

Ansell

**Labour
Rights Report**
(and Modern
Slavery Statement)
2023



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About this Labour Rights Report (and Modern Slavery Statement)

This report covers labour rights and modern slavery management of Ansell Limited (ABN 89 0040 853 30) for the period 1 July 2022 to 30 June 2023. Ansell is legally domiciled in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX: ANN). Ansell has four corporate headquarters: Melbourne, Australia; Brussels, Belgium; New Jersey, United States; and Cyberjaya, Malaysia. All disclosures made within the report cover Ansell Limited and the entities it controlled during the reporting period unless otherwise stated. A full list of entities Ansell controlled during the reporting period is set out in our 2023 Annual Report. In February 2023, Ansell Limited acquired Careplus (M) Sdn Bhd (Careplus), which has been renamed 'Ansell Seremban'. At the time of the FY23 third-party audits, Careplus was a supplier to Ansell, and is therefore captured within our supplier data for the purpose of this year's report. The transition of Ansell Seremban to Ansell in-house standards will continue into FY24 and onwards. Furthermore, non-financial data related to Ansell Seremban is not reported in FY23 due to its acquisition part-way through the financial year (unless otherwise stated).

The structure and content of this report were reviewed by responsible members of the Ansell Executive team and by the Board's Sustainability & Risk Committee¹.

This report was prepared in accordance with the criteria set out in the *Australian Modern Slavery Act 2018 (the Australian Act)*, the *United Kingdom Modern Slavery Act 2015 (the UK Act)*, the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act 2024 (the Canadian Act)* and the *California Transparency in Supply Chains Act 2010 (the California Act)*. It also references the Global Reporting Initiative Standards 2021, as detailed in the GRI index in our 2023 Sustainability Management Approach.

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.

1. The report is made pursuant to section 11(4)(b)(ii) of the Canadian Act, and the signature in the Statement from the CEO and Managing Director constitutes evidence of approval.

Statement from the CEO and Managing Director



Amongst our key achievements for FY23 was the expansion of worker engagement sessions and third-party grievance channels, two primary avenues which are helping us to strengthen worker voices through open and transparent two-way dialogue between Ansell employees at all levels, an ongoing goal for us.

Neil Salmon – Managing Director and Chief Executive Officer

This 2023 Labour Rights Report provides a point-by-point review of our measurable and meaningful investments and progress in identifying, addressing and mitigating the risk of modern slavery in our value chain. We also share our FY24 plans intended to further safeguard the labour rights of our over 14,000-strong workforce and thousands more third-party supply chain workers.

We take a risk-based approach to labour rights at Ansell and, year over year, have expanded our labour management frameworks for internal operations and third-party suppliers. Each year we incorporate new learnings gleaned from industry collaboration, such as with the Responsible Glove Alliance, references to international standards including the International Labour Organization (ILO) and the United Nations Global Compact which Ansell joined in 2023. The development of our Supplier Management Framework (SMF) in 2021 marked a significant evolution of our program, along with our existing Supplier Code of Conduct. The SMF is rolled out in three waves, with suppliers categorised according to inherent modern slavery risk, Ansell's expenditure and criticality to the business. In FY24, we will continue to roll out our engagement, assessment and risk profiling of Wave 2 and 3 suppliers, ensuring these suppliers achieve Ansell labour standards, further reducing our third-party supply chain risk.

This year we re-launched our stance and dedication on labour rights, making a commitment to "decent work," which the UN Global Compact¹ defines as productive work for women and men in conditions of freedom, equity, security and human dignity. Work is considered decent when it pays a fair income and guarantees a secure form of employment and safe working conditions. This shift, which included re-titling our Modern Slavery Statement as this year's Labour Rights Report, marks our program's maturity and our re-envisioned strategy to lead the world to a safer future, including implementing decent work across our value chain, progress on key programs and commitment to KPIs, and moving beyond compliance-type reporting and compliance-type labour initiatives and actively advocating for higher labour standards in the PPE industry.

In this report we provide extensive detail on progress against our key FY23 goals. Amongst our internal efforts to improve the lives of our production workforce, workers at 11 out of 14 Ansell plants are now earning at or above living wages, and 8 out of 14 plants are observing and practicing 60-hour work weeks. In FY24 we will continue to work toward implementing a maximum 60-hour work week at all Ansell plants and progressing our labour rights operational strategy. All Ansell plants are fully compliant with local working hour regulations. We are strengthening our internal monitoring and incorporated four third-party forced labour indicator (FLI) audits and ten (five unannounced) third-party SMETA audits at our manufacturing plants in FY23, with more planned for FY24.

Migrant workers are historically among the world's most vulnerable workers and at greater exposure to modern slavery risk. Assessing and managing this risk can be made more challenging through involvement of third-party labour agents at different steps of recruitment and employment. In FY23, we onboarded as direct Ansell employees over 1,200 workers in Thailand formerly engaged through third-party labour agents as it was determined that the third-party labour agents did not meet our labour standards. Ansell has had a Zero Recruitment Fee Policy in place since 2019 and was one of the first in our industry to repay all recruitment costs incurred by migrant workers in Malaysia who had paid recruitment fees to disreputable agents in their home countries. In 2022 we revisited our remediation program with LRQA, an independent subject matter expert (formerly ELEVATE), to ensure we continue to align with leading practices. Full details on the outcome of this review can be found in our 2022 Modern Slavery Statement. In FY23, we further engaged with LRQA to extend our fee remediation program to migrant workers who were no longer in Ansell's employ at the time of our remediation. Although there were challenges to connect with former workers, especially those who had relocated to another country, LRQA has validated an additional 218 reimbursement payments were made to former workers, representing an overall outreach success rate of 46%.

1. Labour and Decent Work, United Nations Global Compact.

Statement from the CEO and Managing Director continued

Amongst our key achievements for FY23 was the expansion of worker engagement sessions and third-party grievance channels, two primary avenues which are helping us to strengthen worker voices through open and transparent two-way dialogue between Ansell employees at all levels, an ongoing goal for us. FY23 marked the one year roll-out of a third-party hotline operated by LRQA at six plants, acknowledging the importance of worker-driven monitoring of workplace conditions. These formal and informal mechanisms are outlined in our Global Grievance Policy. In the last two years, we focused on building accountability at the plants and on the production floor by training operations leads and shopfloor supervisors on labour rights and on driving a better culture between workers and supervisors. We will continue to build on this progress in FY24. Overall, our Ansell team members at every level have developed awareness on sustainability, including human rights, with human rights training and an annual Human Rights Day observance on 10th of December. In FY23 we revised our Human Rights Policy to reflect updated guidelines and principles.

In our third-party supply chain, in FY23 we increased the frequency of tracking hours worked for high-risk third-party suppliers to identify, address and reduce the risk of excessive overtime. To enable suppliers to reimburse workers for recruitment fees incurred through disreputable agents in their home countries, Ansell provided financial support to select suppliers to provide the cash flow needed to implement remediation for migrant workers in their employ. I am particularly pleased to report that suppliers representing 100% 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 approximately 19,000 migrant workers.

From a monitoring perspective, we introduced additional supplier due diligence through second-party audits. Thirty-three audits were completed of third-party finished goods suppliers in FY23, with 60% of non compliance items already verified as closed out. Supplier Assessment Questionnaires (SAQs) were completed to inform our understanding of supplier's risks, and supplier engagement was increased through training and top-to-top engagement. Our third-party audit and SAQ program will continue into FY24.

I am particularly pleased to report that suppliers representing 100% 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 19,000 migrant workers.

In September 2022 Ansell presented its first Sustainability webcast. During this webcast, we invited the investor community to engage with Ansell leaders on issues of concern including our approach and ambitions to managing labour rights. In February 2023, Ansell brought together more than 25 key suppliers from 13 countries, with a total of more than 100 external participants at our inaugural sustainability-focused Global Supplier Summit, hosted in Malaysia.

In line with our mission to lead the world in global protection solutions, we remain focused on creating safe, respectful, and inclusive workplaces in our value chain. We will continue to actively engage with employees, suppliers, customers and investors as we see stakeholders increasing their own focus on labour rights and modern slavery. We believe this shared vision is a gateway through which Ansell will lead improvement in worker conditions across our industry, a commitment that stakeholders increasingly trust Ansell to deliver.



Neil Salmon
Managing Director and Chief Executive Officer



About Ansell

Our footprint

Ansell Limited (Ansell) is a global protection solutions company employing more than 14,000 people in over 55 countries, with a global workforce across both professional and production roles.

While a majority of our employees are employed directly through Ansell, a small portion of our workforce is sourced and managed through third-party labour agents.

Working with third-party labour agents allows us to flexibly increase production in line with demand, without unfairly increasing the working hours of our direct employees.

Our strategic and key suppliers, as determined by expenditure or criticality to the business, are managed by our Global Sourcing team.

Over recent years we have been refining our supplier base as part of our broader procurement strategy. By creating a leaner supplier portfolio, we can better engage with our suppliers and develop stronger relationships.

Ansell is comprised of two primary business units:



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 and pharmaceutical companies.

The portfolio includes surgical gloves, single use and examination gloves¹, clean and sterile gloves and garments, and consumables.



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 and gas, utilities, logistics and first responders.



At our internal operations (manufacturing facilities or manufacturing plants) Ansell directly employs most of our production workers and a small portion are hired through third-party labour agents. A small number in each of those groups are migrant workers.

Workforce profile at our manufacturing facilities:

- 1,383 professional workers
- 11,270 production workers
- 21% of production workers are migrant workers
- 98% of production workers hired directly by Ansell (local and migrant)

1. Includes single use gloves used by industrial workers in manufacturing, auto repair, chemical, food processing and other industries.



Corporate hubs

Our corporate hubs are located in Melbourne, Australia; Cyberjaya, Malaysia; Brussels, Belgium; and New Jersey, United States. They are located to manage the global operations and the operations of Ansell manufacturing plants in their corresponding region. Workers at our corporate hubs are typically highly skilled with tertiary educations.

Distribution centres/ Warehouses

We have 24 distribution centres/ warehouses located globally to distribute Ansell products across our various markets. Distribution workers are typically low to moderately skilled.

Manufacturing facilities

Ansell operates 15 manufacturing facilities in our internal production operations (internal operations), with the largest located in Malaysia, Sri Lanka and Thailand, and smaller plants in India, Brazil, China, Lithuania, Portugal and Vietnam. Professional and production roles are performed at the plants.

