer

Non-independent Executive Director

Greg Hunt joined the Board on 5 May 2015.

Greg joined Nufarm in 2012 and was Group Executive Commercial Operations prior to being appointed acting chief executive officer in February 2015.

Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focussed on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.

Gordon Davis BForSc, MAgSc, MBA

Independent Non-executive Director

Gordon Davis joined the Board on 31 May 2011.

Gordon was Managing Director of AWB Limited (from 2006 to 2010) and has held various senior executive positions with Orica Limited, including General Manager of Orica Mining Services (Australia, Asia) and General Manager of Incitec Fertilisers. He has also served in a senior capacity on various industry associations.

Other directorships (current and recent):

- Director of Healius Limited (formerly Primary Health Care Limited) (since August 2015)
- Director of Midway Limited (since April 2016)

Board Committee memberships:

- Chairman of the Risk and Compliance Committee
- Member of the Audit Committee
- Member of the Human Resources Committee
- Member of the Nomination Committee

Frank Ford MTax, BBus (Acc), FCA

Independent Non-executive Director

Frank Ford joined the Board on 10 October 2012.

Frank is a former Managing Partner of Deloitte Victoria after a long and successful career as a professional advisor spanning some 35 years. During that period, Mr Ford was also a member of the Deloitte Global Board, Global Governance Committee and National Management Committee.

Board Committee memberships:

- Member of the Nomination Committee
- Member of the Audit Committee

Dr David Jones BA (Hons) Science, PhD

Independent Non-executive Director

David Jones joined the Board on 23 June 2021.

David has held Chairman and Director roles in large global agricultural business. His experience includes as Head of Business Development at Syngenta and former Chairman of Zeneca China, Arysta Life Science, and Plant Impact. David has broad leadership experience in operations, strategy, mergers and acquisitions and intellectual property in multiple jurisdictions including Asia, Latin America, Europe and the United States.

Other directorships (current and recent):

- Chairman of Enko Chem Inc (since July 2021)
- Chairman of BigSis (since 2020)
- Former Chairman of Commercial Advisory Board of Enko Chem Inc (2019 to July 2021)

Board Committee memberships:

- Chairman of the Innovation Committee
- Member of the Nomination Committee

Peter Margin BSc(Hons), MBA

Independent Non-executive Director

Peter Margin joined the Board on 3 October 2011.

Peter has many years of leadership experience in major Australian and international food companies including Chief Executive of Goodman Fielder Ltd and before that Chief Executive and Chief Operating Officer of National Foods Ltd.

Other directorships (current and recent):

- Deputy Chairman of Bega Cheese Limited since September 2020)
- Director of Costa Group Holdings Limited (since June 2015)
- Director of Bega Cheese Limited (from June 2011 to January 2019)
- Former Director of PACT Group Holdings Limited (from November 2013 to 14 August 2019)
- Former Chairman of Asahi Holdings (Australia) Pty Ltd (to December 2020)

Board Committee memberships:

- Chairman of the Human Resources Committee
- Member of the Risk and Compliance Committee
- Member of the Nomination Committee
- Member of the Innovation Committee

Marie McDonald LLB(Hons), BSc(Hons)

Independent Non-executive Director

Marie McDonald joined the Board on 22 March 2017.

Marie is widely recognised as one of Australia's leading corporate and commercial lawyers having been a Senior Partner at Ashurst until 2014 where she specialised in mergers and acquisitions, corporate governance and commercial law.

Marie was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the Deputy Chair, and was a member of the Australian Takeovers Panel from 2001 to 2010.

Other directorships (current and recent):

- Director of CSL Limited (since 14 August 2013)
- Director of Nanosonics Limited (since 24 October 2016)
- Director of Walter and Eliza Hall Institute of Medical Research (since October 2016)
- Member of Melbourne University Law School Foundation Board (since October 2021)

Board Committee memberships:

- Member of the Nomination Committee
- Member of the Audit Committee
- Member of the Risk and Compliance Committee
- Member of the Innovation Committee

Lynne Saint BCom, GradDip Ed Studies, FCPA, FAICD

Independent Non-executive Director

Lynne Saint joined the Board on 18 December 2020.

Ms Saint has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as Chief Audit Executive and Chief Financial Officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management.

Other directorships (current and recent):

- Director of Iluka Resources (since 24 October 2019)
- Director of Ventia Services Group Limited (since 25 October 2021)

Board Committee memberships:

- Chairman of the Audit Committee
- Member of the Human Resources Committee
- Member of the Nomination Committee

Toshikazu Takasaki BBA

Non-independent Non-executive Director

Toshikazu Takasaki joined the Board on 6 December 2012.

Mr Takasaki represents the interests of shareholder Sumitomo Chemical Company (SCC).

He is a former executive of SCC holding senior management positions in businesses relating to crop protection, both within Japan and in the US. He is now a business consultant with a national qualification registered by the Japanese Ministry of Economy, Trade and Industry as a small and medium sized Enterprise Consultant.

He brings broad industry and international experience to the Board.

Board Committee memberships:

- Member of the Risk and Compliance Committee
- Member of the Nomination Committee

Fiona Smith Group General Counsel and Company Secretary BSc, LLB, GDipGov, FGIA

Fiona joined Nufarm on 20 June 2019 and was appointed Company Secretary on 27 June 2019. Fiona is a senior legal and governance professional with 20 years' experience in Company secretarial roles arising from her time spent in such roles in listed companies.

Fiona reports directly to the Board. She holds a Bachelor of Science and Bachelor of Law from the Australian National University and a Graduate Diploma in Applied Governance.

Key Management Personnel

Greg Hunt Managing Director and Chief Executive Officer

Non-independent Executive Director

Greg Hunt joined the Board on 5 May 2015.

Greg joined Nufarm in 2012 and was Group Executive Commercial Operations prior to being appointed acting chief executive officer in February 2015.

Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focussed on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.

Elbert Prado Group Executive Manufacturing and Supply Chain

Elbert joined Nufarm in July 2013. He has extensive international experience in senior operations roles within the chemical industry, including as Global Manufacturing and Supply Chain director for Rohm and Haas. Elbert has a strong focus on safety, supply chain and manufacturing excellence.

Paul Townsend Chief Financial Officer

Paul Townsend joined Nufarm in December 2020, whose 30-year career record spans across a variety of industries and includes CFO roles with Asaleo Care, Pacific Hydro, Futuris Automotive Group and most recently Monash University.

Corporate Governance Statement

1 Introduction

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

This section of the Annual Report outlines the governance framework of Nufarm Limited and its controlled entities (**Nufarm** or **Company**) for the year ended 30 September 2021.

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

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

The Board also continued its governance focus approving a Climate Change Policy, formalising the Conflicts of Interest Policy for Directors and Officers and introducing a Minimum Shareholding Policy for Non-executive Directors. All other governance policies continued to be reviewed on an annual basis to ensure they continue to reflect a high standard of corporate governance and comply with the ASX Corporate Governance Principles and Recommendations (**ASX Principles**). Nufarm, as a listed entity is required to comply with the Corporations Act (Cth), the ASX Listing Rules and other Australian and international laws and is required to report on the extent to which it has complied with the ASX Principles. During FY2021 Nufarm complied with the fourth edition of the ASX Principles.

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

The Corporate Governance Statement is current as at 17 November 2021 and has been approved by the Board.

2 Board of directors

2.1 Board role and responsibilities

The Constitution provides that the business and affairs of Nufarm are to be managed by or under the direction of the Board. Ultimate responsibility for governance and strategy rests with the Board. The role of the Board is to represent shareholders, and to demonstrate leadership and approve the strategic direction of Nufarm. The Board is accountable to the shareholders for the Company's performance and governance. At the 2020 Annual General Meeting shareholders approved a new Constitution that reflects current market practice and terminology.

The Board has adopted a formal Board Charter which was reviewed during 2021 and sets out the Board's key responsibilities, the matters the Board has reserved for its own consideration and decision making and the authority it has delegated to the Managing Director and Chief Executive Officer (**CEO**). The Board's responsibilities, as set out in the Board Charter, include:

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

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

Delegation to management

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

2.2 Board meetings and attendance

The Board meets as often as required. During the reporting period, the Board met 11 times including a strategy Board session. While regularly scheduled meetings are generally held face to face, this year, most meetings were held virtually or as hybrid meetings due to the impact of the Covid-19 pandemic.

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

Details of attendance at Board and standing Board committee meetings during FY2021 can be found in the Annual Report on page 53.

Key Activities undertaken by the Board during the year

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

- reviewing and agreeing to adopt an updated Board Charter, Audit Committee Charter, Risk and Compliance Committee Charter, Nomination Committee Charter and the establishment of an Innovation Committee and approving changes to Committee memberships as required;
- agreeing to adopt a Climate Change Policy, Minimum Shareholding Policy for Non-executive Directors and Conflicts of Interest Policy;
- reviewing and agreeing to adopt updates to governance policies including the Securities Trading Policy, Anti-bribery and Anti-corruption Policy and Continuous Disclosure Policy;
- participating in the board succession process concluding with the appointment of Lynne Saint as a Non-executive Director from 18 December 2020 and Chair of the Audit Committee from 1 July 2021 and appointment of Dr David Jones as a Non-executive Director from 23 June 2021;
- participating with management in the annual review of strategy and monitoring management's execution of strategy;
- reviewing Nufarm's capital structure;
- reviewing the delegation of authority to management to ensure it remains appropriate;
- approving an equity investment in Enko Chem Inc, a US based company discovering new small molecules in crop protection;
- overseeing the financial performance and key metrics of the Company including receiving regular updates of the impact of Covid-19 on the Company;
- overseeing the changes to the risk management system including approving an updated Risk Management Policy and Framework;
- ratifying the appointment of the Chief Financial Officer and approving his remuneration package; and
- approving a new executive incentive plan for KMPs and members of the Nufarm Leadership Team and the adoption of new Equity Incentive Plan Rules.

2.3 Board composition

The Board currently has eight Non-executive Directors and the CEO. Details of the Directors, including their qualifications, experience, date of appointment and independent status are set out in the Directors' Report on pages 51–53 in the 2021 Annual Report. The Constitution provides that the Company is not to have more than 11 or less than three Directors.

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

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

- the role of the Chairman and the CEO should not be filled by the same person;
- the Chairman must be an independent Non-executive Director;
- the CEO must be a full-time employee of the Company;
- the majority of the Board must be independent Non-executive Directors; and
- the Board should represent a broad range of qualifications, experience, expertise and diversity.

Changes during the year

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

2.4 Director skills, experience and attributes

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

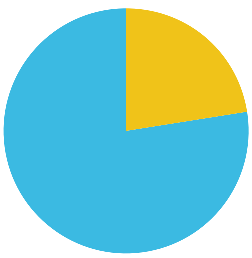
- honesty, integrity and a proven track record of creating value for shareholders;
- an ability to apply strategic thought;
- a preparedness to debate issues openly and constructively and to question, challenge and critique;
- a willingness to understand and commit to the governance framework of the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

Skills matrix

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

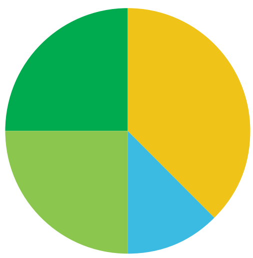
Skills/Experience	No of Directors with skill
Manufacturing & Integrated Supply Chain Management in High Risk Environment Relevant experience in international manufacturing and/or integrated supply chain management including demonstrated ability to improve production systems	6
Customer Relations Relevant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

Diversity (as at 30 September 2021)



Female	2
Male	7

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



0–3 years	3
3–6 years	1
6–9 years	2
9+ years	2

Corporate Governance Statement continued

2.5 Chairman

The Chairman of the Board is John Gillam, an independent Non-executive Director.

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

2.6 Board succession planning

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

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

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

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

2.7 Director independence

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

During FY2021 all Non-executive Directors, except for Toshikazu Takasaki, who is a nominee of Sumitomo, a substantial shareholder in the Company, were considered to be independent.

2.8 Conflict of interest

During FY2021 the Board formalised its procedure for dealing with conflicts of interest by approving a Conflict of Interest Policy to ensure that Directors disclose any conflicts of interest and that any conflicts are appropriately addressed. In the event a Director does have an actual or potential conflict, the director does not receive the relevant Board or Committee papers and must absent themselves from the room when the Board or Committee discusses and votes on matters subject to the conflict. This continues unless the other Directors resolve otherwise. The Director cannot access the minutes of the Board or Committee meeting in relation to the conflict.

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

2.9 Director appointment, induction training and continuing education

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

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

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

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

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

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

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

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

2.10 Shareholding requirements for Non-executive Directors

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

2.11 Board performance evaluation

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

During FY2021 the Board continued to monitor the effectiveness of these changes to ensure they remained appropriate. As a result, the responsibility for corporate governance practices previously within the remit of the Nomination and Governance Committee has been incorporated into the Board Charter with the Nomination and Governance Committee being renamed the Nomination Committee and membership expanded to include all Non-executive Directors.

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

2.12 Independent professional advice

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

2.13 Company Secretary

The details of the Company Secretary, including their qualifications, are set out in the Annual Report 2021 on page 53. The appointment and removal of the Company Secretary is a matter for the Board. The Company Secretary is accountable to the board for the effectiveness of the implementation of the corporate governance processes, adherence to the Board's principles and procedures and co-ordinates all Board and Board Committee business, including agendas, papers, minutes, communication and filings. All Directors have direct access to the Company Secretary.

3 Committees

To assist the Board to carry out its responsibilities, the Board has established an Audit Committee, a Risk and Compliance Committee, a Human Resources Committee and a Nomination and Governance Committee. During FY2021 the Board also agreed to establish an Innovation Committee and changed the name of the Nomination and Governance Committee to the Nomination Committee.

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

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

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

The Company Secretary provides secretarial support for each Committee.

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

3.1 Audit Committee

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

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

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

Membership and meetings

The Audit Committee consists of:

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

The members of the Audit Committee during the reporting period were:

Name	Membership status
Lynne Saint (Chairman)	Member from 18 December 2020 and Chair (from 1 July 2021)
Frank Ford	Chair (until 30 June 2021) and member for the entire period
Anne Brennan	Member until 18 December 2020
Gordon Davis	Member for the entire period
Marie McDonald	Member for the entire period

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

The external auditors, the Chairman, the CEO, the CFO, the Group Financial Controller, the Head of Internal Audit (if applicable), the Group Tax Manager, Group Treasurer and the internal audit service provider partner attend meetings of the Committee at the invitation of the Committee Chair. All Board members are invited to attend all Audit Committee meetings.

Activities during the year

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

- reviewing the scope, plan and fees for the external audit for the period and overseeing the work performed by the external auditors;
- reviewing the independence and performance of the external auditor;
- reviewing significant accounting, financial reporting and related issues raised by management and the External Auditor;
- monitoring developments in significant accounting, financial reporting and taxation matters and considering the implications for the Company;
- approving the internal audit plan for FY2021 including amendments required in response to Covid-19 and reviewing the outcome of internal audit reviews and the plans to implement any remedial action;
- reviewing and monitoring improvements to the Company's internal control and accounting practices;
- reviewing and recommending to the Board the approval of the Company's two months ended 30 September 2020, FY2021 half year and annual financial statements;
- reviewing and endorsing an updated Provision of non-audit services Policy for the External Auditor; and
- endorsing to the Board the adoption of an updated Audit Committee Charter.

External Audit

The Audit Committee reviews the External Auditor's scope of work, including the external audit plan, to ensure it is appropriate, having regard to the Company's key risks. The External Auditor reports to the Committee at each meeting and is given an opportunity to raise issues with the Committee in the absence of management. The Committee also reviews the performance and independence of the External Auditor on an annual basis. KPMG is the External Auditor.

The Committee has a Policy on the Provision of Non-audit related services by the External Auditor which sets out the Company's approach to engaging the External Auditor for the performance of non-audit related services with a view to ensuring their independence is maintained. This Policy was reviewed and updated in February 2021.

A copy of the Policy on the Provision of Non-audit related services by the External Auditor can be found in the Corporate Governance section of Nufarm's website.

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

3.2 Risk and Compliance Committee

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

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

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

Membership and meetings

The Risk and Compliance Committee consists of:

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

The members of the Risk and Compliance Committee during the reporting period were:

Name	Membership status
Gordon Davis (Chairman)	Member for the entire period
Peter Margin	Member for the entire period
Marie McDonald	Member for the entire period
Toshikazu Takasaki	Member for the entire period

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

Activities during the reporting period

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

- reviewing the Company's key risks and Risk Management Framework including recommending to the board the adoption of a revised Risk Management Policy and Framework and confirming that the framework was sound and that the Company is operating with due regard to the risk appetite set by the Board;
- reviewing management reports on the Company's key financial and non-financial risks and risk management program including contemporary and emerging risks such as impacts of Covid-19, geopolitical, cyber-security, privacy and data breaches and climate change;
- receiving regular reports on health, safety, environment and quality matters;
- recommending to the Board the approval of the Modern Slavery Statement for FY2020 and the adoption of a Climate Change Policy;
- recommending to the Board updates to the Committee Charter to expand the responsibilities of the Committee to include overseeing the Company's response to ESG including receiving regular reports on ESG performance; and
- receiving regular reports on the Company's compliance program.

3.3 Human Resources Committee

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

The Committee's key responsibilities and functions are to:

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

The process to engage remuneration consultants is included in the Human Resources Charter who will provide independent remuneration advice, as appropriate, on director fees and KMP remuneration, structure, practice and disclosure. Remuneration consultants are engaged directly by the Chair of the Human Resources Committee and report directly to the Committee. During the period remuneration consultants were engaged through this process to undertake external benchmarking of KMP and NLT remuneration for FY2022.

Further details on the Company's remuneration framework, the policies and practices regarding the remuneration of Directors, as well as the contractual arrangements, remuneration and performance evaluation of other members of KMP, are reflected in the Remuneration Report on pages 55 to 74. The progress against the Company's Inclusion and Diversity objectives are detailed in the Inclusion and Diversity section of this statement on pages 41–46.

Membership and meetings

The Human Resources Committee consists of:

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

The members of the Committee during this period were:

Name	Membership status
Peter Margin (Chairman)	Member for the entire period
Anne Brennan	Member until 18 December 2020
Gordon Davis	Member for the entire period
Lynne Saint	Member from 25 February 2021

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

Activities during the year

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

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

3.4 Nomination Committee (previously Nomination and Governance Committee)

The role of the Nomination Governance Committee is to assist the Board to oversee the composition, performance, succession planning of the Board as well as the induction and ongoing training for directors. During FY2021 the Board agreed the responsibility for the Company's corporate governance practices would be incorporated into the Board Charter.

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

Membership and meetings

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

- All Non-executive Directors (with the majority to be independent Non-executive Directors) with the Chair to be an independent Non-executive Director; and
- where the Board Chairman is the Committee Chair, he or she will not chair the Committee when it is dealing with the appointment of a successor to the Chair.

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

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

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

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

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

Activities during the year

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

- overseeing the process of succession planning for the Board including making recommendations to appoint Lynne Saint and Dr David Jones as independent Non-executive Directors;
- making a recommendation to the Board to introduce a Minimum Shareholding Policy for Non-executive Directors;
- making a recommendation to the Board on adopting an updated Securities Dealing Policy and reviewing and updating the Continuous Disclosure Policy;
- making recommendations to the Board on changes to Committee membership including the appointment of Lynne Saint as Chair of the Audit Committee and Dr David Jones as Chair of the Innovation Committee;
- making a recommendation to the board to update the Committee Charter; and
- making a recommendation to the board to establish an Innovation Committee and adopting the Innovation Committee Charter.

3.5 Innovation Committee (from July 2021)

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

The Committee's key responsibilities and functions are:

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

Membership and meetings

The Committee consists of:

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

The members of the Committee during the relevant period were:

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

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

4 Inclusion and diversity

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

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

- Nufarm's continued effort to respond to Covid-19 with flexibility and inclusion. While we are privileged to be working in an essential industry, we also recognise that this has been a very trying time for all our employees. We had regular promotion and education sessions with our Employee Assistant Programs, facilitation of wellness check-ins and continual access to updated Health and Wellbeing resources/ intranet for all employees. Our focus on staying connected, work life balance, flexible working and building resilience has enabled us to maintain high levels of employee satisfaction;
- at least five Executive Inclusion and Diversity Steering committee meetings;
- establishing and in some regions, re-establishing Inclusion, and diversity councils (ANZ, North America and Europe);
- launching Nufarm Voice, our employee continuous listening strategy;
- celebrating diversity across the globe with International Women's day, Black History Month in North America, and European Diversity Week;
- continuing to educate the business through unconscious bias training and mentoring programs;
- intentional focus on attracting female talent; and
- our One Nufarm Behaviours recognition program continues to progress with 447 (2020: 702) people recognised with 745 new badges (2020: 1,107 badges) of appreciation during 2021.

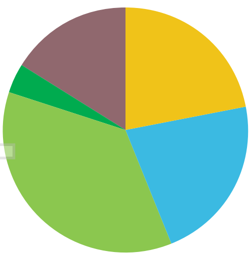
4.1 Nufarm's workforce

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

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

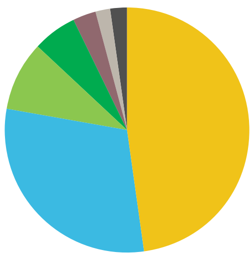
We continue to recruit across the career lifespan with 41 per cent (2020: 33 per cent) of new hires aged less than 30 years of age, 46 per cent (2020: 54 per cent) between 30-50 years and 13 per cent over the age of 50 (2020: 13 per cent). This aligns with our longer- term intent to increase numbers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

2021 FTE by Geography



Asia	**22%**
ANZ	**22%**
Europe	**36%**
LATAM	**4%**
NA	**16%**

2021 FTE by Function



Supply Chain	**48%**
Sales	**30%**
Portfolio Solutions	**9%**
Finance	**6%**
Corporate	**3%**
Information Technology	**2%**
Human Resources	**2%**

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

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

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

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

4.2 Women at Nufarm

Nufarm's focus on gender diversity is designed to empower all employees by actively addressing the barriers to equality and creating a level playing field and inclusive culture for all staff. To this end we are committed to working towards a revised target of not less than 35 per cent (2020: 30 per cent) of either gender making up our workforce by 2025.

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

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

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

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

Gender by Geography 30 Sept 2021	Female	Male
ANZ	27%	73%
ASIA	18%	82%
Europe	27%	73%
LATAM	20%	80%
NA	31%	69%

Gender by function 30 Sept 2021	Female	Male
Supply Chain	20%	80%
Sales	18%	82%
Portfolio Solutions	43%	57%
Finance	55%	45%
Corporate	46%	54%
Information Technology	20%	80%
Human Resources	79%	21%

4.3 Cultural diversity

Our global footprint enables a culturally diverse workforce of leaders and teams, representing local cultures and customers in over 100 countries. 25 per cent of non-executive board members reside outside Australia (2020: 11 per cent) as do 50 per cent of executive team members. Our executive and senior management team remains culturally diverse with at least 15 different cultural backgrounds represented. Nufarm's employee self-disclosed data indicates that our workforce originates from no less than 63 different countries and speaks at least 37 different languages. Nufarm also has at least 8 per cent of employees working in a different country to their birth country.

4.4 Nufarm Voice

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

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

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

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

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

4.5 Progress against 2021 objectives

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

2021 Objectives

Inclusion and diversity strategy goals	Progress against 2021 Objectives
Vision and Purpose Goal Diversity is actively understood and represented by all employees who promote an inclusive culture. Difference is celebrated across the Company and there is a solid understanding of how inclusion and diversity can contribute to achieving business objectives. By 2022	Continue with the communications plan and regular inclusion and diversity articles. Refresh the NLT Inclusion and Diversity Steering Committee, minimum 2-year term and maximum 3-year term to ensure diversity of the group. • **Progress:** Rotation of 2 new executives to the NLT steering committee have been appointed along with a representative chairman to lead the group and revisit progress against objectives.
Policy Goal Inclusion and diversity policy underpins other HR strategies. Policies and procedures are regularly reviewed, and where special circumstances allow, alternative solutions are put in place to ensure attraction and retention of a diverse workforce. By 2020	Conduct a progress Global (regional) Inclusion and Diversity diagnostic by March 2021 to demonstrate progress and review Inclusion and Diversity Strategy. • **Progress:** I&D Audit was completed with improvement shown across all areas measured and results shared with the Board. A 2025 I&D Road map has been developed using the Audit results, Nufarm Voice results and Company strategy as key inputs. • Objectives developed for 2022 and approved by the HRC. • Developed and introduced Flexible Working Guidelines across the business.

Inclusion and diversity strategy goals	Progress against 2021 Objectives
Knowledge and Capability Goal All employees understand what diversity and inclusion is and the competitive advantages it brings, are aware of their responsibilities in contributing to a diverse and inclusive environment, and how to do so effectively. By 2022	Deliver unconscious bias trainings to the European Senior Leadership team and the next level. • **Progress:** Completed with planned biannual retraining. 100 per cent employees have access to our Inclusive Leadership Framework online. • **Progress:** The inclusive Leadership Framework continues to be deployed through online training to staff in their national language during Covid-19. All employees except those with Spanish and Polish language have access. 19 per cent of the workforce using the framework and resources. Deploy a Voice of the Business program 'Nufarm Voice' to improve engagement through continuous listening and data driven actions. • **Progress:** Nufarm Voice platform was deployed three times over this period along with onboarding surveys as part of a more inclusive continuous listening program. 80 per cent participation with key actions taken at team level for greatest impact.
Remuneration Goal Remuneration practices ensure there is no bias based on difference. By 2022	Incorporate business as usual, gender analysis by region into the remuneration review signoff process, to be led by regional leads and signed off by RGM. Global to support development of analysis. • **Progress:** Our planned annual gender pay analysis for FY20 did not occur due to a salary freeze. • Nufarm's short term incentive 2020 plan included a non-financial team component that aims to drive a collaborative growth mindset culture. This component is measured based on team performance, contribution and behaviour and minimises manager bias associated to individual performance decisions.
Talent Goal The board to have not less than 30 per cent of directors of each gender by 2022. The senior leadership team and workforce generally to have not less than 30 per cent of people of each gender by 2025. Succession plan coverage reflects the diversity of the organisation. By 2025	Continue to have one female on the panel for all senior leadership level appointments and the commitment of having one female on the shortlist for all senior Leadership roles. • **Progress:** 100 per cent of SLT open vacancies had one female on the interview panel and all senior leadership level roles apart from one (88 per cent) had at least one female on the shortlist. Succession plan coverage reflects the diversity of the SLT population. • **Progress:** The NLT succession plan is populated with 37 per cent female talent and 77 per cent of the executive roles have at least one female in the succession pool. A new gender diversity KPI was introduced and cascaded to CEO-1 and CEO-2 and will be included in their team performance scorecard.

