



Ansell



A woman in the foreground wears a white hard hat and a high-visibility yellow and orange safety vest over a light blue shirt. She is smiling and looking towards the camera. In the background, a man with glasses and a light blue shirt is smiling and looking down at a clipboard. The setting appears to be a factory or industrial environment with shelves in the background.

**MODERN SLAVERY
STATEMENT**

2022

MODERN SLAVERY STATEMENT 2022

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Acknowledgement of country

We acknowledge and respect the traditional lands and cultures of First Nations peoples in Australia and globally. We pay our respects to Elders past and present and recognise First Nations peoples’ longstanding and ongoing spiritual connections to land, sea, community and Country. Appreciation and respect for the rights and cultural heritage of First Nations peoples is essential to the advancement of our societies and our common humanity.

About this Modern Slavery Statement

This statement is made on behalf of the reporting entity Ansell Limited (ABN 89 0040 853 30) pursuant to the Australian *Modern Slavery Act 2018* (the Australian Act), the United Kingdom *Modern Slavery Act 2015* (the UK Act) and the California *Transparency in Supply Chains Act 2010* (the California Act).

Ansell Limited is legally domiciled in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX: ANN).

The statement sets out the actions taken by Ansell and its owned or controlled entities (collectively ‘Ansell’) during the 12 months ending 30 June 2022 (‘FY22’) to prevent modern slavery and human trafficking in our business and supply chains.

Ansell’s subsidiaries are listed in the 2022 Annual Report. Changes to our operating footprint are described on page 7. Full details on these activities can be found in our 2022 Annual Report.

STATEMENT FROM THE CEO

We are continually improving our approach to modern slavery risks and in FY23 will focus on supplier engagement, assessments and training under the Supplier Management Framework, as well as effective grievance mechanisms, as we acknowledge the importance of worker-driven monitoring of conditions in the workplace.

Neil Salmon – Managing Director and Chief Executive Officer



Ansell's Modern Slavery Statement is made on behalf of the reporting entity Ansell Limited pursuant to the Australian Modern Slavery Act 2018, the United Kingdom Modern Slavery Act 2015, and the California Transparency in Supply Chains Act 2010.

This statement describes the steps taken by Ansell during FY22 to identify, mitigate and manage the risk of modern slavery in our business operations and supply chain. Ansell recognises that modern slavery can arise from of a multitude of factors and we are focused on promoting the human rights of workers in our business and supply chain and delivering against our long-term strategy to eradicate modern slavery.

Putting an end to modern slavery requires collaboration across the international community, industry partners, governments and non-government organisations, and we are committed to being part of this solution. It's for this reason that Ansell is proud to be a founding member of the Responsible Glove Alliance (RGA) – a cross-industry collaboration aimed at driving transformational change on labour rights, and both prevent and remediate forced labour in the Malaysian glove industry. The RGA will enable recruitment transformation, collective influence, and the application of due diligence with advanced standards, tools and programs aligned to the UN Guiding Principles on Business and Human Rights.

This statement reports the substantial progress made against our objective to address the most salient human rights issues identified in previous years. Of particular note is the progress made by Ansell suppliers in Malaysia. The Malaysian glove industry has been the focus of increased scrutiny due to allegations of forced labour, with risks compounded by high labour intensity and reliance on low-skilled migrant labour. Ansell has been part of industry momentum to uncover non-conformances and improve labour practices and we are seeing these risks being addressed. I am particularly pleased to report that suppliers representing 98% of Ansell's finished goods spend in Malaysia have declared that they have completed their recruitment fee reimbursement program, reimbursing over US\$30 million to more than 18,000 migrant workers.

While I believe our corrective actions and the overall focus of multiple stakeholders is now achieving tangible progress, it is vital that we remain vigilant and continue to drive for improvement in all the geographic locations of Ansell's supply chain. We cannot comment on the specific allegations made in ongoing litigation, however the troubling nature of the allegations made by former workers at one of Ansell's suppliers bring into sharp relief the continued importance of the industry-wide change we are targeting.

We are continually improving our approach to modern slavery risks and in FY23 will focus on supplier engagement, assessments and training under the Supplier Management Framework, as well as effective grievance mechanisms, as we acknowledge the importance of worker-driven monitoring of conditions in the workplace. We will also continue our engagement with like-minded suppliers who share our values and where upholding human rights and eliminating modern slavery is fundamental to their values as an organisation.

In addition to these and many other new initiatives, you will read updates on our progress against the commitments from our [2021 Modern Slavery Statement](#). We are continuously improving our approach as we set industry-leading practices to manage the risk of modern slavery and we welcome constructive dialogue with stakeholders on future action.



Neil Salmon
Managing Director and Chief Executive Officer

This statement was approved by the Board of Directors of Ansell Limited on 9 November 2022 and is hereby signed by the Managing Director and Chief Executive.

RESPONSE TO REPORTING CRITERIA

This section is structured around the requirements of the Australian Modern Slavery Act 2018, and also indicates how the responses relate to the UK and California Acts. A detailed alignment matrix can be seen on pages 34–35.

1. Identify the reporting entity

This statement is made on behalf of the reporting entity Ansell Limited (ABN 89 0040 853 30) pursuant to the Australian Modern Slavery Act 2018 (the Australian Act), the United Kingdom Modern Slavery Act 2015 (the UK Act) and the California Transparency in Supply Chains Act 2010 (the California Act). The statement sets out the actions taken by Ansell and its owned or controlled entities (collectively 'Ansell') during the 12 months ending 30 June 2022 ('FY22') to prevent modern slavery and human trafficking in our business and supply chains. Ansell's subsidiaries are listed in our [2022 Annual Report](#).

This section addresses the requirement of the Australian Act s16(1)(a)

2. Structure, operations and supply chain

Ansell is a safety company with a mission to provide innovative and effective solutions for safety, wellbeing and peace of mind for customers globally. Ansell is legally domiciled in Melbourne Australia, and is listed on the Australian Stock Exchange (ASX: ANN).

Ansell's operations are globally distributed and include corporate hubs and offices, manufacturing plants, distribution facilities and research and development centres. We have a complex supply chain, sourcing from thousands of direct suppliers across a wide range of sourcing categories, from natural rubber latex, to cleaning services, to finished healthcare goods. For further details on operations and supply chain see page 7.

We have a 50% stake in a non-operated joint venture, Careplus Sdn Bhd, a Malaysian manufacturer of surgical, latex and nitrile powder-free gloves. Careplus is a supplier to Ansell, and is subject to the same due diligence controls as other finished goods suppliers (see page 20).

This section addresses the requirements of the Australian Act s16(1)(b) and the UK Act 54(5)(a).

3. Risks of modern slavery in our internal operations and third-party supply chain

In FY20, we engaged a third party to conduct a detailed modern slavery and human trafficking risk assessment over the inherent risks within the industry and country of operation of our internal operations and third-party supply chain. In FY22, we continued to refine our understanding of these risks. A summary of our areas of highest risk is set out below. For additional details on our risk assessment, see pages 13 and 20.

Summary of inherent modern slavery and human trafficking risks in our internal operations and third-party supply chain

Area	High-risk product/service	High-risk countries	Inherent modern slavery risk
Internal Operations	Manufacturing plants	China, India, Malaysia, Sri Lanka, Thailand and Vietnam	Selected plants are considered higher inherent risk for human trafficking and forced labour, based on our industry, the geographies and a lower skilled workforce which includes migrant workers and workers engaged through labour agents, who are more vulnerable to exploitation.
Third-party supply chain	Textiles, such as synthetic and natural yarns, flocks and fabrics	China, India and Pakistan	High inherent risk for forced labour and child labour, driven by low levels of regulation in some operating countries, high-labour intensity and a reliance on low-skilled seasonal labour.
	Forest products, such as natural rubber latex	Sri Lanka, Thailand, Malaysia	High inherent risk of forced labour due to the low-skilled, seasonal, labour-intensive nature and child labour, due to the frequent presence of children on smallholder farms.
	Minerals such as salt and stone	China, Korea	High risk for forced and child labour and human trafficking, resulting from a high number of opaque intermediaries who affect supply chain visibility.
	Finished healthcare goods, such as disposable gloves, masks and other PPE	China, Indonesia, India, Malaysia, Sri Lanka & Vietnam	High risk for forced labour, in particular debt bondage, driven by the low levels of regulation, high labour intensity and reliance on low-skilled migrant labour. There are also systemic issues including use of recruitment fees, withholding passports and excessive overtime.

This section addresses the requirements of the Australian Act s16(1)(c) and the UK Act 54(5)(d).

RESPONSE TO REPORTING CRITERIA CONTINUED

4. Actions taken to assess and address identified risks, including due diligence and remediation

Ansell takes a risk-based approach to upholding labour and human rights within our internal operations and third-party supply chain, focusing the greatest effort on those at the greatest risk. We have a comprehensive and coordinated set of policies and procedures that draw on industry leading practice and our own experience (page 10). Work to mitigate these risks is centred on the Labour Standards Management Framework (page 14) in our internal operations, and the Supplier Management Framework (page 22) in our third-party supply chain. Key controls applied in FY22 in our internal operations and third-party supply chain are set out on page 9.

Ansell's direct suppliers are required to comply with their obligations under local law and Ansell's standards. We do not require direct suppliers to certify that materials incorporated into products comply with the laws of the country or countries in which they do business, except in the case of conflict minerals (page 24).

Ansell is committed to improving labour practices and conditions for workers. In line with commentary from the United Nations on Guiding Principle 19 and a recent joint publication by the International Labour Organization (ILO) and the Malaysian Rubber Council¹, Ansell does not automatically cancel supplier contracts upon the allegation of forced labour. Instead, we choose to provide the supplier with the opportunity to demonstrate a commitment to improve working conditions through meaningful action. Ansell works with suppliers to monitor their progress in closing out non-conformances identified by audits of their facilities following timeframes and requirements set by their auditors. However, where we identify suppliers who do not align with our labour standards commitment and are not working in good faith to progress positive change in their labour standards compliance, we review our potential options, including finding alternate sources for our product and terminating the supplier relationship.

This section addresses the requirements of the Australian Act s16(1)(d), the UK Act 54(5)(b),(c) and (d), and the California Act 1714.43(c) 1, 2, 3 and 4.

5. Assess the effectiveness of actions taken

We measure the effectiveness of actions taken to identify, assess and address modern slavery through internal and external reviews of the labour rights program and key initiatives. In FY22, this included:

- Tracking key performance indicators, which are reported to the Labour Rights Committee (LRC). The LRC reviews the indicators to make informed decisions about areas of our program that are working effectively and opportunities for improvement. The LRC escalates relevant indicators to the Executive Leadership Team (ELT) and the Board of Directors (Board) (pages 11-12)
- External reviews of the labour rights program and focused on remediation of recruitment fees (page 29)
- Internal review of effectiveness of the third-party audit program (page 15)
- Internal review of the effectiveness of our mobile grievance applications (page 27).

Key performance indicators, such as:

- Audit findings and close-out rates (page 24)
- Status of corrective actions (page 24)
- Number of workers and suppliers participating in training and suppliers engaged via top-to-top engagement (page 25)
- Number of high-risk suppliers as determined through supplier profiles, third-party audit reports and external information, such as media scans and watch lists

This section addresses the requirements of the Australian Act s16(1)(e) and the UK Act 54(5)(e).

6. Consultation

Ansell's subsidiaries are operated and managed as a single, integrated group. This approach extends to aspects of our due diligence system including risk assessments and key controls. Many of the entities owned and controlled by Ansell are accounting structures that do not have separate corporate governance that can be consulted or engaged for the purposes of preparing this statement. As such, the consultation for the statement was focused on engaging stakeholders across the business that work on delivery of our modern slavery and labour rights program, including human resources, procurement and quality assurance.

7. Other relevant information

A snapshot of the training relevant to modern slavery and human trafficking provided to workers in our own operations and supply chain in FY22 on page 9. Training in FY22 has focused on upskilling our operational teams and knowledge sharing with suppliers. Additional detail on our broader labour rights and modern slavery program or work is set out over the following pages.

This content addresses the requirements of the Australian Act s16(1)(g), the UK Act 54(5)(f) and California Act 1714.43(c) 5.