Top direct-sourcing countries and key product and service categories sourced in FY23:

| | | | | | |
|--|--|---|---|---|---|
| <p>Australia Chemicals</p> <p>Belgium Chemicals</p> <p>Canada IGBU finished goods/ Industrial supplies</p> <p>China HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Yarn/Textiles Synthetic latex Packaging Equipment, machinery and spare parts Support services Chemicals Packaging Services, logistics and shipping</p> <p>Germany HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Chemicals</p> | <p>India HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Chemicals Yarn/Textiles Packaging Services, logistics and shipping</p> <p>Indonesia HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Synthetic latex Chemicals</p> <p>Italy Chemicals Yarn/Textiles</p> <p>Japan Chemicals Synthetic latex Yarn/Textiles Equipment, machinery and spare parts Services, logistics and shipping</p> | <p>Malaysia HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Equipment, machinery and spare parts Synthetic latex Packaging Forest products Chemicals Utilities Services, logistics and shipping</p> <p>Netherlands Chemicals Yarn/Textiles</p> <p>Norway Chemicals</p> <p>Pakistan IGBU finished goods/ Industrial supplies Yarn/Textiles</p> | <p>Singapore Synthetic latex Packaging Chemicals Finished goods Equipment, machinery and spare parts Services, logistics and shipping</p> <p>South Korea HGBU finished goods/ Healthcare supplies IGBU finished goods/ Industrial supplies Yarn/Textiles Synthetic latex Equipment, machinery and spare parts</p> <p>Sri Lanka IGBU finished goods/ Industrial supplies Yarn/Textiles Support services Forest products Packaging Equipment, machinery and spare parts Services, logistics and shipping</p> | <p>Sweden Packaging</p> <p>Taiwan Yarn/Textiles</p> <p>Thailand HGBU finished goods/ Healthcare supplies Forest products Chemicals Packaging Yarn/Textiles Capex for plant expansion Utilities Equipment, machinery and spare parts Services, logistics and shipping</p> <p>Turkey Yarn/Textiles</p> <p>United Kingdom Chemicals Yarn/Textiles</p> | <p>United States Yarn/Textiles Chemicals Equipment, machinery and spare parts Services, logistics and shipping</p> <p>Vietnam IGBU finished goods/ Industrial supplies Chemicals Yarn/Textiles Packaging Services, logistics and shipping</p> |
|--|--|---|---|---|---|

About Ansell continued

Our wider operating context

Ansell operates in a highly complex globalised industry landscape associated with incidents of modern slavery and other adverse labour rights impacts. On pages 4 and 5, we describe general factors of the wider PPE industry, including its historically prevalent risks and emerging risks. These factors relate to the industry generally whereas Ansell’s current risk profile and the performance of our internal operations and third-party supply chain are described from page 13 onwards.

Geographies

Many of the geographies involved in the industry are considered high risk for modern slavery and other instances of labour rights abuse. Key contributing factors are weak rule of law, migration, conflict and poverty, each outlined in more detail below.

Rule of law, bribery and corruption

Adverse labour rights impacts are more likely in countries or regions where legislation and regulations aligned to relevant international standards cannot be established and enforced. This also creates the conditions for increased bribery and corruption, with the greatest impacts falling on the most vulnerable workers. There has been significant work undertaken in some countries, such as Malaysia, to increase alignment of regulation to international standards, but others are lagging behind.

Migration

Migration of low-skilled workers is driven either by displacement due to conflict or environmental impacts, or by poverty and a search of work opportunities. Migration can be inter-country, which is common for neighboring regions to Malaysia, or intra-country, which is common in regions such as India and China. Factors such as temporary working rights, language barriers and lack of access to social protection systems, increase migrant worker vulnerability to exploitation. Migrant workers may also face discrimination from potential employers and fellow workers based on their migration status.

Conflict

Political instability and conflict significantly increases the risk of modern slavery for people in impacted and surrounding regions. Political instability is often tied to bribery, corruption and a weakened rule of law, which may ultimately result in conflict. Armed conflict in particular leads to unsafe working conditions for those who remain in the region and displacement of those who choose to leave.

Poverty

There is a strong correlation between modern slavery and countries with high levels of poverty. Where there is limited access to fulfil basic human needs, vulnerability increases. This can result in individuals becoming susceptible to coercion, including being exposed to recruitment fees, from unethical parties, that can lead to modern slavery. Many of the countries in which our industry operates have moderate-to-high levels of poverty or employ a migrant labour force whose home countries are associated with high levels of poverty.

Industry

In recent years, our industry has been subject to scrutiny due to high-profile incidents, particularly in China and Malaysia. The key contributing factors are set out below.

Skill level

A large portion of the workforce in the industry is employed as lower-skilled production workers, with only a small portion in management roles. Worker tenure is therefore less important and employers have less incentive to offer attractive workplace benefits. High turnover and a continual recruitment cycle can mean workers are more vulnerable to exploitation and modern slavery.

Labour intensity

PPE products have a high labour intensity, meaning labour comprises a high proportion of the cost of production. In a competitive industry, there is an incentive to drive down wages and reduce benefits, increasing the risk of labour exploitation and human rights violations.

Employment type

Due to fluctuations in demand, the industry uses short-term or temporary contracts to employ some production workers. Where third-party labour agents are utilized and there are not strong controls

over the selection and management of labour agents, there is a reduction in visibility over employment practices, increasing the risk of non-compliance to relevant health, safety and labour standards. Production floor work provided is often shift-based to maximise production schedules. This may result in exposure to harsh labour conditions such as consecutive late nights, overtime, unpaid work and limited break entitlements.

Employee accommodation

Due to the high levels of migrant labour, in conjunction with remote working locations, many PPE and glove manufacturers provide employee accommodation. Where workers are required to live in employee accommodation, there have been reported instances of higher rent than location averages, longer shifts worked, unlawful deductions for accommodation and transport, unsafe or sub-standard living conditions, and restrictions on freedom of movement.

Complex value chain

Many inputs into PPE products are considered high-risk for modern slavery. The sourcing of raw materials such as rubber, cotton, minerals and metals, in addition to finished goods and packaging products are from supply chains in which instances have been reported of child labour, forced labour and human trafficking.

Competitive landscape

The market conditions prevalent in some sections of the PPE industry, particularly third party manufacturers producing high volume low cost commoditised products contribute to the high risk profile for human rights abuses in our supply chain.

Price volatility

Demand for some of our products and a greater proportion of the products made by many of our suppliers is volatile due to changing demand for PPE (such as during waves of COVID-19, or following natural disasters), resulting in flow-on impacts on pricing, revenue, and margins. The production capacity for some higher volume less differentiated PPE such as exam gloves was significantly increased to meet demand during the COVID-19 pandemic. As the pandemic eases, the industry's increased production capacity, coupled with decreasing demand, has reduced margins across the industry. This puts greater pressure on costs.

Importation

PPE and glove manufacturing are a globalised industry, with limited product differentiation for some of the higher volume products, resulting in the commoditisation of products, and price sensitivity.

While operating in geographies with strategic proximity to raw materials and other inputs, historical cases of labour exploitation and regulatory oversight increase the risk of human rights violations and abuse.

Customer purchasing power

Some PPE customers, particularly large public and private healthcare systems, typically engage in large-scale procurement of goods through a complex tender process. This gives customers significant purchasing power, resulting in price competition among PPE suppliers. This again puts pressure on wages and employee conditions as companies try to meet production targets and maintain margins. Some customers are moving towards a more holistic understanding of value that includes consideration of human rights. Still, more progress can be made.



About Ansell continued

How we engage with our stakeholders to improve industry standards

Adverse labour rights impacts are systemic to our industry and cannot be solved by a single company. We engage with members in our value chain and industry to uphold labour rights standards and to provide decent work where possible. We share leading practice, develop collaborative solutions and lobby for better regulation and enforcement.

Our partnerships

We select partners based on opportunities to collaborate, our relative purchasing power with a third-party supplier or peer, their ambition, credibility, approach. We actively review our partnership approach while scouting for new partnership opportunities. A formal governance structure encourages us to ask the right questions of ourselves, our industry partners and suppliers before business decisions, alliances, and the purchasing of goods.

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. This year, the RGA conducted education sessions for members and members' suppliers through webinars, trainings and round-table discussions on topics of recruitment fee reimbursement and ethical recruitment corridors. Discover more at responsibleglove.org.

Our customers

While some sections of our customer base have previously typically been price-focused, Ansell has begun increasing our active engagement with our customers on sustainability topics including modern slavery and labour rights issues. At the same time, we are seeing some customers increasing their own focus on these issues, including making public commitments related to ethical procurement, and integrating relevant requirements into the tender process. We believe these successful responsible procurement programs can lead the way to a wider adoption of holistic procurement, moving away from only considering price in decision-making. It will be a significant step in improving conditions within our industry, as suppliers with inadequate practices may lose out on sales and the associated revenue, prompting a change in behaviour.

ANSELL'S 2021 MODERN SLAVERY STATEMENT WAS RATED 'A'

for our disclosure standards and practices in Monash University's Modern Slavery Disclosure Quality Ratings



ANSELL JOINS THE UNITED NATIONS GLOBAL COMPACT (UNGC)

In February 2023, we became a participant of the UNGC, committing to the Ten Principles and taking action towards global goals supported by the UN



Recognised by Morningstar Sustainalytics as **AN ESG INDUSTRY TOP RATED COMPANY IN 2023**
6th percentile in our Industry (Healthcare)



AWARDED ECOVADIS SILVER MEDAL IN 2023

Top 3% in our industry*, improving from 2022 ranking of top 6%
Top 10% of companies assessed by EcoVadis

* Industry classified by EcoVadis is 'other manufacturing, n.e.c.'



Introduction to this Report

From the inception of labour rights as a focus area, Ansell has invested in measurable and meaningful improvements to the management of labour rights and modern slavery in our industry. This has included establishing a strong baseline and building our management approach with support from independent third parties. As we evolve, in line with our ongoing commitment to health and safety, we will continue to integrate a broader view of human rights into our business by maintaining a significant focus on improving the lives of our people.

Our labour rights journey at a glance

Ansell embarked on its labour rights journey in 2016, when we began to measure and establish our labour rights position and released our first Human Rights Statement. Since then, we have progressed from establishing a labour rights management program to seeking to take an industry-leading stance on human rights by developing initiatives that will have long-term positive impacts for all people in our operations and supply chain. We have processes in place to identify, assess, and address

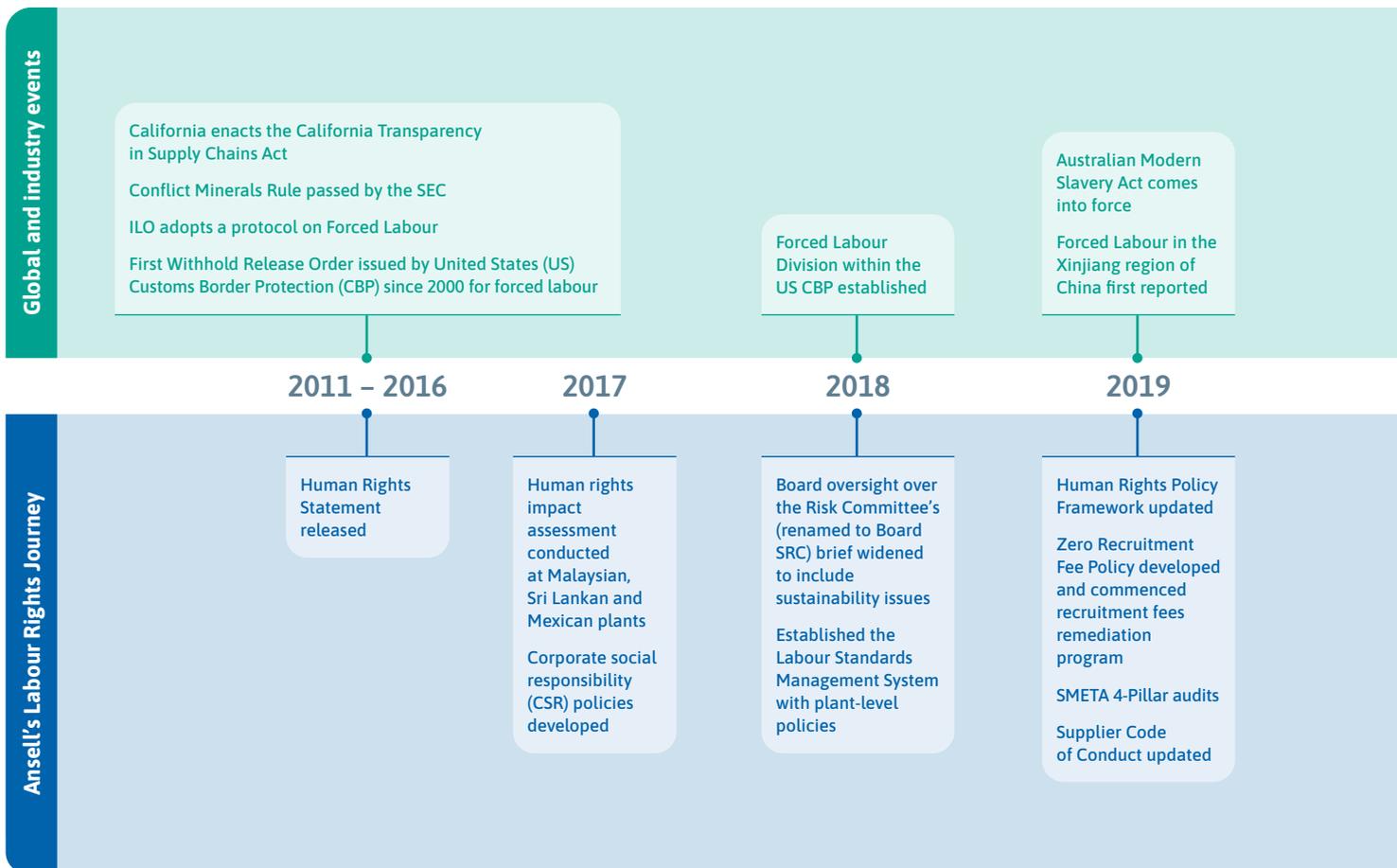
instances of modern slavery and other adverse labour rights impacts, and a diverse range of initiatives to protect the safety and wellbeing of everyone in our value chain.