4.6 Focus for 2022 – FY2025

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

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

Inclusion and Diversity at Nufarm: our 2022 – 2025 Roadmap

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

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

One Nufarm Global Priorities	**Communications:** Implement I&D communication plan including; internal & external key messages	**Leadership & Talent Management:** Increase leadership accountability for creating an inclusive workplace and progressing diversity		**Employee Lifecycle:** Modernise role design. Update recruitment & selection processes to reduce bias, attract/select more diverse talent and enable internal promotions	
		Leadership & Talent Development	**Succession Management**	**Attraction & Advertising**	**Selection**

4.61 2022-2025 One Nufarm Key Priorities

Global I&D Priorities and Goals	2022 I&D Objectives
Communications: Implement an I&D communication plan for all internal and external communications.	
Implement I&D communication plan for all internal and external communications. The objective of the plan is to show how we are consistently creating an inclusive work environment where individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential. We aim to achieve this by 2025 and will measure our success through our internal engagement survey and presence on LinkedIn.	Develop and Deliver a targeted 2022 I&D communications plan: • INTERNAL: Frequent communication/engagement activities that improve awareness and engagement results: – Authenticity: I feel comfortable being myself at work – Inclusion: Leaders at Nufarm Value different perspectives – Speak my Mind: I feel free to speak my mind without fear of negative consequences – Equal Opportunity: Regardless of background everyone at Nufarm has equal opportunity to succeed • EXTERNAL: Increase the awareness of Nufarm diversity benefits measured through increased diversity of the stories we share on our social media channels and the diversity of our social media followers.
Leadership & Talent Management: Increase leadership accountability for creating an inclusive workplace and progressing diversity	
Leadership & Talent Development by 2025 • The board to have not less than 35 per cent of directors of each gender by 2025. • The senior leadership team and workforce to have not less than 35 per cent of each gender represented by 2025. • Increase female representation in manufacturing roles from 14 per cent to 25 per cent by 2025.	The senior leadership team (CEO-2) to have not less than 30 per cent of either gender represented with clear accountabilities established. Women in Manufacturing Review conducted to identify obstacles and opportunities for Nufarm. • Increase female representation in supply chain (manufacturing) leadership roles by at least 3 per cent in FY2023 (2020: 13 per cent) Improve female representation in commercial and P&L roles: • Women's Mentoring Program established and deployed. • External talent mapping for P&L roles within each Region alongside internal succession coverage.
Succession Planning Succession plans are populated with diverse candidates who are skilled, ambitious, and engaged. By 2025 all executive roles (no exception) have established gender diversity in their succession plans	Succession plan coverage of the executive team to have no less than 30 per cent representation of either gender.
Employee Lifecycle: Modernise role design and update recruitment and selection processes to reduce bias, attract/select more diverse talent and enable internal promotions	
Attracting and Advertising • Increase role attractiveness to minority groups by 2025. • Target universities, colleges, technical institutions, and areas with high minority population to advertise and build an employer of choice image for IT, Commercial agriculture, and manufacturing by 2025.	• Conduct a review on how we advertise to attract diverse candidates and develop an action plan to ensure that our jobs ads are more inclusive. • Develop a program to attract early in career pipeline talent relevant to regional focus areas.
Selection • Have one female on the selection panel for all senior leadership appointments and 80 per cent of all other appointments across the organisation by 2025. • Commit to having at least two females on the shortlist for all (100%) senior leadership roles, and 80 per cent of all other roles to have at least one female on the shortlist by 2025.	• Develop a pre-interview tool/guide to minimise unconscious bias. Focus on criteria and outcomes of the role. • Develop: Interview Training plan and have all panellists trained. • 100 per cent CEO-1&2 roles and 80 per cent for all CEO-3 roles to have one female on the interview panel. • 100 per cent all CEO-1&2 to have at least one female on the shortlist with 60 per cent of these roles having at least two females on the shortlist.

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

5 Promoting responsible and ethical behaviour

Code of Conduct

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

The key values underpinning the Code of Conduct are:

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

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

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

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

Anti-bribery Policy

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

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

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

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

Whistleblower Policy

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

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

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

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

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

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

Modern Slavery and Human Rights Policy

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

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

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

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

Securities Trading Policy and insider trading

The Board adopted a new Securities Trading Policy during FY2021 that covers dealings by Directors, KMP and relevant employees and complies with the ASX Listing Rule requirements for a trading policy. The Securities Trading Policy aims to ensure that public confidence is maintained in the reputation of Nufarm, the reputation of its directors and employees and in the trading of Nufarm securities.

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

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

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

6 Risk management and internal control

6.1 Approach to risk management and internal control

The Board recognises that the effective identification and management of risk reduces the uncertainty associated in executing the Company's business strategies. The Board has a focus on strategy development and execution and actively supports integrated risk management to strengthen this focus area. During the year the Risk and Assurance function was reviewed resulting in the establishment of a Risk and Compliance business unit reporting to the Group General Counsel and Company Secretary and Internal Audit reporting to the CFO. A Group Head, Risk and Compliance was appointed in April 2021 to further integrate risk management across Nufarm.

During the year, the risk management framework and policies and procedures were reviewed and updated to align to the concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:201809). The risk framework, policies and procedures set out the roles, responsibilities, and guidelines for managing financial and non-financial risks associated with the Company's business and have been designed to provide effective management of material risks at a level appropriate to the Company's global business and have continued to be enhanced as the Group's operations develop and its range of activities expand. These risks include contemporary and emerging risks such as cyber-security, Covid-19 impacts, privacy and data breaches, increased geo-political risk and climate change.

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

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

Nufarm is committed to continuing to improve its enterprise risk management practices to protect and enhance shareholder value. The recent appointment of a Group Head, Risk and Compliance, has brought a renewed focus to strategic risk management and the integration of risk in decision-making. The Executive Risk, Health, Safety and Environment Committee continued to meet during FY2021 to assist with overseeing, directing and supporting the implementation and operation of the risk management framework and internal compliance and control system across the Company. The members of the Committee are the CEO (Chair), CFO, Group Executive Supply Chain Operations, Group Executive People and Performance, the Group Company Secretary and General Counsel, Group Head Risk and Compliance, General Manager, Global Sustainability, General Manager Quality and a Regional General Manager (on a rotational basis).

More information on Nufarm's financial and non-financial risks, including environmental, the approach to climate change and social related risks, is set out in the Annual Report 2021 on pages 26 to 29 and the Sustainability Report.

6.2 Risk management responsibilities

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

The Board has delegated oversight of the ongoing risk management program, procedures, auditing and adequacy and effectiveness of the enterprise risk management to the Risk and Compliance Committee and oversight of evaluating the adequacy and effectiveness of the internal control systems to the Audit Committee.

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

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

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

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

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

During FY2021, the Risk and Compliance Committee oversaw a review of the Risk Management Framework and is satisfied that the Risk Management Framework continues to be sound and that the Company is operating with due regard for the risk appetite set by the Board.

6.3 Internal audit

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

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

The internal audit service provider supports management efforts to:

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

The scope of internal audit work (including the annual internal audit plan) is prepared with a view to providing coverage of all major business and functional units and identified key risks. The Audit Committee approves the internal audit plan which is reviewed throughout the year to ensure it remains appropriate.

The Head of Internal Audit and following the change to an outsourced internal audit model, PWC representatives, report directly to the Committee at each meeting on the progress against the internal audit plan, as well as detailed findings and corresponding management actions in relation to reviews undertaken in accordance with the internal audit plan. There is an opportunity to raise issues with the Committee in the absence of management, in a closed session held during each Committee meeting. The internal audit function had unfettered access to the Chair of the Audit Committee.

6.4 CEO and CFO assurance

Before adoption by the Board of 2021 half year and annual financial statements, the CEO and the CFO provided written declarations to the Board in respect of the Company's half year and annual financial statements that, in their opinion, the financial records of the Company have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of an adequate system of risk management and internal control which is operating effectively.

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

6.5 Verification of periodic reports

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

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

7 Continuous disclosure and communications with shareholders

7.1 Continuous disclosure and market communications

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

The Board has adopted a Continuous Disclosure Policy, which establishes procedures aimed at ensuring that Nufarm complies with the legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. These procedures include the establishment of a Market Disclosure Committee, which monitors the continuous disclosure framework and is responsible for ensuring that Nufarm complies with its obligations. The Continuous Disclosure Policy was reviewed and updated by the Board in July 2021.

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

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

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

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

7.2 Shareholder communication

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

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

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

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

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

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

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

Directors' report

The directors present their report together with the financial report of Nufarm Limited ('the Company') and of the group, being the Company and its subsidiaries and the group's interests in associates and jointly controlled entities, for the financial year ended 30 September 2021 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

JC Gillam (Chairman)

GA Hunt (Managing Director)

AB Brennan (Retired 18 December 2020)

GR Davis

FA Ford

DJ Jones (Appointed 23 June 2021)

ME McDonald

PM Margin

LD Saint (Appointed 18 December 2020)

T Takasaki

Unless otherwise indicated, all Directors held their position as a director throughout the entire period and up to the date of this report. Details of the qualifications, experience and responsibilities and other directorships of the Directors are set out below.

Name, qualifications and responsibilities	Tenure and experience
John Gillam BCom, MAICD, FAIM Independent Non-executive Chairman Chairman of the Nomination Committee	John Gillam joined the Board on 31 July 2020 and was appointed Chairman on 24 September 2020. John has extensive commercial and leadership experience from a 20-year career with Wesfarmers where he held various senior leadership roles including CEO of the Bunnings Group, Managing Director of CSBP and Chairman of Officeworks. Other directorships and offices (current and recent): • Chairman of CSR Limited (Director since December 2017 and Chairman since 1 June 2018) • Chairman of BlueFit Pty Limited (since February 2018) • Director of the Heartwell Foundation (since 2009) • Director of Clontarf Foundation (since 2017) • Former Director of Trinity Grammar School (from June 2018 until June 2021)
Greg Hunt Managing Director and CEO	Greg Hunt joined the Board on 5 May 2015. Greg joined Nufarm in 2012 and was Group Executive Commercial Operations prior to being appointed acting chief executive officer in February 2015. Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focused on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.
Gordon Davis BForSc, MAgSc, MBA Independent Non-executive Director Chairman of the Risk and Compliance Committee Member of the Audit Committee Member of the Human Resources Committee Member of Nomination Committee	Gordon Davis joined the Board on 31 May 2011. Gordon was Managing Director of AWB Limited (from 2006 to 2010) and has held various senior executive positions with Orica Limited, including General Manager of Orica Mining Services (Australia, Asia) and General Manager of Incitec Fertilisers. He has also served in a senior capacity on various industry associations. Other directorships (current and recent): • Director of Healius Limited (formerly Primary Health Care Limited) (since August 2015) • Director of Midway Limited (since April 2016)
Frank Ford MTax, BBus (Acc), FCA Independent Non-executive Director Member of the Nomination Committee Member of the Audit Committee	Frank Ford joined the Board on 10 October 2012. Frank is a former Managing Partner of Deloitte Victoria after a long and successful career as a professional advisor spanning some 35 years. During that period, Mr Ford was also a member of the Deloitte Global Board, Global Governance Committee and National Management Committee.

Name, qualifications and responsibilities	Tenure and experience
Dr David Jones BA (Hons) Science, PhD Independent Non-executive Director Chairman of the Innovation Committee Member of the Nomination Committee	David Jones joined the Board on 23 June 2021. David has held Chairman and Director roles in large global agricultural business. His experience includes as Head of Business Development at Syngenta and former Chairman of Zeneca China, Arysta Life Science, and Plant Impact. David has broad leadership experience in operations, strategy, mergers and acquisitions and intellectual property in multiple jurisdictions including Asia, Latin America. Europe and the United States. Other directorships (current and recent): • Chairman of Enko Chem Inc (since July 2021) • Chairman of BigSis (since 2020) • Former Chairman of Commercial Advisory Board of Enko Chem Inc (2019 to July 2021)
Peter Margin BSc(Hons), MBA Independent Non-executive Director Chairman of the Human Resources Committee Member of the Risk and Compliance Committee Member of the Nomination Committee Member of the Innovation Committee	Peter Margin joined the Board on 3 October 2011. Peter has many years of leadership experience in major Australian and international food companies including Chief Executive of Goodman Fielder Ltd and before that Chief Executive and Chief Operating Officer of National Foods Ltd. Other directorships (current and recent): • Deputy Chairman of Bega Cheese Limited (since September 2020) • Director of Costa Group Holdings Limited (since June 2015) • Former Director of Bega Cheese Limited (from June 2011 to January 2019) • Former Director of PACT Group Holdings Limited (from November 2013 to 14 August 2019) • Former Chairman of Asahi Holdings (Australia) Pty Ltd (to December 2020)
Marie McDonald LLB(Hons), BSc(Hons) Independent Non-executive Director Member of the Nomination Committee Member of the Audit Committee Member of the Risk and Compliance Committee Member of Innovation Committee	Marie McDonald joined the Board on 22 March 2017. Marie is widely recognised as one of Australia's leading corporate and commercial lawyers having been a Senior Partner at Ashurst until 2014 where she specialised in mergers and acquisitions, corporate governance and commercial law. Marie was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the Deputy Chair, and was a member of the Australian Takeovers Panel from 2001 to 2010. Other directorships (current and recent): • Director of CSL Limited (since 14 August 2013) • Director of Nanosonics Limited (since 24 October 2016) • Director of Walter and Eliza Hall Institute of Medical Research (since October 2016) • Member of Melbourne University Law School Foundation Board (since October 2021)
Lynne Saint BCom, GradDip Ed Studies, FCPA, FAICD Independent Non-executive Director Chairman of the Audit Committee Member of the Human Resources Committee Member of Nomination Committee	Lynne Saint joined the Board on 18 December 2020. Ms Saint has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as Chief Audit Executive and Chief Financial Officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management. Other directorships (current and recent): • Director of Iluka Resources (since 24 October 2019) • Ventia Services Group Limited (since 25 October 2021)
Toshikazu Takasaki BBA Non-independent Non-executive Director Member of the Risk and Compliance Committee Member of the Nomination Committee	Toshikazu Takasaki joined the Board on 6 December 2012. Mr Takasaki represents the interests of shareholder Sumitomo Chemical Company (SCC). He is a former executive of SCC holding senior management positions in businesses relating to crop protection, both within Japan and in the US. He is now a business consultant with a national qualification registered by the Japanese Ministry of Economy, Trade and Industry as a small and medium sized Enterprise Consultant. He brings broad industry and international experience to the Board.

Company Secretary

Fiona Smith (BSc, LLB, GDipGov, FGIA) joined the Company on 20 June 2019 and was appointed Company Secretary on 27 June 2019. Fiona is a senior legal and governance professional with 20 years' experience in Company secretarial roles arising from her time spent in such roles in listed companies. Fiona reports directly to the Board. She holds a Bachelor of Science and Bachelor of Law from the Australian National University and a Graduate Diploma in Applied Governance.

Directors' interests in shares and step-up securities

Relevant interests of the directors in the shares and step-up securities issued by the Company and related bodies corporate are, at the date of this report, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, as follows:

	Nufarm Ltd Ordinary shares	Nufarm Finance (NZ) Ltd Step-up securities
AB Brennan[1]	15,156	–
GR Davis	71,609	–
FA Ford	51,400	–
GA Hunt	1,030,671	–
JC Gillam	185,000	–
DJ Jones[3]	82,000	–
ME McDonald	34,827	–
PM Margin	13,906	–
LD Saint[2]	6,659	–
T Takasaki	–	–

1. Anne Brennan ceased to be a Director of the Company on 18 December 2020.
2. Lynne Saint was appointed as Director on 18 December 2020.
3. David Jones was appointed as Director on 23 June 2021.

Directors' meetings

The number of directors' meetings (including meetings of board committees) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board		Audit		Risk and Compliance		Nomination and Governance[4]		Human Resources Committee		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Anne Brennan[1]	3	3	1	1	–	–	–	–	1	1	–	–
Gordon Davis	11	11	5	5	5	5	–	1	4	4	1	1
Frank Ford	11	11	5	5	–	4	4	4	–	2	1	1
John Gillam	11	11	–	5	–	4	4	4	–	3	1	1
Greg Hunt	11	11	–	5	–	5	–	1	–	–	1	1
David Jones[3]	3	3	–	–	–	–	–	–	–	–	1	1
Peter Margin	11	11	–	5	5	5	4	4	4	4	1	1
Marie McDonald	11	11	5	5	5	5	4	4	–	4	1	1
Lynne Saint[2]	8	8	4	4	0	4	–	–	2	3	1	1
Toshikazu Takasaki	11	11	–	3	5	5	–	–	–	2	1	1

Column A: indicates the number of meetings held during the period of each Director's tenure. Where a Director is not a member but attending meetings during the period, then only the number of meetings attended rather than held is shown.

Column B: indicates the number of meetings attended by each Director.

1. Anne Brennan retired 18 December 2020
2. Lynne Saint joined the Board on 18 December 2020
3. David Jones joined the Board 23 June 2021
4. Nomination and Governance Committee changed to Nomination Committee from 15 July 2021

Principal Activities and Changes

Nufarm's principal activities during the financial year were the manufacture and sale of crop protection products and its proprietary seed technologies business which are further described in the Information on the Company section on pages 6 to 11 inclusive in the Annual Report.

Nufarm employs approximately 2,700 people at its various locations in Australasia, Africa, the Americas and Europe.

The Company is listed on the Australian Securities Exchange (symbol NUF). Its head office is located at Laverton in Melbourne.

Results

The net profit/(loss) attributable to members of the Group for the 12 months to 30 September 2021 is $65.1 million. The comparable figure for the 2 months to 30 September 2020 was ($92.9)* million.

Operating and Financial Review and Future Prospects

The operating and financial review and future prospects are set out in the Operating and Financial Review on pages 19 to 29 and forms part of this Directors' Report.

Dividends

No dividends were paid, declared or recommended during the financial year ended 30 September 2021.

Nufarm Step-up Securities distributions

The following Nufarm step-up securities distributions have been paid since the end of the preceding financial year

	$000
Distribution for the period 15 April 2020 – 14 October 2020 at the rate of 4.15 per cent per annum paid 15 October 2020	5,216
Distribution for the period 15 October 2020 – 14 April 2021 at the rate of 4.01 per cent per annum paid 15 April 2021	5,013

State of Affairs

The state of the Group's affairs are set out in the Operating and Financial Review on pages 19 to 29 and forms part of this Directors' Report.

Events subsequent to reporting date

On 15 October 2021 a distribution on Nufarm step-up securities was paid at the rate of 4.0 per cent per annum for the period 15 April 2021 to 14 October 2021.

On 17 November 2021 the Directors declared a final and unfranked dividend of four cents per share payable 17 December 2021.

Other than noted above, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in the opinion, has significantly affected, or may significantly affect in future years, Nufarm's operations or the state of Nufarm's operations.

Remuneration Report

The Remuneration Report set out on pages 55 to 74 and forms part of this Directors' Report.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) of the notes to the financial statements.

Environmental performance

Details of Nufarm's performance in relation to environmental regulations are set out in the Operating and Financial Review on pages 26 to 29 and forms part of the Directors' Report. The group did not incur any prosecutions or fines in the financial period relating to environmental performance. The group publishes annually a Sustainability Report. This report can be viewed on the group's website or a copy will be made available upon request to the Company Secretary.

Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties. Details of the audit fee and non-audit services are set out in note 35 on page 143 to the financial report.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the reason that all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.

Indemnities and insurance for directors and officers

The Company has entered into insurance contracts, which indemnify directors and officers of the Company, and its controlled entities against liabilities. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

An indemnity agreement has been entered into between the Company and each of the Directors named earlier in this report. Under the agreement, the Company has agreed to indemnify the Directors against any claim or for any expenses or costs, which may arise as a result of the performance of their duties as directors to the extent allowed by law. There are no monetary limits to the extent of this indemnity.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 75 and forms part of the Directors' Report for the financial year ended 30 September 2021.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

This report has been made in accordance with a resolution of directors.

John Gillam
Director

GA Hunt
Director

Melbourne
17 November 2021

2021 Remuneration Report

A letter from the Chairman of the Human Resources Committee (HRC)

Dear fellow shareholder,

On behalf of the Board, I am pleased to present the 2021 Remuneration Report.

As a global business that operates in a dynamic and volatile industry, we recognise the critical role our people play in achieving the Company's strategic objectives and delivering sustainable, long-term value for shareholders.

In recent years the Company's performance has been impacted by environmental and market challenges and shareholder returns have been unsatisfactory. The Board and management have responded by driving a variety of initiatives that have improved the operating platform, capital structure and cost base of the organisation. These have included divestiture of the South American businesses, investment in manufacturing capacity in North America, and a performance improvement program focused on simplifying the business, reducing the cost base, and improving gross margins. Board succession has continued throughout the year and a new Chief Financial Officer was appointed.

Executive remuneration outcomes for the 2021 year

Financial performance in 2021 has improved considerably on the previous year. The Company has delivered revenue and EBITDA growth in all regions and the Seed Technologies business. Cash generation from operations has also increased with significant improvement in the Company's net working capital performance.

For 2021, total financial reward framework consisted of fixed salary, and the traditional short-term incentive (STI) and long-term incentive (LTI) plans. The Company's improved financial performance has been reflected in the short-term incentive outcomes for Executive Key Management Personnel (KMP). The FY21 STI plan was simplified with a targeted focus on a single profit measure, a single cash flow measure and the addition of an SG&A measure to add focus on cost control in line with the Performance Improvement Program. Based on the FY21 STI outcome Executive KMP will receive on average 141 per cent of the target opportunity.

The fixed salaries of KMP remained frozen for a second year. The last external benchmarking was conducted in 2017. During the year the Board through the HRC committee appointed Egan Associates as a remuneration consultant to provide a FY22 recommendation for Executive KMP remuneration.

The 2019 LTI plan was tested on 30 September 2021. The threshold targets were not achieved and consequently no incentive was paid.

Changes to the Board

Board renewal continued throughout FY21 with the following changes:

- Lynne Saint joined the Board on 18 December 2020 as an Independent Non-executive Director. Her experience in a complex global business environment and her financial skill base is adding to the Board's experience and expertise.
- David Jones joined the Board on 23 June 2021 as an Independent Non-executive Director. His extensive knowledge and experience in the global agricultural industry will add to the Board's experience and expertise.
- Anne Brennan retired from the Nufarm Board as an Independent Non-executive Director on 18 December 2020. Anne had been a Director of Nufarm since 2011 and served on the Audit and Risk, and Human Resources Committees to the Board.
- Frank Ford has been a Non-executive Director for the past nine years and Chair of the Audit Committee for eight years and will retire from the Board at the conclusion of the AGM on 17 December 2021.

Director fees

The Chairman's fee and Non-executive Director fees remained frozen for a second year, although there was a change in Directors' Committee fees from 1 August 2020 to reflect changes to the structure of the Board Committees.

Introduction of the minimum shareholding policy for Non-executive Directors

During FY2021 the Board introduced a Non-executive Director Minimum Shareholding Policy which applies to all Non-executive Directors except for any nominee directors appointed to the Board to promote alignment between the interests of Non-executive Directors and shareholders. The Policy requires that Non-executive Directors are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to 100 per cent of their total pre-tax annual base fee including superannuation. To support this Policy, the Board also introduced a Non-executive Director Share Rights Plan to enable Directors to build up their minimum requirement quicker. Further details are set out in the Remuneration Report on page 73 of the Annual Report.

Changes to Key Management Personnel

Having regard to Nufarm's restructuring and strategic repositioning, and as part of a broader review of the Executive Remuneration Framework outlined overleaf, the Board and management have reevaluated which roles within the Nufarm Leadership Team have the authority and responsibility to meet the definition of key management personnel (KMP) as set out in AASB 124 – Related Party Disclosures for the purposes of our remuneration reporting obligations. The last review of this nature was conducted in 2014. Since that time the Company has significantly increased the scope of the European crop protection portfolio, divested the South American businesses, and simplified the organisational model. As a result of these changes, the Group's current operating model has centralised responsibility for strategic decision making and oversight, with operational decisions relating to the execution of the Group strategy devolved to regional managers who are more closely aligned to the needs of local markets and customers.

As a result of this review, effective from 1 October, 2020 Nufarm's Executive KMP include the following roles: CEO and Managing Director, Group Executive CFO and Group Executive Global Supply Chain.

On 1 December 2021, Paul Townsend was appointed Group CFO of Nufarm replacing Paul Binfield in this role.

Reshaping the Executive Remuneration Framework

Despite recent improvements in business performance and steps that have been taken to strengthen management capability throughout the organisation, the Company remains challenged in attracting and retaining capable talent in the global markets in which it operates. The current incentive structure has been in place since 2012 and no longer aligns with the combined needs of the organisation, shareholders, and plan participants.

With the assistance of an external provider, the Board initiated a review of Nufarm's Executive Remuneration Framework in 2021 to:

- Better understand local and global market practices and trends
- Review the efficacy of the current incentive scheme
- Provide insights into the design of a Nufarm incentive scheme, that ensures it;
  - attracts and retains talent from a global pool
  - focuses executives on creating value for shareholders consistent with the Company's strategy and values
  - rewards performance through the cycles of volatility inherent in the sector
  - rewards results that strengthen the business and deliver long term value.

The work undertaken found that a more contemporary remuneration framework would better fit the needs of the business and be more market competitive in attracting global talent.

In considering a new Executive Remuneration Framework, the Board agreed the design of the framework would be underpinned by the following principles:

- Create a pay for performance culture where financial rewards are directly linked to both short and long term Company performance
- Attract global talent, and reward and retain participants
- Address the cyclical nature of the sector
- Include annual financial and non-financial targets that are both key to Company performance, and in the control of the participants
- Distribute awards in a mix of cash and equity.

To support the introduction of this new Executive Remuneration Framework the Board also approved the Equity Incentive Plan Rules to replace the existing LTI and STI Plan Rules.

Further information on the new 2022 Executive Incentive Plan is included in section 1.6 to this Remuneration Report and further detail on targets and performance against them for each Executive KMP will be disclosed in the 2022 Remuneration Report. Changes to the framework will be implemented from 1 October 2021.

While the Board is confident that remuneration outcomes for 2021 and our forthcoming remuneration framework for 2022 are sound, we will continue to listen to feedback on the effectiveness of the remuneration policy, framework, and governance to ensure it continues to meet the needs of the business and its stakeholders. I would also like to take this opportunity to thank shareholders for their support of Nufarm and its purpose and vision.

Peter Margin
Chair – Human Resources Committee

Audited Remuneration Report

The audited remuneration report is designed to provide shareholders with an understanding of Nufarm's remuneration policies and the link between our remuneration strategy and performance. This report details Nufarm's remuneration framework and outcomes for KMP for FY21. The report has been prepared in accordance with section 300A of the Corporations Act 2001 (Corporations Act).

Section	What it covers
1. Remuneration snapshot	
1.1 Key Management Personnel	• Lists the names and roles of the Executive KMP whose remuneration details are disclosed in this report.
1.2 Executive KMP remuneration outcomes	• Details the key remuneration outcomes in FY21.
1.3 Actual total remuneration earned by executives in FY21	• Additional voluntary disclosure of cash and benefits actually earned by KMPs in FY21.
1.4 Summary of FY21 Non-executive Director (NED) fees	• Details the NED fee changes in FY21.
1.5 Changes for FY21	• Outlines the changes to remuneration arrangements in FY21.
1.6 Outlook for FY22	• Outlines the changes to remuneration in FY22.
2. Setting Senior Executive remuneration	
2.1 Remuneration governance	• Explains Nufarm's remuneration policy, and how the board and Human Resources committee (HRC) make decisions, including the use of external consultants.
2.2 Remuneration strategy	• Explains Nufarm's remuneration strategy for FY22.
2.3 Remuneration components	• Shows how executive remuneration is structured to support business objectives and explains the executive remuneration mix.
3. Executive remuneration outcomes	
3.1 Financial performance	• Provides a breakdown of Nufarm's performance over the past five years.
3.2 Short Term Incentive performance	• Details the historical STI plan performance relative to Nufarm's Underlying NPAT results.
3.3 Long Term Incentive performance	• Historical LTI plan performance relative to Nufarm's share price.
3.4 Senior executive contract details	• Lists the key contract terms governing the employment of Executive KMP (including termination entitlements where relevant).
4. Non-executive Director remuneration	• Provides details of the fee structure for board and committee roles.
5. Remuneration tables	
5.1 Remuneration of directors and disclosed executives	• Provides the remuneration disclosures required by the Corporations Act and in accordance with relevant Australian Accounting Standards.
5.2 Equity instruments held by disclosed executives	
5.3 Shares held in Nufarm	

1 Remuneration snapshot

1.1 Key Management Personnel

This Remuneration Report is focused on the KMP of Nufarm, being those persons with authority and responsibility for planning, directing and controlling the activities of Nufarm. KMP includes the Non-executive Directors and senior executives (referred to as executive KMPs throughout this report). Unless otherwise indicated, the KMP were classified as KMP for the entire financial year.

Non-executive Directors	
John Gillam	Chairman and Independent, Non-executive Director
Anne Brennan	Independent, Non-executive Director (retired effective 18 December 2020)
Gordon Davis	Independent, Non-executive Director
Frank Ford	Independent, Non-executive Director
David Jones	Independent, Non-executive Director (effective 23 June 2021)
Peter Margin	Independent, Non-executive Director
Marie McDonald	Independent, Non-executive Director
Lynne Saint	Independent, Non-executive Director (effective 18 December 2020)
Toshikazu Takasaki	Non-independent, Non-executive Director
Executive KMPs	
Greg Hunt	Managing director and chief executive officer
Paul Binfield	Chief financial officer (until 30 November 2020)
Paul Townsend	Chief financial officer (effective 1 December 2020)
Elbert Prado	Group executive supply chain operations

- Anne Brennan's final day on the Nufarm Board as an Independent Non-executive Director was 18 December 2020.
- Paul Binfield announced his resignation as Chief financial officer (CFO) on 14 September 2020 and left Nufarm after a handover on 31 December 2020. Mr Binfield remained a KMP until his departure on 31 December 2020.

1.2 Executive KMP remuneration outcomes

The overall structure and philosophy of Nufarm's approach to remuneration remained consistent throughout FY21. The organisation's remuneration philosophy continues to be based on linking financial rewards directly to employee contributions and Company performance.