1. ILO and Malaysian Rubber Council joint publication 'Addressing, preventing and eliminating forced labour in the rubber industry in Malaysia: A practical guide for Malaysian employers' (2022)

ANSELL'S LABOUR RIGHTS JOURNEY



2016

- Materiality Assessment completed
- Human Rights Statement released

2018

- Widened the brief of the Board's Risk Committee to include sustainability issues, and renamed to CSR and Risk Committee (later renamed to Sustainability and Risk Committee)
- Established Labor Standards Management System
- Training and capacity building
- Established plant-level labor rights policies and procedures
- Released first standalone CSR & Sustainability Report

2020

- Conducted modern slavery risk assessment for operations and supply chain
- COVID-19 safety protocols implemented
- Implemented ethical and responsible foreign worker recruitment program underpinned by the Zero Recruitment Fee Policy
- First Modern Slavery Statement released

2022

- Implementation of the Supplier Management Framework, starting with onboarding of Wave 1a suppliers
- Commenced a program of F-11 audits at Ansell facilities
- Engaged ELEVATE on review of our recruitment fees reimbursement program
- Founding member of the Responsible Glove Alliance
- First training to suppliers as part of the Supplier Management Framework
- Roll-out of new externally-managed grievance hotline
- Awarded 'Silver Medal' by EcoVadis

2017

- Established CSR Steering Committee
- Conducted Human Rights Impact Assessment at Malaysian, Sri Lankan and Mexican plants
- Established corporate CSR policies

2019

- Zero Recruitment Fee Policy established
- Commenced recruitment fees remediation program
- Deployed SMETA 4-Pillar audits, starting with own plants in Asia and key suppliers
- Updated human rights policy framework
- Updated Supplier Code of Conduct

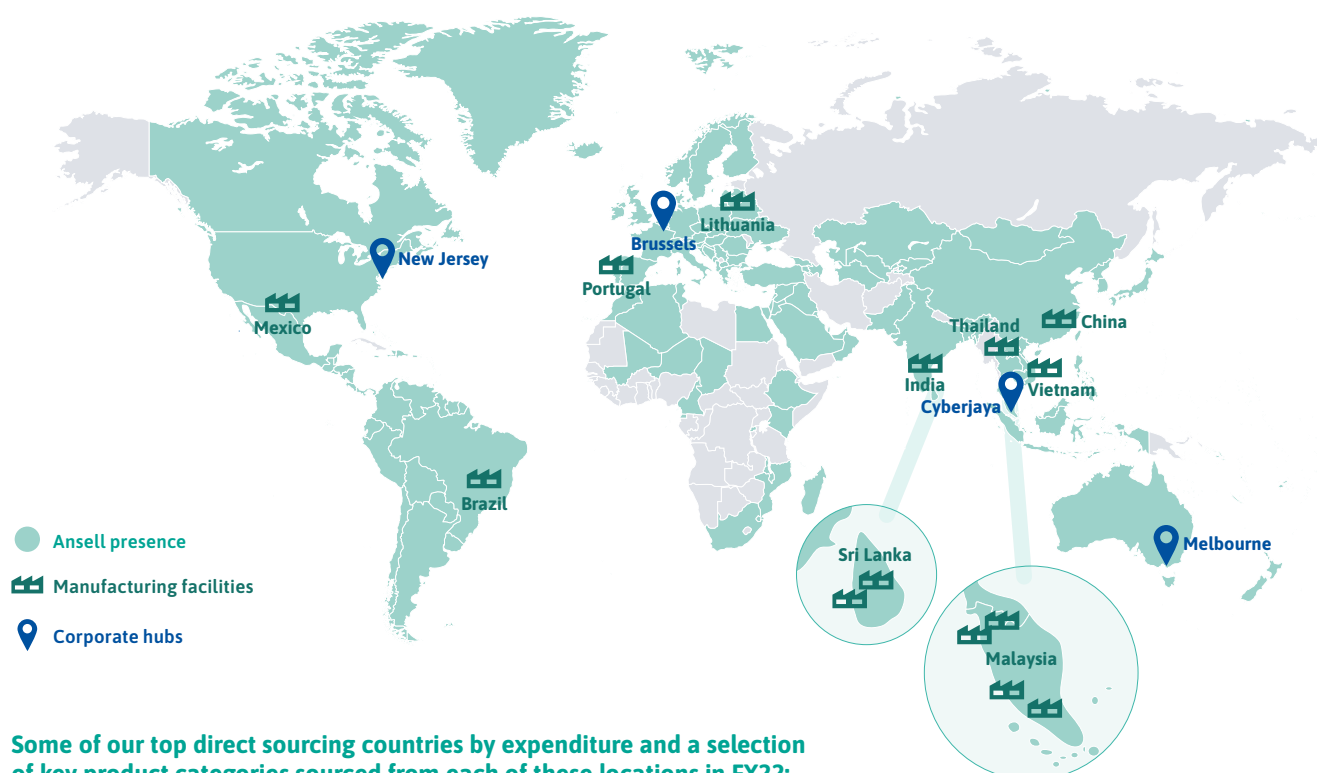
2021

- Engaged third-party to develop Supplier Management Framework
- Established Labour Rights Committee
- Completed reimbursement of recruitment fees
- Introduced WeShare and Just Good Work mobile apps for grievance reporting
- 94% engagement rate at biennial Employee Engagement and Culture Survey for professional and production workers
- 'Ansell Thank You Day' and one-off exceptional bonus to 11,000 frontline employees at manufacturing and warehousing facilities

ABOUT ANSELL

Ansell is a global safety company with a mission to provide innovative and effective solutions for safety, wellbeing and peace of mind for customers globally. Over 10 million workers put their trust in Ansell's quality every day.

We employ more than 14,000 people in over 55 countries. Ansell has four corporate headquarters: Melbourne, Australia; Brussels, Belgium; New Jersey, United States; and Cyberjaya, Malaysia, and 14 manufacturing facilities with the largest located in Malaysia, Sri Lanka and Thailand and smaller plants located in Brazil, China, Lithuania, Portugal and Vietnam. On 7 October 2021, we announced an \$80m investment over the next three years in a new greenfield manufacturing site in Tamil Nadu, India. In August 2022, we announced our decision to cease our Russian commercial and manufacturing operations.



China

Healthcare supplies
Textiles
Synthetic latex
Packaging
Equipment, machinery and spare parts
Support services
Chemicals
Services, logistics and shipping

India

Healthcare supplies
Textiles
Services, logistics and shipping

Indonesia

Healthcare supplies
Synthetic latex
Chemicals

Japan

Chemicals
Synthetic latex
Equipment, machinery and spare parts
Services, logistics and shipping

Malaysia

Healthcare supplies
Equipment, machinery and spare parts
Synthetic latex
Packaging
Forest products
Chemicals
Utilities
Services, logistics and shipping

Netherlands

Textiles

Pakistan

Textiles

Singapore

Synthetic latex
Packaging
Chemicals
Finished goods
Equipment, machinery and spare parts
Services, logistics and shipping

South Korea

Finished goods
Textiles
Synthetic latex
Equipment, machinery and spare parts

Sri Lanka

Textiles
Support services
Forest products
Packaging
Equipment, machinery and spare parts
Services, logistics and shipping

Thailand

Forest products
Packaging
Capex for plant expansion
Utilities
Equipment, machinery and spare parts
Services, logistics and shipping

United States

Textiles
Chemicals
Equipment, machinery and spare parts
Services, logistics and shipping

Vietnam

Chemicals
Packaging
Services, logistics and shipping

ABOUT ANSELL CONTINUED

We manufacture and market innovative solutions for a wide range of industries, through our healthcare global business unit (HGBU) and industrial global business unit (IGBU).

Healthcare Global Business Unit (HGBU)

The Healthcare GBU manufactures and markets innovative solutions for a wide range of customers, including hospitals, surgical centres, dental surgeries, veterinary clinics, first responders, manufacturers, auto repair shops, chemical plants, laboratories and life science & pharmaceutical companies.

The portfolio includes surgical gloves, single use and examination gloves, clean and sterile gloves and garments, and consumables. It also includes single use gloves used by industrial workers in manufacturing, auto repair, chemical, food processing and other industries.

MICROFLEX[®] TouchNTuff[®]

EDGE

MICRO-TOUCH[®]

SANDEL[®]

GAMMEX[®]

ENCORE[®]

MEDI-GRIP[®]

BioClean

Primus

Industrial Global Business Unit (IGBU)

The Industrial GBU manufactures and markets high-performance hand and chemical protective clothing solutions for a wide range of industrial applications.

Ansell protects workers in industries including automotive, chemical, metal fabrication, machinery and equipment, food, construction, mining, oil & gas, utilities, logistics and first responders.

HyFlex[®]

AlphaTec[®]

ACTIVARMR[®]



EDGE

inteliforz

Our workforce comprises professional and production employees in various roles and specialisations at our corporate hubs, offices, manufacturing facilities, warehouse/ distribution facilities and R&D facilities and Centres of Excellence. At our manufacturing plants, we hire a local and migrant workforce, as shown below. The majority of our workers are employed directly by Ansell, as we intend to maintain a long-term and engaged workforce. Contract workers are hired through third-party labour agents, as additional resources to manage significant demand spikes without increasing our workers' overtime and work hours. Both direct and contract labour are protected by Ansell's labour and health and safety management systems, read more on page 14 and our 2022 Sustainability Report.

Ansell workforce as at 30 June 2022



Total headcount by region

- NA 4%
- LAC 3%
- EMEA 7%
- APAC 86%



Total headcount by gender

- Female 49%
- Male 51%



Migrant workers as % of total production workers

- 20%



% of production workers hired directly by Ansell (local and migrant)

- 87%

FY22 INTERNAL OPERATIONS AND THIRD-PARTY SUPPLY CHAIN SNAPSHOTS

Key activities to mitigate risks relating to modern slavery and human trafficking

Operations

- Third-party audits (SMETA, F-11) (page 17)
- Internal audit program focused on labour rights compliance and other ESG factors (page 15)
- Ethical recruitment program for migrant workers (page 17)
- Pre-hiring screening to confirm employees have working rights and are over the age of 18 (page 15)
- Digital tools, such as finger and card scanners to record working hours and rest days (page 15)
- Monitoring of key performance indicators (KPIs) reported to the Executive Leadership Team (ELT) and Board of Directors (Board) (page 11)
- Access to several grievance mechanisms and approach to remediation for repayment of recruitment fees (page 11)

Supply chain

- Third-party audits (SMETA, F-11, BSCI) (page 24)
- Second-party assessments over labour agents (page 17)
- Pre-selection supplier screening on labour rights compliance in addition to other factors (page 23)
- 'Top-to-top' engagement with suppliers (page 25)
- Monitoring of KPIs, including the roll-out progress of the SMF, reported to the LRC, ELT and Board (page 11)
- Participation in industry initiatives such as the Responsible Glove Alliance (page 30)
- Compliance hotline available to supply chain (page 27)



* The close-out rate of 28% is primarily due to reporting cut-off, as follow-up audits are scheduled for the first half of FY23.

[^] Covering suppliers representing more than 90% of our finished goods spend.

OUR APPROACH TO MANAGING LABOUR RIGHTS AND MODERN SLAVERY

Our commitment

The industry Ansell operates in, and the location of many of our internal operations and third-party supply chain, expose us to higher risks of labour exploitation. We are committed to respecting human rights and identifying, remediating and preventing modern slavery in our internal operations and working with our third-party suppliers to support their efforts to identify, remediate and prevent modern slavery in their operations. These are complex and systemic issues, and as a market leader, Ansell is acting to promote decent work across our internal operations, third-party supply chain and the wider industry. We have established frameworks and governance structures to uphold a culture based on trust, respect and open dialogue and to promote positive and transparent employer-worker relations.

Ansell is committed to respecting and protecting the rights of workers in our internal operations and third-party supply chain in accordance with the Universal Declaration of Human Rights. Ansell aligns with the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Core Conventions. Our commitment to respecting human rights extends to our third party supply chain, and our suppliers and contractors are required to commit to compliance with our Supplier Code of Conduct. Our commitment is enshrined in our Global Code of Conduct, Labour Standards Policy and Supplier Code of Conduct.

Policies

Ansell's commitment to respecting human rights is formalised through our policy framework. Collectively, our policies set out our expectations for managing and monitoring modern slavery and human trafficking risks and dangerous or sub-standard working conditions in our internal operations and supply chain, as well as grievance mechanisms. We communicate our core expectations to workers and suppliers through both the onboarding process and ongoing training.