Defining labour rights for Ansell

Ansell’s definition of labour rights aligns with the International Labour Organisation (ILO)’s Fundamental Principles and Rights at Work. This includes freedom of association, the elimination of all forms of forced or compulsory labour, the abolition of child labour, the elimination of discrimination in respect of employment, and access to a safe and healthy work environment.

This report considers Ansell’s actions across our internal operations and third-party supply chain, from addressing serious adverse labour rights impacts, including modern slavery and human trafficking, to opportunities such as providing decent work in safe conditions with a fair wage. The breadth of our labour rights program is significant, with various components of our program approaching different stages of maturity.

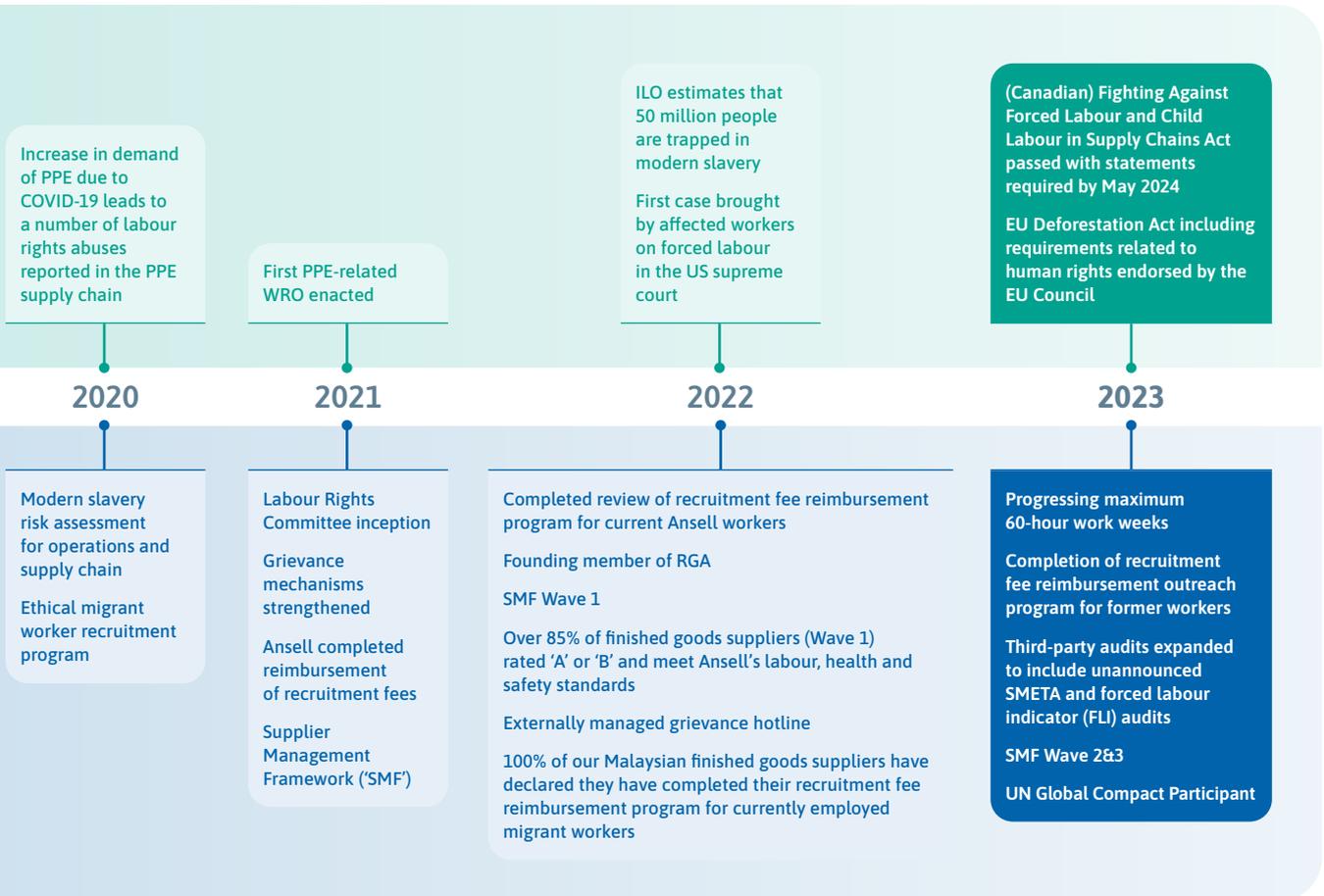
Figure 1: Ansell’s labour rights journey





Labour rights spectrum

| Ansell's Focus | Preventing modern slavery (and human trafficking) | Mitigating dangerous or substandard working conditions | Providing decent work |
|-------------------|--|--|---|
| Definition | Modern slavery exists where workers cannot refuse or cease work because of coercion, threats or deception. Workers may also be deprived of personal freedom. | Dangerous or substandard working conditions exist where the workplace is unsafe, workers are not paid fairly, work excessive hours, or can refuse or cease work, but doing so may lead to detriment. | Decent work exists where workers rights are respected, work can be refused or ceased, wages are fair (at least minimum wage) and the workplace is safe. |



Introduction to this Report continued

Our progress in FY23

We are continuously expanding the remit of our labour rights program to address the risks of modern slavery and provide decent work, better conditions and fair wages for people in our internal operations and third-party supply chain.

During the year, our evolution focused on the development of three aspects of our program:

- Improving the lives of workers through initiatives that target areas of risk to provide decent work
- Improving our understanding of risks by tightening controls
- Strengthening the monitoring and engagement program, including progressing open and transparent, two-way communication with workers and our suppliers

Improving the lives of workers

Ansell operations

- ◊ As at 30 June 2023, workers at 11 out of 14 plants are currently earning at or above living wages.
- Made a commitment to implement maximum 60-hour work weeks for production workers, including regular working hours and overtime, informed by the ILO standards on hours of work and weekly rest, and the Ethical Trade Initiative (ETI) Base Code Clause 6. As at 30 June 2023, 8 out of 14 plants are observing and practicing 60-hour work-weeks, with all plants fully in compliance with local working hour regulations.
- Transitioned more than 1,200 workers engaged through labour agents to direct Ansell employment, thereby having direct engagement with these workers and improving employment conditions and benefits.
- Remediated 218 former workers for historic recruitment fees through our worker outreach program.

Supplier actions

- Increased frequency of tracking hours worked for high risk third-party suppliers to reduce excessive overtime.
- Provided financial support to selected suppliers on recruitment fee remediation.
- Conducted education on uplifting worker accommodation standards.

Improving our understanding of risk

Ansell operations

- Revised our approach to operational risk assessments at our manufacturing plants.

Supplier actions

- Rolled out engagement and assessment activities for our upstream third-party supply chain, across all three waves of the SMF.

Strengthening the monitoring and engagement program

Ansell operations

- ◊ Conducted four third-party forced labour indicator (FLI) audits and ten (five unannounced) third-party SMETA audits, at Ansell manufacturing plants.
- As at 30 June 2023, more than 80% of workers covered by worker committees, workers-appointed representatives, unions and/or collective bargaining agreements.

Supplier actions

- ◊ Introduced second-party audits for third-party suppliers.
- 33 third-party audits completed, with 60% close-out rate (finished goods third-party suppliers).
- Developed a series of Supplier Assessment Questionnaires to inform our understanding of supplier's risks.
- Supplier engagement through trainings, top-to-top engagement and the Global Supplier Summit.

◊ Indicates progress against FY23 commitments reported in 2022 Modern Slavery Statement.



Our Labour Rights Governance

Ansell’s CEO, Executive Leadership Team (ELT) and the Board’s Sustainability & Risk Committee oversee labour rights issues, with our management teams implementing strategies and initiatives.

Ansell’s governance of 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. | |
| Management’s role in assessing and managing labour rights risks | Sustainability & Risk Committee | Audit & Compliance 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. | 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 review performance measures, evaluate proposals for improvement and endorse opportunities for industry collaboration across labour rights. | |
| | Labour Rights Committee | |
| Management’s role in assessing and managing labour rights risks | People Workstream – Internal Operations | People Workstream – Third-party Supply Chain |
| | 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. Quarterly compliance meetings are run with the SVP of Operations, Plant General Managers and human resources teams. | Procurement is conducted through three channels: Global Sourcing at our corporate hubs and offices, individual manufacturing plants and local corporate hubs and offices procurement. Our Global Sourcing team is responsible for implementing the Labour Rights Program in our supply chain. The team is overseen by the Supplier Management Framework (SMF) Working Group, an extension of the LRC focused on SMF implementation. |
| | The Labour Rights Committee (LRC) consists of members of the ELT and functional leads of relevant areas of the business. LRC is responsible for managing modern slavery and labour rights risks in our operations and 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. | |

Expanding accountability to the production floor

Ansell believes that every employee has a role to play in creating and maintaining a culture that encourages transparency and accountability in our operations.

To maintain the highest possible labour rights standards, we need our people to feel empowered to raise and tackle any issues as they arise.

In the last two years, we focused on building accountability with our production floor managers. We conducted training including education on leadership styles, people management, bystander intervention and the ILO forced labour indicators. By upskilling managers who are in direct contact with our most vulnerable workers, we seek to build a better workplace culture and open the dialogue between workers, management and Ansell executives to encourage early identification and resolution of any issues identified.

Our Approach to Respecting Labour Rights

Our commitment and approach

Ansell operates in an industry and across a number of geographies that are considered high risk for labour exploitation. To continue operating in line with our corporate values, consistent and effective management of labour rights is critical.

We are committed to protecting the human rights of every worker who interacts with Ansell. We do this by emphasising the wellbeing of workers over production and financial returns in our internal operations and third-party supply chain.