Fixed annual remuneration (FAR)	No Executive KMP received an increase to their FAR for FY21.
Short term incentive (STI)	Executive KMPs received an average of 141 per cent of the target opportunity available based on the assessment of financial and team performance.
Long term incentive (LTI)	The FY19 LTI plan was tested on 30 September 2021. The average cumulative Return on Funds Employed (ROFE) and the Relative Total Shareholder Return (RTSR) achievement were both below threshold. The plan did not meet the entry hurdle associated with the measures. The outcome was that no Executive KMP received any equity related to the FY19 plan.

1.3 Actual total remuneration earned by executives in FY21 (unaudited)

The table below details actual pay and benefits for Executive KMPs who were employed during the reporting period. This table aims to assist shareholders in understanding the cash and other benefits received by executive KMPs from the various components of their remuneration during FY21. The period depicted as 2020 represents the two-month period 1 August 2020 – 30 September 2020.

As a general principle, Australian Accounting Standards require the value of share-based payments to be calculated at the time of grant and accrued over the performance period and restriction period. The Corporations Act and Australian Accounting Standards also require that pay and benefits be disclosed for the period that a person is an executive KMP. This may not reflect what executive KMPs received or became entitled to during FY21 (especially if they became KMP part way through the year). The figures in this table have not been prepared in accordance with Australian Accounting Standards. They provide additional voluntary disclosures to Table 5.1 (which provides a breakdown of executive KMPs remuneration in accordance with statutory requirements and Australian Accounting Standards). The treatment of the remuneration elements in this disclosure are as follows:

- Fixed remuneration earned between 1 October 2020 and 30 September 2021. This includes superannuation.
- STI payable as cash under the FY20 STI plan (which is paid in FY21 after audited results), as well as any restricted STI or LTI that has been earned as a result of performance in previous financial years but was subject to a restriction period that ended between 1 October 2020 and 30 September 2021.
- Benefits received between 1 October 2020 and 30 September 2021.

		Fixed remuneration				At risk remuneration (Realised)				Total[3]	
In AUD	Period[1]	Salary and Fees $	Other benefits[2] $	Super-annuation $	Total $	STI cash $	STI deferred shares vested $	LTI rights vested $	Other long term $	Total Remun-eration $	LTI rights forfeited $
Directors' Non-executive											
Sub total Non-executive Directors remuneration (realised)	2021	1,510,839	–	124,964	1,635,803	–	–	–	–	**1,635,803**	–
	2020	272,873	–	23,604	296,477	–	–	–	–	**296,477**	–
Executive Director											
GA Hunt	2021	1,294,063	100	25,625	1,319,788	697,766	–	–	–	**2,017,554**	(782,078)
	2020	215,781	–	4,167	219,948	–	–	–	–	**219,948**	–
Total Directors' remuneration (realised)	**2021**	**2,804,902**	**100**	**150,589**	**2,955,591**	**697,766**	**–**	**–**	**–**	**3,653,357**	**(782,078)**
	2020	**488,654**	**–**	**27,771**	**516,425**	**–**	**–**	**–**	**–**	**516,425**	**–**
Group Executives											
PA Binfield[4]	2021	205,556	213,592	6,250	425,398	50,000	–	–	–	**475,398**	–
	2020	137,037	–	4,167	141,204	–	–	–	–	**141,204**	(636,320)
P Townsend[5]	2021	603,047	100	21,458	624,605	265,280	–	–	–	**889,885**	–
	2020	–	–	–	–	–	–	–	–	**–**	–
E Prado	2021	706,740	60,160	45,469	812,369	259,413	53,685	–	–	**1,125,467**	(238,253)
	2020	122,329	10,326	–	132,655	–	–	–	–	**132,655**	–
B Zacharias[6]	2021	–	–	–	–	–	–	–	–	**–**	–
	2020	74,909	7,608	8,240	90,757	–	–	–	–	**90,757**	–
Sub total – total executive remuneration (realised)	**2021**	**1,515,343**	**273,852**	**73,177**	**1,862,372**	**574,693**	**53,685**	**–**	**–**	**2,490,750**	**(238,253)**
	2020	**334,275**	**17,934**	**12,407**	**364,616**	**–**	**–**	**–**	**–**	**364,616**	**(636,320)**
Total directors and executive remuneration (realised)	**2021**	**4,320,245**	**273,952**	**223,766**	**4,817,963**	**1,272,459**	**53,685**	**–**	**–**	**6,144,107**	**(1,020,331)**
	2020	**822,929**	**17,934**	**40,178**	**881,041**	**–**	**–**	**–**	**–**	**881,041**	**(636,320)**

1. '2021' in this table represents the 12 months ended 30 September 2021; In the prior period, '2020', it represents the two-month period ended 30 September 2020.
2. Other benefits includes termination payments made during the 12 months ended 30 September 2021. For overseas based Executives other benefits includes reimbursement of car expenses and health insurance.
3. 'Total' represents total remuneration paid in the financial period.
4. Mr PA Binfield announced his resignation on 14 September 2020 and therefore forfeited his rights under the Long-term incentive program plan rules. The rights lapsed upon Mr Binfield leaving Nufarm on 31 December 2020. An STI cash bonus was paid to Mr Binfield upon achievement of the delivery of a report recasting how operating expense savings could be accelerated into FY21.
5. Mr P Townsend commenced as a KMP following his appointment to CFO on the 1 December 2020.
6. Mr B Zacharias ceased to be a KMP on 1 October 2020 following a change of the Executive KMP's.

Note: STI deferred shares vested and LTI rights vested or forfeited are valued at the Nufarm share price prevailing upon the vesting or forfeiture date ($4.80 at 30 September 2021, $4.31 at 31 July 2021 and $3.85 at 30 September 2020).

1.4 Summary of FY21 NED fees

NED fees are fixed and do not have any variable components. The chairman receives a fee for chairing the Nufarm board and is not paid any other fees. Other NEDs receive a base fee and additional fees for each additional Committee chairmanship and membership (except for the Nomination Committee with effect from 15 July 2021). The Chairman's fee and Non-executive Director fees remained frozen for a second year, although Directors' Committee fees were adjusted from 1 August 2020 to reflect changes to the structure of the Board Committees. No additional retirement benefits were paid. Fees paid to NEDs are subject to a maximum annual Non-executive Director fee pool of $2 million approved by shareholders at the 2017 AGM.

1.5 Changes for FY21

Additions:

- Paul Townsend commenced as Chief Financial Officer on 1 December 2020 replacing Paul Binfield in this role.
- Lynne Saint joined the Board on 18 December 2020 as an Independent Non-executive Director.
- David Jones joined the Board on 23 June 2021 as an Independent Non-executive Director.

Cessations:

- Anne Brennan's final day on the Nufarm Board as an Independent Non-executive Director was 18 December 2020.
- Paul Binfield ceased being Chief Financial Officer effective 30 November 2020 and ceased to be an Executive KMP of Nufarm on 31 December 2020 following a short handover period with Paul Townsend as incoming Chief Financial Officer to ensure continuity in this role.
- Brent Zacharias, Group General Manager ceased being a KMP of Nufarm as of 1 October 2020.

1.6 Outlook for FY22

Fixed annual remuneration (FAR)

As the last external benchmarking was conducted in 2017, the Board through the HRC committee appointed Egan Associates as a remuneration consultant to provide a remuneration recommendation for Executive KMP FY22.

Executive Incentive Plan (EIP)

With the assistance of an external provider, the Board initiated a review of Nufarm's Executive Remuneration Framework to:

- Better understand local and global market practices and trends
- Review the efficacy of the current incentive schemes
- Provide insights into the design of a Nufarm incentive scheme, that ensures it:
  - attracts and retains talent from a global pool
  - focuses executives on creating value for shareholders consistent with the Company's strategy and values
  - rewards performance through the cycles of volatility inherent in the sector
  - rewards results that strengthen the business and deliver long term value.

From 1 October 2021, a summary of Executive KMP remuneration is as follows:

Fixed	**Fixed Annual Remuneration (FAR) or base salary**	Reviewed annually for changes in role scope, promotion, internal relativities, and significant market changes.
Variable	**Executive Incentive Plan (EIP)** 66.67% delivered in deferred rights at the end of year one 33.33% delivered in cash at end of year one	100% of deferred rights to be released at the end of year 4 following retesting at the end of the vesting period. Hence this 66.67% component remains 'at risk' and subject to a second test.

Executive Incentive Plan (EIP) target payout

The EIP target payout is set annually as a percentage of FAR (CEO, CFO) or base salary (Group executive supply chain operations) applicable during the year. This is pro-rated if that percentage is changed during the year.

Four key performance areas

The EIP will have focus on four main performance elements, with an equal weighting allocated to each.

Element	Weighting	Measured by
Profit	25%	Group underlying EBIT (uEBIT)
Return on Investments	25%	Average Group return on funds employed (ROFE)
Cash flow	25%	Average net working capital (ANWC) divided by sales
Non-financial	25%	Defined non-financial strategic or operational goals as determined by the Board for each Executive KMP

The EIP will be comprised of three performance levels for each element: minimum, target and maximum outcomes. The minimum, target, and maximum values for financial performance measures will be set, reviewed, and approved by the Board annually for each KMP.

Performance Level	
Minimum	The minimum performance outcome that must be achieved before any EIP payment will be made in relation to the measure
Target	An outcome delivering significant benefit to the Company achieved by great performance
Maximum	A stretch goal that could only be achieved by sustained outstanding performance

Executive Incentive Plan (EIP) *Continued*

Gateway hurdle for EIP

In order to earn an award in the EIP, the Profit element must meet its minimum threshold. If this is not met, all elements are forfeited.

FY22 EIP target payout

CEO & Managing Director	130% of FAR
CFO	100% of FAR
Group executive supply chain operations	85% of Base Salary

FY22 EIP performance levels

	Profit	Return on Investments	Cash flow	Non-financial
Minimum	85% of budgeted uEBIT	85% of budgeted ROFE	95% of budgeted ANWC/Sales	Determined by the Board based on individual performance
Target	100%	100%	100%	
Maximum	120%	120%	105%	

FY22 budgets are reviewed and approved by the Board to ensure they demonstrate growth potential and achievement of strategic milestones.

Once performance levels are set, EIP payments are calculated based on payout slopes with a minimum of 25% to a maximum of 150% for each financial measure. All measures are equally weighted at 25% of the total award.

	Profit	Return on Funds Employed	Cash flow	Non-financial
Minimum		25% of EIP target payment		0-100% of EIP target payment
Target		100%		
Maximum		150%		

Two thirds (66.67%) of the total EIP payment are deferred into Nufarm rights, and the remaining one third (33.33%) is paid as cash at the end of year one.

The rights are retested at the end of year four. This test is conducted against key strategic objectives, including ESG and other key deliverables as determined by the Board. Withholding a large portion of the award as Nufarm rights for a period ensures the participants maintain a focus on both short and long-term Company performance as well as ensuring alignment with shareholder experience.

The Nufarm Board have absolute discretion regarding the amount and timing of any EIP payments. The EIP plan is governed by the overarching Nufarm Equity Incentive Plan Rules.

Cessation of employment

Unless the Board determines otherwise:

a. if employment is terminated for cause (as defined below) or the KMP resigns (or give notice of resignation) prior to the date on which the EIP award is delivered, the employee will not be entitled to an EIP award;

   An employee will be 'terminated for cause', where employment with the Group is terminated because the employee:

   - acted fraudulently or dishonestly;
   - engaged in serious or willful misconduct;
   - is seriously negligent in the performance of your duties;
   - committed a serious breach of your employment contract;
   - committed an act, whether at work or otherwise, which could reasonably be regarded to have brought the Company or a Group Company into disrepute; or
   - is convicted of an offence punishable by imprisonment.

b. if an employee ceases employment for any other reason prior to the date on which the EIP award is delivered, it will be pro-rated (based on the portion of the performance period that has elapsed up until the date of termination). Unvested equity will remain intact and continue to vest under the plan rules.

2 Setting senior executive remuneration

2.1 Remuneration governance

The HRC is responsible for reviewing and making recommendations to the Nufarm Board on remuneration policies and practices of the Board, the CEO and other Executive KMP. The HRC is comprised of a minimum of three Independent Non-executive Directors and is tasked with ensuring that remuneration policies and packages retain and motivate high calibre executives and have a clear relationship between Company performance and executive remuneration. The HRC charter can be found at www.nufarm.com.

The HRC has progressively increased their remit to include a wider talent and succession agenda including a review of Nufarm's diversity and inclusion strategy.

The HRC reviews Executive KMPs' remuneration annually to ensure there is a balance between fixed and at risk pay, and it reflects both short and long term objectives aligned to Nufarm's strategy. The Board reviews the CEO's remuneration based on market benchmarks, performance against agreed measures and other relevant factors, while the CEO undertakes a similar exercise in relation to the other Executive KMPs. The results of the CEO's annual review of Executive KMPs' performance and remuneration are subject to Board review and approval.

The Board measures financial performance under the STI and LTI plans using audited numbers. The relative total shareholder return (RTSR) used within the LTI plan is measured by an independent external advisor.

Within the remuneration framework the Board has discretion to 'clawback' LTI plan and STI accruals (cash and equity) if in the Board's opinion, a participant has obtained or will obtain an unfair benefit:

- where payment is contrary to the financial soundness of the Company;
- in circumstances where the financial performance of Nufarm over the relevant period (including the initial STI performance period) has been mis-stated; and/or
- for individual gross misconduct.

In accordance with Nufarm's Security Trading Policy, Executive KMPs are not permitted to enter into margin lending, short-term or speculative dealing or hedging of Nufarm securities, including any rights.

The Board considered all information in light of Company performance, changes during the year to the scope and scale of executive roles, individual performance and the motivation and retention of key individuals, in making remuneration decisions.

2.2 Remuneration Strategy

Nufarm's remuneration strategy and reward framework has had the same construct since 2012. They were designed to reflect the importance of improving the performance of the business and lifting returns on funds employed, as well as supporting a goal to attract, motivate and retain a high performing workforce. However, as previously noted a review has deemed this structure to no longer be effective and therefore will change for FY22.

For FY21, the remuneration strategy was adjusted as follows:

- The addition of an SG&A measure in the STI plan to put a focus on cost control in line with the Performance Improvement Program.

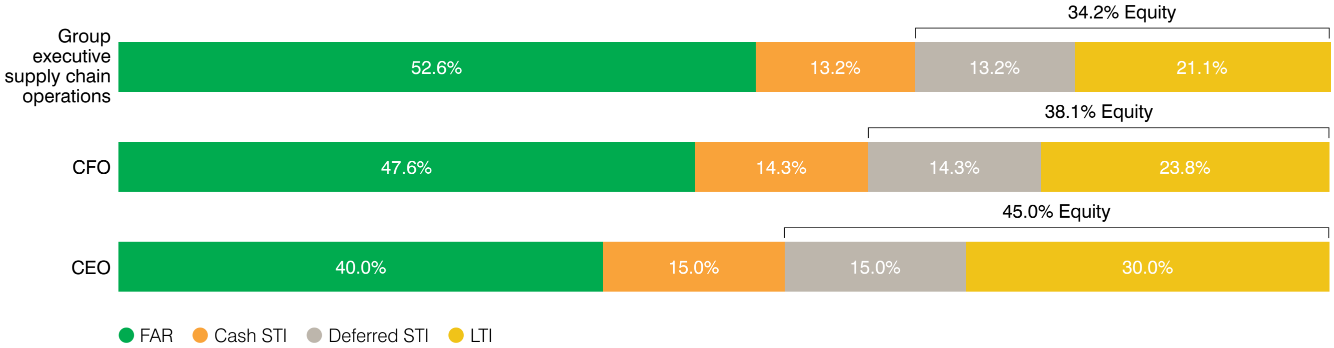
FAR	STI		LTI
Attract, motivate, and retain highly skilled employees	Reward achievement if financial and personal/team strategic objectives are met		Align to long term shareholder value creation
Cash		**Equity**	
Base salary plus superannuation	50% of STI paid annually after financial year end	50% of the STI outcome is deferred as Indeterminate Rights for a period of 2 years	Indeterminate Rights subject to three-year performance period with 50% subject to RTSR and 50% subject to ROFE
Set based on market and internal relativity, performance, and experience	STI outcome based on financial and personal/team performance	Subject to clawback and forfeiture in circumstances outlined	

2.3 Remuneration components

a) FY21 Remuneration structure

The executive remuneration structure is based on Fixed Annual Remuneration (FAR) with additional short term and long-term incentives (described as a percentage of FAR) available to be earned subject to performance. Australian based Executive KMPs are employed on this basis. Those located overseas also receive benefits as per local employment conditions.

The graph below outlines the target remuneration mix for executive KMPs. The variable components of STI (including potential restricted rights) and LTI are expressed at target.



b) FY21 STI plan

All Executive KMPs participated in the same STI plan. All plan details are below.

Who participates in the STI?	Plan participants include disclosed Executive KMP and senior managers globally.
What is the plan's aim?	The Plan rewards a combination of financial and non-financial performance measures that are aligned to the creation of shareholder value. Primary emphasis is placed on profitability, cash flow and cost management. The non-financial measures focus our Executive KMP and employees on executing the most critical objectives aligned to the annual business plan as a collaborative member of a team.
When are awards made?	Awards are made at the end of the financial year.
What measures are used in the plan?	The board sets measures at the start of each year focused on profitability and cash flow management. Noted below are the measures used in 2021.
	All Executive KMP roles 40% of potential was based on Group Underlying Earnings Before Interest and Tax (uEBIT). 40% of potential was based on Group Average Net Working Capital (ANWC)/Sales. This measure presents the Groups ANWC as a percentage of the Groups total sales. 10% of potential was based on Group Cash SG&A. **For all executives** 10% of the potential was based on team objectives.
When and how are the STI payments determined?	Awards are assessed annually at the end of the financial year. Awards are based on the percentage achievement against the budget and strategic measures.
	Overall plan gateway Group Underlying Net Profit After Tax (uNPAT). Group uEBIT – The threshold for this measure is 85% of target. At threshold achievement, 25% of the STI associated with the measure pays out. Group ANWC/Sales – The threshold for this measure is 95% of target. At threshold achievement, 25% of the STI associated with the measure pays out. Target achievement results in 100% payment with stretch achievement (120% for uEBIT and 105% for ANWC/Sales) of up to 150%. Group cash SG&A must achieve target on a constant currency basis (i.e.,100% of target or better). Target achievement results in 100% payment with stretch achievement (110% for cash SGA) of up to 200%.
	Straight line vesting between threshold and target and between target and stretch. Strategic and business improvement objectives are assessed on a merit basis against stated objectives.

Are payments in cash or equity?	50% of Executive KMPs' STI is paid in cash at the time of performance testing and 50% deferred into indeterminate rights with a time-based restriction.
When do the shares vest?	Vesting will occur on the second anniversary of the grant date of the deferred equity, subject to continued employment or otherwise if the participant has left employment for a qualifying reason.
Is there a clawback provision in the plan?	The rules of the plan provide for clawback of the entire STI (cash and equity which may be vested or unvested) with board discretion where payment is contrary to the financial soundness of the Company; in circumstances where the financial performance of Nufarm over the relevant period (including the initial STI performance period) has been misstated; and/or for individual gross misconduct.
What happens if the Executive KMP leaves Nufarm?	If an Executive KMP leaves before the vesting anniversary under 'qualifying leaver' provisions the equity will remain in the plan until the vesting date. If the executive leaves under other than 'qualifying leaver' circumstances the equity will be forfeited. 'Qualifying leaver' provisions include participants who cease employment due to retirement, death, ill health/disability, redundancy, or contract severance without cause, or such other reason as determined by the board at its absolute discretion. The rules of the plan provide the flexibility, in special circumstances (e.g., health or severe personal hardship), to accelerate the vesting.

c) FY21 LTI plan

All Executive KMPs participated in the same LTI plan:

Why have an LTI plan?	This plan aims to focus and reward plan participants for delivering sustainable financial returns over a longer period in line with Nufarm's strategy and the interests of shareholders.
Who participates in the LTI plan?	The current participants in the plan are Executive KMPs and other selected senior managers (together, the LTI plan participants).
Are the awards cash or equity?	The plan rules provide the flexibility to use a number of different instruments provided they comply with local regulations and sound practice. At the time of vesting the board will determine if the rights convert to ordinary shares or cash or other instruments which may be in use at the time.
When are the awards made?	Under the plan, LTI plan participants receive an annual award of rights as soon as practical after the announcement of results for the preceding year.
How are the number of rights calculated?	The number of rights to be granted is calculated by dividing the individual's LTI grant opportunity for the performance year by the volume weighted average price of the Company's shares over the five trading days immediately following the prior year's annual results announcement.
When do the awards vest?	The performance/vesting period for awards is three years. Awards will vest in two equal tranches as follows: • 50% of the LTI plan grant will vest subject to the achievement of RTSR performance hurdle measured against a selected comparator group of companies; and • The remaining 50% of the LTI plan grant will vest subject to the 3-year average of an absolute ROFE target.
Why have ROFE and RTSR been chosen as the hurdles?	ROFE is used to track progress towards the goal to return long-term results back to acceptable levels for Nufarm. Strong RTSR performance ensures Nufarm is an attractive investment for shareholders.
What is the comparator group for the assessment of relative TSR?	Based on the results of research and modelling carried out by EY, at the inception of the plan the board approved the adoption of the 'S&P ASX 200 excluding those companies in the Financial, Materials and Energy groups' as the RTSR comparator group.
How is RTSR measured?	RTSR will be measured over the performance period. For the purposes of this measurement, each company's share price will be measured using the average price over 60 days up to (but excluding) the first day of the performance period, and the average closing price over 60 days up to and including the last day of the performance period.

What is the RTSR performance required for vesting?

RTSR of Nufarm relative to the RTSR of comparator group companies	Proportion of RTSR grant vesting
Less than 50th percentile	0%
50th percentile	50%
Between 51st percentile and 75th percentile	Straight line vesting between 50% and 100%
75th percentile	100% vesting

How is the ROFE target set?	ROFE objectives are set by the board at the beginning of each year. There is both a 'target' and a 'stretch' hurdle. These numbers are based on the budget and align with the guidance given to the market. 'Target' represents a sustainable return to acceptable ROFE levels. Stretch recognises achievement well above budget. This ensures that full vesting of the LTI plan is truly reliant on outstanding performance.
How is ROFE measured?	Return is calculated on the group's earnings before interest and taxation and adjusted for any material items. Funds employed are represented by shareholder's funds plus total interest-bearing debt (including lease liability). For the purposes of measuring ROFE performance in the LTI plan, ROFE will be averaged over the life of the plan.
What ROFE result is required for vesting?	

Percentage of ROFE target achieved	Proportion of ROFE grant vesting
Less than Target	0%
Target	50%
Between Target and Stretch	Straight line vesting between 50% and 100%
Stretch	100%

What was the result for the FY21 year?	Nufarm's RTSR was less than 50th percentile of the comparator group and average cumulative ROFE was below threshold. Consequently, the FY19 award, which matured in FY21 did not vest into shares as both performance hurdles were not met.
What happens if the awards do not vest?	To the extent that the RTSR and ROFE performance hurdles are not met at the end of the 3-year performance period and full vesting is not achieved, performance will not be re-tested, and the award will lapse. There is no partial vesting of the LTI plan before the 3rd anniversary.
Is there a clawback provision in the plan?	The rules of the plan provide for clawback of both vested and unvested LTI plan rights where: payment is contrary to the financial soundness of the Company; in circumstances where the financial performance of Nufarm over the relevant period has been misstated; and/or for individual gross misconduct.
What happens if an Executive KMP leaves?	To be eligible under the LTI plan, the executive must be employed by Nufarm on the 1st anniversary of the allocation. If the executive leaves before this date, the allocation is forfeited. If the executive leaves under 'qualifying leaver' provisions, (refer STI section above for definition of 'qualifying leaver') after the 1st anniversary and before the 3rd anniversary of the plan the allocation will be pro-rated and the pro-rated allocation will remain 'on foot' in the plan subject to certain overriding discretions set out in the plan.

3 Executive remuneration outcomes

3.1 Financial Performance

Details of Nufarm's performance, share price and dividends over the past five years are summarised in the table below:

		Continuing group[1]				Total Group (continuing and discontinued operations)	
Performance measures[3]		**FY21**	Sept 20[2]	FY20	FY19	FY18	FY17
Earnings							
Underlying EBITDA*	$m	361.1	(43.4)	235.8	300.1	385.7	390.0
Underlying EBIT*	$m	153.1	(78.8)	34.4	135.3	265.1	302.3
Underlying NPAT*	$m	61.1	(85.9)	(80.6)	39.6	98.4	135.8
ANWC/Sales**	%	34.3	44.7	46.4	47.7	40.3	36.8
ROFE achieved	%	5.9	n/a	1.2	4.6	9.4	13.6
Shareholder value							
TSR	%	(45.3)	(4.2)	(49.2)	(31.0)	(13.9)	3.5
Dividends declared	Cents	4.0	–	–	–	11.0	13.0
Closing share price	$	4.80	3.85	4.02	4.88	7.03	8.10

1. Performance measures for the periods FY19, FY20, Sept 20 and FY21 are presented on a continuing operations basis.
2. 'Sept 20' in this table represents the 2 months ended 30 September 2020.
3. Performance metrics for Sept 20, FY20, FY19, FY18 and FY17 have not been restated for the change in accounting policy as per note 3(a)(ii) of the consolidated financial statements contained within this annual report.

* Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is underlying EBIT before depreciation, amortisation, and material items. Underlying NPAT is Net Profit/(Loss) after Tax before material items. Underlying NPAT, Underlying EBIT and Underlying EBITDA are used internally by management to assess performance of the business and make decisions on the allocation of our resources. Underlying NPAT, rather than Underlying EBIT or Underlying EBITDA, is used as a gateway metric for management's STI to ensure rewarded business outcomes are aligned with shareholder returns.

** Average Net Working Capital/Sales is used throughout the business and highlights the management of working capital over the full year and is calculated excluding non-operating corporate revenue.

3.2 Short Term Incentive outcomes

Based on an underlying NPAT result of $61.1 million, underlying EBIT result of $153.1 million, ANWC/Sales % result of 34.3 per cent and performance against individual and strategic business improvement objectives, Executive KMPs employed for the performance period FY21 were awarded an incentive in accordance with the rules of the plan.

Objectives were driven by Nufarm's strategy and the goals to deliver on sustainable innovation and business discipline across the business. These objectives were specific to the executive's role and included organisation restructuring, management of risk, efficiency improvements, partnership development, portfolio enhancement, business process and systems improvements and the implementation of initiatives to support growth in higher value segments.

Given the announcement on 14 September 2020 of Paul Binfield's resignation effective 31 December 2020, Mr Binfield was not eligible to participate in the FY21 STI plan and has not been included in the below tables relating to STI achievement. An STI cash bonus of $50,000 was paid to Mr Binfield upon achievement of the delivery of a report recasting how operating expense savings could be accelerated into FY21.

a) FY21 STI plan payment results

Outcomes against targets for Executive KMPs are shown below:

	Financial: Weighting and outcome*				
Executive KMPs	**Group uNPAT**	**Group uEBIT**	**Group ANWC/ sales %**	**Group cash SG&A**	**Team metrics**
Greg Hunt	Gateway achieved	40%	40%	10%	10%
Paul Townsend	Gateway achieved	40%	40%	10%	10%
Elbert Prado	Gateway achieved	40%	40%	10%	10%

Below threshold Between threshold and target Above target

* Nufarm's objective is to be as transparent as possible, without disclosing commercially sensitive information. Consequently, while STI measures, weighting and performance in FY21 for executive KMPs have been provided above, the specific targets have not.

The table below displays FY21 STI payments as a percentage of FAR and also as a percentage of target opportunity.