We review our policies regularly; below we indicate which policies were reviewed in FY22, and which are slated for review in FY23.

Business-wide policies and procedures with relevance to management of modern slavery and human trafficking

Policy	Relevance	Communication	FY22 update
Business-wide policies			
Human Rights Statement	Sets out Ansell's commitment to respecting human rights as an employer and through sourcing activities.	Human Rights Statement is available on our public website and intranet for all employees and stakeholders.	Reviewed
Labour Standards Policy	Sets minimum expectations for the business' internal operations, suppliers and contractors with regard to labour standards, including child labour, forced and compulsory labour, human trafficking, freedom of association and collective bargaining.	Expectations of the policy are communicated to human resources and plant General Managers through the Labour Standards Management Framework (LSMF).	Reviewed and updated
Whistle-blower Policy	Outlines the process for making and investigating a disclosure in line with Whistle-blower Protection Scheme set out under the <i>Corporations Act 2001</i> and the <i>Taxation Administration Act 1953</i> .	The policy and mechanism is communicated to both internal and external stakeholders via the Ansell Code of Conduct and Supplier Code of Conduct.	Scheduled for review in FY23
Corporate Social Responsibility Statement	Defines Ansell's approach to corporate social responsibility through our Responsible and Responsive Strategy & Purpose.	Our CSR Statement is available on our public website and intranet for all employees and stakeholders.	Reviewed
Conflict Minerals Policy	The policy sets out Ansell's Conflict Minerals Procedure.	Communicated to procurement team. Shared with suppliers through the Supplier Code of Conduct.	Scheduled for review in FY23
Diversity & Inclusion Policy	Formalises our commitment to diversity and inclusion.	Communicated to Ansell employees through a launch event on International Women's Day and shared with regional diversity and inclusion networks.	Reviewed and updated

OUR APPROACH TO MANAGING LABOUR RIGHTS AND MODERN SLAVERY CONTINUED

Policy	Relevance	Communication	FY22 update
Operational policies			
Ansell Code of Conduct	Our Code sets out our expectations of employees, officers and directors and serves as a guide to ethical principles and business conduct at Ansell. The code includes provisions relevant to fair employment and forced, child and involuntary labour.	Communicated during employee onboarding. All directors and workers with access to email undertake compliance training every two years, with production employees receiving refreshers on a rolling basis. Over 4,000 production workers received training on the code during FY22.	Scheduled for review in FY23
Global Grievance Policy	Sets out the various channels for employees to raise grievances.	Communicated to all workers via email and bulletin boards, townhalls and other briefing sessions, and shared with Ansell plants.	Policy established in FY22
Supply chain policies			
Supplier Code of Conduct	Sets out our minimum expectations for our direct third-party suppliers in relation to human rights, environmental protection, human trafficking, health and safety, bribery and corruption and data protection.	Communicated to suppliers during contracting. In FY22 Ansell engaged Wave 1 suppliers on expectations through training and engagement.	Reviewed and updated

Governance and accountability

Ansell has established structures and processes for the governance of labour rights and modern slavery. Board-level and executive committees oversee our approach to sustainability. Regarding labour rights, the Board's Sustainability & Risk Committee and the CEO and Executive Leadership Team regularly review reporting on labour rights issues.

Ansell's governance for labour rights and modern slavery in internal operations and supply chain

Board oversight of modern slavery and labour rights risks	Ansell Board of Directors Responsible for overseeing and reviewing the management, administration and governance of the Company, including overseeing Ansell's strategic direction.	
	Sustainability & Risk Committee Reviews the implementation and effectiveness of Ansell's risk management system, and the effectiveness of Ansell's sustainability policies and programs. Reviews social performance metrics of internal operations and supply chain. Monitors risk profile of the Company against the risk appetite and risk management framework.	Audit & Compliance Committee Oversees Ansell's internal audit and controls. Reviews internal audit assessments of our internal operations, including its labour and social performance.
Management's role in assessing and managing labour rights risks	CEO & Executive Leadership Team Implementation and management of labour rights standards is the responsibility of our Chief Human Resources Officer (for Ansell internal operations) and our Senior Vice President (SVP) of Operations and Global Supply Chain (for Ansell internal operations and third-party supply chain). The CEO and wider ELT are accountable for overall implementation of Ansell's sustainability strategy. The CEO and ELT also reviews performance measures, evaluates proposals for improvement and endorses opportunities for industry collaboration across labour rights.	
	Labour Rights Committee The Labour Rights Committee (LRC) is responsible for managing modern slavery and labour rights risks in our third-party supply chain. This includes reviewing, testing and challenging labour rights and modern slavery management, and tracking the implementation and assessing effectiveness across metrics such as audit performance, non-compliance follow-up, training and opportunities for collaboration or sustainable material verification. The LRC provides recommendations to the CEO and ELT.	
	People Workstream – Internal Operations Plant General Managers are accountable for implementing the labour rights program with support and oversight from human resources teams and global Corporate Social Responsibility (CSR) human resources.	People Workstream – Supply Chain Our global procurement team is responsible for implementing the labour rights program in our supply chain. The procurement team is overseen by the Supplier Management Framework (SMF) Working Group, an extension of the LRC focused on SMF implementation.

OUR APPROACH TO MANAGING LABOUR RIGHTS AND MODERN SLAVERY CONTINUED

To strengthen executive accountability for sustainability, including modern slavery and human rights, in FY22 we established a single common measure of sustainability performance, the 'ESG metric'. This metric was broken down further into different elements and each ELT member was responsible for a particular element. More details on our sustainability governance structure is provided in our [2022 Sustainability Report](#).

Labour rights committee oversight of modern slavery and labour rights

In FY21, we established an executive-level Labour Rights Committee (LRC) with the aim of supporting ELT oversight, as well as more strategic and consistent monitoring of suppliers' performance and the roll-out of the SMF. The LRC consists of select ELT members, including our Chief Human Resources Officer, SVP of Operations and Global Supply Chain, SVP General Counsel and Heads of our Global Business Units. Compared to regular Executive Leadership Team meetings, the LRC is versatile and quickens the implementation of cross-functional activities as part of our modern slavery due diligence and responsible sourcing activities. The LRC replaced a number of smaller, less structured working groups that operated in FY21. Meetings began formally in FY22 and occurred monthly from January 2022, and has provided greater visibility of emerging issues, which has enabled timely decision making on labour rights. In FY22, the following topics were covered in meetings of the LRC:

- Progress on the rollout of activities under Wave 1 of the Supplier Management Framework (more details on the waves of the SMF are on page 22)
- Wave 1 suppliers' audit findings including number of non-conformances, corrective actions and follow-up audit results
- Top-to-top engagement with strategic suppliers on labour rights issues, including sharing of practices and lessons learnt, customer visits to supplier sites and follow-up on corrective actions
- Supplier training on Ansell expectations for labour rights management
- Decisions on the selection and onboarding of new strategic suppliers, in line with Ansell's labour rights standards

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

Managing labour rights and modern slavery in our internal operations

Inherent risks of modern slavery in our internal operations

In FY20, we engaged a third-party advisor to conduct a detailed inherent modern slavery and human trafficking risk assessment over our internal operations and third-party supply chain. The assessment considered four types of modern slavery – forced labour (including debt bondage), forced marriage, child labour and human trafficking – considering both roles performed and inherent risk within the industry and the country of operation. For full details of the methodology and outcomes, refer to page 9 of our [2020 Modern Slavery Statement](#).

We continue to refine our understanding of the risk profile of our internal operations, through engagement with our plant leadership, third parties including subject matter consultants and NGOs, outcomes of third-party audits and assessments, and through reviews of public reporting on human rights in the regions in which we operate. Our assessment of the inherent risks across our internal operations is summarised below.

Risk profile of our internal operations

Decreasing risk of modern slavery and human trafficking			
Manufacturing	Distribution	Research and development	Office and corporate hubs
A number of our plants are considered higher inherent risk for human trafficking and forced labour, based on our industry, the geographies and a lower skilled workforce, including migrant workers.	A small number of our distribution facilities have an elevated risk profile, based on the geographies and lower skilled workforce.	We consider the risk of modern slavery within our offices, corporate hubs and research and development facilities to be relatively low as majority of these workers are highly skilled and well-educated.	

Within our highest risk area – our plants – there are multiple categories of employees with various risk exposures, due to risks associated with the countries and industries in which we operate. Inherent risks are outlined in the table below.

Details of inherent labour rights risk profile within our manufacturing plants

Increasing risk profile	Employee	Role related to labour rights	Inherent risk type	Risk description
	Professional workers	Oversee production workers, such as line managers, and responsible for implementing the labour rights management program	N/A	The inherent risk associated with professional workers is lower than other plant workers as these employees are often highly skilled and well-educated.
	Production workers hired by Ansell	Work on the plant floor producing Ansell products	- Excessive overtime - Insufficient rest days - Substandard working conditions and accommodation	Heightened risks linked to Malaysia and other production countries, reduced skill level and labour intensity of these roles. Details on controls to manage these risks are on the following pages.
	Local and migrant production workers contracted through labour agents and migrant production workers hired by Ansell	Work on the plant floor producing Ansell products	- Excessive overtime - Insufficient rest days - Substandard working conditions and accommodation - Debt bondage - Human trafficking	The risks for labour hire workers are the same as workers hired by Ansell, with additional risks driven by workers' migrant status. Migrant workers are more vulnerable to exploitation due to their impermanent migrant status, potential language barriers, and limited access to legal recourse in some jurisdictions. Details on processes to manage these risks are on the following pages.

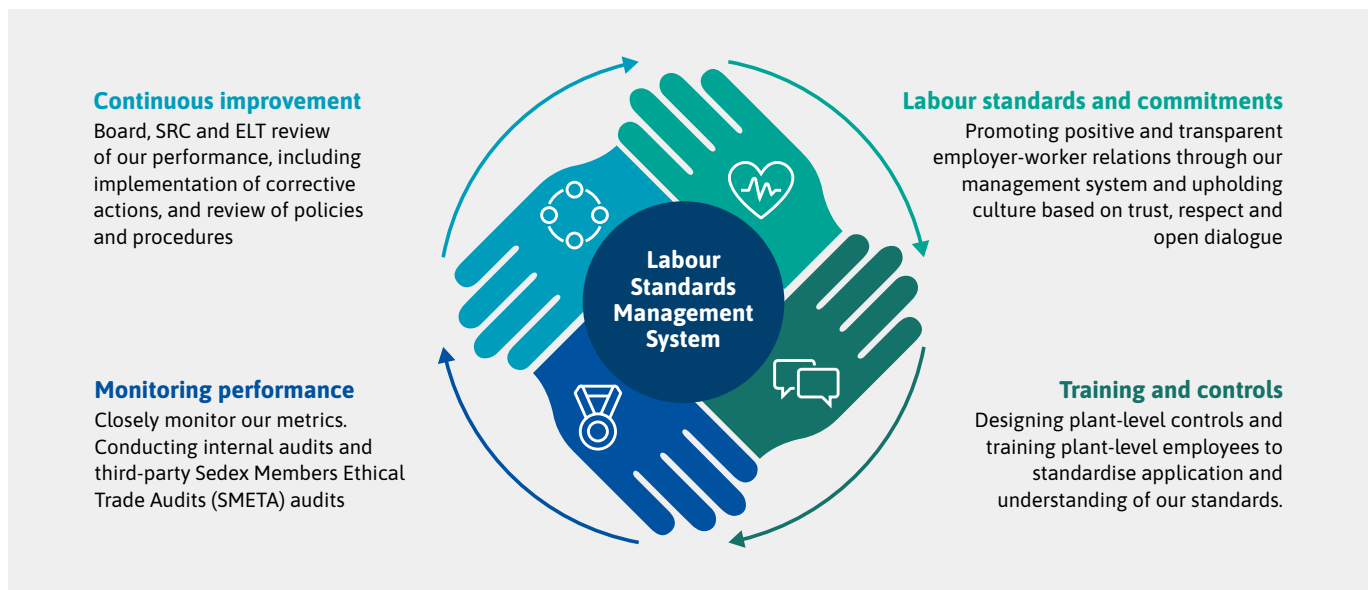
IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Our approach

We take a risk-based approach to upholding labour rights within our internal operations, focusing greatest effort on the people at greatest risk, namely production workers in Ansell plants. Work to mitigate these risks is centred around our labour standards management system, which includes a range of processes to mitigate risks relating to modern slavery and dangerous or substandard working conditions.