Our approach to labour rights is twofold: we seek to identify, address and remediate instances of modern slavery and broader adverse labour rights impacts, in addition to introducing initiatives that improve the lives of workers regardless of where they sit in our value chain.

Our approach is guided by the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the ILO Core Conventions. Ansell is a participant of the United Nations Global Compact, demonstrating our commitment to United Nations goals via the Ten Principles of the United Nations Global Compact. Our operational commitments are enshrined in our Global Code of Conduct and Labour Standards Policy. Our commitment to workers' rights is carried out at all levels of our supply chain through our Supplier Code of Conduct. For details on our extensive policy framework see Page 36, Appendix B: Policies.

We are proud of the labour rights challenges we have overcome and of the policies and initiatives we have developed over the years. Due to the complexity and globalisation of today's supply chains, modern slavery and labour rights risks continue to be inherent. We strongly believe that advocating for labour rights issues and working with our suppliers, industry partners and customers is an important mechanism for us to drive change in this space.

Understanding our risks

In 2020, Ansell engaged an independent third party to conduct an inherent risk assessment over internal operations and third-party supply chain. While many labour rights issues are prevalent and continue to be ongoing considerations for us when thinking about our supply chain, we consider modern slavery to be our greatest risk. Given this, the inherent risk assessment primarily focused on modern slavery risk in our supply chain.

The assessment considered four forms of Modern Slavery: forced labour (including bonded labour), child labour, human trafficking and forced marriage. The assessment drew on the Global Rights Index, the International Labour Organization (ILO), and the World Bank, with causal relationships to suppliers integrated through the guidance of the *Australian Modern Slavery Act*. The assessment covered our operations and suppliers at the time. For full details of the methodology and outcomes, refer to page 9 of our 2020 Modern Slavery Statement.

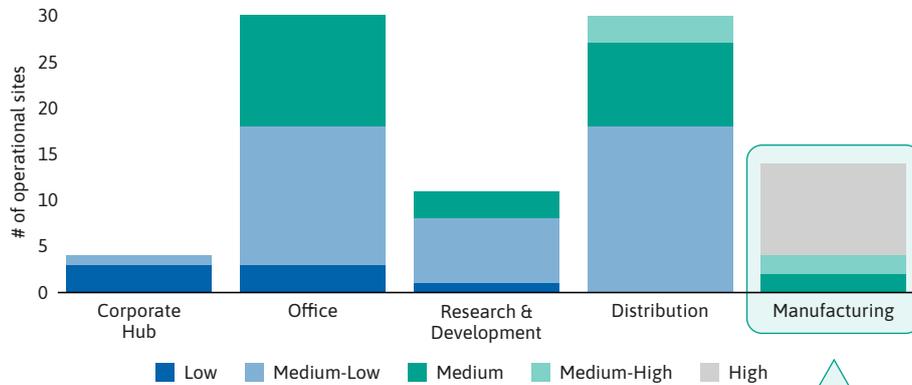
Since that assessment, our operating context has continued to change. Through our programs, we develop and refine risk profiles across our operations and supply chain. As the operating context of our business and supply chain evolves, so do the labour rights risks within them. As such, our labour rights controls must be agile and continuously reviewed to mitigate challenges of an evolving risk landscape. Further details on our risk profiling with consideration for relevant controls is set out on page 24, Improving our understanding of risks.



Risk of modern slavery and adverse labour rights impacts at our manufacturing plants

Our 2020 risk assessment outlined the risk profile of Ansell’s manufacturing plants, distribution centers, offices and other sites as follows:

Figure 2: Modern slavery inherent risk ratings by operational activity



In our manufacturing plants, risk profiles are influenced by employee roles and location of the plants, as described below:

Figure 3: Risk profile within our manufacturing plants

| Increasing risk profile | Role | Relevant locations | Risk description |
|--|--|---------------------------------|---|
| Professional workers | Professional workers | All Ansell manufacturing plants | Role risk is considered low as workers are often highly skilled and well educated. Geographic risks are considered elevated, as a portion of Ansell’s manufacturing plants are in jurisdictions with lower levels of regulation. However, the impact of these on professional employees is relatively small, as they receive a wage above required minimums, are difficult to replace, and retain higher bargaining power as a result of their position. |
| Production workers hired by Ansell | Production workers hired by Ansell | All Ansell manufacturing plants | Role risk is considered elevated as skill level required is low and labour intensity is high (see page 4, Operating context). Production workers are likely to be affected by geographic risks such as level of regulation. Workers rely on legal protections to establish wages and working hours, and may come from situations of vulnerability (as described earlier on page 4, Operating context). |
| Local and migrant production workers contracted through third-party labour agents and migrant production workers hired by Ansell | Local and migrant production workers contracted through third-party labour agents and migrant production workers hired by Ansell | Malaysia and Thailand | Role and geographic risks are the same for production workers, with additional risks driven by workers’ impermanent migration status, including potential language barriers, limited access to social infrastructure, and limited access to legal recourse in some operating jurisdictions. Workers are also likely to require employee accommodation and therefore have increased vulnerability as a result of their living conditions being tied to employment. |

Our Approach to Respecting Labour Rights continued

Risk of modern slavery and adverse labour rights impacts within our third-party supply chain

As a result of our improved work understanding of supply chain risks (see page 25), we identified and are currently monitoring third-party packaging suppliers as a new addition to the high risk categories, details below. We are linked to these risks through our purchasing relationships, but do not believe we are causing or contributing to the risk.

Figure 4: High risk suppliers by country and industry

| Industry | High-risk countries | Risk type | Risk factor description |
|--|---|---|---|
| Textiles (mainly cotton) | <ul style="list-style-type: none"> China India Pakistan | <ul style="list-style-type: none"> Forced labour Child labour Substandard and exploitative working conditions Excessive overtime | Human rights issues and modern slavery practices in the fashion, cotton and textiles industry have been subject to public scrutiny. Despite this, labour rights issues persist in the countries we source from, namely China and Pakistan. Forced and child labour, poor working conditions and overtime exist at the agricultural and production levels of the supply chain. The risk factors include high labour intensity, low levels of regulation and a reliance on low-skilled and seasonal labour. |
| Healthcare finished goods (mainly gloves, PPE) | <ul style="list-style-type: none"> China India Indonesia Malaysia Sri Lanka Vietnam | <ul style="list-style-type: none"> Forced labour Debt bondage Excessive overtime Substandard and exploitative working conditions Substandard accommodation | The healthcare supplies industry is inherently high risk for forced and child labour. The industry is associated with multiple high-profile regulatory cases and media reports reports of modern slavery and other adverse labour rights impacts. Risk factors include seasonal migrant employment, low-skilled labour and high labour intensity. |
| Packaging | <ul style="list-style-type: none"> Malaysia Thailand Sri Lanka | <ul style="list-style-type: none"> Forced labour Debt bondage Excessive overtime Substandard working conditions and accommodation | Packaging suppliers are considered high risk for modern slavery and dangerous or substandard working conditions due to geographic and industry risks typically associated with these suppliers. Risk factors include migrant labour, low-skilled labour, high labour intensity and high frequency of subcontracting arrangements or engaging labour agents. |
| Forest products (mainly natural rubber latex and biomass) | <ul style="list-style-type: none"> Malaysia Sri Lanka Thailand | <ul style="list-style-type: none"> Child labour Forced labour Sub-standard and exploitative working conditions | Rubber plantations in the Asia-Pacific are frequently implicated in modern slavery. Key risks include forced labour and child labour, influenced by risk factors such as migrant workers, seasonal and low-skilled labour. Opaque intermediaries are inherent risks in the industry, with sellers actively deceiving buyers about where products are sourced from. |
| Minerals (mainly salt and stone) | <ul style="list-style-type: none"> China Thailand | <ul style="list-style-type: none"> Child labour Forced labour Human trafficking | Like forest products, the minerals industry is notorious for forced and child labour, human trafficking and opaque intermediaries. However, the mining industry has a higher level of regulation and lower reliance on migrant workers than the other categories. |



Our Approach to Respecting Labour Rights continued

Management frameworks for operations and third-party supply chains

Ansell sets clear expectations regarding prohibiting modern slavery, respecting human rights and maintaining fair labour practices across our operations and third-party supply chain. We do this through a series of policies, frameworks and controls that have been developed with reference to international standards and stakeholder expectations, which in turn, informed by our learnings over the years.

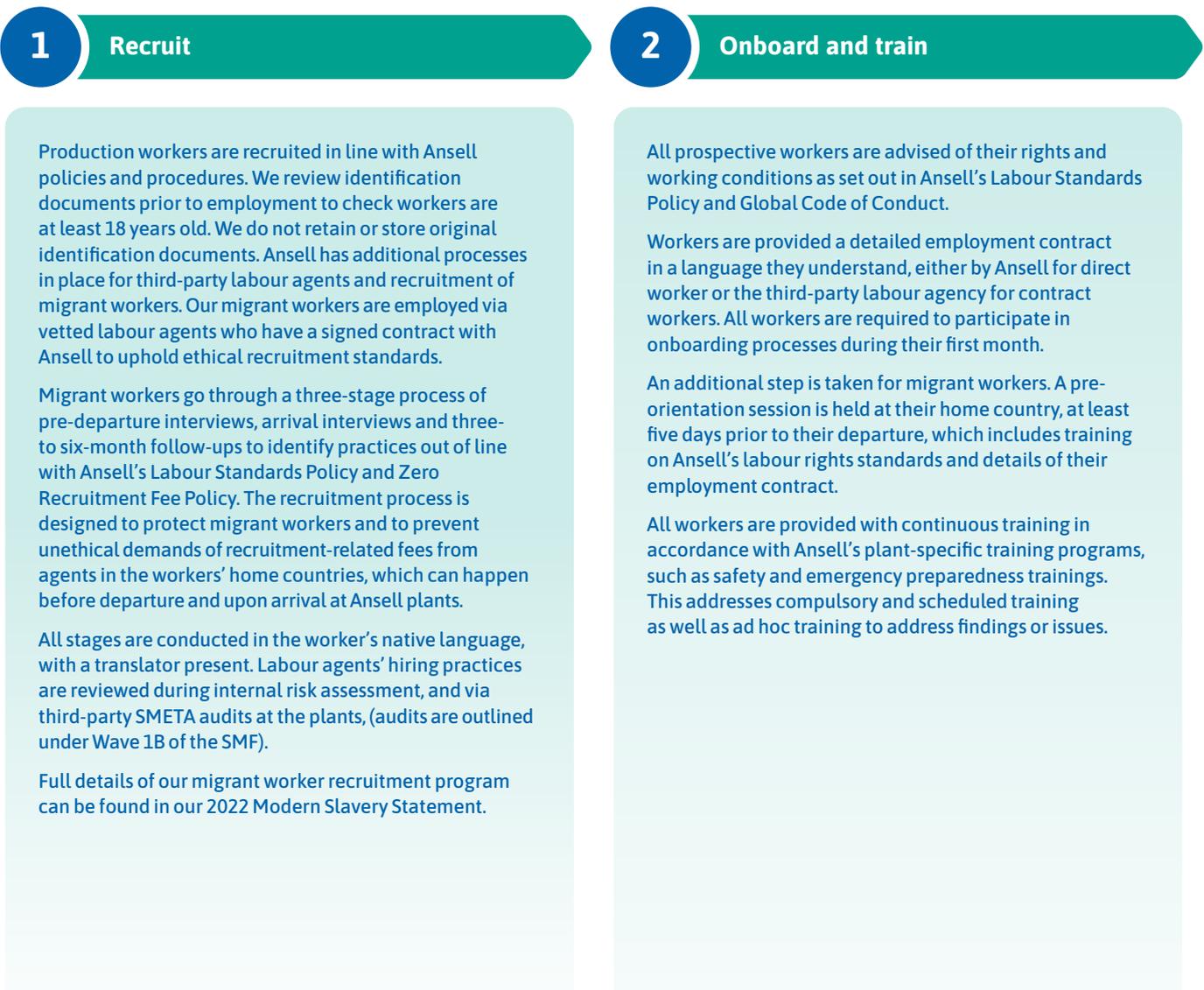
For further details on the relevant policies, please see page 36, Appendix B: Policies.