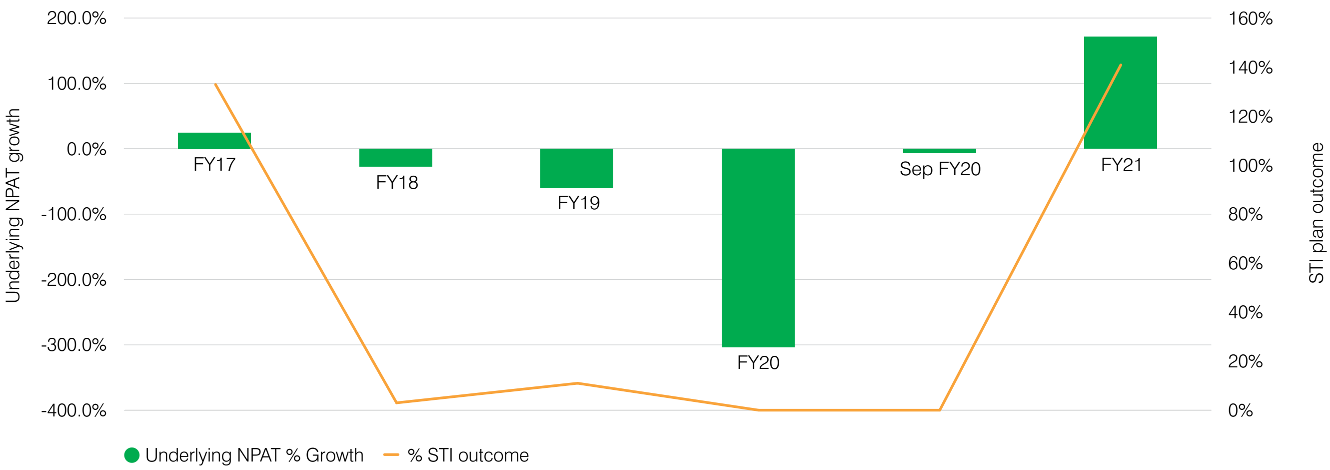
	2021 STI potential						
Executive KMPs	**At target $**	**At maximum $**	**Total Award $**	**FY21 STI Award as a % of target potential**	**FY21 STI as % of FAR**	**To be paid in cash in December 2021**	**Retained as rights vesting on 30 September 2023**
Greg Hunt	989,766	1,484,649	1,395,531	141%	106%	697,766	697,766
Paul Townsend*	376,294	564,441	530,559	141%	70%	265,280	265,280
Elbert Prado	367,972	551,958	518,826	141%	70%	259,413	259,413
Executive KMP average	578,011	867,016	814,972	141%	82%	407,486	407,486

* Paul Townsend begun as a KMP on 1 December 2020 following his appointment as CFO. Figures provided above are based on a pro-rata from 1 December 2020 to 30 September 2021.

b) Historical STI plan performance relative to Nufarm's uNPAT results

The following chart compares Nufarm's historical STI plan performance results against underlying NPAT for the same period. Nufarm's incentive plans measure performance against a range of financial and non-financial metrics with varied weightings. Accordingly, the pay for performance relationship is based on the performance against these metrics as a whole and may not always align with underlying NPAT changes.

Underlying NPAT growth vs STI outcomes



3.3 Long Term Incentive outcomes

The performance period for the FY19 LTI plan concluded on 30 September 2021.

The results of Nufarm's RTSR are calculated by an external provider. The Board determined the ROFE outcome to ensure no windfall gains or losses and accordingly adjusted for the net impact of material items. The Board approved the vesting outcomes in accordance with the LTI plan rules.

a) FY19 LTI plan testing as at 30 September 2021

The vesting table for the FY19 LTI plan is detailed below reflecting performance up to 30 September 2021 against the two performance measures of RTSR and ROFE.

Performance measure*	Threshold	Outcome	% of total plan vested
RTSR	50% percentile	Below threshold	0%
ROFE	7.1%	Below threshold	0%
Total			Nil

* Refer to section 2.3(c) for further information regarding the LTI plan measures.

b) FY19 LTI award outcome

The table below details the individual outcome for the FY19 LTI plan award granted 1 August 2018.

	FY19 LTI award vested 30 September 2021					
Executive KMP	Total number of rights available	Total number of rights awarded	Total award as a % of potential	Average granted date fair value of awarded rights	Total grant date fair value of award $	Total grant date fair value of lapsed award $
Greg Hunt	162,933	–	0.0%	n/a	–	804,889
Paul Townsend*	–	–	0.0%	n/a	–	–
Elbert Prado	49,636	–	0.0%	n/a	–	245,202

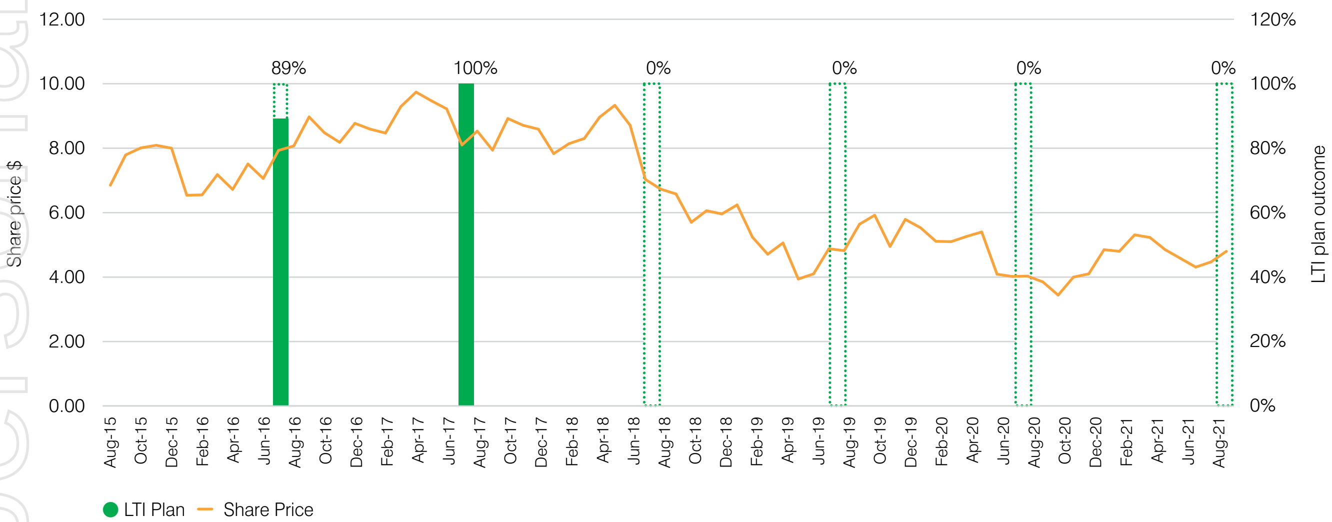
* Paul Townsend did not participate in the FY19 LTI plan as he was not employed by Nufarm at the time of plan issue.

FY19 and FY20 LTI plan rights, totalling 69,734 rights and 95,544 rights respectively, for Mr Binfield were forfeited upon announcement of his resignation on 14 September 2020 and lapsed upon his departure from Nufarm on 31 December 2021. The total grant date fair value, that lapsed on 31 December 2021, was $344,486 for the FY19 LTI plan rights and was $399,374 for the FY20 LTI plan rights.

Historical LTI plan performance relative to Nufarm's share price

The following chart compares Nufarm's LTI plan vesting results for the past six LTI plans (as a percentage of plan maximum) to the share price history during the same period. The FY16, FY17, FY18 and FY19 LTI plans did not meet hurdle and therefore are depicted below as hollow bars.

Nufarm historical share price vs LTI outcome



The hollow bars indicate periods in which the LTI plans did not achieve threshold and lapsed.

3.4 Senior Executive contract details

The Company has employment contracts with the Executive KMPs. These contracts formalise the terms and conditions of employment. The contracts are for an indefinite term. The contracts of the CEO and other Executive KMPs have been structured to be compliant with the termination benefits cap under the Corporations Act.

The Company may terminate the contract of the CEO and other Executive KMPs by giving 6 months' notice, in which case the CEO and other Executive KMPs would be entitled to a termination payment of 12 months FAR inclusive of any notice paid in lieu. The contract also provides for payment of applicable statutory entitlements.

The CEO and other Executive KMPs may terminate the contract by giving the Company 6 months' notice.

The Company may terminate the employment contracts immediately for serious misconduct.

4. Non-executive Directors (NED) remuneration

Nufarm's operations are managed under the direction of the Board. The Board oversees the performance of Nufarm management in seeking to deliver superior business and operational performance and long-term growth in shareholder value. The Board recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives.

Fees for Non-executive Directors are set at a level to attract and retain Directors with the necessary skills and experience to allow the Board to have a proper understanding of, and competence to deal with, current and emerging issues for Nufarm's business. The Board seeks to attract directors with different skills, experience, expertise, and diversity. Additionally, when setting Non-executive Director fees, the Board takes into account factors such as external market data on fees and the size and complexity of Nufarm's operations. The Non-executive Directors' fees are fixed, and Non-executive Directors do not participate in any Nufarm incentive plan.

The Board's policy with regard to NED remuneration is to position board remuneration at the market median with comparably sized listed entities. The Board determines the fees payable to Non-executive Directors within the aggregate amount approved from time to time by shareholders. At the Company's 2017 AGM, shareholders approved an aggregate of $2,000,000 per year (including superannuation costs). The total fees for FY21 remained within the approved cap.

	Fees applicable from 1 October 2020 ($) per annum
Chairman[1]	392,567
Director	160,597
Audit committee Chair	27,000
Audit committee Member	13,500
Risk and Compliance committee Chair	27,000
Risk and Compliance committee Member	13,500
HR committee Chair	27,000
HR committee Member	13,500
Nominations and Governance committee Chair[2]	20,250
Nominations and Governance committee Member[2]	10,125
Innovation committee Chair[3]	27,000
Innovation committee Member[3]	13,500

1. The Chairman receives no fees as a member of any committee.
2. With effect from 15 July 2021 the Board changed the name of the Nomination and Governance Committee to the Nomination Committee and also agreed that no additional fees would be payable for being a member or Chair of this Committee.
3. The Innovation committee was effective 15 July 2021.

5. Remuneration tables

5.1 Remuneration of directors and disclosed executives

		Short Term					Post-employment		Share based payments (SBP)	Total		
In AUD	**Period[1]**	**Salary and Fees $**	**Cash Bonus (Vested) $**	**Other benefits[2] $**	**Total short term $**	**Other long term[3] $**	**Super-annuation $**	**Term-ination benefits $**	**Equity settled expenses $**	**Total Remun-eration $**	**Percen-tage of remun-eration perform-ance based %**	**SBP expense as a prop-ortion of total remun-eration %**
Directors' Non-executive												
DG McGauchie[4]	2021	–	–	–	–	–	–	–	–	**–**	–	–
	2020	59,480	–	–	59,480	–	5,948	–	–	**65,428**	–	–
J Gillam[5]	2021	360,980	–	–	360,980	–	36,098	–	–	**397,078**	–	–
	2020	24,862	–	–	24,862	–	2,486	–	–	**27,348**	–	–
AB Brennan[6]	2021	36,676	–	–	36,676	–	3,668	–	–	**40,344**	–	–
	2020	28,424	–	–	28,424	–	2,842	–	–	**31,266**	–	–
GR Davis	2021	195,088	–	–	195,088	–	19,509	–	–	**214,597**	–	–
	2020	32,515	–	–	32,515	–	3,251	–	–	**35,766**	–	–
F Ford	2021	175,145	–	–	175,145	–	17,515	–	–	**192,660**	–	–
	2020	31,429	–	–	31,429	–	3,143	–	–	**34,572**	–	–
D Jones[7]	2021	49,424	–	–	49,424	–	–	–	–	**49,424**	–	–
	2020	–	–	–	–	–	–	–	–	**–**	–	–
P Margin	2021	211,785	–	–	211,785	–	–	–	–	**211,785**	–	–
	2020	36,822	–	–	36,822	–	–	–	–	**36,822**	–	–
M McDonald	2021	187,929	–	–	187,929	–	18,793	–	–	**206,722**	–	–
	2020	32,963	–	–	32,963	–	3,296	–	–	**36,259**	–	–
L Saint[8]	2021	135,542	–	–	135,542	–	13,554	–	–	**149,096**	–	–
	2020	–	–	–	–	–	–	–	–	**–**	–	–
T Takasaki	2021	158,270	–	–	158,270	–	15,827	–	–	**174,097**	–	–
	2020	26,378	–	–	26,378	–	2,638	–	–	**29,016**	–	–
Sub total Non-executive Directors remuneration	**2021**	**1,510,839**	**–**	**–**	**1,510,839**	**–**	**124,964**	**–**	**–**	**1,635,803**	**–**	**–**
	2020	**272,873**	**–**	**–**	**272,873**	**–**	**23,604**	**–**	**–**	**296,477**	**–**	**–**

		Short Term					Post-employment		Share based payments (SBP)	Total		
In AUD	**Period[1]**	**Salary and Fees $**	**Cash Bonus (Vested) $**	**Other benefits[2] $**	**Total short term $**	**Other long term[3] $**	**Super-annuation $**	**Term-ination benefits $**	**Equity settled expenses $**	**Total Remun-eration $**	**Percen-tage of remun-eration perform-ance based %**	**SBP expense as a prop-ortion of total remun-eration %**
Executive Director												
GA Hunt	2021	1,294,063	697,766	49,895	2,041,724	32,340	25,625	–	472,103	**2,571,792**	45%	18%
	2020	215,781	–	–	215,781	–	4,167	–	47,556	**267,504**	18%	18%
Total Directors' remuneration	**2021**	**2,804,902**	**697,766**	**49,895**	**3,552,563**	**32,340**	**150,589**	**–**	**472,103**	**4,207,595**	**–**	**–**
	2020	**488,654**	**–**	**–**	**488,654**	**–**	**27,771**	**–**	**47,556**	**563,981**	**–**	**–**
Group Executives												
PA Binfield[9]	2021	205,556	50,000	(31,485)	224,071	(176,610)	6,250	213,492	–	**267,203**	19%	0%
	2020	137,037	–	–	137,037	–	4,167	–	(244,547)	**(103,343)**	237%	237%
E Prado	2021	706,740	259,413	60,160	1,026,313	–	45,469	–	179,271	**1,251,053**	37%	15%
	2020	122,329	–	10,326	132,655	–	–	–	19,072	**151,727**	13%	13%
P Townsend[10]	2021	603,047	265,280	18,871	887,198	15,098	21,458	–	162,093	**1,085,847**	39%	15%
	2020	–	–	–	–	–	–	–	–	**–**	0%	0%
B Zacharias[11]	2021	–	–	–	–	–	–	–	–	**–**	0%	0%
	2020	74,909	–	7,608	82,517	4,146	8,240	–	3,647	**98,550**	4%	4%
Sub total – total executive remuneration	**2021**	**1,515,343**	**574,693**	**47,546**	**2,137,582**	**(161,512)**	**73,177**	**213,492**	**341,364**	**2,604,103**	**–**	**–**
	2020	**334,275**	**–**	**17,934**	**352,209**	**4,146**	**12,407**	**–**	**(221,828)**	**146,934**	**–**	**–**
Total directors and executive remuneration	**2021**	**4,320,245**	**1,272,459**	**97,441**	**5,690,145**	**(129,172)**	**223,766**	**213,492**	**813,467**	**6,811,698**	**–**	**–**
	2020	**822,929**	**–**	**17,934**	**840,863**	**4,146**	**40,178**	**–**	**(174,272)**	**710,915**	**–**	**–**

1. '2021' in this table represents the 12 months ended 30 September 2021; '2020' in this table represents the two-month period ending 30 September 2020.
2. Other benefits includes movements in annual leave accrual. For overseas based Executives other benefits include reimbursement of taxation services and other costs. A negative balance may appear where the leave accrual has decreased from the prior year.
3. Other long term includes movement in long service leave provisions. A negative balance may appear where the leave accrual has decreased from the prior year.
4. Mr DG McGauchie ceased to be a KMP on 24 September 2020 following his resignation.
5. Mr J Gillam was appointed Chairman from the 24 September 2020.
6. Ms AB Brennan ceased to be a KMP on 18 December 2020 following her retirement.
7. Mr D Jones begun as a KMP following his appointment to the board effective 23 June 2021.
8. Ms L Saint begun as a KMP following her election to the board on 18 December 2020.
9. Mr P Binfield announced his resignation on 14 September 2020 and therefore forfeited his equity based compensation in accordance with the plan rules, resulting in negative renumeration from the reversal of prior awards. An STI cash bonus was paid to Mr Binfield upon achievement of the delivery of a report recasting how operating expense savings could be accelerated into FY21. Upon departure from Nufarm, Mr Binfield received a termination payment consisting of annual and long service leave accrued.
10. Mr P Townsend begun as a KMP following his appointment to CFO on 1 December 2020.
11. Mr B Zacharias ceased to be a KMP on 1 October 2020.

5.2 Equity instruments held by disclosed executives

The following tables show the number of:

- options/performance rights over ordinary shares in the Company;
- right to deferred shares granted under the STI scheme; and
- shares in the Company

that were held during the financial year by disclosed executives of the group, including their close family members and entities related to them.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Options/rights over ordinary shares in Nufarm Ltd

	Scheme	Balance at 1 October 2020	Granted as remuneration[f]	Exercised	Forfeited or lapsed	Net change other[e]	**Balance at 30 Sept 2021[d]**	Vested during 2020	Vested at 30 Sept 2021[a]	Value at date of forfeiture[c]
Executive Director										
G Hunt	LTI performance	322,389	233,948	–	(162,933)	–	393,404	–	–	782,078
	STI deferred[b]	–	–	–	–	–	–	–	–	–
Executive KMP										
P Binfield[g]	LTI performance	165,278	–	–	(165,278)	–	–	–	–	636,320
	STI deferred[b]	–	–	–	–	–	–	–	–	–
P Townsend	LTI performance	–	74,161	–	–	–	74,161	–	–	–
	STI deferred[b]	–	–	–	–	–	–	–	–	–
E Prado	LTI performance	100,266	67,867	–	(49,636)	–	118,497	–	–	238,253
	STI deferred[b]	12,456	–	(12,456)	–	–	–	12,456	–	–
B Zacharias[e]	LTI performance	–	–	–	–	–	–	–	–	–
	STI deferred[b]	10,575	–	–	–	(10,575)	–	–	–	–
Total	LTI performance	587,933	375,976	–	(377,847)	–	586,062	–	–	1,656,651
	STI deferred[b]	23,031	–	(12,456)	–	(10,575)	–	12,456	–	–
Non-KMP Officers										
F Smith	LTI performance	36,248	53,183	–	–	–	89,431	–	–	–
	STI deferred[b]	–	–	–	–	–	–	–	–	–
Total		**647,212**	**429,159**	**(12,456)**	**(377,847)**	**(10,575)**	**675,493**	**12,456**	**–**	**1,656,651**

(a) All options/rights that are vested are exercisable.

(b) No deferred shares were granted during the year ended 30 September 2021 in relation to the year ended 31 July 2020 or the two months ended 30 September 2020. Deferred shares granted as remuneration on the back of the current year STI outcomes will be determined and allocated in December 2021.

(c) 100% of LTI performance rights due to vest in the year ended 30 September 2021 were forfeited due to a failure to satisfy service or performance conditions. The value of the LTI performance rights forfeited is expressed in the table above using the share price of the Company as at the date of forfeiture.

(d) 246,334 of the total LTI performance rights held by KMPs or Non-KMP Officers are due to vest in the period ending 30 September 2022, with the remaining unvested balance due to vest in the period ending 30 September 2023.

(e) 'Net change other' reflects changes to KMPs and Non-KMP Officers during the period.

(f) The number of LTI performance rights granted as remuneration during FY21 were determined by dividing the KMP's total LTI grant opportunity by $4.23, being the five-day VWAP post the announcement of the group's annual results for the year ended 31 July 2020.

(g) On 14 September 2020, Mr Binfield announced his resignation from Nufarm. Upon leaving Nufarm on 31 December 2020, in accordance with the long-term incentive plan rules, Mr Binfield forfeited all of his LTI rights.

5.3 Shares held in Nufarm Ltd

During FY21 the Board introduced a Non-executive Director Minimum Shareholding Policy which applies to all Non-executive Directors except for any nominee directors appointed to the Board. The Policy requires that Non-executive Directors are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to 100 per cent of their total pre-tax annual base fee including superannuation. This minimum holding is to be achieved within five years of appointment or for those Non-executive Directors who were a member of the Board at the date the Policy was adopted, within five years of the adoption. At the date the Policy was adopted (19 May 2021) the minimum share holding requirement was 31,492 shares. In line with the Minimum Shareholding Policy and the transitional arrangements all applicable Non-executive Directors comply with the Policy.

	Balance as at 1 October 2020	Granted as remuneration	On exercise of rights	Net change other	**Balance as at 30 September 2021**
Directors					
JC Gillam	185,000	–	–	–	185,000
AB Brennan[1]	14,156	–	–	(14,156)	–
GR Davis	71,609	–	–	–	71,609
FA Ford	51,400	–	–	–	51,400
GA Hunt	544,812	–	–	20,035	564,847
DJ Jones[2]	–	–	–	82,000	82,000
PM Margin	3,480	–	–	10,426	13,906
ME McDonald	22,327	–	–	12,500	34,827
LD Saint	–	–	–	6,659	6,659
T Takasaki	–	–	–	–	–
Executive KMP	–	–	–	–	–
E Prado	40,824	–	12,456	(35,451)	17,829
P Townsend	–	–	–	11,000	11,000
P Binfield[3]	198,348	–	–	(198,348)	–
B Zacharias[4]	42,443	–	–	(42,443)	–
Total	**1,174,399**	**–**	**12,456**	**(147,778)**	**1,039,077**

1. Net change other for AB Brennan reflects that she has ceased to be a director from 18 December 2020.
2. Net change other for DJ Jones reflects the shares held when appointed as a director.
3. Net change other for P Binfield reflects that he has ceased to be a KMP on 31 December 2020.
4. Net change other for B Zacharias reflects that he has ceased to be a KMP on 1 October 2020.

Shares issued as a result of the exercise of options

There were nil (2020: nil) shares issued as a result of the exercise of options during the year.

Unissued shares under option

There are nil (2020: nil) unissued shares under option.

Loans to key management personnel

There were no loans to key management personnel at 30 September 2021 (2020: Nil).

Other key management personnel transactions with the Company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or entities in the group since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the Company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

This report has been made in accordance with a resolution of directors.

JC Gillam
Director

GA Hunt
Director

Melbourne
17 November 2021

Auditors' Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nufarm Limited for the financial year ended 30 September 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG	Chris Sargent *Partner* Melbourne 17 November 2021

Consolidated financial statements for the year ended 30 September 2021

Contents

Consolidated statement of profit or loss and other comprehensive income

For the 12 months ended 30 September 2021

	Note	Consolidated **12 months to 30 Sep 2021 $000**	Consolidated Restated* 2 months to 30 Sep 2020 $000
Revenue		3,215,651	267,320
Cost of sales		(2,380,946)	(227,400)
Gross profit		834,705	39,920
Other income	7	9,021	1,114
Sales, marketing and distribution expenses		(477,623)	(78,337)
General and administrative expenses		(172,890)	(44,387)
Research and development expenses		(36,663)	(6,132)
Share of net profits/(losses) of equity accounted investees	16	427	(48)
Operating profits/(losses)		156,977	(87,870)
Financial income	10	1,616	467
Financial expenses excluding foreign exchange gains/(losses)	10	(60,104)	(9,815)
Net foreign exchange gains/(losses)	10	(2,802)	(4,659)
Net financial expenses		(62,906)	(14,474)
Net financing costs		(61,290)	(14,007)
Profit/(loss) before income tax		95,687	(101,877)
Income tax benefit/(expense)	11	(30,559)	9,018
Profit/(loss) for the period		65,128	(92,859)
Attributable to:			
Equity holders of the group		65,128	(92,859)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

	Note	Consolidated 12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Profit/(loss) for the period		65,128	(92,859)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences for foreign operations		14,365	(4,088)
Effective portion of changes in fair value of cash flow hedges		227	(78)
Effective portion of changes in fair value of net investment hedges		1,659	(1,426)
Items that will not be reclassified to profit or loss:			
Gains/(losses) due to changes in fair value of other investments		270	–
Actuarial gains/(losses) on defined benefit plans		12,033	(417)
Income tax on share based payment transactions		680	–
Other comprehensive profit/(loss) for the period, net of income tax		29,234	(6,009)
Total comprehensive profit/(loss) for the period		94,362	(98,868)
Attributable to:			
Equity holders of the group		94,362	(98,868)
Earnings per share			
Basic earnings/(loss) per share	26	15.2	(24.5)
Diluted earnings/(loss) per share	26	15.1	(24.5)

The amounts recognised directly in equity are disclosed net of tax.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Consolidated balance sheet

As at 30 September 2021

	Note	Consolidated 30 Sep 2021 $000	Restated* 30 Sep 2020 $000
Current assets			
Cash and cash equivalents	12	724,215	423,914
Trade and other receivables	13	811,714	859,035
Inventories	14	976,163	1,046,929
Current tax assets	15	22,709	22,593
Total current assets		2,534,801	2,352,471
Non-current assets			
Trade and other receivables	13	1,427	3,119
Investments in equity accounted investees	16	3,750	2,259
Other investments	17	4,267	394
Deferred tax assets	15	142,612	147,981
Property, plant and equipment	18	441,367	436,685
Intangible assets	19	1,243,831	1,306,349
Total non-current assets		1,837,254	1,896,787
TOTAL ASSETS		4,372,055	4,249,258
Current liabilities			
Trade and other payables	20	933,446	861,030
Loans and borrowings	21	252,536	234,313
Employee benefits	22	19,234	16,703
Current tax payable	15	4,434	11,113
Provisions	24	13,778	33,557
Total current liabilities		1,223,428	1,156,716
Non-current liabilities			
Payables	20	5,777	5,995
Loans and borrowings	21	788,496	795,808
Deferred tax liabilities	15	133,893	148,146
Employee benefits	22	98,998	112,165
Total non-current liabilities		1,027,164	1,062,114
TOTAL LIABILITIES		2,250,592	2,218,830
NET ASSETS		2,121,463	2,030,428
Equity			
Share capital		1,835,888	1,834,934
Reserves		94,992	74,679
Retained earnings		(56,349)	(126,117)
Equity attributable to equity holders of the group		1,874,531	1,783,496
Other securities	25	246,932	246,932
TOTAL EQUITY		2,121,463	2,030,428

The consolidated balance sheet is to be read in conjunction with the attached notes.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Consolidated statement of cash flows

For the 12 months ended 30 September 2021

		Consolidated	
	Note	12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Cash flows from operating activities			
Profit/(loss) for the period – after tax		65,128	(92,859)
Adjustments for:			
Tax expense/(benefit)		30,559	(9,018)
Net finance expense		58,488	9,348
Depreciation & amortisation		208,007	33,817
Inventory write down	8	16,853	6,628
Share of (profits)/losses of associates net of tax	16	(427)	48
Other		(221)	6,793
Movements in working capital items:			
(Increase)/decrease in receivables		49,013	123,105
(Increase)/decrease in inventories		53,912	(120,751)
Increase/(decrease) in payables		18,824	(82,986)
Exchange rate change on foreign controlled entities working capital items		10,515	6,215
Cash generated from operations		510,651	(119,660)
Interest received		1,616	467
Dividends received		14	–
Interest paid		(56,837)	(2,132)
Taxes paid		(31,253)	(8,664)
Net operating cash flows	6	424,191	(129,989)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		780	90
Payments for plant and equipment		(48,809)	(2,895)
Payments for other investments, associates or joint ventures		(4,592)	–
Payments for acquired intangibles and major product development expenditure		(93,678)	(14,300)
Net investing cash flows	6	(146,299)	(17,105)
Cash flows from financing activities			
Debt establishment transaction costs	21	(1,437)	(131)
Proceeds from borrowings	21	467,488	13,629
Repayment of borrowings	21	(416,788)	(124,326)
Lease liability payments	21	(19,851)	(3,996)
Distribution to other securities holders	25	(10,229)	–
Dividends paid	25	–	–
Net financing cash flows	6	19,183	(114,824)
Net increase/(decrease) in cash and cash equivalents		297,075	(261,918)
Cash at the beginning of the period		423,914	686,552
Exchange rate fluctuations on foreign cash balances		3,226	(720)
Cash and cash equivalents at period end date	12	724,215	423,914

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Consolidated statement of changes in equity

For the 12 months ended 30 September 2021

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Other securities $000	Total equity $000
	Attributable to equity holders of the group							
Balance as at 1 August 2020	1,834,934	50,884	33,627	(4,706)	(18,048)	1,896,691	246,932	2,143,623
Change in accounting policy	–	–	–	–	(14,793)	(14,793)	–	(14,793)
Balance as at 1 August 2020 (restated)	1,834,934	50,884	33,627	(4,706)	(32,841)	1,881,898	246,932	2,128,830
Restated profit/(loss) for the period*	–	–	–	–	(92,859)	(92,859)	–	(92,859)
Other comprehensive income								
Foreign exchange translation differences	–	(4,088)	–	–	–	(4,088)	–	(4,088)
Gains/(losses) on cash flow hedges taken to equity	–	–	–	(78)	–	(78)	–	(78)
Gains/(losses) on net investment hedges taken to equity	–	–	–	(1,426)	–	(1,426)	–	(1,426)
Actuarial gains/(losses) on defined benefit plans	–	–	–	–	(417)	(417)	–	(417)
Income tax on share based payment transactions	–	–	–	–	–	–	–	–
Total comprehensive income/(loss) for the period	–	(4,088)	–	(1,504)	(93,276)	(98,868)	–	(98,868)
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	–	–	–	466	–	466	–	466
Dividends paid to shareholders	–	–	–	–	–	–	–	–
Dividend reinvestment plan	–	–	–	–	–	–	–	–
Distributions to other security holders	–	–	–	–	–	–	–	–
Balance at 30 September 2020 (restated)	1,834,934	46,796	33,627	(5,744)	(126,117)	1,783,496	246,932	2,030,428

	Attributable to equity holders of the group							
Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Other securities $000	Total equity $000
Balance at 1 October 2020	1,834,934	46,796	33,627	(5,744)	(126,117)	1,783,496	246,932	2,030,428
Profit/(loss) for the period from continuing operations	–	–	–	–	65,128	65,128	–	65,128
Other comprehensive income								
Foreign exchange translation differences	–	14,365	–	–	–	14,365	–	14,365
Gains/(losses) on cash flow hedges taken to equity	–	–	–	227	–	227	–	227
Gains/(losses) on net investment hedges taken to equity	–	–	–	1,659	–	1,659	–	1,659
Gains/(losses) due to changes in fair value of other investments	–	–	–	270	–	270	–	270
Actuarial gains/(losses) on defined benefit plans	–	–	–	–	12,033	12,033	–	12,033
Income tax on share based payment transactions	–	–	–	680	–	680	–	680
Total comprehensive income/(loss) for the period	–	14,365	–	2,836	77,161	94,362	–	94,362
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	954	–	–	3,112	–	4,066	–	4,066
Dividends paid to shareholders	–	–	–	–	–	–	–	–
Dividend reinvestment plan	–	–	–	–	–	–	–	–
Distributions to other security holders	–	–	–	–	(7,393)	(7,393)	–	(7,393)
Balance at 30 September 2021	1,835,888	61,161	33,627	204	(56,349)	1,874,531	246,932	2,121,463

The amounts recognised directly in equity are disclosed net of tax.