Ansell has a comprehensive and coordinated set of policies and procedures that guide our training, processes and performance monitoring. Our approach was developed through an iterative process, taking learnings from industry leading practice and our own experiences to create a strong foundation for labour rights management. We continue to evolve our approach to labour rights, using findings from performance monitoring to drive improvements which we then build into our standards, and reflect in training to our team.



In 2022, we began the rollout of our Labour Standards Management Framework (LSMF) to standardise and codify our approach. The LSMF brings the relevant policies and procedures together into a single document, and as a result of the implementation:

- Plants have achieved closer alignment and transparency on processes to implement Ansell's standards.
- The LSMF drives greater accountability at plant leadership.
- A need to enhance and standardise the practice of the global grievance mechanisms was identified to ensure alignment across all of Ansell's plants globally, more details are on page 27.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Our approach to managing risks of modern slavery and human rights in our internal operations



Monitoring labour rights and modern slavery risks in our internal operations

Under the LSMF we have brought together a network of processes to manage the identified risks within our internal operations. These processes draw upon industry leading practice as guided by our peers, human rights experts and Sedex guidance, and have evolved in recent years to meet our increasing expectations for labour rights management. The processes set out below apply to all Ansell plants and are monitored internally through the governance structures, described on page 11.

We assess the ongoing performance of our plants through internal assessments, third-party audits, and through reviewing and responding to grievances raised.

Internal assessments

Ansell conducts two types of internal assessments: internal audits conducted by the internal audit team on a rolling basis, and internal CSR assessments, coordinated by the global CSR human resources team. Internal audits focused on Ansell's compliance with applicable laws and regulations, including those related to labour rights. Internal CSR assessments are guided by the Sedex Membership Ethical Trade Audit (SMETA) four-pillar audit framework of Labour, Health and Safety, Environment and Business Ethics. The SMETA framework draws on the Ethical Trade Initiative Base Code and ILO Indicators of Forced Labour, as well as local laws and regulations.

Internal assessments ensure that plants undergo continuous review, issues are identified in a timely manner and corrective actions are implemented and monitored. The learnings from the assessments also support knowledge sharing across all our plants.

Third-party audits

Third-party audits are conducted by certified¹ external auditors in line with the SMETA four-pillar audit framework. This year, we adopted a risk-based approach to our third-party SMETA audit schedule. We moved to a two-year audit rotation, but where prior audits have identified key risks or if the plant is a new addition to our portfolio, more frequent audits will be conducted. In between our SMETA audits, the global HR CSR team conduct internal assessments and internal audit teams perform audits, as mentioned above.

1. As of January 2021, only audit companies with full APSCA (Association of Professional Social Compliance Auditors) certification are eligible to be Sedex Affiliate Audit Companies and conduct SMETA audits.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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This year we also completed a forced labour assessment (third party audits assessed against the ILO Indicators of Forced Labour) at one of our Asian plants. The forced labour assessment was conducted by ELEVATE, an industry-leading sustainability and supply chain consultancy, and adds variation and an in-depth assessment at our plants. Findings are shared with other plants to continue to strengthen practices and controls. In FY23 we will extend the use of forced labour (F-11) assessments at other selected plants to continue to build out our own awareness of potential risks and to identify possible improvements to our existing practices and protocols. Forced labour assessments complement existing SMETA audits, focusing specifically on helping identify risks (or actual instances) of forced labour, including recognising where a person is trapped in forced labour or may require urgent assistance. Forced labour assessments use a red, yellow and green flag system to assess the presence of the eleven ILO indicators. The presence of one or more red flags indicates increased risk, requiring further investigation and action to assess the presence of forced labour. These audits will increase our capacity to identify potential adverse human rights impacts within our internal operations.

Lessons learned – enhancing the effectiveness of third-party audits over internal operations

In FY22, the human resources team conducted a review of the use of third-party audits in our internal operations. The team conducted an industry scan of leading practices, reviewed historic audit performance and engaged plant human resources and general managers to reflect on knowledge and awareness of audit requirements. The team identified several opportunities to improve the effectiveness of our program. These are set out below, together with actions taken to date, and future plans.

Area	Opportunity for improvement	Actions taken
Timely close out of non-conformances	For audits to drive real improvements, non-conformances must be closed out in a timely manner. To date, we have been working to close out non-conformances in accordance with timeframes set by the auditor in line with SMETA guidance. Given the leverage we have to drive change at our internal operations, we aim to improve these timeframes.	In FY22, responsibility for plant labour rights performance moved from regional HR and global CSR to plant General Managers, who are well positioned to deploy resources and escalate issues for timely close-out of non-conformances. In FY23, we will aim to close out all non-conformances within 60 days, regardless of the timeframe set by the auditor. Exceptions are for timeframes set for less than 30 days by the auditor ² . For some non-conformances, close out within 60 days may not be possible, particularly where the issue is systemic and close out requires significant investment or change in business process. In these instances, the plant General Manager will be required to escalate the issue and closely monitor timely implementation of corrective actions.
Increased visibility across plants on learnings from SMETA audits	The identification of non-conformances provides an opportunity for us to improve our controls and cross-share learnings with other plants.	We extended accountability for labour rights performance from HR to plant General Managers, to drive more understanding, ownership and accountability at the local level. In addition, Quarterly Compliance Meetings, have been expanded to include a discussion on internal labour rights performance and audit findings. This facilitates the cross-sharing of learnings from audit findings to drive improvement at plants.
Team understanding of ILO indicators of forced labour	By improving our plant management's understanding of the ILO indicators of forced labour, they will be better equipped to assess and manage audit findings, and respond to instances of forced labour.	In FY22, Ansell delivered targeted training on the ILO's eleven indicators of forced labour to over 100 operations leaders, including plant managers at our Asian plants.
Audit quality and value	Our audit program has matured significantly over the last three years, and continues to be a critical source of information on plants' performance. We believe that adding more variability to our audit program will assist us to keep improving.	Since 2022 we began utilising a rotating group of SMETA auditors to address variance in auditor competence, maintain independence and provide new insights. We've also moved to a risk-based approach to our SMETA audit schedule. In FY23, we will include unannounced audits in our audit program. This year we completed a forced labour assessment (F-11) conducted by ELEVATE at one of our Asian plants. In FY23, the F-11 assessment will be performed at other selected plants. These are introduced in recognition of the risk in the glove sector, particularly within Malaysia and the benefits derived from an assessment more closely focused on forced labour.

2. SMETA auditors assign a timescale for preventative and corrective actions between immediate, 30, 60, 90, 180 or 365 days. (Source: Guide-to-completing-a-SMETA-CAPR-6.1.pdf (sedex.com)).

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Outcomes from FY22 third-party audits over our internal operations

In line with our two-year audit schedule, seven of our fourteen manufacturing plants underwent announced SMETA four-pillar third-party audits in FY22. Across the seven plants audited, 60 non-conformances were identified. By comparison, in FY21, 14 plants were audited and 79 non-conformances were identified. As the FY22 audits focused on our high-risk plants, this increase in the average non-conformances per plant is in line with our expectations.

As in previous years, the highest number of non-conformances were in the following SMETA categories: health and safety, followed by wages, management systems and working hours. Of the FY22 findings, none were business critical, 7 were critical, 36 were major and 17 were minor⁴. As we improve our processes year on year, audits are expected to identify new issues, including emerging risks, and continue to highlight more systemic issues. Critical audit findings were identified in two new categories: environment and freedom of association.

Number of non-conformances graded as critical per Sedex audit program

Type of non-conformance	FY20	FY21	FY22
Management systems	-	2	-
Regular employment	-	1	1
Working hours	10	6	-
Health and safety	7	3	1
Wages	1	-	2
Environment	-	-	2
Freedom of association	-	-	1
Total critical non-conformances	18	12	7

To address non-conformances identified through audits and other monitoring activities, our plant general managers and human resources teams implement corrective actions with the aim of closing out audit findings in a timely manner. As of 31 August 2022, 87% of total reported FY22 non-conformances had been closed. The majority of open non-conformances are awaiting a follow-up audit to verify their closure and are expected to be closed in the coming months. Details on critical non-conferences across wages and freedom of association categories are detailed in the case studies below.

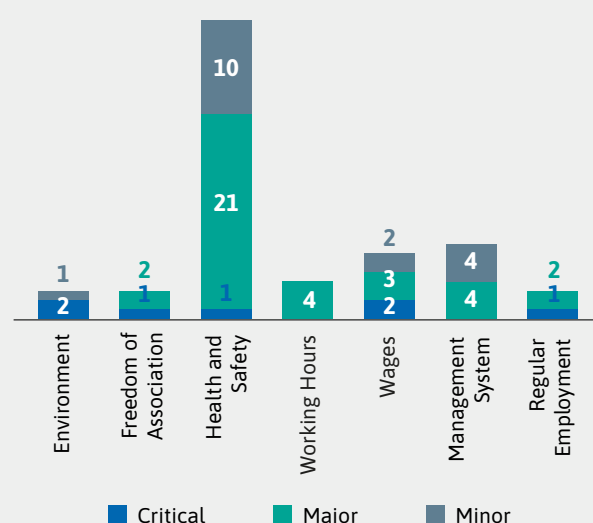
The SMETA category health and safety equates to the highest number of non-conformances at Ansell plants. These non-conformances primarily relate to instances of lapses in general and fire safety inspection and testing, and were quickly corrected, with verification of corrective actions obtained during follow-up audits. To date, approximately 88% of the FY22 Health and Safety NCs are reported as closed. More details on our health and safety management system can be found in our [2022 Sustainability Report](#).

Acting on non-conformances – ethical recruitment and use of labour agents

At our manufacturing plants, we hire a local and migrant workforce, and a majority of our workers are hired directly by Ansell as we intend to maintain a long-term and engaged workforce. Non-conformances related to the management of workers through labour agents continues to be a systemic issue for our industry, with migrant workers widely recognised as being more vulnerable to exploitation.

SMETA audits at one of our plants reported two critical wage non-conformances, related to isolated incidences of labour agencies not paying workers' social insurance and a labour agency not paying workers if they worked less than six days a week. We investigated the root cause of the finding and confirmed that the conduct of the labour agencies did not align with Ansell's policies and Ansell's Supplier Code of Conduct. We informed the labour agencies of the incorrect practice. We have reduced the number of labour agents we are working with, and have selected two key agents with whom we continue to build out a good working relationship. These partners are fully briefed on Ansell standards. This is reflective of Ansell's wider shift to reduce our reliance on labour agents.

Number of non-conformances (NCs) by category and grading in FY22



In FY22, seven plants underwent SMETA 4-Pillar third-party audits.

4. The severity of an audit finding is determined by the third-party auditor using the SMETA audit methodology, grading on a scale from minor to business critical. A business critical non-conformance relates to a critical breach of the Ethical Trade Initiative Base Code or local law which presents a critical or imminent risk to workers' safety or human rights.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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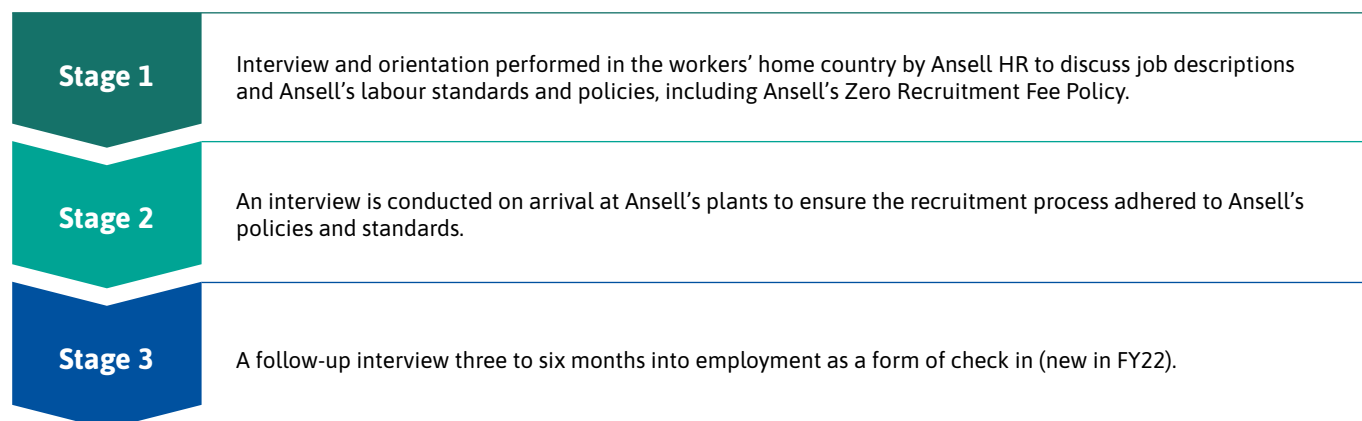
We communicated these findings to plant leadership during regular meetings. To ensure these incidents are isolated, we have initiated a pilot second-party assessment over recruitment and living conditions at our plants, including contracting labour agents used at our plants.