We take a risk-based approach to labour rights management, which is integrated into our frameworks and controls so that we target our areas of high risk. We work with our operational teams and third-party suppliers to support implementation of our expectations and adherence to our approach.

Operations framework and controls

To support consistency across our plants. We developed the Labour Standards Management Framework (LSMF) in 2021. The LSMF standardises and codifies our approach, as encapsulated by the Labour Rights Standard Policy, making it accessible to management and our workers for consistent application of Ansell’s labour rights standards. The LSMF sets out living and working conditions that exceed local legislation, drawing on relevant international standards such as the ILO.

Figure 5: Labour Rights Management System





3 Engagement and remediation

Ansell engages with workers through townhalls and group briefings, worker committees, workers-appointed representatives and/or unions, contact by human resources on specific topics, and a biennial employee engagement survey. We also engage with relevant external third parties, including industry groups and subject matter consultants and NGOs, to collaborate for shared solutions and conduct reviews over the salient components of our Labour Rights Program. Engagement is used to inform the effectiveness of our program.

We have plant and corporate grievance mechanisms as set out in the Global Grievance Policy. This includes externally managed hotlines and direct reporting to management. Where a grievance is proved to have occurred, remediation steps are taken in a timely way.

4 Monitor and report

In addition to worker engagement and grievance mechanisms, Ansell uses several monitoring systems to track compliance with local laws and Ansell policies. This includes digital tools to monitor hours and overtime at some plants, internal assessments and audits.

Data is collected and reported to senior management via the Labour Rights Committee, Human Resources Leadership Teams meetings and Quarterly Compliance. Board SRC is informed via quarterly reporting. We continually reflect on the effectiveness of these tools reporting of key indicators to the management teams.

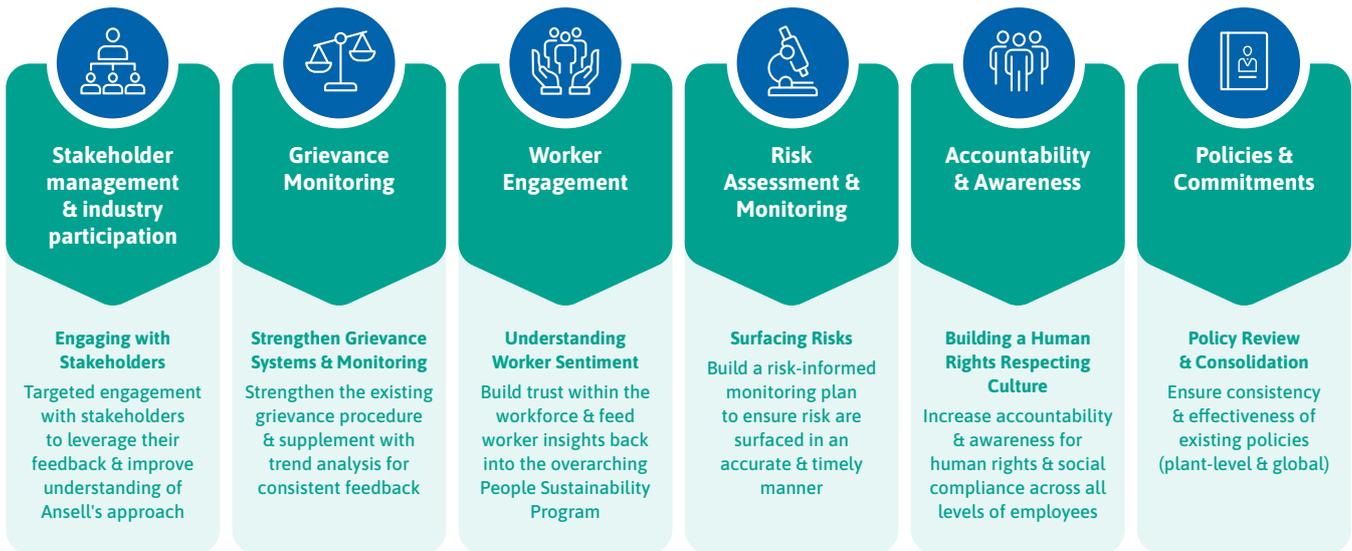
Our Approach to Respecting Labour Rights continued

Building on our labour rights approach in operations

In FY22, we engaged a third-party consultant, a subject matter expert on labour rights in the industry, to review our existing labour rights program and strategy, leading to the development of a Labour Rights Operational Strategy that would better integrate an approach to labour standards beyond modern slavery.

The reviewed six-pillar strategy was launched internally in FY22. Operating on the global stage with different stakeholders and priorities in each region, the strategy helps identify areas for improvement and appropriate responses, and will lead us to continuously achieve best practices and move towards being a recognised leader in our industry.

Figure 6: Labour Rights Operational Strategy



Underpinning the strategy our near-term roadmap. Set out below are the actions planned and progressed during FY23.

Table 1: Strategy actions

| Pillar | Progress as at 30 June 2023 | Details |
|--|--|---|
| Stakeholder management and industry participation | <ul style="list-style-type: none"> Four RGA training sessions were held by RGA for 116 industry peers Completed reimbursement of recruitment fees for 218 former migrant workers under our former worker outreach program | Page 22 Worker outreach program |
| Grievance and monitoring | <ul style="list-style-type: none"> Completed one year roll-out of third-party grievance mechanisms at six plants Grievances are reported to executive leadership, SVP of Operations and Supply Chain and CHRO and plant senior management | Page 30 Grievance mechanisms |
| Worker engagement | <ul style="list-style-type: none"> More than 80% of workers covered by worker committees, workers-appointed representatives, unions and/ or collective bargaining agreements | Page 29 Collective Bargaining agreements |
| Risk assessment and monitoring | <ul style="list-style-type: none"> Conducted ten SMETA and four FLI audits 8 out of 14 plants are observing and practicing maximum 60-hour work-weeks, with all plants fully in compliance with local working hours regulations. An online tracker is used to monitor hours worked and rest days. | Page 26 Strengthening monitoring and engagement |
| Accountability and awareness | <ul style="list-style-type: none"> Continued raising accountability at plants by coaching plant operational leaders, floor managers and general managers through audit management responses and corrective action plans Assigned Plant CSR Lead at each plant to drive implementation and monitoring of Ansell's labour rights standards | Page 11 Our labour rights governance |
| Policies and awareness | <ul style="list-style-type: none"> Review of Ansell's suite of human and labour rights policies Training of plant leadership at Ansell's new plants: Ansell Seremban and Ansell Kovai 140 managers at manufacturing plants completed Culture of Ethical Decision-Making training 3,185 production employees received an in-person refresher course on our Global Code of Conduct | Page 36 Appendix B: Policies and 2023 Sustainability Report |

Supply chain framework and controls

We set expectations within our third-party supply chain through the Supplier Code of Conduct (SCOC). We require suppliers who are aligned with our commitment to respect and uphold human rights, using the SCOC to guide discussions with current and prospective suppliers.

The development of our Supplier Management Framework (SMF or Framework) in 2021 marked a significant evolution of our program. The Framework has been rolled out in three waves (see Figure 7 below), with suppliers categorised according to inherent modern slavery risk, Ansell’s expenditure and criticality to the business.

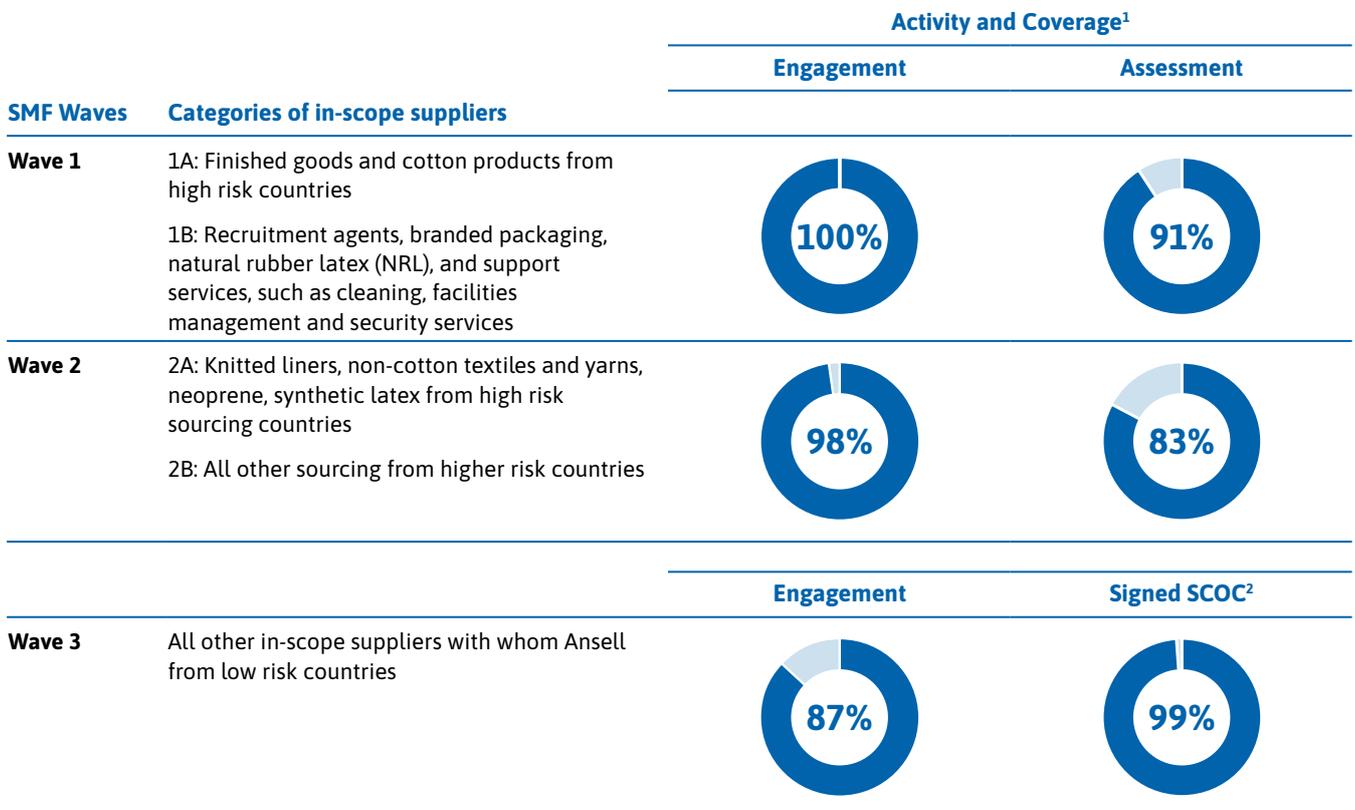
Suppliers in-scope are suppliers who have direct input into our finished products and our manufacturing operations, including raw materials, finished goods suppliers, and service providers at our internal operations. We apply a risk-based approach to prioritise our suppliers based on criticality to the business, countries of operations, and categories with high risk for labour rights.