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Notes to the consolidated financial statements

1 Reporting entity

Nufarm Limited (the 'company') is a company limited by shares and domiciled in Australia that is listed on the Australian Securities Exchange. The address of the company's registered office is 103-105 Pipe Road, Laverton North, Victoria, 3026. The consolidated financial statements of the company as at and for the year ended 30 September 2021 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities. Following the divestment of the South American crop protection businesses on 1 April 2020 Nufarm changed its financial year-end to better align reporting periods with key sales periods and enable improved comparison with industry peers. In accordance with International Financial Reporting Standards comparative information is presented as the 2 months ending 30 September 2020.

The group is a for-profit entity and is primarily involved in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease, and seed treatment products. Operating profits/(losses) may fluctuate throughout the year due to seasonality inherent within the crop protection and seed technology markets, and the geography of operations.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Changes to significant accounting policies are described in note 3.

The consolidated financial statements were authorised for issue by the Board of Directors on 17 November 2021.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value, and defined benefit fund obligations that are measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional and presentation currency. The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described below.

(i) Business combinations

Fair valuing assets and liabilities acquired in a business combination involves the group making assumptions about the timing of cash inflows and outflows, growth assumptions, discount rates and cost of debt.

(ii) Impairment testing

The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis or at each reporting date if required, using the higher of a value in use (VIU) or a fair value less cost to dispose (FVLCD) methodology to estimate the recoverable amount of cash generating units. VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal.

VIU is determined by applying assumptions specific to the group's continued use and cannot consider future development. The determination of recoverable value often requires the estimation and discounting of future cash flows which is based on information available at balance date such as expected revenues from products, the return on assets, future costs, growth rates, applicable discount rates and useful lives.

FVLCD is an estimate of the amount that a market participant would pay for an asset or Cash Generating Unit (CGU), less the cost to dispose. Fair value is generally determined using independent market assumptions to calculate the present value of the estimated future cash flows expected to arise from the continued use of the asset, and its eventual sale where a market participant may take a consistent view. Cash flows are discounted using an appropriate discount rate to arrive at a net present value of the asset which is compared against the asset's carrying value.

These estimates are subject to risk and uncertainty that may be beyond the control of the group, hence there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of assets at each reporting date.

Other non-current assets are also assessed for impairment indicators. Refer to note 19 for key assumptions made in determining the recoverable amounts of the CGU's.

(iii) Income taxes

Uncertain tax matters:
The group is subject to income taxes in Australia and overseas jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group has exercised judgement in the application of tax legislation and its interaction with income tax accounting principles. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised in the period in which the tax determination is made.

Deferred tax:
Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Judgement is required by the group to determine the likely timing and the level of future taxable income. The group assesses the recoverability of recognised and unrecognised deferred taxes including losses in Australia and overseas incorporating assumptions including expected revenues from products, the return on assets, future costs, growth rates and useful lives.

Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

(iv) Defined benefit plans

A liability in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund at the reporting date, calculated annually by independent actuaries and requires the exercise of judgement in relation to assumptions for expected future salary levels, long term price inflation and bond rates, experience of employee departures and periods of service. Refer to note 22 for details of the key assumptions used in determining the accounting for these plans.

(v) Working capital

In the course of normal trading activities, the group uses judgement in establishing the carrying value of various elements of working capital, which is principally inventories and trade receivables. Judgement is required to estimate the provision for obsolete or slow moving inventories and bad and doubtful receivables. In estimating the provision for obsolete or slow moving inventories the group considers the net realisable value of inventory using estimated market price less cost to sell.

In estimating the provision for bad and doubtful receivables the group measures the expected credit losses (ECLs) using key assumptions to determine a probability weighted basis including the geographical location's specific circumstances.

Actual expenses in future periods may be different from the provisions established and any such differences would impact future earnings of the group.

(vi) Capitalised development costs

Development expenditure is recognised as an intangible asset when the group judges and can demonstrate:

(a) the technical feasibility of completing the intangible asset so that it will be available for use;
(b) intention to complete;
(c) ability to use the asset; and
(d) how the asset will generate future economic benefits and the ability to measure reliably the expenditure during development.

The criteria above are derived from independent valuations and predicated on estimates and judgements including future cash flows, revenue streams and value in use calculations. Estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that the intangible asset is impaired, the appropriate amount will be written off to the income statement.

(vii) Intellectual property

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. The group assesses intellectual property to have a finite life. Changes to estimates related to the useful life of intellectual property are accounted for prospectively and may affect amortisation rates and intangible asset carrying values.

(viii) Coronavirus (Covid-19)

The group has carefully considered the effect of the Coronavirus in preparing its financial statements for the year ended 30 September 2021. Where applicable, the group has incorporated judgements, estimates and assumptions specific to the impact of the Coronavirus in determining the amounts recognised in the financial statements. This was done based on conditions existing at balance sheet date, recognising that an element of uncertainty still exists.

(e) Reclassification

Where applicable comparatives are adjusted to present them on the same basis as current period figures.

3 Significant accounting policies

Except as described below, the group's accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

(a) Impact of new accounting standards and interpretation and changes in accounting policies

(i) New and amended accounting standards and interpretations adopted by the group

In the current year the group has adopted all of the following new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current financial reporting period. Their adoption has not had a material impact on the disclosures or amounts reported in these financial statements except for International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decisions on Cloud Computing Arrangement Costs documented below:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- IFRIC agenda decisions on Cloud Computing Arrangement Costs

(ii) IFRIC agenda decisions on Cloud Computing Arrangement Costs

IFRIC issued two final agenda decisions which impact the group's accounting policy with respect to Cloud Computing arrangements (commonly known as Software-as-a-Service (SaaS)) arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The group's accounting policy has historically been to capitalise all costs related to the configuration and customisation of SaaS arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in a reclassification of these intangible assets to be recognised as an expense in the Statement of Comprehensive Income.

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Impact on consolidated balance sheet

30 September 2020	As previously reported $000	SaaS restatement $000	Restated $000
Intangible assets	1,328,906	(22,557)	1,306,349
Deferred tax assets	141,731	6,250	147,981
Non-current assets	**1,913,094**	**(16,307)**	**1,896,787**
Total assets	**4,265,565**	**(16,307)**	**4,249,258**
Net assets	**2,046,735**	**(16,307)**	**2,030,428**
Retained earnings	(109,810)	(16,307)	(126,117)
Total equity	**2,046,735**	**(16,307)**	**2,030,428**

31 July 2020	As previously reported $000	SaaS restatement $000	Restated $000
Intangible assets	1,339,016	(20,364)	1,318,652
Deferred tax assets	133,302	5,571	138,873
Non-current assets	**1,917,692**	**(14,793)**	**1,902,899**
Total assets	**4,535,169**	**(14,793)**	**4,520,376**
Net assets	**2,143,623**	**(14,793)**	**2,128,830**
Retained earnings	(18,048)	(14,793)	(32,841)
Total equity	**2,143,623**	**(14,793)**	**2,128,830**

Impact on consolidated statement of profit or loss and other comprehensive income

2 months ended 30 September 2020	As previously reported $000	SaaS restatement $000	Restated $000
General and administrative expenses	(42,194)	(2,193)	(44,387)
Operating profits/(losses)	**(85,677)**	**(2,193)**	**(87,870)**
Profit/(loss) before income tax	**(99,684)**	**(2,193)**	**(101,877)**
Income tax benefit/(expense)	8,339	679	9,018
Profit/(loss) for the period	**(91,345)**	**(1,514)**	**(92,859)**
Total comprehensive profit/(loss) for the period	**(97,354)**	**(1,514)**	**(98,868)**
Earnings per share (cents)			
Basic	(24.1)	(0.4)	(24.5)
Diluted	(24.1)	(0.4)	(24.5)

Impact on consolidated statement of cash flows

2 months ended 30 September 2020	As previously reported $000	SaaS restatement $000	Restated $000
Profit/(loss) for the period – after tax	(91,345)	(1,514)	(92,859)
Tax expense/(benefit)	(8,339)	(679)	(9,018)
Depreciation & amortisation	35,436	(1,619)	33,817
Cash generated from operations	(115,848)	(3,812)	(119,660)
Net operating cash flows	**(126,177)**	**(3,812)**	**(129,989)**
Payments for acquired intangibles and major product development expenditure	(18,112)	3,812	(14,300)
Net investing cash flows	**(20,917)**	**3,812**	**(17,105)**

(iii) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

There are no standards that are not yet effective that would be expected to have a material impact on the group in the current or future reporting periods.

3 Significant accounting policies (continued)

(b) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a written put option is established with non-controlling shareholders in an existing subsidiary, then the group will recognise a liability for the present value of the exercise price of the option. When the NCI still has present access to the returns associated with the underlying ownership interest, NCI continues to be recognised and accordingly the liability is considered a transaction with owners and recognised via a reserve. Any changes in the carrying value of the put liability over time is recognised directly in reserves.

(iii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

When the group loses control over a subsidiary it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained is measured at fair value when control is lost.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction with the owners of the group.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Investments in equity accounted investees

The group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the group's share of the income and expenses and equity movements of the investees after adjustments to align the accounting policies of the investees with those of the group, until the date on which significant influence or joint control ceases. On loss of significant influence the investment is no longer equity accounted and is revalued to fair value.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3(i).

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are included in net financing costs.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in translation reserve except to the extent that the translation difference is allocated to NCI. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

Financial assets are classified, at initial recognition, as either measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables, the group initially measures a financial asset at its fair value plus transaction costs on trade date at which the group becomes a party to the contractual provisions of the instrument. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB 15 Revenue from Contracts with Customers. Refer to note 3 (m).

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Amortised cost
- Fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the group. Financial assets are measured at amortised cost if both of the following conditions are met and is not designated as FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (FVOCI) – debt instruments

The group measures debt instruments at fair value through OCI if both of the following conditions are met and is not designated as FVTPL:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI (FVOCI) – equity instruments

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, gains are recorded in OCI.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Financial assets with cash flows that are not 'solely payments of principal and interest' (SPPI) are classified and measured at fair value through profit or loss, irrespective of the business model.

3 Significant accounting policies (continued)

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instrument by considering events, terms and prepayment/extension features that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Upon initial recognition attributable transaction costs are recognised in profit and loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

(ii) Non-derivative financial liabilities

At initial recognition, financial liabilities are classified at FVTPL, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. This includes trade payables that represent liabilities for goods and services provided to the group prior to the end of the period which are unpaid.

The group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(iv) Other securities

Nufarm step-up securities

The Nufarm step-up securities (NSS) are classified as non-controlling equity instruments as they are issued by a subsidiary. After-tax distributions thereon are recognised as distributions within equity. Further details can be found in note 25.

(v) Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

The group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an 'economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify or are not designated for hedge accounting

Certain derivative instruments do not qualify, or are not designated for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify, or is not designated for hedge accounting are recognised immediately in profit or loss.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	15-50 years
• leasehold improvements	5 years
• plant and equipment	10-15 years
• motor vehicles	5 years
• computer equipment	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(f) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of business combinations is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Intellectual property

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. Intellectual property is assessed to have a finite life. Finite life intellectual property is amortised over its useful life but not longer than 30 years. Intellectual property Intangibles acquired by the group are measured at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is expensed when incurred.

(iii) Computer software

Computer software is measured initially at acquisition cost or costs incurred to develop the asset. Cost includes expenditure that is directly attributable to the acquisition or development of the software. Software assets acquired in a business combination are recognised at fair value at the date of acquisition. Following initial recognition, computer software with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over their estimated useful lives. The group adopted a change in accounting policy during the period related to the treatment of configuration and customisation costs related to SaaS arrangements.

Details of the change and restatement are presented in note 3(a)(ii).

3 Significant accounting policies (continued)

(iv) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes, or for extended use of existing products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs. Development expenditure that does not meet the above criteria is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

(vi) Amortisation of intangible assets

Amortisation is calculated over the cost of the asset, less its residual value. With the exception of goodwill, intangibles with a finite life are amortised on a straight-line basis in profit and loss over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life for intangible assets with a finite life, for the current and comparative periods, are as follows:

• capitalised development costs	5 to 30 years
• intellectual property	over the useful life and not more than 30 years
• computer software	3 to 7 years

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

(g) Leases

Lease liability

Lease liabilities are initially measured at the present value of lease payments that are not paid at that date. The lease payments are discounted using either the interest rate implicit in the lease, where that rate can be readily determined, or the incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following (where applicable):

(a) fixed payments, less any lease incentives receivable;

(b) variable lease payments, measured using the index or rate as at the commencement;

(c) amounts expected to be paid by the lessee under residual value guarantees;

(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in the above.

Lease liabilities are measured at amortised cost using the effective interest method.

Interest is recognised as part of the financial expenses in the Income Statement.

Incremental borrowing rate

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Adjustments made relate to the standalone borrowing capacity of entities within the group, in addition to financing rates applicable in the geographical regions in which it operates.

Right of use asset

The right-of-use asset is initially measured at cost, and comprises the following (where applicable):

(a) the amount of the initial measure of the lease liability, as described above;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the lessee; and

(d) an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life.

Determining the lease term

The lease term is the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

The lease term is revised if there is a change in the non-cancellable period of a lease.

Short term/low value leases

Leases with a short term (duration of a year or less at the time of commencement) and leases which are low value are expensed on a straight line basis over the lease term.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Impairment

(i) Non-derivative financial assets

The group recognises an allowance for expected credit losses (ECLs) for all financial assets at amortised cost and debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Objective evidence of impairment includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, and, in the case of an investment in an equity security, a significant or prolonged decline in its fair value. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recorded in OCI.

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

Refer to use of estimates and judgements note 2 and intangibles note 19 for further information.

(j) Assets held for sale

Assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

(k) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any assets.

3 Significant accounting policies (continued)

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan asset (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The group's net obligation in respect of long-term employee benefits, other than defined benefit plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

(v) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vi) Share-based payment transactions

The group has a global share plan for employees whereby matching and loyalty shares are granted to employees. The fair value of matching and loyalty shares granted is recognised as an expense in the profit or loss over the respective service period, with a corresponding increase in equity. The plan is currently suspended, refer to note 23 for further details.

The group has a short term incentive plan (STI) available to key executives, senior managers and other managers globally. A pre-determined percentage of the STI is paid in cash with the remainder deferred into either shares or rights to ordinary shares which have a two year vesting period following the year in which the short term incentives are measured. The cash portion is recognised immediately as an expense at the time of performance testing. The expense relating to deferred shares or rights to ordinary shares is expensed over the vesting period including the year in which the short term incentives are measured. Refer to note 23 for further details on this plan.

The group has a long term incentive plan (LTIP) which is available to key executives and certain selected senior managers. Performance rights have been granted to acquire ordinary shares in the group subject to the achievement of global performance hurdles. The expense in relation to the LTIP is recognised over the vesting period of 3 years. Refer to note 23 for further details on this plan.

(l) Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(m) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

(i) Goods sold

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Variable consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of certain products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The group uses the expected value method, including applying any constraints, to determine variable consideration to which the group will be entitled. For goods that are expected to be returned, instead of revenue, the group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Rebates and sales incentives

The group provides rebates and sales incentives to certain customers once thresholds specified in the contract are met or exceeded. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the group applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

(iii) End point royalties

The group receives royalty revenue from growers for certain varieties of seed. Sales or usage based royalties are recognised as revenue at the later of when the sales or usage occurs and the performance obligation is satisfied, which would be when the harvest occurs and the royalty is paid.

(iv) Significant financing components

The group may receive short-term advances from its customers. Using the practical expedient in AASB 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component as it is expected, at contract inception, that the period between the transfer of the good and when the customer pays for that good will be one year or less.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

(o) Finance income and finance costs

The group's finance income and finance costs include the following: interest income, interest expense, dividends on preference shares issued classified as financial liabilities, financial assets, the net gain or loss on financial assets at fair value through profit or loss, the foreign currency gain or loss on financial assets and financial liabilities, the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination, the fair value loss on contingent consideration classified as a financial liability, impairment losses recognised on financial assets (other than trade receivables), the net gain or loss on hedging instruments that are recognised in profit or loss, and the reclassification of net gains or losses previously recognised in other comprehensive income.

Interest income or expense is recognised using the effective interest method.

Finance costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets.

(p) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of cash dividends are recognised at the same time as the liability to pay the related dividend is recognised. The group does not distribute non-cash assets as dividends to its shareholders.

(i) Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Nufarm Limited (the 'head entity').

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

3 Significant accounting policies (continued)

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement (refer below). Any difference between these amounts is recognised by the company as an equity contribution amounts or distribution.

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing agreements

The head entity of the Australian tax-consolidated group, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity of the Australian tax-consolidated group, in conjunction with other members of the tax-consolidated group, has also entered a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(q) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST or equivalent), except where the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(r) Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise convertible notes and share options granted to employees.

(s) Segment reporting

Determination and presentation of operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' results are reviewed regularly by the group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

4 Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, and willingly. The market value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches quoted market prices for similar items when available and replacement cost when appropriate.

(ii) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on effort required to complete and sell the inventories.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(v) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on Government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(vii) Share-based payment transactions

The fair value of the performance rights issued under the Nufarm Long Term Incentive Plan have been measured using Monte Carlo Simulation and the Binomial Tree. The fair value of the deferred shares or rights to ordinary shares granted to participants under the Nufarm Short Term Incentive are measured using the volume weighted average price for the five day period subsequent to period end results announcement. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, dividends, and the risk-free rate (based on Government bonds).

5 Operating segments

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

Operating segments

The group operates predominantly along two business lines, being crop protection and seed technologies.

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being Australia, New Zealand and Asia (together 'APAC'), Europe and North America.

As a result of changes in the management structure and internal reporting of the operating segments, incorporated as part of the asset rationalisation and restructuring activities, the group changed its operating segments to combine the previous Australia and New Zealand, and Asia segments together to form APAC. The comparison period has been restated for this change.

The seed technologies business deals in the sale of seeds and seed treatment products. The seed technologies business is managed on a worldwide basis.

Information regarding the results of each operating segment is included below. Performance is measured based on underlying EBITDA and underlying EBIT, as defined below, as included in the internal management reports that are reviewed by the group's CEO. These metrics are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Segment revenue is based on the geographic location of customers.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The non-operating corporate segment comprises mainly corporate expenses, interest-bearing loans, borrowings and corporate assets. From April 2020, the non-operating corporate segment revenue represents revenue earned on delivering products under a two year supply agreement with Sumitomo Chemical Company Ltd as the purchaser of the group's South American business, that was divested in April 2020.

	Crop Protection						
12 months ended 30 September 2021 Operating Segments	**APAC $000**	**Europe $000**	**North America $000**	**Total $000**	**Seed Technologies Global $000**	**Non Operating Corporate $000**	**Group Total $000**
Revenue							
Total segment revenue	858,407	806,485	1,112,423	2,777,315	240,621	197,715	3,215,651
Results							
Underlying EBITDA[(a)]	111,550	171,696	104,394	387,640	46,322	(72,855)	361,107
Depreciation & amortisation excluding material items	(20,114)	(125,743)	(32,678)	(178,535)	(28,505)	(967)	(208,007)
Underlying EBIT[(a)]	**91,436**	**45,953**	**71,716**	**209,105**	**17,817**	**(73,822)**	**153,100**
Material items included in operating profit (refer note 6)							3,877
Material items included in net financing costs (refer note 6)							–
Total material items (refer note 6)							3,877
Net financing costs (excluding material items)							(61,290)
Profit/(loss) before tax							**95,687**

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT before depreciation, amortisation and material items.

2 months ended 30 September 2020 (restated*) Operating Segments	Crop Protection APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Revenue							
Total segment revenue	92,463	48,293	74,323	215,079	7,057	45,184	267,320
Results							
Underlying EBITDA*(a)	691	(19,119)	(6,224)	(24,652)	(4,515)	(18,024)	(47,191)
Depreciation & amortisation excluding material items*	(3,045)	(20,699)	(4,986)	(28,730)	(4,905)	(182)	(33,817)
Underlying EBIT*(a)	**(2,354)**	**(39,818)**	**(11,210)**	**(53,382)**	**(9,420)**	**(18,206)**	**(81,008)**
Material items included in operating profit (refer note 6)							(6,862)
Material items included in net financing costs (refer note 6)							–
Total material items (refer note 6)							(6,862)
Net financing costs (excluding material items)							(14,007)
Profit/(loss) before tax							**(101,877)**

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT before depreciation, amortisation and material items.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii). During the year the group changed its operating segments to combine the previous Australia and New Zealand and Asia segments together to form APAC. The comparison period has been restated for this change.

5 Operating segments (continued)

As at 30 September 2021 Operating Segments	Crop Protection APAC $000	Crop Protection Europe $000	Crop Protection North America $000	Crop Protection Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Assets							
Segment assets	667,866	1,306,106	947,116	2,921,088	562,871	884,346	4,368,305
Equity accounted investments	2,146	941	–	3,087	663	–	3,750
Total assets	670,012	1,307,047	947,116	2,924,175	563,534	884,346	4,372,055
Liabilities							
Segment liabilities	561,395	238,480	223,379	1,023,254	41,570	1,185,768	2,250,592
Total liabilities	561,395	238,480	223,379	1,023,254	41,570	1,185,768	2,250,592
Other segment information							
Capital expenditure	15,395	74,572	40,887	130,854	34,861	–	165,715

As at 30 September 2020 (restated*) Operating Segments	Crop Protection APAC $000	Crop Protection Europe $000	Crop Protection North America $000	Crop Protection Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Assets							
Segment assets	670,874	1,564,492	904,528	3,139,894	529,788	577,317	4,246,999
Equity accounted investments	1,710	–	–	1,710	549	–	2,259
Total assets	672,584	1,564,492	904,528	3,141,604	530,337	577,317	4,249,258
Liabilities							
Segment liabilities	484,197	288,218	222,089	994,504	30,572	1,193,754	2,218,830
Total liabilities	484,197	288,218	222,089	994,504	30,572	1,193,754	2,218,830
Other segment information							
Capital expenditure*	2,276	8,477	3,750	14,503	8,835	–	23,338

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii). During the year the group changed its operating segments to combine the previous Australia and New Zealand and Asia segments together to form APAC. The comparison period has been restated for this change.

Geographical information – revenue by location of customer	Revenue 12 months to 30 Sep 2021 $000	 2 months to 30 Sep 2020 $000
United States of America	955,090	69,721
Australia	577,556	57,508
Brazil	203,910	40,882
Rest of world[b]	1,479,095	99,209
Total	3,215,651	267,320

(b) Other than Australia, Brazil and the United States of America sales to other countries are individually less than 10% of the group's total revenues.

Geographical information – non-current assets by location of asset	Non-current assets 30 Sep 2021 $000	 Restated* 30 Sep 2020 $000
Germany	467,501	528,675
United States of America	413,962	423,800
United Kingdom	349,113	318,004
Australia	277,875	277,811
Rest of world[c]	186,191	206,495
Unallocated[d]	142,612	142,002
Total*	1,837,254	1,896,787

(c) Other than Germany, Australia, United States of America, and the United Kingdom, non-current assets held in other countries are individually less than 10% of the group's total non-current assets.

(d) Unallocated non-current assets predominately include deferred tax assets.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

6 Individually material income and expense items

Individually material items are those items where their nature, including the expected frequency of the events giving rise to them, and/or amount is considered material to the financial statements. Such items included within the group's profit for the period are detailed below.

	Consolidated		Consolidated	
	12 months to 30 Sep 2021 $000 pre-tax	12 months to 30 Sep 2021 $000 after-tax	2 months to 30 Sep 2020 $000 pre-tax	2 months to 30 Sep 2020 $000 after-tax
Material items by category:				
Legal costs	(392)	(392)	–	–
Asset rationalisation and restructuring	(2,031)	(1,838)	(1,926)	(961)
Transactions related to South American business disposal	6,300	6,300	(4,936)	(4,450)
Total	3,877	4,070	(6,862)	(5,411)

30 September 2021 Material items

Legal costs

In the financial years ended 31 July 2019 and 31 July 2020, the group incurred legal costs associated with the enforcement of Omega-3 canola trademark and patent matters. The group has continued to incur legal costs in relation to the same matter during the year ended 30 September 2021.

Asset rationalisation and restructuring

During the year ended 31 July 2020 the group announced a group wide performance improvement program, relating to asset rationalisation and organisational restructuring. The group has continued to incur expenses in relation to this program during the year ended 30 September 2021.

Transactions related to South American business disposal – onerous contract provision reversal

During the year ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the year ended 30 September 2021 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been partially reversed. The contract is due to expire in March 2022.

30 September 2020 Material items

Transactions related to South American business disposal – high yield bond

The sale of the group's South American crop protection businesses triggered a requirement for unutilised sale proceeds remaining at 31 March 2021 to be used to either make a tender offer to noteholders at par for the group's senior unsecured notes due in April 2026 (2026 notes) (refer note 27) or cancel other debt facilities.

The group chose to approach current noteholders in September 2020 to seek exemption from this requirement in order to maintain the group's liquidity. Majority consent was provided by the noteholders on 14 September 2020. The terms and conditions of the 2026 notes remain unchanged. The cost of obtaining the exemption was $4.936 million including consent fees, advisor and legal fees.

Asset rationalisation and restructuring

Expenses continue to be incurred on the group wide performance improvement program, relating to asset rationalisation and organisational restructuring.