During the year our global human resources CSR team established a second-party assessment program to review labour agents' hiring practices, to ensure alignment with Ansell standards. The pre-assessment included:

- A desktop review of relevant documentation including labour agent policies and procedures, particularly those around recruitment fees and remediation, and employment contracts offered to workers.
- Interviews with the agents to verify their practices as observed during document review.

Our migrant workers are employed via vetted labour agents who have a signed contract with Ansell to uphold ethical recruitment standards. Our Ethical Recruitment Program is a three-stage gate process designed to identify deceptive recruitment fees and instances of violations of Ansell's Supplier Code of Conduct and Zero Recruitment Fee Policy, which can happen before departure and upon arrival at Ansell plants. Each gate is undertaken by plant human resources or a member of global human resources CSR with a translator present, who speaks the worker's native language.

Three-stage gate process for migrant workers hired through labour agents



At relevant stages we document the workers' declaration on recruitment fees status in our Zero Recruitment Free declaration form.

Where we identified labour agents who were violating our Zero Recruitment Fee Policy, we required the agents to reimburse the workers immediately and then terminated our engagement with these agents.

We intend to preference labour agents that represent leading practice through undertaking certified programs for ethical recruitment. To support this transition, one of our labour agents is participating in the Responsible Business Alliance's (RBA) responsible recruitment program. Key activities under the program include a declaration of commitment signed by the labour agency, mandatory attendance of ethical recruitment training, and participation in verified self-assessment. The agency will also demonstrate adherence to ethical recruitment standards through the Specialty Validated Assessment Program (SVAP) on forced labour, as well as ongoing assurance requirements.

We are also working to improve the experience of migrant workers at our plants through targeted inclusion initiatives. We celebrate the festive holidays of different nationalities of our workers, and include migrant workers in plant-wide employee engagement activities, such as bowling, games and other sports events, and celebrating Culture Day. At our Melaka plant, representatives from national embassies were invited for engagement sessions with migrant workers on topics of labour rights.

All direct and contract workers are covered by Ansell's policies on labour standards and our Labour Standards Management Framework. This includes our policies and standards on ethical recruitment, zero recruitment fees, wages and working hours. In FY22, we introduced additional controls over recruitment and use of labour agents, building upon learnings from audits and reviews of our practices. Through the Responsible Glove Alliance (see page 30), we seek to share learnings and opportunities to improve standards across our industry.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Acting on non-conformances: freedom of association

Recent audits have highlighted findings related to SMETA category freedom of association: particularly that one critical non-conformance identified that, although there is a worker union present, regular meetings were not scheduled at our plant during the year due to lapses in communication and scheduling. The issue was corrected quickly, and a meeting is scheduled for this year. Ansell respects the rights of freedom of association and collective bargaining and believes mechanisms that facilitate these rights are essential to provide workers an ability to voice concerns, organise and participate in decisions that impact their employment. Our approach to facilitating worker unions, committees, and councils is outlined in our Labour Standards Policy, which is supported by plant-specific Freedom of Association and Collective Bargaining Policies, including in countries where there is limited regulation. Each policy is guided by relevant national laws and/or the ILO core conventions. Onboarding and annual training are used to communicate plant-specific policies and procedures to workers.

Worker councils and worker committees are established where workers choose not to join unions. Human resources work with employees to structure and organise collective bargaining agreements. Workers can also provide feedback through our available grievance channels and by contacting HR (read more on our grievance channels on page 25). As of 30 June 2022, we have worker councils, worker committees, or unions at 10 of our plants, with 74% of workers represented by worker councils, worker committees, unions or covered by collective bargaining agreements. As the remaining Asian plant began full operations this year, a worker committee will be established in FY23. At the other plants, workers have not chosen to join unions or councils.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

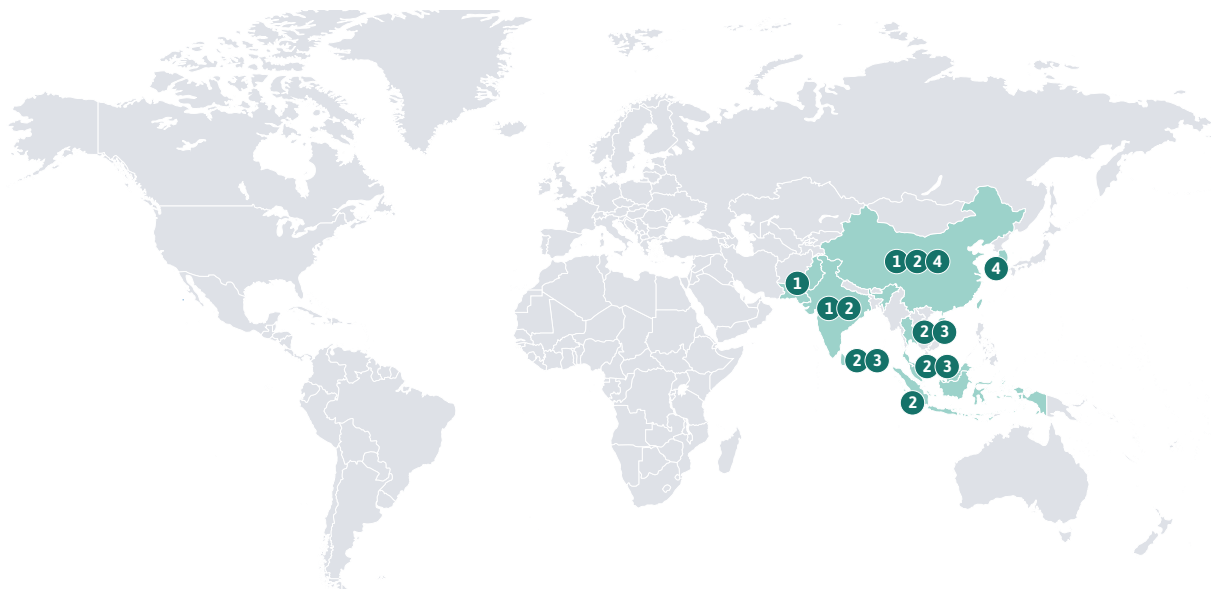
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Managing labour rights and modern slavery in our supply chain

Risks of modern slavery in our third-party supply chain

We continue to utilise the results of the FY20 modern slavery and human trafficking risk assessment as our basis for understanding risk in our third-party supply chain. As with our internal operations, we continue to refine our understanding of the risk in our third-party supply chain through reviewing supplier profiles, engaging third parties including auditors through audit reports, industry publications and media scans, and watch lists.

The FY20 risk assessment covered more than 90% of our spend, and identified textiles, forest products, minerals and healthcare finished goods as the highest risk categories of suppliers. We are linked to these risks through our purchasing relationships, but do not believe we are causing or contributing to the risk. As of 30 June 2022, the Supplier Management Framework (SMF) rollout has begun for suppliers in Wave 1: 1.A and 1.B (more details on the waves of the SMF are on page 22). The focus of the rollout has been on finished goods suppliers due to the heightened business risk.



Key high-risk sourcing countries and industries

Category	High-risk sourcing countries	Risk type	Description of risk factors
1 Textiles (mainly cotton)	- China - India - Pakistan	- Forced labour - Child labour - Substandard and exploitative working conditions - Excessive overtime	Risk factors include a low level of regulation, high-labour intensity and a reliance on low-skilled and seasonal labour.
2 Healthcare finished goods (mainly gloves, PPE)	- China - India - Indonesia - Malaysia - Vietnam - Sri Lanka	- Forced labour - Debt bondage - Excessive overtime - Substandard and exploitative working conditions - Substandard accommodation	Risk factors include a low level of regulation, high labour intensity and a reliance on low-skilled migrant labour.
3 Forest products (mainly natural rubber latex and biomass)	- Sri Lanka - Thailand - Malaysia	- Child labour - Forced labour - Sub-standard and exploitative working conditions	Risk factors include the labour-intensive nature, the frequent presence of children on family smallholder farms and inherent risks of modern slavery in key rubber and forest product producing countries.
4 Minerals (mainly salt and stone)	- China - Korea	- Forced labour - Child labour	Risk factors include opaque intermediators and known issues relating to forced and child labour in mining supply chains.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Our approach

Ansell seeks to work with suppliers that align to our commitment to respect and uphold human rights. We set clear expectations through our Supplier Code of Conduct, which includes requirements around the prohibition of modern slavery, respecting human rights and fair labour practices, as well as expectations around health and safety, environment, privacy and corruption.

We regularly engage with our suppliers, and in particular those suppliers managed by global sourcing or covered under our Supplier Management Framework (see below), with the aim of sharing leading practices and supporting them with training. A summary of the main channels through which we work with suppliers is set out below.



In addition, this year we have been working to rationalise our supplier base as part of our broader procurement strategy. Creating a leaner supply portfolio will enable us to develop stronger relationships with key suppliers and will enable us to better support our suppliers' improved performance on labour rights.

Supplier Management Framework

In 2021, we established the Supplier Management Framework (SMF) to drive meaningful change in our supply chain by building on our existing due diligence program. The SMF takes a risk-based approach to due diligence, assigning appropriate processes to target areas of highest risk, and marks a significant investment in the evolution of our systems and processes. Through the implementation of the SMF, we will expand our diligence program over time, increasing the scope of existing activities to cover a more significant proportion of our supplier population. The SMF also includes additional activities and programs to target risks in particular sectors and locations of our third-party supply chain.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

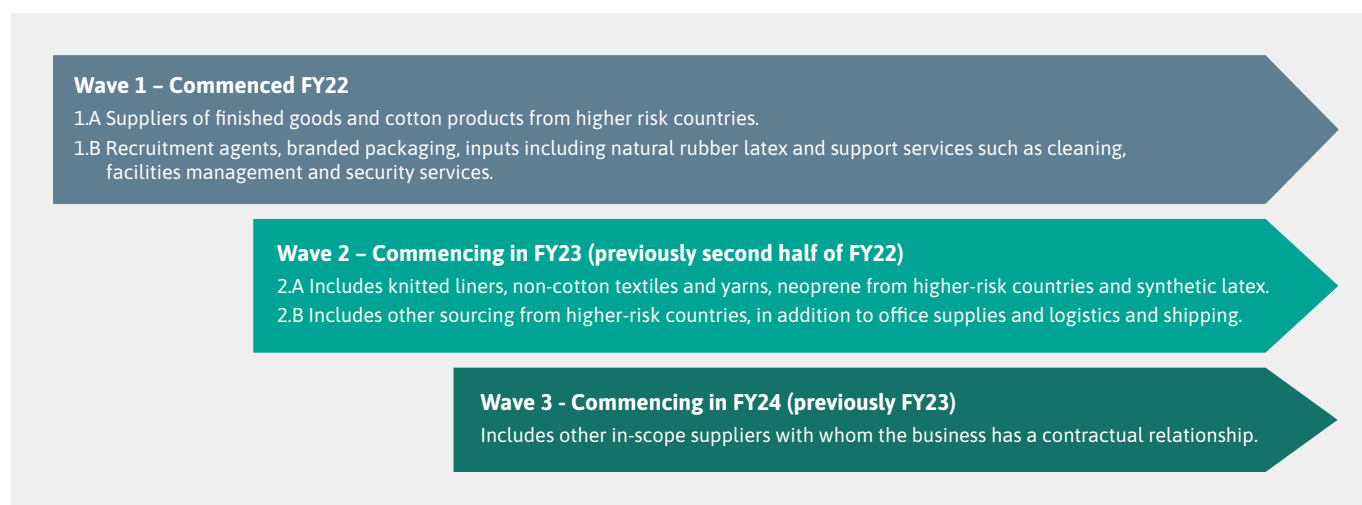
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The key components of the SMF are set out below:

A risk-based approach The Framework outlines the controls and performance monitoring activities required to be completed by suppliers based on factors including inherent modern slavery risk.	Partnerships The Framework sets out our commitment to partnerships and collaborations in an acknowledgment that many labour rights issues are systemic challenges that cannot be solved in isolation.	Strengthened performance monitoring Strengthened performance monitoring activities, including third-party audits, factory visits by Ansell personnel and supplier training on labour rights based on risk.	Dedicated resourcing The rollout of our revised supply chain approach will be supported by additional and dedicated resources.
Standardising our approach internally The Framework will drive a standardised approach to supplier labour rights risk management across our business	Focus on audit quality While audits will remain a key component of our program, we recognise the need to utilise a diverse range of monitoring activities alongside efforts to improve audit quality	Broader coverage of our sourcing activities We will be actively expanding the scope of our due diligence activities to go beyond critical suppliers engaged by our global procurement function.	Clear escalation pathways We will dictate how non-conformances of different levels of severity will be resolved and communicated both internally and with suppliers

The SMF is being implemented in three waves, prioritising suppliers based on the level of modern slavery risk linked to their industry and sourcing location, together with other factors such as their criticality to the business, spend and branding. A snapshot of our implementation plan is set out below, and additional information on the key controls rolled out to suppliers under the SMF in FY22 is set out on the following pages.