The Framework and the SCOC together play an important role in onboarding new suppliers. All data collected for the SMF is documented in a centralised supplier database.

Audits are conducted on a rolling basis, with the frequency determined by Ansell according to a supplier’s inherent modern slavery risk, prior audit results and information from external sources such as regulators, NGOs and journalists.

In the short term, the purpose of the Framework is to maintain a consistent and rigorous risk management approach to all our suppliers. The Framework has also been instrumental in directing our focus to the high risk suppliers. In the long term, we expect the framework will create long-lasting change in the business by reducing third-party supply chain risk overall.

Figure 7: Supplier Management Framework waves and activities



1. % KPIs are tracked as per spend coverage.

2. Currently, we focus on onboarding high risk suppliers onto our audit programs. For lower-risk suppliers, we ensure their commitment to our standards and expectations via signed SCOC and briefings, and we track any audits or assessments voluntarily completed by the supplier.

Our Approach to Respecting Labour Rights continued

Wave 1 commodity sourcing

As part of Wave 1 we committed to formalise sourcing requirements for our high risk natural materials, including cotton yarn and natural rubber latex. During FY22 we began investigating suitable certification and collaborative action opportunities. To date, we have extensively researched Natural Rubber Latex certifications and have been engaging with suppliers and external parties on suitability.

In FY24 we aim to align suppliers with a reviewed approach to sustainable raw material sourcing that meets leading standards.

Building our approach in the supply chain through the SMF

This year, we continued the rollout of our Supplier Management Framework (SMF). The near completion of Wave 1 enabled us to roll out Wave 2 and 3 simultaneously, which has proven more effective than staggering our targets over a longer period.

Last year, we delayed roll-out for Wave 2 suppliers due to heightened focus on our high risk suppliers in finished goods and time taken to refine the SMF process and activities based on learnings. This year, we are pleased to apply these learnings to roll out actions across all three waves by FY24.

The rollout of Wave 1 has identified opportunities to improve our approach, particularly by upgrading our assessment and risk profiling:

- **Assessment:** We have introduced two new components to our assessment approach. The first is a second-party audit conducted by Ansell over our high risk suppliers, the second is self-assessment questionnaires (SAQs) targeted at the most common non-conformances. See further detail on page 32, Strengthening monitoring and engagement in our third-party supply chain.
- **Risk profiling:** For detail of the new risk profiling activity we have introduced to support our inherent risk assessment of suppliers, see page 25.

Table 2: SMF implementation progress

| Wave | Third-party supplier categories | Activities performed in FY23 | Outcomes ¹ |
|------|---|--|---|
| 1 | Finished goods and cotton from high risk countries, recruitment agents, branded packaging, inputs including natural rubber latex, and support services (such as cleaning and security) in higher-risk countries | <ul style="list-style-type: none"> • Engagement through awareness briefings, and industry-specific platform exploration for commodities. Regular meetings with suppliers on emerging issues, and monitoring performance and commitments. • Management engagement including top-to-top discussions, audit follow-up and remediation. • Assessment through third-party audits • Assessments through second-party audits and SAQ • Develop a risk profile informed by assessment and engagement | <ul style="list-style-type: none"> • 100% of suppliers participated in engagement • 91% of suppliers underwent assessment • Risk profiles developed for suppliers across finished goods and packaging • 12 suppliers participated in top-to-top engagement and on audit compliance and remediation |
| 2 | Knitted liners, non-cotton textiles and yarns, neoprene and synthetic latex from high risk countries and all other sourcing in high risk countries | <ul style="list-style-type: none"> • Engagement through awareness briefings and assessment through third-party audits • Management engagement including top-to-top discussions • Additional assessment through SAQ • Develop a risk profile informed by assessment and engagement | <ul style="list-style-type: none"> • 98% of suppliers participated in engagement • 83% of suppliers underwent assessment • Risk profiles developed for synthetic latex and synthetic yarn suppliers |
| 3 | All other suppliers in low risk countries | <ul style="list-style-type: none"> • Engagement through briefings • Suppliers' commitments confirmed through signed copy of SCOC • Develop a risk profile informed by assessment and engagement | <ul style="list-style-type: none"> • 87% of suppliers participated in engagement • 99% of suppliers signed SCOC. We are in discussions with the remaining suppliers. Currently, we focus on onboarding higher-risk suppliers onto our audit programs. For lower-risk suppliers, we ensure their commitment to our standards and expectations via signed SCOC and briefings, and we track any audits or assessments voluntarily completed by the supplier. • Risk profiles developed for finished goods suppliers in lower-risk countries |

¹ Indicates additional activities included under this heading as a result of learnings from our SMF rollout to date.

1. % KPIs are tracked as spend coverage

Improving the Lives of Workers

Ansell has worked to create a strong foundation for labour rights oversight and compliance through the development of labour rights programs in our operations and third-party supply chain. The foundation of our approach continues to be identifying, assessing and addressing modern slavery.

As our labour rights programs and frameworks have matured, we are shifting our focus to drive initiatives that go beyond compliance to improve the lives of workers in our operations and third-party supply chain.

Improving the lives of our employees

Within our operations, Ansell is well positioned to make an impact on the wellbeing of our direct employees. We do this through initiatives that provide safe and decent work, especially targeting our most vulnerable workers.

Providing decent work

Decent work is defined as the right to productive work in conditions of freedom, equity, security and human dignity². Within our operations Ansell has made progress against two initiatives that aim to achieve decent work for our workers. These are living wages and a 60-hour working week.

Living wages

In March 2021 we engaged an independent third party to establish a living wage as a minimum for employees at all Ansell locations. We define a living wage as income earned within regulated working hours (without overtime), which fulfills basic needs such as food, housing, transport, healthcare, education, and is sufficient to support a worker and their family.

We completed the initial benchmarking of our plants globally, which identified that a number of Ansell's plants already pay at or above the living wage. For the remaining plants, Ansell has worked to identify opportunities to uplift the compensation of workers to provide a living wage. During FY23, our plants in Malaysia and China achieved living wages. As at 30 June 2023, workers at 11 out of 14 plants are currently earning at or above living wages. This excludes a couple of our larger plants in Asia, where we are working through particular complexities as we continue efforts to meet this standard. In Sri Lanka, living wage benchmarking has been revised in FY23 by an independent external party due to the economic crisis. We continue to provide special financial assistance in the form of inflation subsidies to ensure our teams in Sri Lanka are adequately supported during this difficult period.

A serious safety incident in Melaka, Malaysia

In September 2022, 39 Ansell employees and their driver were involved in an accident while travelling by bus from our Melaka plant to their accommodations after completing their day shift. Brake failure caused the bus to veer off the road and down an embankment. Emergency workers were needed to free the driver and passengers. Some of our employees needed hospital treatment, but all are now out of hospital and doing well, and all have made a full recovery. However, the consequences of this accident could have been far more serious, and we have important lessons to learn. We are very grateful to the first responders who arrived on scene quickly to treat the injured and transport those who required further treatment.

This incident represents one of the most serious events at Ansell in recent years in which the safety of our employees has been compromised. Transportation to and from accommodation to the plant is an offering to Ansell employees and although we engage a service provider,

we cannot ignore our employees' safety. Ansell's health and safety team investigated the root causes of the accident, and all plants received guidance on reviewing employee transport safety risks. These guidelines are also now formally part of our labour risk assessment. Plants now need to conduct formal and proactive action by speaking to the driver directly, assess the condition of the transport frequently, and ensure conditions satisfy our requirements. From 1 July 2023, Ansell will commence the roll out of mandatory seatbelts for all Ansell employee transportation that meet our standards and requirements. We also plan to implement bus GPS and dashcams at some plants to encourage road safety vigilance and report feedback to drivers through an online monitoring system.

The incident highlighted the need for a more proactive approach to managing employee transport safety in all countries, over and above local laws. These risks will be addressed by our new Transport Policy.

2. Improving health in the workplace: ILO's framework for action.

Improving the Lives of Workers continued

60-hour work weeks

In many of the geographies in which our facilities operate, local laws permit workers to work up to 80 hours a week, resulting in an average of 12-hour days. Ansell recognises the impairment this can have on an employee's well-being. Ansell standards go beyond local laws, as our internal operations ensure one rest day a week and overtime hours are offered on a voluntary basis only. Moving our ambitions forward, this year we made a commitment to implement maximum 60-hour work weeks for production workers (achieving year on year progress), including regular working hours and overtime, informed by the ILO standards on hours of work and weekly rest, and the Ethical Trade Initiative (ETI) Base Code Clause 6.

As at 30 June 2023, 8 out of 14 plants are observing and practicing maximum 60-hour work weeks, with all plants fully in compliance with local working hours regulations. This year, a plant in Malaysia implemented 60-hour work weeks in April 2023, and in FY24 both plants in Sri Lanka will implement new shift schedules and controls to practice and monitor 60-hour work weeks.

Our achievements this year have been assisted by other factors, including a drop in demand for our products and consequently the pressure on our plants. The frequency of overtime varies significantly by country and local laws, type of product manufactured, cultural and workplace behaviours. For example, we know that our third-party suppliers' plants manufacturing finished goods in China are significantly more prone to overtime breaches. We describe our actions on working hours tracking for third-party suppliers in the next page.

Supporting our most vulnerable workers

The nature and location of our production facilities means that we are more likely to be employing vulnerable workers. The most vulnerable of these are migrant workers, refer page 13 for full details.

Moving subcontracted workers to direct Ansell employees

At Ansell owned manufacturing plants, the majority of our workers are hired directly by Ansell, as we intend to maintain a long-term and engaged workforce. However, due to varying production demands, some workers are engaged through third-party labour agents. In recent years, we have reviewed and assessed labour agents' hiring practices to ensure alignment with Ansell standards, particularly our ethical recruitment program.

In Thailand this year, we onboarded as direct Ansell employees over 1,200 workers formerly engaged through third-party labour agents as it was determined the third-party labour agents did not meet our labour standards.

The plant also conducted a series of events as part of an inclusive program to foster positive relationships and welcome the new direct workers. Events held included townhalls, trainings, and a celebration of International Women's Day with a translator present. To improve manager-worker relations, we are also building leadership capability to improve communications with shop floor workers.

Worker outreach program to remediate recruitment fees

Ansell has 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, integrating learnings from NGOs and other stakeholders. To ensure we continue to align with leading practice, in FY22 we commissioned LRQA (formerly known as ELEVATE), an industry-leading sustainability and supply chain consultancy, to review our remediation program. Full details on the outcome of the review can be found in our 2022 Modern Slavery Statement.

In FY23, we further engaged LRQA to extend our recruitment fee remediation program for former migrant workers. These are workers who previously worked with Ansell and may have paid recruitment fees to agents in their home countries, and who have returned home since the rollout of our Zero Recruitment Fee Policy implementation and the completion of the current worker remediation program.

To implement this together with LRQA, we ran a six-month outreach program to connect with former workers. LRQA initiated the worker outreach and engagement program. Ansell actively advertised the outreach program by displaying promotional posters with QR codes in workers' native language. LRQA also coordinated a group of translators to contact workers via phone, web-based apps and social media, and set up an online application portal for former workers and we encouraged current workers to share the information with their contacts. It has been challenging to contact with former workers, especially those who had relocated to another country. Nevertheless, we are pleased to announce LRQA has independently verified the 218 reimbursement payments, after an overall outreach rate of 46%. LRQA has validated that Ansell completed its current and former worker remediation programs successfully.