Material items are classified by function as follows:

12 months ended 30 September 2021 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Legal costs	–	–	(392)	–	(392)
Asset rationalisation and restructuring	–	–	(2,031)	–	(2,031)
Transactions related to South American business disposal – onerous contract provision reversal	–	–	6,300	–	6,300
Total material items	–	–	3,877	–	3,877
Total material items included in operating profit	–	–	3,877	–	3,877

2 months ended 30 September 2020 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Transactions related to South American business disposal – high yield bond	–	–	(4,936)	–	(4,936)
Asset rationalisation and restructuring	–	–	(1,926)	–	(1,926)
Total material items	–	–	(6,862)	–	(6,862)
Total material items included in operating profit	–	–	(6,862)	–	(6,862)

Material items impacting cash flows are as follows:

12 months ended 30 September 2021	Underlying $000	Material items $000	Total group $000
Cash flows from operating activities			
Net operating cash flows	439,807	(15,616)	424,191
Cash flows from investing activities			
Net investing cash flows	(146,299)	–	(146,299)
Net operating and investing cash flows	293,508	(15,616)	277,892

2 months ended 30 September 2020 (restated*)	Underlying $000	Material items $000	Total group $000
Cash flows from operating activities			
Net operating cash flows*	(119,683)	(10,306)	(129,989)
Cash flows from investing activities			
Net investing cash flows*	(17,105)	–	(17,105)
Net operating and investing cash flows*	(136,788)	(10,306)	(147,094)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

7 Other income

	Consolidated	
	12 months to 30 Sep 2021 $000	2 months to 30 Sep 2020 $000
Rental income	42	6
Sundry income	8,979	1,108
Total other income	9,021	1,114

8 Other expenses

The following expenses were included in the period result:

	Consolidated	
	12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Depreciation and amortisation*	208,007	33,817
Inventory write down	16,853	6,628

9 Personnel expenses

	Consolidated	
	12 months to 30 Sep 2021 $000	2 months to 30 Sep 2020 $000
Wages and salaries	290,615	50,529
Other associated personnel expenses	47,383	7,713
Contributions to defined contribution superannuation funds	12,184	2,204
Expense/(gain) related to defined benefit superannuation funds	1,782	417
Short-term employee benefits	7,824	1,555
Other long-term employee benefits	2,687	140
Restructuring	1,117	1,091
Personnel expenses	363,592	63,649

The restructuring expense relates to the group's asset rationalisation and organisational restructure program. These expenses are included in material items in note 6.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

10 Finance income and expense

	Consolidated	
	12 months to 30 Sep 2021 $000	2 months to 30 Sep 2020 $000
Other financial income	1,616	467
Financial income	1,616	467
Interest expense – external	(49,537)	(8,075)
Interest expense – debt establishment transaction costs	(3,147)	(569)
Lease liability – interest expense	(7,420)	(1,171)
Net foreign exchange gains/(losses)	(2,802)	(4,659)
Financial expenses	(62,906)	(14,474)
Net financing costs	(61,290)	(14,007)

11 Income tax expense

	Consolidated 12 months to 30 Sep 2021 $000	Consolidated Restated* 2 months to 30 Sep 2020 $000
Recognised in the income statement		
Current tax expense/(benefit)		
Current period	31,304	(2,981)
Tax free income and non-recognition of tax assets on material items	(1,892)	310
Changes in estimates related to prior years	5,656	635
Current tax expense/(benefit)	35,068	(2,036)
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences and tax losses	(1,233)	(22,291)
Effect of changes in tax rates	(50)	–
(Recognition)/non-recognition of tax assets	(3,226)	15,309
Deferred tax expense/(benefit)	(4,509)	(6,982)
Total income tax expense/(benefit) in income statement	30,559	(9,018)

Numerical reconciliation between tax expense and pre-tax net profit	Consolidated 12 months to 30 Sep 2021 $000	Consolidated Restated* 2 months to 30 Sep 2020 $000
Profit/(Loss) before tax	95,687	(101,877)
Income tax using the Australian corporate tax rate of 30%	28,706	(30,563)
Increase/(decrease) in income tax expense due to:		
Non-deductible Amortisation/Depreciation	2,914	643
Non-deductible expenses	3,043	488
Other taxable income	1,511	496
Effect of changes in tax rates	(50)	–
(Recognition)/non-recognition of tax assets	(3,226)	15,309
Tax free income and non-recognition of tax assets on material items	(1,892)	310
Effect of tax rate in foreign jurisdictions	(4,969)	3,997
Tax exempt income	(170)	(82)
Tax incentives not recognised in the income statement	(965)	(251)
	24,903	(9,653)
Changes in estimates related to prior years	5,656	635
Income tax expense/(benefit)	30,559	(9,018)

Income tax recognised directly in equity	Consolidated 12 months to 30 Sep 2021 $000	Consolidated 2 months to 30 Sep 2020 $000
Nufarm step-up securities distribution	(2,836)	–
Income tax recognised directly in equity	(2,836)	–
Income tax recognised in other comprehensive income		
Relating to actuarial gains/(losses) on defined benefit plans	(2,706)	(105)
Relating to equity based compensation	(680)	–
Income tax recognised in other comprehensive income	(3,386)	(105)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

12 Cash and cash equivalents

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Bank balances	710,021	415,890
Call deposits	14,194	8,024
	724,215	423,914
Bank overdraft	–	–
Total cash and cash equivalents	724,215	423,914

13 Trade and other receivables

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Current		
Trade receivables	710,201	772,125
Provision for impairment losses	(22,662)	(28,423)
	687,539	743,702
Prepayments	55,103	27,880
Derivative financial instruments	6,110	5,980
Other receivables	62,962	81,473
Current receivables	811,714	859,035
Non-current		
Other receivables	1,427	3,119
Non-current receivables	1,427	3,119
Total trade and other receivables	813,141	862,154

14 Inventories

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Raw materials	304,176	233,320
Work in progress	22,193	25,968
Finished goods	669,228	804,456
	995,597	1,063,744
Provision for obsolescence of finished goods	(19,434)	(16,815)
Total inventories	976,163	1,046,929

15 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of $22.709 million (30 September 2020: $22.593 million) represents the amount of income taxes recoverable in respect of prior periods and that arose from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of $4.433 million (30 September 2020: $11.113 million) represents the amount of income taxes payable in respect of current and prior financial periods.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 Sep 2021 $000	Restated* 30 Sep 2020 $000	**30 Sep 2021 $000**	30 Sep 2020 $000	**30 Sep 2021 $000**	Restated* 30 Sep 2020 $000
Consolidated						
Property, plant and equipment	11,984	14,205	(7,020)	(7,971)	4,964	6,234
Intangible assets*	11,225	12,887	(94,319)	(95,445)	(83,094)	(82,558)
Employee benefits	23,332	25,087	–	–	23,332	25,087
Provisions	24,463	21,257	(20,037)	(21,273)	4,426	(16)
Other items	37,487	29,818	(22,678)	(23,457)	14,809	6,361
Tax value of losses carried forward	44,282	44,727	–	–	44,282	44,727
Tax assets/(liabilities)	152,773	147,981	(144,054)	(148,146)	8,719	(165)
Set off of tax	(10,161)	–	10,161	–	–	–
Net tax assets/(liabilities)	142,612	147,981	(133,893)	(148,146)	8,719	(165)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Movement in temporary differences during the period (restated*)

Consolidated	Balance 1 October 2020 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Balance 30 Sep 2021 $000
Property, plant and equipment	6,234	(1,225)	–	(45)	4,964
Intangible assets*	(82,558)	(1,336)	–	800	(83,094)
Employee benefits	25,087	(4,929)	2,706	468	23,332
Provisions	(16)	4,554	–	(112)	4,426
Other items	6,361	7,495	680	273	14,809
Tax value of losses carried forward	44,727	(50)	–	(395)	44,282
	(165)	4,509	3,386	989	8,719

Consolidated	Balance 1 Aug 2020 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Balance 30 Sep 2020 $000
Property, plant and equipment	6,581	(354)	–	7	6,234
Intangible assets*	(81,417)	(733)	–	(408)	(82,558)
Employee benefits	25,056	147	105	(221)	25,087
Provisions	(2,362)	2,351	–	(5)	(16)
Other items	5,006	1,310	–	45	6,361
Tax value of losses carried forward	40,123	4,261	–	343	44,727
	(7,013)	6,982	105	(239)	(165)

The carrying value of deferred tax assets relating to tax losses and tax credits is largely dependent on the generation of sufficient future taxable income. The carrying value of this asset will continue to be assessed at each reporting date.

Deferred tax assets and liabilities

Unrecognised deferred tax liability

At 30 September 2021, a deferred tax liability of $30.532 million (30 September 2020: $28.463 million) relating to investments in subsidiaries has not been recognised because the group controls the repatriation of retained earnings and it is satisfied that it will not be incurred in the foreseeable future. This amount represents the theoretical withholding tax payable if all overseas retained earnings were paid as dividends.

Unrecognised deferred tax assets

At 30 September 2021, there are unrecognised deferred tax assets in respect of tax losses and timing differences of $245.718 million (30 September 2020: $257.558 million).

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

16 Investments accounted for using the equity method

The group accounts for investments in associates and joint ventures using the equity method.

The group had the following individually immaterial associates and joint ventures during the period:

	Nature of relationship	Country	Balance date of associate	Ownership and voting interest 30 Sep 2021	Ownership and voting interest 30 Sep 2020
Seedtech Pty Ltd	Associate(1)	Australia	31 December	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	Joint Venture(2)	China	31 December	35.00%	35.00%
Crop.zone GmbH	Associate(3)	Germany	31 December	10.71%	0.00%

	Carrying amount 30 Sep 2021 $000	Carrying amount 30 Sep 2020 $000	Share of profit/(loss) 12 months to 30 Sep 2021 $000	Share of profit/(loss) 2 months to 30 Sep 2020 $000
Seedtech Pty Ltd	663	549	115	–
Leshan Nong Fu Trading Co., Ltd	2,146	1,710	343	(48)
Crop.zone GmbH	941	–	(31)	–
	3,750	2,259	427	(48)

(1) Seedtech is a company that offers services to the seed industry such as cleaning, packaging, distribution and storage of seeds.

(2) Leshan Nong Fu Trading is a joint venture in which the group has joint control and a 35 per cent ownership interest. The joint venture is focused on sales and marketing of formulated crop protection products in the Chinese domestic market. It is structured as a separate vehicle. In accordance with the agreement under which Leshan Nong Fu Trading was established, the investors in the joint venture have agreed to make capital contributions in proportion to their ownership interests to make up any losses, if required, or at the latest within 5 years after incorporation, up to a maximum amount of RMB 100 million ($21.459 million). This commitment has not been recognised in this consolidated financial report.

(3) Crop.zone is an Agtech start-up which provides electrophysical solutions to replace chemical herbicides in select market segments. The 10.71 per cent investment in crop.zone is equity accounted as Nufarm has additional powers under its shareholders agreement such that it is able to exert significant influence over the operations of crop.zone.

17 Other investments

Non-current investments	30 Sep 2021 $000	30 Sep 2020 $000
Other investments	4,267	394
Total non-current investments	4,267	394

In June 2021, the group made an investment in Enko Chem. The group intends to hold this investment for the long term for strategic purposes and has designated the investment at FVOCI.

18 Property, plant and equipment

	Consolidated			
	Land and buildings $000	**Plant and machinery $000**	**Capital work in progress $000**	**Total $000**
Cost				
Balance at 1 Oct 2020	327,192	685,747	42,989	1,055,928
Additions	15,372	31,063	25,603	72,038
Disposals and write-offs	(8,587)	(8,118)	–	(16,705)
Other transfers	2,186	19,939	(22,125)	–
Foreign exchange adjustment	(1,741)	(487)	597	(1,631)
Balance at 30 September 2021	334,422	728,144	47,064	1,109,630
Accumulated depreciation and impairment losses				
Balance at 1 Oct 2020	(138,371)	(480,872)	–	(619,243)
Depreciation charge for the period	(20,544)	(40,611)	–	(61,155)
Impairment charge for the period	–	–	–	–
Disposals and write-offs	4,066	6,159	–	10,225
Other transfers	(234)	234	–	–
Foreign exchange adjustment	986	924	–	1,910
Balance at 30 September 2021	(154,097)	(514,166)	–	(668,263)
Net property, plant and equipment at 30 September 2021	180,325	213,978	47,064	441,367

	Consolidated			
	Land and buildings $000	Plant and machinery $000	Capital work in progress $000	Total $000
Cost				
Balance at 1 August 2020	324,718	686,054	41,220	1,051,992
Additions	2,458	1,950	2,435	6,843
Disposals and write-offs	(481)	(1,656)	(59)	(2,196)
Other transfers	–	491	(491)	–
Foreign exchange adjustment	497	(1,092)	(116)	(711)
Balance at 30 September 2020	327,192	685,747	42,989	1,055,928
Accumulated depreciation and impairment losses				
Balance at 1 August 2020	(134,946)	(477,402)	–	(612,348)
Depreciation charge for the period	(3,469)	(5,996)	–	(9,465)
Impairment charge for the period	–	–	–	–
Disposals and write-offs	266	1,758	–	2,024
Other transfers	–	–	–	–
Foreign exchange adjustment	(222)	768	–	546
Balance at 30 September 2020	(138,371)	(480,872)	–	(619,243)
Net property, plant and equipment at 30 September 2020	191,295	204,568	42,989	436,685

19 Intangible assets

	Consolidated				
	Goodwill $000	Intellectual Property $000	Computer software $000	Capitalised development costs $000	Total $000
Cost					
Balance at 1 October 2020	382,481	1,124,954	88,525	544,563	2,140,523
Additions	–	15,453	2,680	75,545	93,678
Disposals and write-offs	–	(27,961)	(75)	(3,090)	(31,126)
Other transfers	–	(621)	135	486	–
Foreign exchange adjustment	(2,638)	(17,532)	(719)	10,900	(9,989)
Balance at 30 September 2021	379,843	1,094,293	90,546	628,404	2,193,086
Accumulated amortisation and impairment losses					
Balance at 1 October 2020	(173,536)	(420,244)	(37,362)	(203,032)	(834,174)
Amortisation charge for the period	(98)	(89,076)	(12,647)	(45,032)	(146,853)
Impairment loss	–	–	–	–	–
Disposals and write-offs	–	27,841	95	2,827	30,763
Other transfers	–	(232)	773	(541)	–
Foreign exchange adjustment	1,164	5,791	(649)	(5,297)	1,009
Balance at 30 September 2021	(172,470)	(475,920)	(49,790)	(251,075)	(949,255)
Intangibles carrying amount at 30 September 2021	207,373	618,373	40,756	377,329	1,243,831

	Consolidated				
	Goodwill $000	Intellectual Property $000	Computer software* $000	Capitalised development costs $000	Total $000
Cost (restated*)					
Balance at 1 August 2020	382,559	1,124,928	88,770	534,059	2,130,316
Additions	–	237	–	14,106	14,343
Disposals and write-offs	–	–	–	(38)	(38)
Other transfers	–	–	–	–	–
Foreign exchange adjustment	(78)	(211)	(245)	(3,564)	(4,098)
Balance at 30 September 2020	382,481	1,124,954	88,525	544,563	2,140,523
Accumulated amortisation and impairment losses (restated*)					
Balance at 1 August 2020	(174,093)	(405,649)	(35,189)	(196,733)	(811,664)
Amortisation charge for the period	–	(14,418)	(2,113)	(7,821)	(24,352)
Impairment loss	–	–	–	–	–
Disposals and write-offs	–	–	–	–	–
Other transfers	–	–	–	–	–
Foreign exchange adjustment	557	1,335	(60)	1,522	3,354
Balance at 30 September 2020	(173,536)	(420,244)	(37,362)	(203,032)	(834,174)
Intangibles carrying amount at 30 September 2020	208,945	704,710	51,163	341,531	1,306,349

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'/'CGU').

The group has determined that operating unit by country or region (i.e. Europe) is the appropriate method for determining the cash-generating units (CGU) of the business. This level of CGU aligns with the cash flows of the business and the management structure of the group. The goodwill and intellectual property with an indefinite life are CGU specific, as the acquisitions generating goodwill and the product registrations that are the major indefinite life intangibles are country or region specific in nature. There is no allocation of goodwill between CGUs.

The major CGUs and their intangible assets are as follows: North America $175 million (30 September 2020*: $185 million), Seed Technologies $391 million (30 September 2020*: $374 million), Europe $646 million (30 September 2020*: $714 million) and Australia and New Zealand (ANZ) $13 million (30 September 2020*: $17 million). The remaining balance of intangibles is spread across multiple CGUs, with no remaining individual CGU intangible balance being more than 5 per cent of the total intangibles balance at balance date.

Impairment testing for cash-generating units containing goodwill

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The higher of the following two valuation methods are used by the group when assessing recoverable value.

Valuation method – Value in use

Value in use (VIU) is an estimate of the recoverable amount based on the present value of the future cash flows expected to be derived from a CGU. In assessing VIU, the estimated future cash flows are derived from the three year plan for each cash-generating unit with a growth factor applied to extrapolate a cash flow beyond year three. A perpetuity factor is then applied to the normalised cash flow beyond year five in order to include a terminal value in the VIU calculation. The terminal growth rate assumed for each CGU is generally a long term inflation estimate. The cash flow is then discounted to a present value using a discount rate which is the company's weighted average cost of capital, adjusted for country risk and asset-specific risk associated with each CGU.

Valuation method – Fair value less cost of disposal

Fair value less cost of disposal (FVLCD) is an estimate of the amount that a market participant would pay for an asset or a CGU, less the cost of disposal. The fair value is determined using discounted cash flows. This fair value is benchmarked using relevant methodologies including the sum of the parts method, comparable market transactions, and company trading multiples. The cash flows are derived from Board approved management expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Cash flows are discounted using an appropriate post-tax market discount rate to arrive at a net present value of the asset which is compared against the asset's carrying value. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used (see note 27).

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

19 Intangible assets (continued)

Valuation assumptions

The valuation method, range of terminal growth rates and nominal post-tax discount rates applied for impairment testing purposes is as follows:

30 Sep 2021	Valuation method	Terminal growth rate	Discount rate	Total goodwill $000
North America CGU	VIU	2.3%	8.4%	53,255
Europe CGU	VIU	1.9%	10.0%	67,117
ANZ CGU	VIU	2.4%	9.6%	–
Seed Technology CGU	VIU	3.0%	13.1%	71,900

30 Sep 2020	Valuation method	Terminal growth rate	Discount rate	Total goodwill $000
North America CGU	VIU	1.9%	8.5%	53,664
Europe CGU	FVLCD	1.7%	9.5% to 11.3%	67,781
ANZ CGU	FVLCD	2.0%	9.8% to 11.3%	–
Seed Technology CGU	VIU	2.6%	13.4%	72,302

The terminal growth rate assumed is generally a long term inflation estimate. The discount rate assumed is the group's weighted average cost of capital, adjusted for country risk and asset-specific risk. The margin and volume assumptions generally reflect past experience for existing and enhanced portfolio products, while new products utilise external sources of information reflecting current market pricing in expected end use markets.

With the exception of the Europe and ANZ CGU (see below) in which an impairment was recognised during the years ended 31 July 2020 and 31 July 2019 respectively, the directors have determined that, given the excess of recoverable value over asset carrying value (headroom), there are no reasonably possible changes in assumptions which could occur to cause the carrying amount of the CGU's to exceed their recoverable amount.

Europe CGU

At 30 September 2021, management has determined that the recoverable amount remains equal to the carrying amount. Any adverse movement in a key assumption (noted above) or projected Europe cash flows, in the absence of other factors, may lead to further impairment.

ANZ CGU

At 30 September 2021, management has determined that the recoverable amount remains equal to the carrying amount. Any adverse movement in a key assumption (noted above) or projected ANZ cash flows, in the absence of other factors, may lead to further impairment.

20 Trade and other payables

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Current payables – unsecured		
Trade creditors and accruals – unsecured	835,136	788,215
Derivative financial instruments	4,779	6,098
Cash advances from customers (contract liabilities)	93,531	66,717
Current payables	933,446	861,030
Non-current payables – unsecured		
Creditors and accruals	5,777	5,995
Non-current payables	5,777	5,995

21 Interest-bearing loans and borrowings

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Current liabilities		
Bank loans – secured	227,872	208,156
Bank loans – unsecured	9,009	10,161
Deferred debt establishment costs	(2,444)	(2,229)
Lease liabilities	18,099	18,225
Other loans – unsecured	–	–
Loans and borrowings – current	252,536	234,313
Non-current liabilities		
Bank loans – secured	–	–
Bank loans – unsecured	63	388
Senior unsecured notes	659,447	667,322
Deferred debt establishment costs	(5,292)	(7,216)
Lease liabilities	125,464	126,395
Other loans – unsecured	8,814	8,919
Loans and borrowings – non-current	788,496	795,808
Net cash and cash equivalents	(724,215)	(423,914)
Net debt	316,817	606,207

Financing facilities

Refer to the section entitled "Liquidity Risk" in note 27 for detail regarding the group's financing facilities.

	Accessible $000	**Utilised $000**
30 Sep 2021		
Bank loan facilities and senior unsecured notes	1,493,689	896,391
Other facilities	8,814	8,814
Total financing facilities	1,502,503	905,205
30 Sep 2020		
Bank loan facilities and senior unsecured notes	1,541,028	886,027
Other facilities	8,919	8,919
Total financing facilities	1,549,947	894,946

21 Interest-bearing loans and borrowings (continued)

Reconciliation of liabilities arising from financing activities	Loans and borrowings – current $000	Loans and borrowings – non-current $000	Debt related derivatives (included in assets/ liabilities)(1) $000	Total debt related financial instruments $000
Balance at 1 Oct 2020	234,313	795,808	336	1,030,457
Cash changes				
Proceeds from borrowings (net of costs)	347,230	87,800	32,458	467,488
Repayment of borrowings	(329,149)	(87,639)	–	(416,788)
Debt establishment transaction costs	(1,173)	(264)	–	(1,437)
Lease liability payments	(19,851)	–	–	(19,851)
Total cash flows	(2,943)	(103)	32,458	29,412
Non-cash changes				
Leases entered into during the period net of leases ceased	4,971	12,074	–	17,045
Foreign exchange movements	483	(6,718)	(32,407)	(38,642)
Transfer	12,565	(12,565)	–	–
Amortisation of debt establishment transaction costs	3,147	–	–	3,147
Total non-cash changes	21,166	(7,209)	(32,407)	(18,450)
Balance at 30 September 2021	252,536	788,496	387	1,041,419

(1) Total derivatives balance at 30 September 2021 is a net asset of $1.331 million (30 September 2020: $0.118 million net liability). The difference in carrying value to the table above relates to forward exchange contracts which are excluded from the balances above as they are not connected to the group's financing activities.

Financing arrangements

	Consolidated	
Without refinancing, expiry of available debt facilities (excluding lease liabilities)	**30 Sep 2021 $000**	30 Sep 2020 $000
Period ending 30 September 2022/30 September 2021	414,179	321,081
Period ending 30 September 2023/30 September 2022	420,063	552,625
Period ending 30 September 2024 or later/30 September 2023 or later	668,261	676,241

	Consolidated	
Average interest rates	**30 Sep 2021 %**	30 Sep 2020 %
Nufarm step-up securities	4.00	4.15
Syndicated bank facility	n/a	n/a
Group securitisation program facility	1.32	1.22
Other bank loans	4.06	4.77
Lease liabilities	5.15	4.91
Senior unsecured notes	5.75	5.75

Average interest rates are calculated using the weighted average of the interest rates for the drawn balances under each facility as at 30 September 2021. The Syndicated bank facility was undrawn as at 30 September 2021 and 30 September 2020. Undrawn facility fees are paid on undrawn portions of the Syndicated bank facility, the Group securitisation program facility, and Other bank loans.

22 Employee benefits

	Consolidated 30 Sep 2021 $000	Consolidated 30 Sep 2020 $000
Current		
Liability for short-term employee benefits	16,234	14,176
Liability for current portion of other long-term employee benefits	3,000	2,527
Current employee benefits	19,234	16,703
Non-current		
Defined benefit fund obligations		
Present value of unfunded obligations	9,935	10,377
Present value of funded obligations	203,487	202,444
Fair value of fund assets – funded	(130,946)	(115,517)
Recognised liability for defined benefit fund obligations	82,476	97,304
Liability for non-current portion of other long-term employee benefits	16,522	14,861
Non-current employee benefits	98,998	112,165
Total employee benefits	118,232	128,868

During the 12 months ended 30 September 2021 the group made contributions to defined benefit pension funds in the United Kingdom, France, Indonesia and Germany that provide defined benefit amounts for employees upon retirement.

Changes in the present value of the defined benefit obligation are as follows:	Consolidated 12 months to 30 Sep 2021 $000	Consolidated 2 months to 30 Sep 2020 $000
Opening defined benefit obligation	212,821	216,703
Service cost	942	148
Interest cost	3,543	562
Actuarial losses/(gains)	(3,655)	(1,254)
Past service cost	–	–
Losses/(gains) on curtailment	–	–
Plan amendments	(810)	–
Contributions	–	–
Benefits paid	(6,119)	(1,186)
Exchange adjustment	6,700	(2,152)
Closing defined benefit obligation	213,422	212,821
Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	115,517	117,823
Interest income	1,893	293
Actuarial gains/(losses) – return on plan assets excluding interest income	6,664	(1,788)
Surplus taken to retained earnings	–	–
Assets distributed on settlement	–	–
Contributions by employer	8,066	1,335
Distributions	(5,856)	(1,163)
Exchange adjustment	4,662	(983)
Closing fair value of fund assets	130,946	115,517

The actual return on plan assets is the sum of the expected return and the actuarial gain/(loss).

22 Employee benefits (continued)

Expense/(gain) recognised in profit or loss	Consolidated **12 months to 30 Sep 2021 $000**	 2 months to 30 Sep 2020 $000
Current service costs	942	148
Interest on obligation	3,543	562
Interest income	(1,893)	(293)
Losses/(gains) on curtailment	–	–
Plan amendments	(810)	–
Past service cost/(gain)	–	–
Expense recognised in profit or loss	1,782	417
The expense is recognised in the following line items in the income statement:		
Cost of sales	1,006	186
Sales, marketing and distribution expenses	415	169
General and administrative expenses	274	47
Research and development expenses	87	15
Expense recognised in profit or loss	1,782	417

Actuarial gains/(losses) recognised in other comprehensive income (net of tax)	**30 Sep 2021 $000**	30 Sep 2020 $000
Cumulative amount at period opening date	(84,772)	(84,772)
Recognised during the period	12,033	–
Cumulative amount at period closing date	(72,739)	(84,772)

	Consolidated **30 Sep 2021 %**	 30 Sep 2021 %
The major categories of fund assets as a percentage of total fund assets are as follows:		
Equities	63.0%	64.8%
Bonds	16.0%	26.7%
Property	0.8%	1.2%
Cash	16.0%	1.6%
Other	4.2%	5.7%
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate at period end	1.6%	1.6%
Future salary increases	2.6%	2.5%
Future pension increases	2.1%	2.1%

The group expects to pay $8.872 million in contributions to defined benefit plans during the 12 months ending 30 September 2022 (12 months ending 30 Sep 2021: $8.007 million).

23 Share-based payments

Nufarm Executive Share Plan (2000)

The Nufarm Executive Share Plan (2000) offered shares to executives. From 1 August 2011, it was decided that there will be no further awards under this share plan and that it would be replaced by the Nufarm Short Term Incentive plan (refer below). Any unvested equities held in the executive share plan will remain and be subject to the vesting conditions under the rules of the plan. The executives may select an alternative mix of shares (at no cost) and options at a cost determined under the Black Scholes' methodology. These benefits are only granted when a predetermined return on capital employed is achieved over the relevant period. The shares and options are subject to forfeiture and dealing restrictions. The executive cannot deal in the shares or options for a period of between three and ten years without board approval. An independent trustee holds the shares and options on behalf of the executives. At 30 September 2021 there were 3 participants (30 September 2020: 7 participants) in the scheme and 3,034 shares (30 September 2020: 24,640) were allocated and held by the trustee on behalf of the participants. The cost of issuing shares is expensed in the period of issue.

Nufarm Short Term Incentive Plan (STI)

The STI is available to key executives, senior managers and other managers globally. The first awards under the plan were issued in October 2012. The STI is measured on the following metrics, relevant to an individual:

- budget measures of profit before tax or net profit after tax and net working capital; and
- strategic and business improvement objectives.

A pre-determined percentage of the STI is paid in cash at the time of performance testing and the balance is deferred into shares or rights to shares in the group for nil consideration. The number of shares granted is based on the volume weighted average price (VWAP) of Nufarm Limited shares in the 5 days subsequent to the results announcement. Vesting will occur after a two year period.

Nufarm Executive Long Term Incentive Plan (LTIP)

On 1 August 2011, the LTIP commenced and is available to key executives and certain selected senior managers. Awards are granted to individuals in the form of performance rights, which comprise rights to acquire ordinary shares in the group for nil consideration, subject to the achievement of global performance hurdles. Under the plan, individuals will receive an annual award of performance rights as soon as practical after the announcement of results in the preceding period. The performance and vesting period for the awards will be three years. Awards vest in two equal tranches as follows:

- 50 per cent of the LTIP grant will vest subject to the achievement of a relative total shareholder return (TSR) performance hurdle measured against a selected comparator group of companies; and
- the remaining 50 per cent will vest subject to meeting an absolute return on funds employed (ROFE) target.

Nufarm Key Leadership Incentive Plan (KLIP)

On 1 August 2018, the KLIP commenced and is available to certain selected group employees. Awards are granted to individuals in the form of rights, which provide eligibility to the employees to acquire ordinary shares in the group for nil consideration, subject to the employees remaining employed within the group for a defined length of time under the respective plans.