Supplier Management Framework implementation plan – FY22 update



In our 2021 Modern Slavery Statement we noted our intention to commence the rollout of Wave 2 in the second half of FY22, and Wave 3 in FY23. Due to a heightened focus on our highest-risk suppliers in finished goods, and time taken to refine the process and activities for Wave 2 suppliers based on learnings of Wave 1 rollout, we have decided to allow more time for the SMF rollout for Wave 2 suppliers. This ensures suppliers are onboarded smoothly onto the program and we are able to effectively apply learnings from one wave to the next.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Monitoring labour rights and modern slavery in our third-party supply chain

We utilise a network of processes including third-party audits, supplier pre-screening and supplier training to manage risks of modern slavery and human trafficking in our supply chain. All suppliers engaged by global sourcing are required to partake in activities that enable us to assess risk, and to monitor performance. Through the gradual rollout of the SMF, we have expanded the scope of these existing processes to cover a greater number of suppliers, and have added additional processes to target risks linked to specific categories of suppliers. The table below sets out the requirements that applied to our supplier base in FY22, with a focus on those suppliers captured by the SMF⁵. The implementation of our processes are monitored by global sourcing, with oversight from the SMF working group and the LRC. Rollout of Wave 1A and 1B commenced in FY22 and continues into FY23.

FY22 supply chain labour rights and modern slavery due diligence and monitoring requirements

Stage	Activities	Wave 1A		Wave 1B			
		Finished goods and healthcare	Cotton yarn	Packaging (branded)	Labour agents & other support services	Natural Rubber Latex and Biomass	All global sourcing suppliers
Supplier identification and selection	Assessment on condition of onboarding*	✓	✓	✓	✓	✓	✓
Supplier onboarding	Supplier Code of Conduct shared with suppliers	✓	✓	✓	✓	✓	✓
	Supplier contracts includes clauses on labour rights	✓	✓	✓	✓	✓	✓
On-going management	Monitoring metrics reported to LRC and SMF working group	✓	✓	✓	✓	✓	
	Top-to-top engagement on labour rights	✓			→	→	✓
	Supplier training and awareness	→		✓	✓	✓	
	Third-party audits	✓		→	✓**		
	Monitoring and escalating non-conformances, corrective actions and follow-up audits	✓		→	✓**		
	Monitoring through existing industry groups or other third parties	✓	→		→	→	

✓ Implemented in FY22

→ On-going investigation of activities and implementation will formalise in FY23.

* Assessment of the condition of onboarding includes screening by SMEs during pre-selection, this process informs the understanding of risks and controls for these suppliers.

** The practices of labour agents through which Ansell employs migrant workers are reviewed as part of plant third-party SMETA audits.

5. We commenced onboarding Wave 1A and B suppliers in FY22; however, as this was a staged process some suppliers may not yet have undertaken all of these activities. We have aimed to delineate where suppliers will undertake these activities in FY23.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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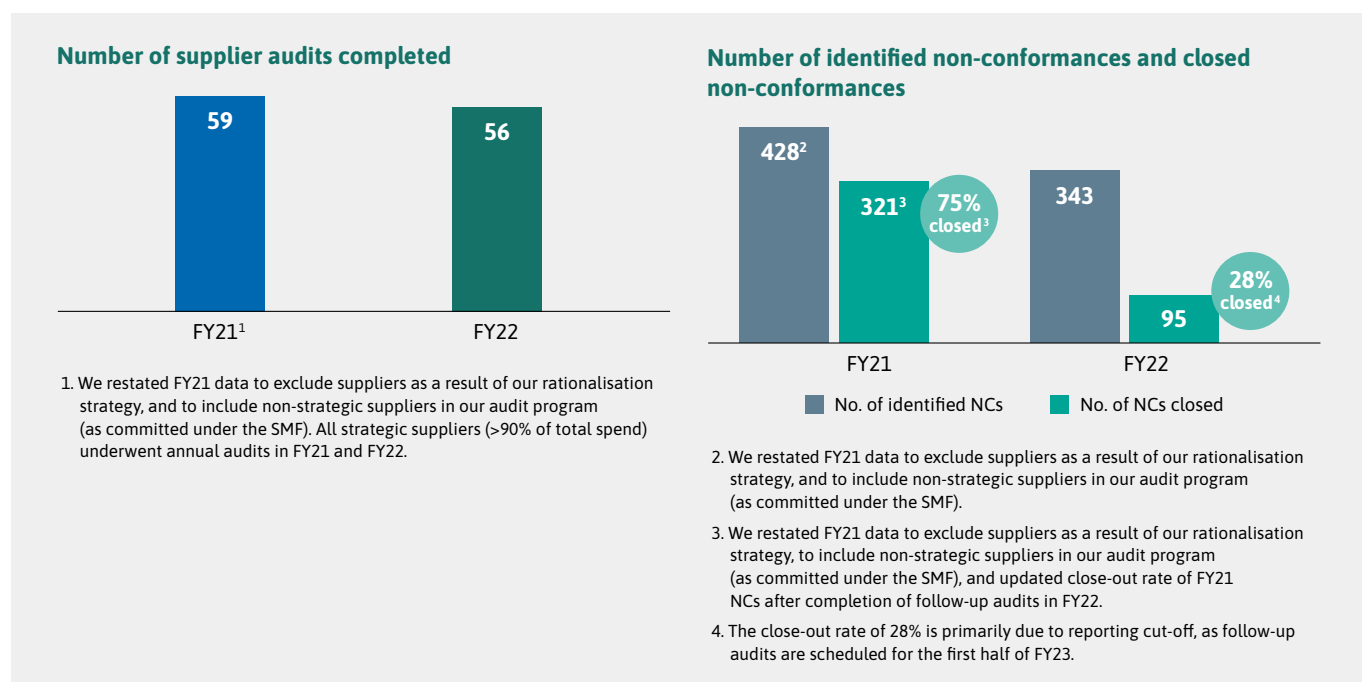
Currently the Supplier Code of Conduct requires all direct global sourcing suppliers to comply with their obligations under local law as well as the standards and expectations set out by Ansell. It does not require direct suppliers to obtain certification that materials incorporated into products comply with the laws of the country or countries in which they do business. With regard to conflict minerals, suppliers are required to undertake steps to identify whether conflict materials are contained in the products they manufacture (or contract to be manufactured), including determining the source of raw minerals used in production. Refer to our Supplier Code of Conduct and Conflict Minerals Policy for more information.

Third-party audits in our supply chain

In FY22 finished goods and healthcare suppliers in Wave 1A underwent independent third-party audits to assess their compliance with Ansell's Supplier Code of Conduct, local laws and other applicable standards. Ansell requires suppliers to partner with Sedex to arrange third-party SMETA audits using the four-pillar audit methodology. Ansell also accepts Business Social Compliance Initiative (BSCI), Social Accountability International SA8000 audits and forced labour audits or assessments (F-11 audits) from accredited third-party auditors in place of a SMETA audit. Suppliers may additionally share findings from other third-party or customer audits, which contribute a richer point-in-time view of suppliers' practices and on-ground conditions.

Higher risk audit findings are discussed at the monthly LRC meeting, and may be escalated to the ELT and Board depending on severity. Ansell will identify labour rights non-conformances of varying severities in carrying out activities under the SMF. The severity of the non-conformances will inform the timeframes for action and consequences for suppliers, and the required level of engagement and approval within Ansell. The SMF sets out precise governance arrangements, escalation pathways and ultimately, consequences for suppliers who fail to close out severe non-conformances, thereby giving the business a structure to follow in making decisions on labour rights.

In FY22, 56 supplier third-party audits were completed for strategic and non-strategic suppliers, representing approximately 98% of Ansell's total finished goods spend. This represents a 14.5% reduction in the number of audits conducted year on year, from 59 to 56, due to our rationalisation strategy. The number of non-conformances identified decreased by 25% year on year, from 428 to 343.



Of the non-conformances identified, only 28% were closed out within the reporting period, as most follow-up audits are scheduled for the first half of FY23. For comparison, the close out rate for FY21 audits was 26% by the end of FY21, which rose to 75% by the end of FY22. We continue to focus on working with suppliers to ensure they timely close out non-conformances.

Ansell is committed to improving labour practices and conditions for workers. In line with commentary from the United Nations on Guiding Principle 19 and a recent joint publication by the ILO and the Malaysian Rubber Council, Ansell does not automatically cancel supplier contracts upon the allegation of forced labour. Instead, we choose to provide the supplier with the opportunity to demonstrate a commitment to improve working conditions through meaningful action. Ansell works with suppliers to monitor their progress in closing out non-conformances identified by audits of their facilities following timeframes and requirements set by their auditors. However, where we identify suppliers who do not align with our labour standards commitment and are not working in good faith to progress positive change in their labour standards compliance, we review our potential options, including finding alternate sources for our product and terminating the supplier relationship.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

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Supplier engagement

Despite the reduction in the number of non-conformances, we acknowledge that audits are a snapshot in time and we know issues related to modern slavery and human rights are prevalent in our industry. To combat these issues in FY22 we focused on engaging suppliers through top-to-top engagement and providing supplier training.

Supplier training

Under Wave 1 of the SMF, Ansell established a formal training program for suppliers. The training program draws on industry-leading practice as guided by NGOs such as the ILO, industry organisations such as Sedex, and Ansell's experience developing its internal operations labour rights program. The training program has been delivered in two phases.

The training aims to communicate the new SMF and management process to suppliers, educate suppliers on Ansell's standards and expectations as per the SMF and the Supplier Code of Conduct, and raise awareness of modern slavery and broader sustainability issues.

During the year we ran training sessions for 42 packaging, synthetic latex and plant sourcing suppliers, and 7 labour agents. As we continue to roll out the supplier management framework we will increase the scope of our training program to include other wave one and two suppliers.

Top-to-top engagement

In addition to training, Ansell conducts 'top-to-top' engagement with the suppliers' senior leadership. Our CEO, SVP and VPs of sourcing use these discussions to highlight labour rights compliance as a key priority for Ansell, and a condition of continued engagement. During the year, eight strategic suppliers, representing approximately 80% of Ansell's total finished goods spend, participated in these discussions. In FY22, engagement focused on the following topics:

FY22 top-to-top focus areas

Action	Description
Strengthening monitoring	Communicating Ansell standards for labour rights management and setting expectations on oversight and reporting. For example, we recommend suppliers improve senior management oversight of labour rights performance reporting, including non-conformances and corrective actions.
Sharing knowledge	Sharing Ansell's practices and lessons learnt, with a focus on systemic issues in the rubber glove industry such as overtime hours and migrant worker recruitment. During FY22, Ansell also shared with suppliers our own practices in relation to health and safety, working hours, social and medical insurances, and housing conditions, among other topics.
Following up on corrective actions	Following up on the status of complex non-conformances such as wages and excessive overtime, discussing the rollout of corrective actions and requesting acceleration of close-out of non-conformances.