Wellbeing activities

Improving the mental and physical wellbeing of our workers supports our ambition for decent work for all Ansell employees. Across the business we have three main wellbeing initiatives: events, engagement activities and awareness programs. Ansell’s regional DE+I teams are responsible for planning and coordinating wellbeing initiatives, collaborating with plant management to tailor each initiative to the appropriate regional context.

| Wellbeing initiatives | Purpose | Examples |
|------------------------------|---|---|
| Events | Celebrations that recognise days of significance, including cultural and religious holidays relevant to the geographic context of our manufacturing plants. | International Women’s Day, Songkran Festival Day, Secret Santa, Deepavali Celebration, Ramadhan, Ponggal Celebration. |
| Engagement activities | Ongoing activities that promote increased engagement both amongst workers and between workers and management. | Production floor walks with the health and safety team and the human resources (HR) team, HR open door hours (see further page 30 Grievance mechanisms). |
| Awareness programs | Training sessions that educate workers on risks and preventative measures regarding topics related to wellbeing. | Health-focused programs covering topics such as diabetes, work-life balance, breast cancer, mental health, stress management, drug awareness and awareness for pregnant mothers in the plant. |

Improving the lives of workers in our third-party supply chain

Ansell believes fair work should be provided regardless of where a worker sits in our value chain. As such, we seek to partner with third-party suppliers who are aligned to our labour rights commitment and who are willing to engage to meet our labour rights standards. During the year we have focused on addressing the following three commonly reoccurring non-conformances to improve the lives of workers.

Reducing excessive overtime

Excessive overtime is a key risk within the industries and geographies of our suppliers. Overtime is deemed as excessive where it results in breaches of local law and/or Ansell policies. Overtime should be voluntary. Excessive and forced overtime drastically affects the lives of workers, including their mental and physical wellbeing. As such, Ansell has prioritised addressing this risk with our suppliers through increased tracking and reporting.

In addition to audits, high risk suppliers are required to record and submit their workers’ hours to our procurement team. The monthly tracking report provides valuable insights into overtime patterns, enabling us to identify any instances of excessive overtime, recurring issues and potential risks. This allows corrective actions to be implemented and monitored before excessive hours are worked. For our high risk suppliers, performance on working hours is reported through to the LRC.

Despite improvements in transparency and reporting from suppliers to Ansell, the pressures of our industry may still result in excessive overtime. Considering this, in addition to working with suppliers directly, Ansell has been advocating for production workers through avenues such as the Responsible Glove Alliance.

Providing remediation

We seek to work with suppliers who align with Ansell’s labour rights commitments, which includes remediating workers as appropriate where they have faced adverse labour rights impacts. We have been working with suppliers who align with our expectations to deliver complete remediation as a priority.

As at FY23, 100% of our Malaysian finished goods suppliers declared they have completed their recruitment fee reimbursement program for currently employed migrant workers. This represents more than USD 30million in recruitment fees reimbursed and approximately 19,000 workers affected. Ansell has worked with these suppliers to assess the financial requirements for remediation. In some instances, Ansell provided financial support through measures such as up-front payment for products, to provide selected suppliers with sufficient cash flow to implement remediation. We are continuing our efforts with our categories of suppliers identified in our supply chain, as part of the phased roll-out of the SMF Waves.

Uplifting hostel standards

Due to the number of inter- and intra-country migrant workers in our supply chain, worker accommodation is a common component of our suppliers’ operations. Worker accommodation may be part of a supplier’s direct operations, or it can be outsourced to a third party. Providing clean, well-lit, safe and spacious housing is an important factor in improving a worker’s quality of life and an Ansell priority.

Non-compliance with relevant local laws on health and safety, privacy and space continue to be a prevalent issue in at worker accommodation. As such, we have increased engagement with third-party suppliers to build understanding of legislative requirements through engagement and training on relevant standards. As at FY23, 100% finished goods suppliers have completed hostel upgrades and to comply with local Malaysian regulations. We consider Ansell’s own accommodation an example of setting standards above legislative requirements to closer align with relevant international standards.

Improving our Understanding of Risks

In 2020 we undertook a comprehensive assessment of the inherent modern slavery and human trafficking risk associated with our operations and third-party supply chain. Since then, we have continued to engage with plant leaders and suppliers, review third-party audit results and assessment, consult with subject matter consultants and NGOs, perform media scans, review industry publications, and watch lists. This year we took steps to formalise our ongoing approach to risk assessment, including an escalation process for our areas of high risk.

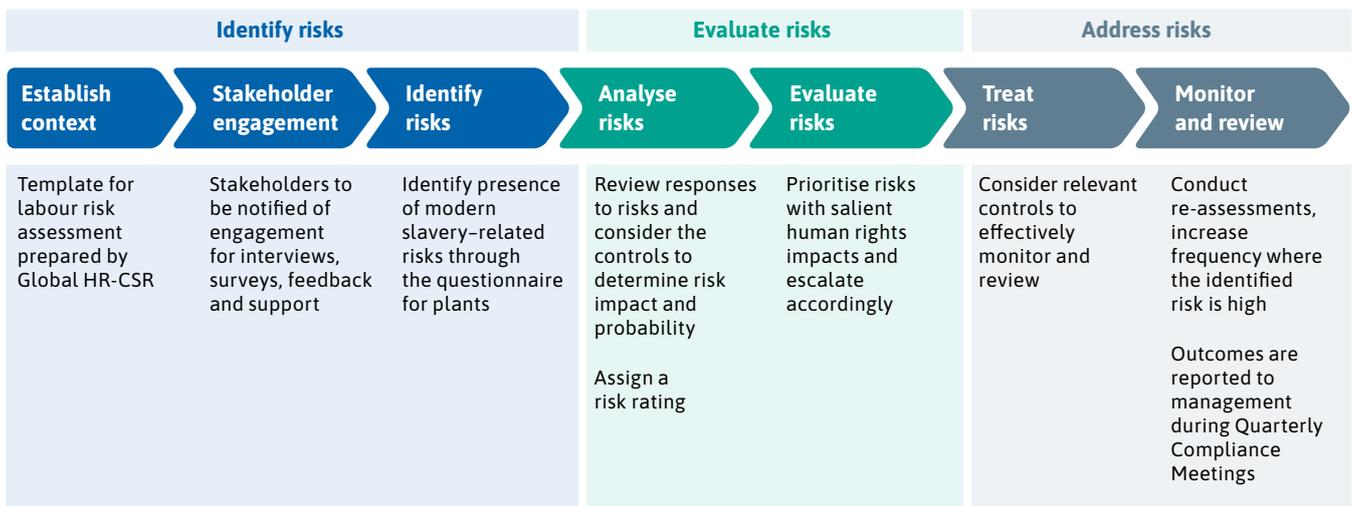
Understanding and addressing risks in operations

To strengthen the understanding of risks within our operations we have introduced a new labour risk assessment activity at our plants, which covers our end-to-end workforce on-site including third-party labour agents and third-party service providers, such

as janitorial and security services, accommodation, and transportation. The new activity is our reviewed approach to risks based on learnings in recent years. It draws on international standards including SMETA and ILO, and Ansell’s Labour Standards Policy, to establish a risk rating for several aspects for each plant and is linked to corresponding management responses activities for issues/risk identified across Ansell plants.

The roll-out was supported by Global HR-CSR, who provided training and guidance on implementation to the CSR leads and plant management to ensure effective implementation. We completed the one-year roll-out of the assessment in FY23 and will be refined further in FY24. Plant general managers and relevant teams at plants are responsible for the risk management process and closeouts with input from relevant stakeholders.

Figure 8: Ansell’s operational risk management process



Risk identification questionnaire

The questionnaire for plants requires them to consider the risk factors associated with Ansell’s worker engagement process, the operational practices that may lead to worker exploitation and the current controls in place to reduce likelihood or probability. The potential risk factors associated with the engagement process align to the following forced labour indicators. These indicators were selected based on historic audit results as potential risk factors associated with our operations.

- Abuse of vulnerability
- Deception
- Physical and sexual violence
- Intimidation and threats
- Withholding of wages
- Debt bondage
- Retention of identity documents
- Restrictions on movement
- Excessive overtime

The labour risk assessment results will be used as a component of our broader monitoring program. They will inform our understanding of risk across each plant and inform selection of plants for further due diligence such as audits. The risk assessment management process will also provide a basis for plants to recommend controls to reduce their risk where appropriate, with the support of Global HR-CSR.

Understanding and addressing risks in our third-party supply chain

This year, we developed a risk assessment and escalation framework to complement the assessment and engagement activities set out as part of the SMF. The risk assessment assigns a clear categorisation that dictates due diligence requirements as part of our procurement and ongoing monitoring program. The Framework creates a centralised rating system for third-party suppliers that reflects various elements of our monitoring program, as listed on the right. This has addressed the issues with inconsistent supplier information and formalised resulting actions between Ansell’s various channels of procurement.

The rating system considers:

- **Suppliers’ annual performance evaluation and standards:** the quality of a supplier’s labour standards management system through a review of policies, including the presence of a grievance mechanism. Ansell also considers the supplier’s willingness to engage on labour rights.
- **Audit program:** Second-party and third-party audit results, together with the supplier’s responsiveness to address audit findings and implement corrective actions.
- **External input and regulatory sanctions:** US Customs and Border Protection’s Withhold Release Orders, media articles, any grievances or findings on the supplier received externally.

These inputs inform supplier categorisation, escalation and response, as set out below.

Table 3: Third-party supplier SMF risk rating and escalation process

| Risk rating | A Low | B Medium | C Medium-High | D High |
|--|---|---|--|---|
| Supplier categorisation | Approved to trade. | Approved to trade. | Conditional approval based on action plan to close non-conformances | Close-out of action plan required in a stipulated time period, otherwise supplier will be suspended |
| Continuity | Supplier remains on approved purchasing list. | Supplier remains on approved purchasing list, unless no improvement. | Automatically under probation for up to 12 months. | Automatically under probation up to 6 months, followed by sanctions if no improvement is shown. |
| Monitoring and engagement | Continue to monitor the supplier. | Monitor the supplier for improvement, and downgrade to ‘C’ if no improvement after 12 months. | Supplier is informed of risk rating, and discussion is initiated on commitment and time-bound action plan. Monitor supplier for improvement, and downgrade to ‘D’ if no action taken. | Supplier is informed of risk rating, and initiate discussion on commitment and time-bound action plan. Will lead to contract termination if no improvement and immediate sanction if a Severe NC is found. |
| Escalation to senior management | Regular updates to LRC | Notify Vice President of Global Procurement and the business unit, and regular updates to LRC | Inform SVP of Operations and Supply Chain, CFO, LRC members. Continue regular updates to LRC. | Immediately inform SVP of Operations and Supply Chain and CEO, who will call emergency LRC. |

Findings of zero tolerance or severe NCs or regulatory sanctions would immediately downgrade the supplier to ‘D’, and escalate to LRC.

Improving our Understanding of Risks continued

Finished goods supplier risk rating FY21 to FY23

During the year Ansell has assigned a risk rating to a subset of each SMF wave, including Wave 1 suppliers of finished goods and packaging from high risk countries, Wave 2 synthetic latex and yarn and Wave 3 finished goods suppliers from low risk countries. We re-assess the ratings of these suppliers on an annual basis.