The rights generally will have a vesting period of two years or four years. At 30 September 2021 there were 46 participants (30 September 2020: 139 participants) in the scheme and 709,798 rights (30 September 2020: 599,429) were allocated.

Global Share Plan (2001)

The Global Share Plan commenced in 2001 and was available to all permanent employees. The plan was suspended effective 31 December 2020. Previously, participants contributed a proportion of their salary to purchase shares. The group contributed an amount equal to 10% of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10% of the participant's salary could be contributed but were not able to be matched. For each year the shares are held, up to a maximum of five years, the group contributes a further 10% of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 30 September 2021 there were 379 participants (30 September 2020: 466 participants) in the scheme and 1,558,899 shares (30 September 2020: 1,685,312) were allocated and held by the trustee on behalf of the participants.

The power of appointment and removal of the trustees for the share purchase schemes is vested in the group.

23 Share-based payments (continued)

Employee expenses	12 months to 30 Sep 2021 $000	2 months to 30 Sep 2020 $000
Total expense arising from share-based payment transactions	3,640	466

Measurement of fair values

The fair value of performance rights granted through the LTIP, KLIP and STIP were measured as follows:

Plan	Nufarm LTIP 2021 Performance rights	Nufarm LTIP 2020 Performance rights	Nufarm KLIP 2021 Performance rights	Nufarm KLIP 2020 Performance rights	Nufarm KLIP 2019 Performance rights	Nufarm STIP 2020 Performance rights
Weighted average fair value at grant date	$2.98	$4.18	$3.60	$4.83	$6.69	$4.04
Share price at grant date	$3.87	$5.03	$3.87	$5.03	$7.25	$4.04
Grant date	1 Oct 2020	1 Aug 2019	1 Oct 2020	1 Aug 2019	1 Aug 2018	1 Aug 2019
Earliest vesting date	30 Sep 2023	30 Sep 2022	30 Sep 2024	31 Jul 2023	31 Jul 2022	31 Jul 2022
Exercise price	–	–	–	–	–	–
Expected life	3 years	3 years	4 years	4 years	4 years	3 years
Volatility	32%	30%	32%	30%	28%	n/a
Risk free interest rate	0.2%	0.8%	0.3%	0.9%	2.2%	n/a
Dividend yield	1.7%	1.0%	1.8%	1.0%	2.0%	n/a

The fair values of awards granted were estimated using a Monte-Carlo simulation methodology and a Binomial Tree methodology.

Reconciliation of outstanding share awards	Nufarm LTI number of performance rights 30 Sep 2021	Nufarm KLIP number of performance rights 30 Sep 2021	Nufarm STI number of performance rights 30 Sep 2021	Nufarm LTI number of performance rights 30 Sep 2020	Nufarm KLIP number of performance rights 30 Sep 2020	Nufarm STI number of performance rights 30 Sep 2020
Outstanding at period opening date	1,023,788	599,429	35,545	1,143,172	604,429	35,545
Forfeited during the period	(594,563)	(96,131)	–	(119,384)	(5,000)	–
Exercised during the period	–	(158,500)	(35,545)	–	–	–
Expired during the period	–	–	–	–	–	–
Granted during the period	783,197	365,000	26,695	–	–	–
Outstanding at 30 September	1,212,422	709,798	26,695	1,023,788	599,429	35,545
Exercisable at 30 September	–	–	–	–	–	–

The performance rights outstanding at 30 September 2021 have a $nil exercise price (30 September 2020: $nil) and a weighted average contractual life of 3 years (30 September 2020: 3 years). All performance rights granted to date have a $nil exercise price.

24 Provisions

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Current		
Restructuring	12,686	25,407
Other	1,092	8,150
Current provisions	13,778	33,557

	Consolidated		
Movement in provisions	Restructuring $000	Other provisions $000	Total $000
Balance at 1 October 2020	25,407	8,150	33,557
Provisions made during the period	959	–	959
Provisions reversed during the period	(1,325)	(6,300)	(7,625)
Provisions used during the period	(12,062)	(754)	(12,816)
Exchange adjustment	(293)	(4)	(297)
Balance at 30 September 2021	12,686	1,092	13,778

The provision for restructuring is mainly relating to the asset rationalisation and restructuring being undertaken by the group.

25 Capital and reserves

	Group	
Share capital	**Number of ordinary shares 30 Sep 2021**	Number of ordinary shares 30 Sep 2020
Balance at 1 October	379,694,706	379,694,706
Issue of shares	212,410	–
Balance at 30 September	379,907,116	379,694,706

The group does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

On 4 February 2021, a total of 58,889 shares at $4.85 were issued under the Global Share Plan. On the 2 August 2021 153,521 performance rights were converted into ordinary shares at VWAP of $4.38 under the Key Leadership Incentive Plan and Short Term Incentive Plan.

Notes to the consolidated financial statements continued

25 Capital and reserves (continued)

Other securities

Nufarm step-up securities

On 24 November 2006 Nufarm Finance (NZ) Limited, a wholly owned subsidiary of Nufarm Limited, issued 2,510,000 hybrid securities at $100 each called Nufarm step-up securities (NSS), which are perpetual step up securities. The NSS are listed on the ASX under the code 'NFNG' and on the NZDX under the code 'NFFHA'.

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 3.9% (30 September 2020: 3.9%).

Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different from the presentation currency of the reporting entity.

Capital profit reserve

This reserve is used to accumulate realised capital profits.

Other reserve

This reserve includes the following:

- accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised;
- accumulative effective portion of changes in the fair value of financial instruments that have been designated as either cash flow hedges or net investment hedges;
- changes in the fair value of other investments that have been designated at FVOCI.

Dividends

A final dividend of four cents per share, totalling $15.196 million, was declared on 17 November 2021 and will be paid on 17 December 2021 (final dividend September 2020: nil; interim dividend March 2021: nil).

Distributions

Nufarm step-up securities

The following distributions were paid by Nufarm Finance (NZ) Ltd:

	Consolidated		
12 months ended 30 Sep 2021	**Distribution rate**	**Total amount $000**	**Payment date**
Distribution	4.15%	5,216	15 Oct 2020
Distribution	4.01%	5,013	15 Apr 2021

There were no distributions in the 2 months ended 30 September 2020 for the Nufarm step-up securities.

The distribution on the Nufarm step-up securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $7.393 million (2020: no distribution was made during the 2 months ended 30 September 2020).

Franking credit balance	**12 months to 30 Sep 2021 $000**	2 months to 30 Sep 2020 $000
The amount of franking credits available for the subsequent financial period are:		
Franking account balance as at the end of the period at 30% (30 Sep 2020: 30%)	–	–
Franking credits that will arise from the payment of income tax payable as at the end of the period	–	–
Credit balance at 30 September 2021	–	–

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit of $nil (30 September 2020: $nil) franking credits.

26 Earnings per share

	Consolidated	
	12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Net profit/(loss) for the period	65,128	(92,859)
Net profit/(loss) attributable to equity holders of the group	65,128	(92,859)
Other securities distributions (net of tax)	(7,393)	–
Earnings/(loss) used in the calculations of basic and diluted earnings per share	57,735	(92,859)
Subtract/(add back) items of material income/(expense) (refer note 6)	4,070	(5,411)
Earnings/(loss) excluding items of material income/(expense) used in the calculation of underlying earnings per share	53,665	(87,448)

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on other securities are deducted from net profit.

	Number of shares	
	30 Sep 2021	30 Sep 2020
Weighted average number of ordinary shares used in calculation of basic earnings per share	379,757,921	379,694,706
Weighted average number of ordinary shares used in calculation of diluted earnings per share	382,323,691	379,694,706

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this financial report.

	Cents per share	
Earnings per share	**12 months to 30 Sep 2021**	Restated* 2 months to 30 Sep 2020
Basic earnings per share	15.2	(24.5)
Diluted earnings per share	15.1	(24.5)
Underlying earnings per share (excluding items of material income/expense – see note 6)		
Basic earnings per share	14.1	(23.0)
Diluted earnings per share	14.0	(23.0)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

27 Financial risk management and financial instruments

The group has exposure to the following financial risks:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has responsibility to identify, assess, monitor and manage the material risks facing the group and to ensure that adequate identification, reporting and risk minimisation mechanisms are established and working effectively. To support and maintain this objective, the audit committee and the risk and compliance committee has established detailed policies on risk oversight and management by approving a global risk management charter that specifies the responsibilities of the global head of risk and compliance and the chief financial officer (which includes responsibility for the internal audit function). This charter also provides comprehensive global authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems operating within all significant group entities worldwide.

The global head of risk and compliance and the chief financial officer report to the chairman of the risk and compliance committee and the audit committee respectively. Written reports regarding risk and compliance activities and internal audit findings are provided at each meeting of the risk and compliance committee and audit committee respectively. In doing so, the global head of risk and compliance and the chief financial officer has direct and ongoing access to the chairman and members of the risk and compliance committee and the audit committee respectively.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and other financial assets.

Exposure to credit risk

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers before the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring further management approval.

The group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
Carrying amount	**30 Sep 2021 $000**	30 Sep 2020 $000
Trade and other receivables	807,031	856,174
Cash and cash equivalent assets	724,215	423,914
Derivative contracts:		
Assets	6,110	5,980
	1,537,356	1,286,068

The group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Consolidated	
Carrying amount	30 Sep 2021 $000	30 Sep 2020 $000
Australia/New Zealand	123,606	121,315
Asia	162,249	167,010
Europe	261,662	347,129
North America	241,281	203,271
South America	18,233	17,449
Trade and other receivables	807,031	856,174

The group's top five customers account for $272.224 million of the trade receivables carrying amount at 30 September 2021 (30 Sep 2020: $274.052 million). These top five customers represent 38 per cent (30 Sep 2020: 35 per cent) of the total receivables.

Impairment losses

The ageing of the group's customer trade receivables at the reporting date was:

	Consolidated	
Receivables ageing	30 Sep 2021 $000	30 Sep 2020 $000
Current	626,710	607,529
Past due – 0 to 90 days	52,914	98,016
Past due – 90 to 180 days	8,603	32,437
Past due – 180 to 360 days	6,202	10,492
Past due – more than one year	15,772	23,651
	710,201	772,125
Provision for impairment	(22,662)	(28,423)
Trade receivables	687,539	743,702

Some receivables are secured by collateral from customers such as guarantees and charges on assets. In some countries credit insurance is undertaken to reduce credit risk. The past due receivables not impaired are considered recoverable.

In the crop protection industry, it is normal practice to vary the terms of sales depending on the climatic conditions experienced in each country.

27 Financial risk management and financial instruments (continued)

Credit risk (continued)

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

	Consolidated	
	30 Sep 2021 $000	30 Sep 2020 $000
Balance at 1 October	28,423	28,689
Provisions made/(reversed) during the period	7,093	(30)
Provisions used during the period	(12,447)	(46)
Exchange adjustment	(407)	(190)
Balance at 30 September	22,662	28,423

Expected credit loss assessment for individual customers

The group uses an allowance matrix to measure the expected credit loss (ECL) of trade receivables from individual customers, which comprise of a large number of customers with small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different segments and countries.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Sales and operating profit are seasonal and are weighted towards the first half of the calendar year in Australia/New Zealand, North America and Europe, reflecting the planting and growing cycle in these regions while in Latin America the sales and operating profit is weighted towards the second half of the calendar year. This seasonal operating activity results in seasonal working capital requirements.

Principally, the group sources liquidity from cash generated from operations, and where required, external bank facilities. Working capital fluctuations due to seasonality of the business are supported by the short-term funding available from the group's trade receivable securitisation facility.

Debt facilities

As at 30 September 2021, the key group facilities include a group trade receivables securitisation facility, a US$475 million senior unsecured notes offering due in April 2026 (30 Sep 2020: US$475 million), and a senior secured bank facility of $490 million (30 September 2020: $555 million).

The US$475 million senior unsecured notes are due in April 2026 with a fixed coupon component of 5.75% ('2026 notes'). The 2026 notes were issued under a dual tranche structure by Nufarm Australia Ltd (US$266 million) and Nufarm Americas Inc (US$209 million).

On 31 January 2021 $65 million of the group's senior secured bank facility (SFA) expired, reducing the limit to $490 million. Under the facility agreement $20 million expires on 31 January 2022, $50 million expires on 30 June 2022 and $420 million expires on 31 October 2022 (30 September 2020: $85 million and $470 million expires in January 2021 and January 2022 respectively). The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants. The facility was undrawn at 30 September 2021 (30 September 2020: undrawn).

On 23 August 2011, Nufarm executed a group trade receivables securitisation facility. The facility provides funding that aligns with the working capital cycle of the group. The facility limit varies on a monthly basis to reflect the cyclical nature of the trade receivables being used to secure funding under the program. The monthly facility limit is set at $500 million for three months of the financial year, $400 million for one month of the financial year, $350 million for four months of the financial year, $300 million for two months of the financial year and $250 million for two months of the financial year (30 September 2020: Consistent with FY21 monthly facility limits).

The majority of debt facilities that reside outside the notes, SFA and the group trade receivables securitisation facility are regional working capital facilities, primarily located in Europe, which at 30 September 2021 totalled $130.604 million (30 September 2020: $129.299 million).

At 30 September 2021, the group had access to debt of $1,494 million (30 September 2020: $1,541 million) under the notes, SFA, group trade receivables securitisation facility and with other lenders.

A parent guarantee is provided to support working capital facilities in Europe and the notes.

Trade finance

The liquidity of the group is influenced by the terms suppliers extend in respect of purchases of goods and services. The determination of terms provided by suppliers is influenced by a variety of factors including supplier's liquidity. Suppliers may engage financial institutions to facilitate the receipt of payments for goods and services from the group, which are often referred to as supplier financing arrangements. The group is aware that trade payables of $297.066 million at 30 September 2021 (30 September 2020: $198.139 million) are to be settled via such arrangements in future periods. In the event suppliers or financial institutions cease such arrangements the liquidity of the group's suppliers may be affected. If suppliers subsequently seek to reduce terms on group's purchases of goods and services in the future, the group's liquidity will be affected. Details of the group's trade and other payables are disclosed in note 20.

To support the liquidity of the group and reduce the credit risk relating to specific customers, trade receivables held by the group are sold to third parties. The sales (or factoring) of receivables to third parties is primarily done on a non-recourse basis, and the group incurs a financing expense at the time of the sale. The group derecognises trade receivables where the terms of the sale allows for derecognition. At 30 September 2021 the group estimates $18.426 million (30 September 2020: $10.639 million) of derecognised trade receivables were being held by third parties. For clarity, the group trade receivables securitisation facility, noted above, has terms which does not allow the group to derecognise these trade receivables.

The following are the contractual maturities of the group's financial liabilities:

Consolidated 30 Sep 2021	**Carrying amount $000**	**Contractual cash flows $000**	**Less than 1 year $000**	**1-2 years $000**	**More than 2 years $000**
Non-derivative financial liabilities					
Trade and other payables	934,444	934,447	928,667	205	5,575
Bank loans – secured	227,872	230,847	230,847	–	–
Bank loans – unsecured	9,072	9,974	9,908	66	–
Senior unsecured notes	659,447	849,038	37,918	37,918	773,202
Other loans – unsecured	8,814	8,814	–	–	8,814
Lease liabilities – secured	143,563	307,084	18,087	21,387	267,610
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	–	–	–	–	–
Inflow	–	–	–	–	–
Other derivative contracts:					
Outflow	4,779	791,695	791,695	–	–
Inflow	–	(783,901)	(783,901)	–	–
Derivative financial assets					
Derivatives used for hedging:					
Outflow	–	–	–	–	–
Inflow	–	–	–	–	–
Other derivative contracts:					
Outflow	–	889,173	889,173	–	–
Inflow	(6,110)	(899,110)	(899,110)	–	–
	1,981,881	2,338,061	1,223,284	59,576	1,055,201

Consolidated 30 Sep 2020	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	More than 2 years $000
Non-derivative financial liabilities					
Trade and other payables	860,927	860,927	854,932	904	5,091
Bank loans – secured	208,156	210,690	210,690	–	–
Bank loans – unsecured	10,549	11,734	11,341	393	–
Senior unsecured notes	667,322	881,569	38,371	38,371	804,827
Other loans – unsecured	8,919	8,919	–	–	8,919
Lease liabilities – secured	144,620	307,314	20,448	20,124	266,742
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	–	–	–	–	–
Inflow	–	–	–	–	–
Other derivative contracts:					
Outflow	6,098	925,927	925,927	–	–
Inflow	–	(916,152)	(916,152)	–	–
Derivative financial assets					
Derivatives used for hedging:					
Outflow	–	–	–	–	–
Inflow	–	–	–	–	–
Other derivative contracts:					
Outflow	–	1,027,346	1,027,346	–	–
Inflow	(5,980)	(1,036,319)	(1,036,319)	–	–
	1,900,611	2,281,955	1,136,584	59,792	1,085,579

27 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group. This provides an economic hedge and no derivatives are used to manage the exposure.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The group uses financial instruments to manage specifically identified foreign currency risks. This includes risks relating to the translation of earnings that are denominated in a currency other than the group reporting currency (Australian Dollars), and transactional foreign currency risks where receivables, payables and borrowings are denominated in a currency other than the functional currency of the individual group entity. The functional currency is determined via reference to the currency of the operating, investing and financing cashflows for each individual group entity. The currencies giving rise to the identified risks include the US Dollar, the Euro, the British Pound, the Australian Dollar, New Zealand Dollar, Polish Zloty, Ukrainian Hryvnia, Romanian Leu, Hungarian Forint, Mexica Peso, Turkish Lira, Russian Ruble and the Czech Koruna.

Financial instruments used by the group to manage currency risks include derivative instruments such as foreign exchange contracts, cross currency interest rate swaps and options, and non-derivative instruments such as foreign currency debt instruments. The group designates select financial instruments for hedge accounting where it is deemed appropriate to do so.

On 26 April 2018 the group completed the refinancing of the US$325 million senior unsecured notes due in October 2019 ('2019 notes'). The 2019 notes were redeemed through the issuance of US$475 million senior unsecured notes due in April 2026 as a dual tranche issuance by Nufarm Australia Ltd and Nufarm Americas Inc. Currency risk related to the principal of the notes is managed using a combination of foreign exchange contracts, other financial instruments (natural hedges), and net investment hedges. Currency risk related to the interest incurred on the notes is managed using a combination of foreign exchange contracts, and earnings derived in US Dollars (natural hedges).

The group uses financial instruments to manage foreign currency translation risk arising from the group's net investments in foreign currency subsidiary entities. These financial instruments are designated as net investment hedges for hedge accounting purposes. No ineffectiveness was recognised from net investment hedges during the reporting periods.

For accounting purposes, the group has not designated any other derivative financial instruments in hedge relationships and all movements in fair value are recognised in profit or loss during the period. The net fair value of derivative financial instruments in the group, not designated as being in a hedge relationship, used as economic hedges of forecast transactions at 30 September 2021 was a $1.331 million asset (30 September 2020: $0.118 million liability) comprising assets of $6.110 million (30 September 2020: $5.980 million) and liabilities of $4.779 million (30 September 2020: $6.098 million).

Exposure to transactional currency risk

The group's exposure to major transactional foreign currency risks at balance date are as follows. The exposures are calculated based on locally reported net foreign currency exposures, and are presented net of open derivative financial instruments. The analysis is performed on the same basis as the previous financial period.

	Net financial assets/(liabilities) – by currency of denomination			
Consolidated 30 Sep 2021	**AUD $000**	**USD $000**	**Euro $000**	**GBP $000**
Functional currency of group operation				
Australian dollars	–	6,495	2,680	5,556
US dollars	(236)	–	(6,177)	(13)
Euro	3,607	(5,404)	–	4,018
British pound	(245)	(359)	7,760	–
	3,126	732	4,263	9,561

	Net financial assets/(liabilities) – by currency of denomination			
Consolidated 30 Sep 2020	AUD $000	USD $000	Euro $000	GBP $000
Functional currency of group operation				
Australian dollars	–	(1,233)	6,707	4,435
US dollars	2,463	–	(3,452)	(10)
Euro	(2,036)	21,494	–	6,544
British pound	(268)	36,314	(15,139)	–
	159	56,575	(11,884)	10,969

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Sensitivity analysis

Based on the aforementioned group's net financial assets/(liabilities) at 30 September 2021, a 1 per cent strengthening or weakening of the following currencies at 30 September 2021 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis is performed on the same basis for 30 September 2020.

	Strengthening	**Weakening**	Strengthening	Weakening
Currency movement	**Profit or (loss) after tax 30 Sep 2021 $000**	**Profit or (loss) after tax 30 Sep 2021 $000**	Profit or (loss) after tax 30 Sep 2020 $000	Profit or (loss) after tax 30 Sep 2020 $000
1% change in the Australian dollar exchange rate	(80)	81	(68)	68
1% change in the US dollar exchange rate	50	(50)	403	(399)
1% change in the Euro exchange rate	14	(14)	(265)	263
1% change in the GBP exchange rate	17	(17)	(70)	69

The group's financial asset and liability profile may not remain constant, and therefore these sensitivities should be used with care.

The following significant exchange rates applied during the period:

	Average rate		Reporting date	
AUD	**12 months to 30 Sep 2021**	2 months to 30 Sep 2020	**As at 30 Sep 2021**	As at 30 Sep 2020
US Dollar	0.751	0.722	0.720	0.712
Euro	0.628	0.611	0.621	0.608
GBP	0.548	0.552	0.536	0.555
BRL	4.019	3.894	3.901	4.009

Interest rate risk

The group's exposure to the risk of changes in market interest rates primarily relates to the group's debt obligations that have floating interest rates. This risk is mitigated by maintaining a level of fixed and floating rate borrowings, as well as the ability to use derivative financial instruments when deemed appropriate to do so.

The majority of the group's debt is raised under central borrowing programs. The A$490 million syndicated bank facility and the group trade receivables securitisation facility are considered floating rate facilities. The group completed the refinancing of the existing US$325 million senior unsecured notes due in October 2019 during April 2018. The former notes were refinanced through the issuance of US$475 million senior unsecured notes due in April 2026 with a fixed coupon component.

Interest rate risk on Nufarm step-up securities

The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.90% (30 September 2020: 3.90%).

27 Financial risk management and financial instruments (continued)

Interest rate risk (continued)

Profile

At the reporting date the interest rate profile of the group's interest-bearing financial instruments were:

	Consolidated Carrying amount	
	30 Sep 2021 $000	30 Sep 2020 $000
Variable rate instruments		
Financial assets	14,194	8,024
Financial liabilities	(389,321)	(372,244)
	(375,127)	(364,220)
Fixed rate instruments		
Financial assets	–	–
Financial liabilities	(659,447)	(667,322)
	(659,447)	(667,322)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 30 September 2021. Due to the seasonality of the crop protection business, debt levels can vary during the period. The analysis is performed on the same basis for 30 September 2020.

	Profit or loss	
30 Sep 2021	**100bp increase $000**	**100bp decrease $000**
Variable rate instruments	(3,751)	3,751
Total sensitivity	(3,751)	3,751

	Profit or loss	
30 Sep 2020	100bp increase $000	100bp decrease $000
Variable rate instruments	(3,642)	3,642
Total sensitivity	(3,642)	3,642

Fair values

All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost, as indicated in the tables below. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling $659.447 million (30 September 2020: $667.322 million), the fair value at 30 September 2021 is $677.582 million (30 September 2020: $678.166 million).

Consolidated 30 Sep 2021	**Note**	**Carried at fair value through profit or loss $000**	**Derivatives used for hedging $000**	**Financial assets/ liabilities at amortised cost $000**	**Financial assets/ liabilities at FVOCI $000**	**Total $000**
Cash and cash equivalents	12	–	–	724,215	–	724,215
Trade and other receivables excluding						–
derivatives	13	–	–	807,031	–	807,031
Other investments	17	–	–	–	3,887	3,887
Forward exchange contracts:						
Assets	13	6,110	–	–	–	6,110
Liabilities	20	(4,779)	–	–	–	(4,779)
Interest rate swaps:						
Assets	13	–	–	–	–	–
Liabilities	20	–	–	–	–	–
Trade and other payables excluding						
derivatives	20	–	–	(934,444)	–	(934,444)
Secured bank loans	21	–	–	(227,872)	–	(227,872)
Unsecured bank loans	21	–	–	(9,072)	–	(9,072)
Senior unsecured notes	21	–	–	(659,447)	–	(659,447)
Other loans	21	–	–	(8,814)	–	(8,814)
Lease liabilities	21	–	–	(143,563)	–	(143,563)
		1,331	–	(451,966)	3,887	(446,748)

Consolidated 30 Sep 2020	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets/ liabilities at amortised cost $000	Financial assets/ liabilities at FVOCI $000	Total $000
Cash and cash equivalents	12	–	–	423,914	–	423,914
Trade and other receivables excluding						
derivatives	13	–	–	856,174	–	856,174
Other investments	17	–	–	–	–	–
Forward exchange contracts:						
Assets	13	5,980	–	–	–	5,980
Liabilities	20	(6,098)	–	–	–	(6,098)
Interest rate swaps:						
Assets	13	–	–	–	–	–
Liabilities	20	–	–	–	–	–
Trade and other payables excluding						
derivatives	20	–	–	(860,927)	–	(860,927)
Secured bank loans	21	–	–	(208,156)	–	(208,156)
Unsecured bank loans	21	–	–	(10,549)	–	(10,549)
Senior unsecured notes	21	–	–	(667,322)	–	(667,322)
Other loans	21	–	–	(8,919)	–	(8,919)
Lease liabilities	21	–	–	(144,620)	–	(144,620)
		(118)	–	(620,405)	–	(620,523)

27 Financial risk management and financial instruments (continued)

Fair values (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Consolidated			
30 Sep 2021	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Derivative financial assets	–	6,110	–	6,110
Other investments	–	–	3,887	3,887
	–	6,110	3,887	9,997
Derivative financial liabilities	–	(4,779)	–	(4,779)
	–	(4,779)	–	(4,779)

	Consolidated			
30 Sep 2020	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Derivative financial assets	–	5,980	–	5,980
Other investments	–	–	–	–
	–	5,980	–	5,980
Derivative financial liabilities	–	(6,098)	–	(6,098)
	–	(6,098)	–	(6,098)

There have been no transfers between levels in either the 12 months ended 30 September.

Valuation techniques used to derive fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis and seed rounding capital raises, are used to determine fair value for the remaining financial instruments.

Capital management

During the year ended 30 September 2021 the Board's policy has been to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the group's return on funds employed (ROFE). Return is calculated on the group's earnings before interest and tax and adjusted for any material items. Funds employed is defined as shareholder's funds plus total interest bearing debt. The Board of Directors determines the level of dividends to ordinary shareholders and reviews the group's total shareholder return with similar groups.

Following the year ended 30 September 2021, but before the signing of this report a review of the group's capital structure and capital management principles has been undertaken.

The Board's updated capital management policy aims to maintain a robust and durable capital structure and provide clear guidelines for the application of cash flow generated from business operations. The policy includes a cascading approach to capital allocation decisions that is consistent with maintaining targeted credit metrics and a sound financial structure.

This cascading approach to capital allocation and the application of free cashflow encompasses both capital investment decisions and distributions paid to shareholders. While the Board of Directors maintain discretion, it is intended that the group applies free cashflow from business operations in the following manner:

1. Application of free cashflow to investment growth projects and/or small bolt-on acquisitions where the projected returns satisfy internal ROFE measures that exceed the group's weighted average cost of capital.
2. Consideration of the payment of a dividend from part of free cashflow, subject to compliance with the core target leverage (statutory) range of 1.5x – 2.0x, under the adoption of a new dividend policy.
3. Consideration of any excess capital to be returned to shareholders in circumstances where the group is below its targeted leverage metrics and insufficient growth opportunities exist to utilise excess free cashflow. These capital return measures may include special dividends and share buy-backs.

The Board believes ROFE is an appropriate performance condition as it ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time. ROFE objectives are set by the Board at the beginning of each period. There is a target and a stretch hurdle. These numbers are based on the budget and growth strategy. The ROFE for the year ended 30 September 2021 was 5.9 per cent.