The meetings are regularly followed up by our procurement team through routine engagement.

United States Customer Border Protection Withhold and Release Orders

Over the last few years, United States Customs and Border Protection (US CBP) announced Withhold Release Orders (WROs) against several Malaysia-based finished goods suppliers, alleging that their products were produced, in whole or in part, using forced labour. Some of these have been suppliers to Ansell.

Ansell takes the labour practices of our suppliers seriously, and any allegation of forced labour is of the highest concern. Ansell does not, however, automatically cancel supplier contracts upon the allegation of forced labour, instead we choose to provide the supplier with the opportunity to demonstrate a commitment to improve working conditions through meaningful action. This approach allows continued employment for the supplier's workforce and improves workers' conditions. This practice is in line with commentary from the United Nations on Guiding Principle 19, which states that in assessing whether to terminate a supplier contract, a business must consider whether termination would have adverse human rights impacts. However, if we determine suppliers are not working in good faith to progress positive change in their labour standards compliance, we will take further action, including finding alternate sources for our product and terminating the supplier relationship.

While the specific findings of the US CBP WROs are not publicly available, we work closely with affected Ansell suppliers to better understand the alleged non-conformances, including assessment through third-party SMETA audits to identify non-conformances and inform the appropriate corrective actions required. In addition, the availability of specific forced labour assessments conducted by reputable third parties, such as ELEVATE, has further strengthened our due diligence approach. The nature and methodology of the forced labour assessments use the ILO Indicators of Forced Labour to identify any gaps, and the outcomes of the assessments provide details of findings and required improvement actions in greater depth.

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

CONTINUED

In August 2022, a lawsuit was issued in the United States against Ansell and Kimberly-Clark by 13 former employees of Brightway, alleging that through Ansell's purchase of finished goods products made by Brightway, it should be legally responsible for compensating these employees for the forced labour practices they allege were in effect at Brightway. Brightway is an independent third-party supplier that has manufactured and provided finished goods to Ansell and other purchasers. Brightway products have never represented more than a very small percentage of Ansell's total purchases from third parties, and it has been one of many direct suppliers to Ansell. Ansell considers the lawsuit without merit and we are vigorously defending our business and internal operations accordingly.

Labour rights response in Malaysia

The medical supplies industry is currently the focus of increased scrutiny due to allegations of adverse labour rights impacts including forced labour. Malaysia, a crucial manufacturing and sourcing location, is the primary focus of these allegations, with risks compounded by high labour intensity and reliance on low-skilled migrant labour. Ansell takes these reports seriously, and since establishing our Zero Recruitment Fee Policy in 2019, we have been part of industry momentum to uncover non-conformances and improve labour practices.

In FY22, the Malaysian Government took encouraging steps to initiate industry-wide change. Of significance, the Malaysian Employment Act was amended in 2022 and created a new 'forced labour' offence, which will carry a monetary fine and, potentially, imprisonment. The Malaysian glove industry is making progress to address the most salient risks to its vulnerable workforce of migrant workers. Below outlines some of the recent industry improvements Ansell has seen through SMETA audits, top-to-top meetings with suppliers and supplier self-declarations:

Recent industry improvements Ansell has seen in Malaysia

Third-party audit program	Under the SMF, all finished goods suppliers (SMF Wave 1A) must undergo regular third-party audits. Over the last two years: - Malaysian finished good suppliers representing approximately 99% of Ansell's total finished good spend in Malaysia were audited, either under a SMETA 4-pillar audits or a F-11 audit. - Five Ansell finished goods suppliers (representing approximately 40% of total finished goods spend) completed a F-11 audit
Recruitment fees reimbursement	As of 15 September 2022, Malaysian suppliers representing approximately 98% of Ansell's total finished goods spend, have declared that they have completed their recruitment fees reimbursement program for currently employed migrant workers. Based on supplier reports, these suppliers have reimbursed approximately US\$30m to more than 18,000 migrant workers in Malaysia. We will work with the remaining suppliers and support them in accelerating the completion of their remediation programs. We continue to follow up and verify these commitments to ensure the appropriateness of the programs.
Living conditions	In recent years, public scrutiny and audit findings have resulted in legislative reform prescribing minimum standards of housing, which applies to migrant workers' hostels. Ansell suppliers have implemented measures to improve conditions in compliance with local legislation (Act 446), which prescribes the minimum standards of housing. We are verifying compliance by sighting certificates of accommodation and doing our own assessments of suppliers' hostels, in addition to SMETA audits.
Passport withholding	Audit reports from all Ansell finished goods suppliers audited in the last two years have shown that passports and other legal identification documents have been returned to migrant workers and measures implemented to ensure workers have access to these documents, such as written policies and preparing private lockers for workers.
Freedom of movement	Earlier audits of suppliers uncovered systemic and physical restrictions on freedom of movement. These findings included passport withholding, incorrect or expired work permits, and control of workers' movement at hostels and manufacturing plants including outside of work hours. Recent audits show a general increase in implementation of corrective actions by suppliers, including removing physical measures such as locks and barricades, changing overbearing security measures, re-applying for correct work permits and increasing overall awareness of workers' rights.
Excessive working hours	Earlier audits of suppliers found instances of non-compliance with local laws on overtime and rest days, labour rights violations on involuntary working hours and not respecting rest days. To date, based on supplier engagement and recent audits, overtime and rest day non-compliances with local laws are now isolated incidences and suppliers are moving towards longer-term corrective action programs.

While we have seen improvement and corrective actions implemented in these areas, we remain vigilant and continue to support ongoing and systematic change in the industry. In FY23, the audit program will include announced and unannounced SMETA audits and F-11 audits in some instances to focus on these areas to better protect workers' rights.

GRIEVANCE MECHANISMS AND REMEDIATION

Ansell is committed to involving stakeholders in the grievance process and remediating where appropriate. Grievance mechanisms are an important part of our approach to identify and mitigate unjust, unfair or disrespectful treatment, including that related to labour rights and modern slavery. These mechanisms provide early warnings and critical information on issues and allow for transparent and credible investigation and remediation.

We provide all workers in our internal operations with access to grievance mechanisms through which they can raise concerns anonymously and/or confidentially, and require suppliers to do the same. We have a 'no retaliation' policy to reassure employees that there will be no adverse consequences for reporting concerns in good faith.

In FY22, we took several actions to strengthen our systems and processes around grievance mechanisms. We established a Global Grievance Policy covering Ansell employees and contractors worldwide. This brings together information on all the grievance mechanisms available to our workers, a summary of which is set out below.

Grievance mechanisms available to workers in our internal operations

Internally managed

- Supervisors or managers: Concerns raised directly to immediate supervisors or managers will be investigated, engaging relevant stakeholders where the worker consents.
- Plant human resources: Concerns raised to plant human resources will undergo a detailed investigation.

Externally managed

- Ansell compliance hotline: Concerns raised through the compliance hotline phone number, website or email are sent directly to an independent third party. The compliance hotline is available 24/7 to all employees in a language of their choice. These complaints will be directed to Ansell's Compliance team for investigation and shared with the human resources team on a strictly need to know basis. The compliance hotline is made available pursuant to Ansell's Whistleblower Policy.
- Externally managed hotline (new): Across our plants in Malaysia, China and Brazil we have rolled out a new hotline (called Suara Kami in Malaysia, Xiang Shuo in China, and Nossa Voz in Brazil). The hotline is externally managed through ELEVATE, in partnership with the Responsible Business Alliance. Complaints received through the hotline are stored on a centralised database which is fed back to Ansell to be examined for trends to inform proactive mitigation strategies. Further roll-outs of the new hotline will be planned after we review the effectiveness of the hotline at current plants.

Mobile application grievance mechanisms

In FY21, we introduced two new mobile applications for grievance reporting: WeShare and Just Good Work (JGW). The mechanisms were introduced with the aim of improving production workers' access to a greater number of grievance mechanisms. WeShare is operated and developed by Ansell, and is currently used at our Shah Alam plant. In FY23 we will evaluate the effectiveness of the app before developing a business case for expansion. JGW Malaysia is the product of a collaboration between the Ethical Trade Initiative (ETI), Our Journey (a Malaysia-based NGO) and a UK-based technology non-profit organisation, Fifty Eight. JGW is a platform primarily for migrant workers and provides information to prospective workers about the recruitment process, their rights and what to expect from employers, and enables workers to raise grievances. We completed the pilot run at one of our Malaysian plants. There have been many implementation issues, including low worker engagement and inefficiencies in processing and reporting grievances received, due to a lack of detail and visibility. These issues affected our ability to successfully undertake corrective and preventive action, hindering success of the app.

The JGW app has been replaced by a new hotline (called Suara Kami in Malaysia, Xiang Shuo in China, and Nossa Voz in Brazil). This is a well-established helpline, externally managed by ELEVATE, in partnership with the Responsible Business Alliance. The hotline overcomes previous apps' challenges, including professionally trained hotline operators who answer the calls and escalate for resolutions to the appropriate parties, more detailed processing and tracking of grievances, which allows for better investigations and timely close-out of cases by Ansell. The hotline also protects the anonymity and confidentiality of grievances raised. Comprehensive monthly reports are made available to Ansell management to detect trends and enforce proactive, sustained solutions.

In April 2022 we updated our Supplier Code of Conduct to make available a direct link to Ansell's compliance hotline to suppliers. This improvement is in addition to the existing expectation that suppliers maintain a confidential grievance platform that is easily accessible to all workers and encourage workers to report any non-compliance with Ansell's Supplier Code of Conduct without fear of retaliation.

GRIEVANCE MECHANISMS AND REMEDIATION CONTINUED

Ansell's alignment to the United Nations Guiding Principles on effectiveness for non-judicial grievance mechanisms

For the purpose of our FY22 modern slavery reporting, we conducted a high-level review of our grievance mechanisms against the United Nations Guiding Principle 31: effectiveness criteria for non-judicial grievance mechanisms. The table below sets out our alignment to each of these criteria, and identifies opportunities for improvement where appropriate.

Criteria	Ansell's alignment
Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes	Ansell's grievance reporting channels support confidential and anonymous grievance reporting. Workers within our own workforce are also able to raise grievances through our compliance hotline. Ansell has a 'no retaliation' policy, to reassure employees that there will be no adverse consequences for reporting concerns in good faith. In FY22 we ran focus groups in our manufacturing plants and developed action plans tailored to each plant to reinforce reporting grievances without fear of retaliation. Some plants began regular skip level meetings with production employees, where employees can have one-on-one meetings with direct reports of their managers/ supervisors without the manager/ supervisor present. We also started 'HR Corner', where employees can meet HR staff in person. Grievance reports received through internal mechanisms and external hotlines (such as Suara Kami) are viewed by HR Leadership Team and escalated to the Chief Human Resources Officer and Chief Compliance Officer, where required. Concerns raised through an independently managed Compliance Hotline are reviewed by the Compliance Function. Ansell also requires suppliers to encourage workers to report non-conformances with Ansell's Supplier Code of Conduct without fear of retaliation.
Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access	We communicate grievance mechanisms to workers in our internal operations through both onboarding and Global Code of Conduct training. We support workers to raise grievances by providing several different options for access to grievance mechanisms, including a mobile application, email, phone number and direct reporting. To further limit barriers to access, most of our grievance mechanisms are available in each of the major languages of our workforce. Ansell requires suppliers to maintain an easily accessible grievance platform. This is verified through audits against the SMETA four-pillar audit framework, which currently commenced with Wave 1 suppliers. Ansell also provides the Ansell compliance hotline through a link in the Supplier Code of Conduct. We will continue to monitor availability of suppliers' grievance mechanisms through third party audits and verification, as well as promote the use of external hotlines such as Suara Kami.
Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;	Ansell's Global Grievance Policy details the escalation process and key points of contact during the investigation process. The policy sets out timeframes for the review and resolution of grievances raised through Ansell mechanisms. The policy and escalation procedure were communicated to all Ansell employees during the year and are readily available via the company intranet, as well as through the bulletin board, during townhalls and other briefings. To support the rollout of the policy, our human resources teams also undertook training focused on the procedures for investigation and resolution. Stakeholders can access detail on the types of complaints to be raised and the procedure for escalating through the Whistleblower Policy. This includes receipt of disclosure and updates on the investigation. Where workers in the supply chain raise grievances directly with a supplier, instead of with Ansell, Ansell requires the supplier to investigate the report and take corrective actions as appropriate.
Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms	Our Global Grievance Policy for internal operations, and Whistleblower Policy for internal operations and external stakeholders, set out information on the type of grievances that can be raised, and the process for investigation.