28 Leases

Leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and office equipment. Rentals are fixed for the duration of these leases. There is a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

The group also leases IT equipment which have short term contracts and/or are low value items. The group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Right-of-use assets

Right-of-use assets included in property, plant and equipment (refer note 18) are as follows:

	Consolidated		
	Land and buildings $000	**Plant and machinery $000**	**Total $000**
Balance at 1 October 2020	90,893	19,784	110,677
Additions to right-of-use assets	10,933	8,393	19,326
Depreciation charge for the period	(15,211)	(6,965)	(22,176)
Disposals and write-offs	(800)	(466)	(1,266)
Foreign exchange adjustment	(266)	335	69
Balance at 30 September 2021	85,549	21,081	106,630

	Consolidated		
	Land and buildings $000	Plant and machinery $000	Total $000
Balance at 1 August 2020	91,157	19,580	110,737
Additions to right-of-use assets	2,600	1,825	4,425
Depreciation charge for the year	(2,382)	(1,156)	(3,538)
Disposals and write-offs	(417)	(189)	(606)
Foreign exchange adjustment	(65)	(276)	(341)
Balance at 30 September 2020	90,893	19,784	110,677

	Consolidated	
Amounts recognised in profit/(loss)	**12 months to 30 Sep 2021 $000**	2 months to 30 Sep 2020 $000
Depreciation on right of use assets	(22,176)	(3,538)
Lease liability interest expenses	(7,420)	(1,170)
Expenses relating to short-term leases	(67)	(113)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(7)	(1)
Amounts recognised in statement of cash flows		
Operating cashflows		
Lease liability interest payments	(7,420)	(1,170)
Short-term and low-value lease payments	(74)	(114)
Financing cashflows		
Lease liability principal payments	(19,851)	(3,996)

29 Capital commitments

The group had contractual obligations to purchase plant and equipment for $12.747 million at 30 September 2021 (30 September 2020: $4.943 million).

The group has agreed to make capital contributions in proportion to its interest in the Leshan Nong Fu Trading Co., Ltd joint venture to make up any losses if required or at the latest within five years after incorporation, up to a maximum of RMB 35 million. Also refer to note 16.

30 Contingencies

The directors are of the opinion that provisions are not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Consolidated	
	30 Sep 2021 $000	30-Sep-20 $000
Environmental guarantee given to the purchaser of land and buildings at Gennevilliers for EUR 8.5 million.	13,688	13,980
Brazilian taxation proceedings	8,643	10,227
Other bank guarantees	323	923
Contingent liabilities	22,654	25,130

Obligations may arise in the future due to currently unknown lawsuits and claims including those pertaining to product liability, safety and health, environmental and tax matters which may be instituted or asserted against the group. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that existed at balance date. Nonetheless, it is possible that results of the group's operations or liquidity in a particular period could be materially affected by such claims.

Brazilian taxation proceedings

Following the sale of the Brazilian business in April 2020 to Sumitomo, Nufarm retains a contingent liability in respect of certain pre-sale tax assessments that are being challenged and other potential tax liabilities.

As at 30 September 2021, the total contingent liability relating to future potential tax liabilities in Brazil is $8.643 million (30 September 2020: $10.227 million). The group considers that it is not probable that a liability will arise in respect of these cases.

31 Group entities

	Notes	Place of incorporation	Percentage of shares held	
			30 Sep 2021	30 Sep 2020
Company				
Nufarm Limited – ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd	(a)	Australia	100	100
Agcare Biotech Pty Ltd	(a)	Australia	100	100
Agchem Receivables Corporation		USA	100	100
Agryl Holdings Limited	(a)	Australia	100	100
Agtrol International SE DE CV		Mexico	100	100
Ag-seed Research Pty Ltd	(a)	Australia	100	100
Ag-turf SA DE CV		Mexico	100	100
AH Marks (New Zealand) Limited	(c)	New Zealand	–	100
AH Marks Australia Pty Ltd	(a)	Australia	100	100
AH Marks Holdings Limited		United Kingdom	100	100
AH Marks Pensions Scottish Limited Partnership		United Kingdom	100	100
Artfern Pty Ltd	(a)	Australia	100	100
Atlantica Sementes SA		Brazil	100	100
Australis Services Pty Ltd	(a)	Australia	100	100
Bestbeech Pty Ltd	(a)	Australia	100	100
Chemicca Limited	(a)	Australia	100	100
CNG Holdings BV		Netherlands	100	100
COCRF Investor 177 LLC	(b)	USA	–	–
Crop Care Australasia Pty Ltd	(a)	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited		New Zealand	100	100
Croplands Equipment Pty Ltd	(a)	Australia	100	100
Danestoke Pty Ltd	(a)	Australia	100	100
Edgehill Investments Pty Ltd	(a)	Australia	100	100
Fchem (Aust) Limited	(a)	Australia	100	100
Fernz Canada Limited		Canada	100	100
Fidene Limited	(c)	New Zealand	–	100
First Classic Pty Ltd	(a)	Australia	100	100
Frost Technology Corporation		USA	100	100
Greenfarm Hellas Trade of Chemical Products SA	(c)	Greece	–	100
Growell Limited		United Kingdom	100	100
Grupo Corporativo Nufarm SA		Guatemala	100	100
Le Moulin des Ecluses s.a		France	100	100
Lefroy Seeds Pty Ltd	(a)	Australia	100	100
Manaus Holdings Sdn Bhd		Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Mexico Sociedad Anomima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Masmart Pty Ltd	(a)	Australia	100	100
Mastra Corporation Pty Ltd	(a)	Australia	100	100
Mastra Corporation Sdn Bhd		Malaysia	100	100
Mastra Corporation USA Pty Ltd	(a)	Australia	100	100
Mastra Holdings Sdn Bhd		Malaysia	100	100

31 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 30 Sep 2021	30 Sep 2020
Mastra Industries Sdn Bhd		Malaysia	100	100
Medisup Securities Limited	(a)	Australia	100	100
Munistrategies Sub-CDE 29, LLC	(b)	USA	–	–
NF Agriculture Inc		USA	100	100
Nufarm Africa SARLAU		Morocco	100	100
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc		Canada	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company		USA	100	100
Nufarm Americas Inc		USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	(a)	Australia	100	100
Nufarm BV		Netherlands	100	100
Nufarm Canada Receivables Partnership		Canada	100	100
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Crop Products UK Limited		United Kingdom	100	100
Nufarm Cropcare Private Limited		India	100	100
Nufarm Costa Rica Inc. SA		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH		Germany	100	100
Nufarm do Brazil Ltda		Brazil	100	100
Nufarm Espana SA		Spain	100	100
Nufarm Europe GmbH		Germany	100	100
Nufarm Finance BV	(b)	Netherlands	–	–
Nufarm Finance Inc		USA	100	100
Nufarm Finance Pty Ltd		Australia	100	100
Nufarm Finance (NZ) Limited		New Zealand	100	100
Nufarm GmbH		Austria	100	100
Nufarm GmbH & Co KG		Austria	100	100
Nufarm Grupo Mexico S DE RL DE CV		Mexico	100	100
Nufarm Holdings (NZ) Limited		New Zealand	100	100
Nufarm Holdings BV		Netherlands	100	100
Nufarm Holdings s.a.s		France	100	100
Nufarm Hong Kong Investments Ltd		Hong Kong	100	100
Nufarm Hungaria Kft		Hungary	100	100
Nufarm Inc		USA	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA		Netherlands	100	100
Nufarm Investment Pty Ltd		Australia	100	100
Nufarm Italia srl		Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Korea Ltd		Korea	100	100
Nufarm Labuan Pte Ltd		Malaysia	100	100

	Notes	Place of incorporation	Percentage of shares held 30 Sep 2021	30 Sep 2020
Nufarm Limited		United Kingdom	100	100
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm Materials Limited	(a)	Australia	100	100
Nufarm Middle East Operations		Egypt	100	100
Nufarm NZ Limited		New Zealand	100	100
Nufarm Paraguay SA		Paraguay	100	100
Nufarm Pensions General Partner Ltd		United Kingdom	100	100
Nufarm Pensions Scottish Limited Partnership		United Kingdom	100	100
Nufarm Peru SAC		Peru	100	100
Nufarm Platte Pty Ltd	(a)	Australia	100	100
Nufarm Polska SP.Z O.O		Poland	100	100
Nufarm Portugal LDA		Portugal	100	100
Nufarm Romania SRL		Romania	100	100
Nufarm s.a.s		France	100	100
Nufarm Services (Singapore) Pte Ltd		Singapore	100	100
Nufarm Services Sdn Bhd		Malaysia	100	100
Nufarm Suisse Sarl		Switzerland	100	100
Nufarm Technologies (M) Sdn Bhd		Malaysia	100	100
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd	(a)	Australia	100	100
Nufarm Treasury Pty Ltd	(a)	Australia	100	100
Nufarm Turkey Import & Trade of Chemical Products LLP		Turkey	100	100
Nufarm UK Limited		United Kingdom	100	100
Nufarm Ukraine LLC		Ukraine	100	100
Nufarm Uruguay SA		Uruguay	100	100
Nufarm USA Inc		USA	100	100
Nugrain Pty Ltd	(a)	Australia	100	100
Nuseed Americas Inc		USA	100	100
Nuseed Canada Inc		Canada	100	100
Nuseed Europe Holding Company Ltd		United Kingdom	100	100
Nuseed Europe Ltd		United Kingdom	100	100
Nuseed Global Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Global Innovation		United Kingdom	100	100
Nuseed Global Management USA Inc		USA	100	100
Nuseed Holding Company		USA	100	100
Nuseed International Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Mexico SA De CV		Mexico	100	100
Nuseed Nutritional Australia Pty Ltd		Australia	100	100
Nuseed Nutritional US Inc		USA	100	100
Nuseed Omega Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Pty Ltd	(a)	Australia	100	100
Nuseed Russia LLC		Russia	100	100
Nuseed SA		Argentina	100	100
Nuseed Serbia d.o.o.		Serbia	100	100
Nuseed South America Sementes Ltda		Brazil	100	100
Nuseed Ukraine LLC		Ukraine	100	100
Nuseed Uruguay SA		Uruguay	100	100

31 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 30 Sep 2021	Percentage of shares held 30 Sep 2020
Nutrihealth Grain Pty Ltd	(a)	Australia	100	100
Nutrihealth Pty Ltd	(a)	Australia	100	100
Opti-Crop Systems Pty Ltd		Australia	75	75
Pharma Pacific Pty Ltd	(a)	Australia	100	100
PT Agrow		Indonesia	100	100
PT Crop Care		Indonesia	100	100
PT Nufamindo Agro Mukmur		Indonesia	100	100
PT Nufarm Indonesia		Indonesia	100	100
Richardson Seeds Ltd		USA	100	100
Selchem Pty Ltd	(a)	Australia	100	100
Societe Des Ecluses De la Garenne		France	100	100
3 Rivers Sub-CDE 5 LLC	(b)	USA	–	–

(a) These entities have entered into a deed of cross guarantee dated 21 June 2006, varied by an Assumption Deed dated 13 February 2013, 29 May 2013 and 26 July 2019 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.

(b) The group does not hold any ownership interests in these entities, however, based on the terms of agreement under which these entities were established, the group controls the operations of these entities.

(c) These entities ceased operations during the 12 months ended 30 September 2021 resulting in liquidation of the entity or amalgamation with other group entities.

32 Company disclosures

	Company	
	12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Result of the company		
Profit/(loss) for the period	8,995	703
Other comprehensive income	1,217	(76)
Total comprehensive profit/(loss) for the period	10,212	627

	As at 30 Sep 2021 $000	Restated* As at 30 Sep 2020 $000
Financial position of the company at the period end		
Current assets	603,049	1,462,687
Total assets	2,109,791	2,360,789
Current liabilities	125,423	392,703
Total liabilities	129,970	395,247
Total equity of the company comprising of:		
Share capital	1,835,888	1,834,934
Reserves	45,257	40,927
Accumulated losses	(57,512)	(57,512)
Retained Earnings[(a)]	156,188	147,193
Total equity	1,979,821	1,965,542

(a) Retained earnings comprises the transfer of net profit for the period and are characterised as profits available for distribution as dividends in future periods. No dividends (30 September 2020: $nil) were distributed from the retained earnings during the period.

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii).

Company contingencies

The company is one of the guarantors of the senior secured bank facility (SFA) and would be obliged, along with the other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers. The company also provides guarantees to support several of the regional working capital facilities located in Europe, and the senior unsecured notes.

Company capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the company at 30 September 2021 or 30 September 2020.

33 Deed of cross guarantee

Under ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the Australian wholly-owned subsidiaries referred to in note 31 are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and director's reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The company and all the Australian controlled entities have entered into a deed of cross guarantee dated 21 June 2006 which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated income statement and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 30 September 2021 follows.

	Consolidated	
	12 months to 30 Sep 2021 $000	Restated* 2 months to 30 Sep 2020 $000
Summarised income statement and retained profits		
Profit/(loss) before income tax expense	83,658	(17,153)
Income tax (expense)/benefit	6,660	1,406
Net profit/(loss) attributable to members of the closed group	90,318	(15,747)
Retained profits/(losses) at the beginning of the period	(184,873)	(169,126)
Dividends paid	–	–
Retained profits/(losses) at the end of the period	(94,555)	(184,873)

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii).

	As at 30 Sep 2021 $000	Restated* As at 30 Sep 2020 $000
Balance sheet		
Current assets		
Cash and cash equivalents	192,869	44,840
Trade and other receivables	1,266,190	1,367,640
Inventories	209,118	211,700
Current tax assets	12,361	6,802
Total current assets	1,680,538	1,630,982
Non-current assets		
Investments in equity accounted investees	2,809	549
Other investments	1,252,619	918,713
Deferred tax assets	64,236	55,222
Property, plant and equipment	106,904	113,638
Intangible assets	167,793	165,845
Total non-current assets	1,594,361	1,253,967
TOTAL ASSETS	3,274,899	2,884,949
Current liabilities		
Trade and other payables	925,980	619,439
Loans and borrowings	2,162	2,265
Employee benefits	11,199	8,580
Current tax payable	799	3,639
Provision	10,564	23,294
Total current liabilities	950,704	657,217
Non-current liabilities		
Loans and borrowings	372,492	377,648
Deferred tax liabilities	42,737	43,616
Employee benefits	12,184	10,184
Total non-current liabilities	427,413	431,448
TOTAL LIABILITIES	1,378,117	1,088,665
NET ASSETS	1,896,782	1,796,284
Equity		
Share capital	1,835,888	1,834,934
Other contributed equity	73,691	73,691
Reserves	81,758	72,532
Retained earnings	(94,555)	(184,873)
TOTAL EQUITY	1,896,782	1,796,284

* Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

34 Related parties

a) Transactions with related parties in the wholly-owned group

The group entered into the following transactions during the period with subsidiaries of the group:

- loans were advanced and repayments received on short term intercompany accounts; and
- management fees were received from several wholly-owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

b) Transactions with associated parties

	Consolidated	
	12 months to 30 Sep 2021 $000	2 months to 30 Sep 2020 $000
Sumitomo Chemical Company Ltd:		
Sale of goods and services	262,307	49,140
Purchase of goods and services	104,754	14,261
Crop.zone GMBH:		
Lease liability repayments	354	–
Lease liability interest expense	23	–
Purchase of goods and services	259	–

	As at 30 Sep 2021 $000	As at 30 Sep 2020 $000
Sumitomo Chemical Company Ltd:		
Trade receivable	145,715	166,253
Trade payable	28,008	11,730
Crop.zone GMBH:		
Trade payable	63	–
Lease liability	1,726	–

In August 2021, Nufarm provided a bank guarantee to support Crop.zone GmbH for a value of € 250,000.

These transactions were undertaken on commercial terms and conditions, and include certain transactions disclosed within the non operating corporate segment (note 5) in accordance with a two year supply agreement that the group and Sumitomo Chemical Company Ltd agreed upon the sale of the group's South American business ('Supply Agreement'). Under the Supply Agreement, active ingredient manufactured by the group is transacted at an agreed market price. This resulted in the recognition of an onerous contract in April 2020 (note 6). The balance of the product supplied under the Supply Agreement is transacted at the cost incurred by the group.

c) Key management personnel compensation

The key management personnel compensation included in personnel expenses (see note 9) are as follows:

	Consolidated	
	12 months to 30 Sep 2021 $	2 months to 30 Sep 2020 $
Short term employee benefits	5,690,145	840,863
Post employment benefits	223,766	40,178
Equity compensation benefits	813,467	(174,272)
Termination benefits	213,492	–
Other long term benefits	(129,172)	4,146
	6,811,698	710,915

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the remuneration report section of the director's report.

d) Other key management personnel transactions with the company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the group since the end of the previous reporting period and there were no material contracts involving director's interest existing at the end of this period.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

e) Loans to key management personnel and their related parties

There were no loans to key management personnel at 30 September 2021 (30 September 2020: nil).

35 Auditors' remuneration

	Consolidated	
	12 months to 30 Sep 2021 $	2 months to 30 Sep 2020 $
Audit services		
KPMG Australia		
Audit and review of group financial report	852,332	444,000
Overseas KPMG firms		
Audit and review of group and local financial reports	2,597,914	906,813
	3,450,246	1,350,813
Other auditors		
Audit and review of financial reports	237,524	52,265
Audit services remuneration	3,613,861	1,403,078
Other services		
KPMG Australia		
Other assurance services	–	–
Other advisory services	–	–
Overseas KPMG firms		
Other assurance services	–	–
Other advisory services	92,865	–
Other auditors		
Other assurance services	–	–
Other advisory services	21,877	64,115
Other services remuneration	114,742	64,115

36 Subsequent events

On 15 October 2021 a distribution was paid by Nufarm Finance (NZ) on the Nufarm step-up securities. The distribution was 4.00% resulting in a gross distribution of $5.029 million.

A final dividend of four cents per share, totalling $15.196 million, was declared on 17 November 2021 and will be paid on 17 December 2021 (2020: no dividends declared).

Other than noted above, no matters or circumstances have arisen in the interval between 30 September 2021 and the date of this report that, in the opinion of the directors, have or may significantly affect the operations, results or state of affairs of the group in subsequent accounting periods.

Directors' declaration

1 In the opinion of the directors of Nufarm Limited (the company):

(a) the consolidated financial statements and notes are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the group's financial position as at 30 September 2021 and of its performance for the twelve months ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the company and the group entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the twelve months ended 30 September 2021.

4 The directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 17th day of November 2021

JC Gillam
Director

GA Hunt
Director

KPMG

Independent Auditor's Report

To the shareholders of Nufarm Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Nufarm Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 September 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 September 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recoverability of non-current assets, including property, plant and equipment and intangible assets
- Recoverability of deferred tax assets in relation to tax losses

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-current assets, including property, plant and equipment ($441.4m) and intangible assets ($1,243.8m)

Refer to the following notes to the financial report: Note 2(d)(ii) Basis of preparation – Use of estimates and judgments – impairment testing, Note 3(i)(ii) Significant accounting policies – Impairment – Non-financial assets, Note 18 Property, plant and equipment, and Note 19 Intangible assets.

The key audit matter	How the matter was addressed in our audit
Recoverability of non-current assets, including property, plant and equipment and intangible assets, is a key audit matter due to the following: • Inherent complexity in determination of the Group's cash generating units ("CGU's"), noting that the Group prepares a separate discounted cash flow model for each CGU. • The diverse nature of regional agricultural markets in which the Group operates, noting that each geographic and product market segment experiences the following factors which are subject to inherent uncertainty leading to a range of possible forecast outcomes: - fluctuating demand depending on economic and climatic conditions; - significant regulatory activity and oversight, which can lead to approval and cessation of new and existing products; and - technological advancements by the Group and competitors, which can lead to shifts in market demand for products. Given the unique, non-homogenous, nature of these factors, specific auditor attention is applied to each element, increasing the overall audit effort in this area. We focus	Our procedures included: • Using our understanding of the nature of the Group's business, we analysed: - the internal reporting of the Group to assess how results are monitored and reported; and - the implications for CGU identification in accordance with accounting standards. • Considering the appropriateness of the value in use method applied by the Group to perform the annual impairment test against the requirements of the accounting standards. • Assessing the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • Testing the design and implementation of key controls over the cash flow models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of the cash flow forecasts. • Assessing the Group's discounted cash flow models and key assumptions by: - comparing forecast cash flows to historical trends and performance, by CGU, to inform our evaluation of the forecasts incorporated into the models and company-specific risk premiums incorporated into the discount

on the authority and knowledge of the sources of judgements incorporated into the cash flow models, evidence of bias and consistency of application of judgements. • The above factors increase the complexity in auditing both the assessed useful lives for individual intangible assets, and also the forward-looking assumptions contained in the Group's discounted cash flow models for each CGU. Additional key assumptions we focused on included growth rates during the forecast period, terminal value growth rates and discount rates. • These same conditions impact our audit effort associated with assessing the capitalised development costs intangible asset, in particular the recoverable amount of new products in development phases. Products in early stages of development, compared to those closer to product launch, are prone to a wider range of forecast outcomes and projections can contain highly judgemental assumptions. We focused on the authority and knowledge of the sources of judgements incorporated into the valuation, common market practices and consistency of judgements. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	rates; - comparing the relevant cash flow forecasts to the Board approved budgets and FY22-FY24 business plans; - working with our valuation specialists, we independently developed a discount rate range and terminal growth rate for each CGU, using publicly available market data for comparable entities, adjusted for risk factors specific to the CGU and the industry it operates in. We compared the discount rates and terminal growth rates applied by the Group for each CGU to our acceptable ranges; and - using our industry knowledge, information published by regulatory and other bodies and information obtained through inquiries with the Group to challenge key assumptions. This included the forecast cash flows and growth assumptions in light of recent operating performance, the useful lives associated with specific intangible assets and the impact of technology, market and regulatory changes on those assumptions. We looked for evidence of sensitivity and bias within and across models, and consistency of application, investigating significant differences. • Evaluating the Group's sensitivity analysis in respect of the key assumptions in the models to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Working with our valuation specialists, we assessed the reasonableness of forecast cash flows by comparing implicit earnings and asset multiples from the models to corresponding multiples of comparable entities. • Assessing the related disclosures included in the financial report using our understanding of the matter obtained from our testing and against the requirements of accounting standards.

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Recoverability of deferred tax assets in relation to tax losses ($44.3m)	
Refer to the following notes to the financial report: Note 2(d)(iii) Basis of preparation – Use of estimates and judgements – income tax, Note 3(p) Significant accounting policies – Income tax, Note 11 Income tax expense and Note 15 Tax assets and liabilities.	
The key audit matter	**How the matter was addressed in our audit**
Recoverability of deferred tax assets in relation to tax losses is a key audit matter due to the: • Complexity in auditing the forward-looking assumptions applied to the Group's tax loss utilisation models, especially given the multiple tax jurisdictions and their bespoke tax regimes. Further details on the significant forward-looking assumptions and implications for the audit are contained in the Key Audit Matter relating to the recoverability of non-current assets, including property, plant and equipment and intangible assets. Additional auditor attention is focused on the reconciliation of forecast cash flows to forecasts of taxable income for each tax jurisdiction. • Age of the tax losses, and the relevance of recent taxable profits to forecasts. • The large number of jurisdictions and our need to consider their varying and complex rules on tax loss utilisation. This necessitated involvement of our tax specialists to supplement our senior audit team members in relevant jurisdictions.	Our procedures included: • Testing design and implementation of key controls over the taxable income forecasts underpinning the tax loss utilisation models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of these forecasts. • Comparing the key assumptions and business unit budgets for consistency with those tested by us, as set out in the Key Audit Matter relating to the recoverability of non-current assets, including property plant and equipment and intangible assets, and also comparing the reconciliation of these budgets to taxable income concepts. • Assessing the Group's tax loss utilisation models and key assumptions, by significant jurisdiction, by: - comparing taxable income to historical trends and performance to inform our evaluation of the current taxable profit forecasts; - evaluating the key assumptions in the Group's forecast tax loss utilisation models, including the identification of areas of estimation uncertainty to focus further procedures; - understanding the timing of future taxable income and considering the consistency of the timeframes of expected recovery to our knowledge of the business and its plans; and - involving our tax specialists and teams from relevant jurisdictions to assess the tax loss utilisation expiry dates and annual utilisation allowances for consistency with local practice, regulatory parameters and legislation.

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Other Information

Other Information is financial and non-financial information in Nufarm Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

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Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Nufarm Limited for the year ended 30 September 2021 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 September 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

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Chris Sargent

Partner

Melbourne

17 November 2021

Shareholder and Statutory Information

Substantial shareholders

As at 30 September 2021, the names of the substantial holders of the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to the Company, are as follows:

Holder of Equity Securities	Number of Equity Securities held	% of total issued securities capital in relevant class
Allan Gray Australia Pty Ltd	37,131,613	9.78%
Firetrail Investments Pty Ltd	30,241,799	7.96%
Sumitomo Chemical Company Limited	60,271,136	16.38%
Nufarm Limited[1]	60,271,136	16.38%
Aware Super Pty Ltd as trustee of Aware Super	19,759,960	5.20%

1. Nufarm Limited has a relevant interest in the shares held by Sumitomo Chemical Company Limited. The relevant interest arises under a Shareholder Deed dated 22 January 2010 between Nufarm and Sumitomo which contains certain obligations to the voting and disposal of shares in Nufarm by Sumitomo.

Number of holders

As at 30 September 2021, the number of holders is as follows:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	15,239

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at 30 September 2021 is as follows:

Total Shares	UMP Shares	UMP Holders	% of issued shares held by UMP holders
379,907,116	33,918	1,095	0.001%

Voting rights of equity securities

As at 30 September 2021, there were 15,239 holders of a total of 379,907,116 ordinary shares of the Company. At a general meeting of the Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each ordinary share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and, in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

Distribution of holders of equity securities

The distribution of holders of equity securities on issue in the Company as at 30 September 2021 is as follows:

Distribution of Ordinary Shareholders Holdings Ranges	Holders	Total Units	%
1 – 1,000	6,623	2,922,541	0.77
1,001 – 5,000	6,223	15,474,785	4.07
5,001 – 10,000	1,449	10,754,083	2.83
10,001 – 100,000	888	20,421,943	5.38
100,001 Over	56	330,333,764	86.95

Twenty largest shareholders

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	104,105,553	27.40
2	SUMITOMO CHEMICAL COMPANY LIMITED	60,271,136	15.86
3	CITICORP NOMINEES PTY LIMITED	56,770,776	14.94
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	41,201,399	10.85
5	NATIONAL NOMINEES LIMITED	26,549,048	6.99
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	9,402,461	2.47
7	AMALGAMATED DAIRIES LIMITED	6,934,328	1.83
8	BNP PARIBAS NOMS PTY LTD <DRP>	5,936,119	1.56
9	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,590,081	0.42
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,562,565	0.41
11	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,493,585	0.39
12	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	1,483,738	0.39
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	1,357,665	0.36
14	MOTURUA PROPERTIES LTD	1,352,595	0.36
15	THE KHYBER PASS INVESTMENT COMPANY LIMITED	587,635	0.15
16	JBWERE (NZ) NOMINEES LIMITED <56950 A/C>	554,830	0.15
17	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	535,190	0.14
18	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	516,169	0.14
19	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	486,065	0.13
20	SAINT KENTIGERN TRUST BOARD	430,434	0.11
Total number of shares of Top 20 Holders		**323,121,372**	**85.05**
Total Remaining Holders Balance		**56,785,744**	**14.95**

Corporate Information

Board of Directors

JC Gillam – Chairman
GA Hunt – Managing Director
GR Davis
FA Ford
DJ Jones
ME McDonald
PM Margin
LD Saint
T Takasaki

Registered office

103-105 Pipe Road
Laverton North Victoria 3026 Australia
Telephone: +61 3 9282 1000
Facsimile: +61 3 9282 1001

Nufarm Limited (NZ Branch)

Baker Tilly Staples Rodway Auckland Ltd
9th Floor, 45 Queen Street,
Auckland, 1010
New Zealand
Telephone: +64 9 270 4150

Company Secretary

Fiona Smith

Auditors

KPMG
Tower Two Collins Square
727 Collins Street
Melbourne Victoria 3008
Australia

Trustee for Nufarm step-up securities

The Trust Company (Australia) Limited
Level 15, 20 Bond Street
Sydney NSW 2000 Australia

Share registrar

Australia
Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne Victoria 3001 Australia
Telephone: 1300 652 479
Outside Australia: +61 3 9415 4360

Step-up securities registrar

New Zealand
Computershare Registry Services Limited
Private Bag 92119
Auckland NZ 1142
Telephone: +64 9 488 8700

Stock Exchange Listing

The Company's ordinary shares are quoted on the Australian Securities Exchange (ASX). The Company was admitted to the official list of the ASX on 10 November 1988 (ASX issuer code: NUF).

Website

www.nufarm.com

Nufarm Limited

ACN 091 323 312

nufarm.com

Nufarm

Grow a better tomorrow