GRIEVANCE MECHANISMS AND REMEDIATION CONTINUED

Criteria	Ansell's alignment
Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake	For grievances raised through Ansell's compliance hotlines and mobile applications, Ansell will acknowledge receipt of the disclosure. The Whistleblower Policy requires that, where practicable, workers will be provided updates about the investigation with requirements for documenting and reporting based on the nature of disclosure. All complaints made under the compliance hotline are reported back to Ansell through a third-party. Grievances raised and closed out are tracked and reported, as described on page 28. To improve grievance recording we also launched the centralised, online Global Non-hotline Grievance Tracker for internally managed grievances.
Rights-compatible: ensuring that outcomes and remedies accord with internationally recognised human rights	Ansell's review of rights compatibility was performed for remediation of recruitment fees, page 29. Outcomes and remediation are performed in line with our policies on labour standards and human rights.
A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;	Our global human resources team reviews monthly trends in grievances raised and uses the information to inform ongoing risk management and remediation.
Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.	Through the rollout of applications, external hotlines and other engagement activities, such as Suara Kami Hotline, focus groups and skip level meetings, Ansell has engaged with worker representatives to assess the accessibility and effectiveness of these mechanisms, as well as the wider grievance framework. Feedback received informs the various mechanisms and processes available to workers. We will continue to engage workers as we evolve our grievance mechanisms.

Reviewing our approach to remediation of recruitment fees

Within the rubber glove industry, the payment of recruitment fees to unethical recruitment agents is regularly identified and reported. Ansell believes that migrant workers should not be subject to such fees and has adopted a Zero Recruitment Fee Policy, based on a commitment to pay all recruitment costs incurred by migrant workers. In 2019 Ansell was one of the first organisations in our industry to reimburse migrant workers in Malaysia who had paid recruitment fees to agents in their home countries. Since Ansell's remediation, many organisations have followed our lead and integrated learnings from NGOs and other stakeholders. Full details of our remediation process can be found in our [2020 Modern Slavery Statement](#).

In FY22, we engaged ELEVATE, to review our remediation program and to ensure we continue to meet leading practice. The review evaluated all recruitment-related payments by Ansell through industry benchmarking and in-depth interviews with workers who were included in the reimbursement program. The review identified that, while our initial approach to remediation was in line with leading practice at the time, the amounts remediated to migrant workers at our Malaysian plants from Myanmar and Indonesia were lower than the benchmarked average reported by workers from the Malaysian medical product sector as per ELEVATE's more recent benchmarks.

In response, Ansell has compensated affected workers with the difference through lump sum payments from July 2022, with a letter provided to workers in their native language explaining the additional payment. When the payment to workers is finalised, ELEVATE will conduct an external third-party verification that the payment is complete. In FY23, we engaged ELEVATE to extend our recruitment fee remediation program for former workers. These workers may have paid recruitment fees to agents in home countries but have repatriated after we announced our Zero Recruitment Fee Policy and policy on migrant worker hiring, as part of our ethical recruitment program. The former workers outreach program is expected to complete by end of June 2023.

COLLABORATION AND PARTNERSHIPS

Labour rights challenges are systemic in the medical products and medical use glove industries, and cannot be solved by a single company in isolation. We therefore look for opportunities to collaborate, which we evaluate based on our relative purchasing power and our partner's objectives, ambition, credibility and approach. Where we do not see a partnership opportunity in a relevant industry, we look to existing frameworks and work done by our peers to ensure we are acting responsibly.

Commodity-based sourcing

As part of the Wave 1 rollout of the SMF, we committed to formalising sourcing requirements for our higher-risk natural materials, including cotton yarn and natural rubber latex. During the FY22 we began work to investigate suitable certification and/or collaborative action options. In FY23 we aim align our approach with a commodity-based collaboration, to ensure that our approach to sustainable raw material sourcing meets leading standards.

The Responsible Glove Alliance

In March 2022, the Responsible Glove Alliance (RGA) was launched, with seven founding members, including Ansell. The collaboration aims to drive transformational change on labour rights, and both prevent and remediate forced labour in the Malaysian glove industry.

The RGA will enable recruitment transformation, collective influence, and the application of due diligence with advanced standards, tools and programs aligned to the UN Guiding Principles on Business and Human Rights. Suppliers of RGA commit to a set of membership criteria, including: audit programs, remediation of forced labour conditions, third-party due diligence, providing access to remedy, commitment to voluntary and non-excessive overtime, transparency and reporting. In the first part of the year RGA established the inaugural steering committee and defined working groups that will lead its activities.

The RGA is supported by the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. The RBA provides strategic oversight and direction of the RGA, as well as operational and administrative capabilities. ELEVATE is a key service provider during the initial phases of the program.

"We are confident that the shared ambitions and collective approach of the RGA and its members will bring significant improvement to conditions for workers in the glove industry supply chain."

Neil Salmon, Managing Director and CEO at Ansell

RGA requirements

As a buyer, Ansell is required to adhere to the following guiding principles⁶:

RGA guiding principles

Core principles	Freely chosen employment	Continuous improvement demonstrated by conducting assessments and social compliance activities	Transparency and accountability for all stakeholders	Cascading commitments into the supply chain
Buyer principles	Demonstrating robust supplier risk assessment and management systems	Engaging high-risk glove suppliers to conduct social compliance audits	Provide technical support and capability to suppliers in remediating non-conformances	Work with suppliers to close all non-conformances within prescribed timelines, verified by independent third party audits

To date the RGA has focused on the following actions to support identifying and assessing risks of labour rights violations within the rubber glove industry in Malaysia.

6. Responsible Glove Alliance Membership (responsiblebusiness.org).

COLLABORATION AND PARTNERSHIPS CONTINUED

RGA's FY22 actions

Action	Description
Formalise and launch the Alliance	The RGA's seven founding members, including Ansell, engaged external stakeholders to communicate the vision and mission of the alliance.
Establish a steering committee with a regular meeting cadence	The RGA steering committee, with representatives from each founding member, was established. The steering committee will be supported by working groups made up of founding members' labour rights management teams. The steering committee's mandate is to set strategic initiatives, oversee the execution of commitments and evaluate stakeholder engagement opportunities.
Establish a process for supplier risk mapping and due diligence	The RGA initiated an identification and mapping process to build out a supplier risk assessment. The Alliance also initiated a program to prioritise and implement verified self-assessments for audits for suppliers.
Launch of capacity building	Instructor-led training program for suppliers and recruitment agents to build capacity for ethical recruitment and employment.
Onboard supplier members to the Suara Kami helpline	Training and onboarding conducted for the Suara Kami grievance helpline, established by ELEVATE, in partnership with RBA, to support continuous monitoring of performance and risks to workers.

ANSELL'S COMMITMENT AND PROGRESS

Below we provide an update on progress against the commitments in our 2021 Modern Slavery Statement.

FY22 commitments outlined in our FY21 Modern Slavery Statement	Status as at FY22	Remarks
Increase the Board and Executive Leadership Team's oversight of suppliers who are underperforming on labour rights, through increased reporting up to the Labour Rights Committee on the performance of individual suppliers.	✓	Completed. See page 11.
Review the metrics currently used to track and report on labour rights internally and consider opportunities to develop enhanced metrics relating both to completion of controls and the effectiveness of those controls.	✓	Completed. In line with the SMF rollout, we developed key performance indicators for reporting to support measuring the completion and effectiveness of controls. See page 22 onwards.
Perform an assessment and review of our standards and policies to continue improving and developing our strategic labour offerings.	→	We reviewed five policies relevant to our labour rights offerings, and plan to review the remaining three in FY23. See page 10.
Rollout of activities under Waves 1, 2 and 3 of the Supplier Management Framework.	→	Rollout has begun for Wave 1 suppliers, activities will continue into FY23 for Wave 1 and commence for Wave 2 suppliers. See page 22.
Execute our roadmap for formalising sourcing requirements for cotton yarn by utilising existing tools and components under the Better Cotton Initiative (BCI) for our current textile suppliers.	Δ	Ansell is pursuing alternatives to BCI to better suit business needs.
Conduct a SMETA audit at our new manufacturing plant in Russia.	Δ	SMETA audit was completed for our manufacturing plant in Russia in FY22. Ansell decided to cease commercial and manufacturing operations in Russia at the end of FY22, which will be fully implemented in FY23.
Complete 'Just Good Work' (JGW) program, product of a collaboration between the Ethical Trade Initiative (ETI), the Malaysian NGO Our Journey and UK-based technology non-profit organisation, Fifty Eight.	Δ	Although we completed the pilot run of JGW, we reviewed the continuity of the app this year and have decided to replace the app with a new hotline (called Suara Kami in Malaysia, Xiang Shuo in China, and Nossa Voz in Brazil). See page 27.
Continue active participation and collaborations for FY22	✓	Completed. See page 30.

- ✓ Completed
- Progressing
- Δ Business needs changed

ANSELL'S COMMITMENT AND PROGRESS CONTINUED

Our commitments for FY23

Commitments and Actions

- We began efforts in March 2021 to establish living wage as a minimum for employees at all Ansell locations. We define a living wage as the income earned within regulated working hours (without overtime) to fulfill basic needs such as food, housing, transport, healthcare, education and others, sufficient to support a worker and their family. We have already completed initial benchmarking of our plants globally with third-party consultants. Results showed that many Ansell facilities already pay at or above a living wage, and we will use the existing processes of these plants and the outcomes of the benchmarking to develop a program for countries where there is still a gap.
- We will continue the roll-out of the SMF. This phase will focus on ongoing engagement with Wave 1 suppliers and introducing Wave 2 suppliers into the framework through focused engagement, audit activities and training.
- We are also investigating commodity-based collaborations concerning our higher-risk natural materials – cotton and natural rubber latex – to help support an approach to sustainable raw material sourcing that meets leading standards.

Accountability

- From FY23, we will include unannounced SMETA audits and third-party forced labour assessments in our program for selected Ansell plants
- We will also set a 60-day time frame to implement and verify corrective actions based on SMETA audit findings at our plants. General managers are accountable for the timely close out of non-conformances, including exceptions such as a shorter timeframe as set by the auditor or longer time needed due to third parties, such as obtaining authorities' approval and certifications.
- In FY23, the audit program under the SMF will include announced and unannounced SMETA audits and F-11 audits in some instances to focus on these areas to better protect workers' rights.

ALIGNMENT MATRIX

This Modern Slavery Statement was prepared in accordance with the criteria set out in the Australian *Modern Slavery Act 2018*, the United Kingdom *Modern Slavery Act 2015* and the California *Transparency in Supply Chains Act 2010*. The table below outlines where information related to each mandatory reporting criteria can be found:

Australian Modern Slavery Act Mandatory Reporting Criterion	UK Modern Slavery Act Recommended reporting criterion	California Transparency in Supply Chains Act required reporting criterion	Location of information
Identify the reporting entity Describe the structure, operations and supply chains of the reporting entity	Organisation's structure, its business and its supply chains.	N/A	Pages 4 and 7
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	N/A	Page 4, 13 and 20
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Organisation's policies in relation to slavery and human trafficking; its due diligence processes in relation to slavery and human trafficking in its business and supply chains.	Describe to what extent the manufacturer: - Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. - Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. - Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking. - Describe to what extent the manufacturer maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.	Page 5 and from page 10 (Our Approach to Managing Labour Rights and Modern Slavery)
Describe how the reporting entity assess the effectiveness of such actions.	Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	N/A	Page 5 and from page 10 (Our Approach to Managing Labour Rights and Modern Slavery)

ALIGNMENT MATRIX CONTINUED

Australian Modern Slavery Act Mandatory Reporting Criterion	UK Modern Slavery Act Recommended reporting criterion	California Transparency in Supply Chains Act required reporting criterion	Location of information
Describe the process of consultation with any entities that the reporting entity owns or controls.	N/A	N/A	Page 5
N/A	The training about slavery and human trafficking available to its staff.	Describe to what extent the manufacturer provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.	Page 16 of this report, and Page 14 of our 2022 Sustainability Report
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	N/A	Page 30



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