Our engagement and assessment of our finished goods suppliers are the most mature. Therefore, we are able to observe the impact supplier engagement has in improving suppliers’ risk ratings. As at 30 June 2023, over 85% of finished goods suppliers (Wave 1) rated ‘A’ or ‘B’ and meet Ansell’s labour, health and safety standards.

Table 4: SMF supplier rating of finished goods suppliers (Wave 1)

| Rating | No. of finished goods suppliers | |
|--------|---------------------------------|--------------------|
| | As at 30 June 2022 | As at 30 June 2023 |
| A | 0 | 4 |
| B | 24 | 35 |
| C | 15 | 6 |
| D | 3 | 0 |

Risk rating assessment was performed retroactively from FY21 to FY23 for our high risk finished goods suppliers.

Risk profiling and escalation in action for our third-party supply chain

Ansell is committed to improving labour practices with our suppliers through meaningful action. In line with commentary from human rights experts, including United Nations Guiding Principle 19, Ansell does not automatically cancel supplier contracts upon allegations of adverse labour rights impacts³. Instead, we engage with suppliers to monitor labour rights impacts by supporting the development and implementation of corrective actions. Where suppliers are unwilling to undertake corrective actions, we conduct ‘top-to-top’ engagement (between Ansell and the supplier’s senior management) to highlight labour rights progress as a requirement for continued procurement. If the supplier remains unwilling, Ansell will place the supplier on suspension, which may lead to termination.

Notably, we helped three suppliers progress from D rating to C ratings and above by the end of FY23, against our new SMF rating system (see above). We did this through a series of proactive and frequent engagement activities, including:

- Top-to-top engagement with suppliers’ management attended by our senior management to establish suppliers’ commitments to improve.
- Performance monitoring by Ansell teams, including review of suppliers’ corrective action plans with feedback from the teams, and sharing of best practices implemented at Ansell plants.
- Use of other monitoring tools, such as working hours tracking sheet and second-party audits by Ansell teams.

Additionally, during the last three years, three suppliers received a D rating either for violating our Supplier Code of Conduct or for serious non-conformances found during audits, and were subsequently placed under our “banned list”. As set out here, our approach is to support suppliers to change before taking further action. However, in these three cases, the suppliers were unwilling to respond. We placed these suppliers under our “banned list” and implemented blocks in our procurement system to prevent our procurement channels from independently placing orders with these suppliers. To work with Ansell in the future, these suppliers must go through the same process as a prospective supplier, see details below.

Due diligence activities of prospective suppliers includes communication of Ansell’s standards to the supplier via our Supplier Code of Conduct, completion of SAQ, and where required (based on criticality to the business), a second-party audit or provision of recent audit results. Prospective suppliers need to satisfy all our screening requirements and show a commitment to and compliance with Ansell’s labour standards. In addition to existing due diligence activities, the escalation process is also applied for prospective in-scope third-party suppliers. Supplier approvals are channelled through the business escalation process, including LRC. This year, all prospective suppliers presented to the LRC for approval who did not meet our standards and requirements were not onboarded.

3. United Nations Guiding Principle 19, 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).

Strengthening our Monitoring and Engagement Program

To manage adverse labour rights impacts and identify opportunities to provide decent work in our operations and third-party supply chain, we execute monitoring and engagement activities. As our program has matured, we have strengthened our approach through an increase in the type and number of audits, increasing touch points with vulnerable workers in our operations and our high risk suppliers, and conducting training with our procurement team and third-party supply chain.

Strengthening monitoring and engagement in our operations

Ansell conducts multiple monitoring and engagement activities across our operations. Monitoring activities include internal audits and third-party audits. Engagement activities include training and worker engagement. Our workers have access to multiple grievance mechanisms to raise or escalate concerns as they occur.

Third-party audits

Ansell engages certified external auditors to conduct Sedex Members Ethical Trade Audit (SMETA) and Forced Labour Indicators (FLI) audits. Third-party audits are conducted across all Ansell plants on a two-year cycle, through on-site inspections, walkthroughs, document review and interviews with management and workers. Ansell conducts follow-up audits with auditors as directed by the third party. Ansell’s Board Sustainability Risk Committee and executive-level Labour Rights Committee oversee audit implementation, results and monitoring. We use audits to continue building our awareness of potential risks, and to identify potential improvements to our due diligence program.

FLI audits differ from others in that the burden of proof is on the auditee to evidence that the indicators are not present. FLI audits generally use a red, orange, yellow and green flag system to assess the presence of risk within eleven indicators. The presence of one or more red flags indicates increased risk, requiring further investigation and action to assess the presence of forced labour. The FLI were designed by the ILO to help stakeholders identify signs of modern slavery in an organisation.

Table 5: The International Labour Organisation’s 11 Forced Labour Indicators⁴

| Indicator | Summary |
|--|--|
| Abuse of vulnerability | An employer exploits workers based on perceived disadvantages. This could include having a minority ethnicity or religion, disability, migrant status, unstable financial or living circumstances, an inability to speak local language. |
| Deception | Deceptive employer and recruitment practices may include failure to inform employees of wage, working and accommodation conditions. It can take the form of smaller contractual omissions to severe cases of false promises. |
| Restriction of movement | An employer restricts a worker’s ability to move freely, often constrained by guards preventing entry and exit of the premises. |
| Isolation | Employers actively disconnecting workers from detection or escape to the outside world. |
| Physical and sexual violence | Forcing workers and their families to undertake tasks which were not part of the original employment agreement. Examples include domestic labour, sexual acts and in extreme cases, physical abduction or kidnapping. |
| Intimidation and threats | Workers may experience physical, financial and psychological intimidation or threats. |
| Retention of identity documents | Employers may wrongfully confiscate passport or identity documents to restrict a victim’s movements. |
| Withholding of wages | A worker’s wages are deliberately withheld as a means of manipulation. This does not include reasonable errors in payroll or delayed payment. |
| Debt bondage | An employer constructs a ‘debt’ which labourers pay back in hours of work. The debts are often opaque and manipulated to make it very difficult for victims to ever ‘pay back’. |
| Abusive working and living conditions | Workers are subjected to unacceptable working and living conditions. These are often deemed hazardous, unsanitary or overcrowded. |
| Excessive overtime | Labourers are forced or expected to work hours which exceed the local, legislated limit. Indicators could include 24-hour shifts, denying breaks and days off. |

4. ILO Indicators of Forced Labour (ILO.org).

Strengthening our Monitoring and Engagement Program continued

Healthcare PPE industry is experiencing increased stakeholder demand for companies to adopt FLI audits conducted by third party auditors, leading to limited availability of third-party auditors, which has caused delays in some of our locations. We believe in taking a proactive, rather than reactive, approach to labour rights management, including continuously benchmarking our audit program against best practices, to identify and address labour rights risks as they occur.

Internal assessments

In addition to risk-assessments mentioned earlier, plants undergo second-party assessments performed by the Global HR-CSR team. The primary objective is to prepare plants for upcoming third-party audits and follow-up on the implementation of prior audit findings. This year, physical internal assessments were performed at all Malaysian plants, and included walkthroughs, document reviews and worker interviews. At other plants, assessments were performed via desktop, which included interviews with plant management and document reviews only. Findings were presented to plant management.

The internal assessments have increased engagement between senior and executive-level management, and plant managers and employees. We have also seen increased collaboration and dialogues on addressing risk, external audit readiness, and greater visibility of progress in our operations.

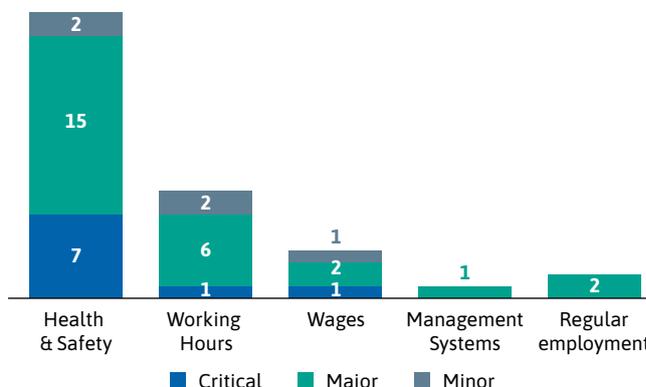
SMETA

In line with our two-year audit schedule, ten of our manufacturing plants underwent third-party SMETA audits in FY23. The SMETA Four-Pillar Audit Framework considers Labour, Health and Safety, Environment, and Business Ethics through compliance with the ETI Base Code, ILO and relevant local laws. Of the ten audits conducted, five were unannounced. As at 23 August 2023, SMETA audits identified 40 non-conformances during initial and follow-up audits, with our two lowest-risk plants in Portugal and Lithuania receiving zero non-conformances. No business-critical non-conformances were identified⁵. By comparison, in FY22 we audited seven plants and identified 60 non-conformances.

Table 6: Number of non-conformances graded as critical per Sedex audit program

| Type of non-conformance graded as critical | FY21 | FY22 | FY23 |
|--|-----------|----------|----------|
| Management systems | 2 | - | - |
| Regular employment | 1 | 1 | - |
| Working hours | 6 | - | 1 |
| Health, safety and hygiene | 3 | 1 | 7 |
| Wages | - | 2 | 1 |
| Environment | - | 2 | - |
| Freedom of association | - | 1 | - |
| Total critical non-conformances | 12 | 7 | 9 |

Figure 9: Number of SMETA NCs by category and grading in FY23



As at 23 August 2023, 67.5% of total reported FY23 non-conformances have been closed. Most NCs remain open for findings related to ILO 60-hour work weeks, which Ansell has committed to address. Health, safety and hygiene category has the highest number of conformances. These non-conformances primarily relate to warehouse evacuation plans for fire emergencies, two to fire system and certification, and one to a hostel missing a COA. To date 91.7% of the health and safety non-conformances have been closed.

FLI

During the year we selected four plants to undergo FLI audits, in an effort improve our practices and continuously benchmark ourselves against best practice. The scope of the audits covered our operations as well as third-party labour agents, agents managing employee accommodation and transport, and onsite third-party suppliers, such as security and janitorial services. Audits could not verify the absence of certain potential risks, which largely involved subcontractors and onsite suppliers present at Ansell plants, which included: excessive overtime, abusive working and living conditions, deception, and withholding of wages. We are working with subcontractors to ensure appropriate corrective actions are implemented, otherwise alternative subcontractors will be engaged. A smaller number of low risk indicators were identified at Ansell plants due to living and working conditions.

To reduce heightened risk to our subcontracted workforce, we leveraged the SMF to improve the procurement process and level of oversight at each procurement step. See figure 10 on page 29.

5. 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.

Figure 10: Due diligence process for on-site service providers



Employee accommodation risks flagged and our action taken

During an FLI audit at one of our plants in Malaysia, the auditors assessed the employee accommodations and the practices of the third-party agents managing worker accommodation. Auditors identified issues relating to the management of the employee accommodation: the agent collected fees for parcel collection and utility bills, in violation of Ansell's policies; the distance of the dormitory from the nearest township (about a 20 minutes drive) meant that it was difficult and expensive for workers to procure transport for food or groceries.

The findings showed that we were over-reliant on the employee accommodation agent, and highlighted further oversight was required to regularly assess the agent's performance and to ensure workers needs were being met. We implemented a series of changes including moving our workers to a new employee accommodation, including replacing our employee accommodation service provider. The new accommodation is situated within the local township and has additional amenities.

This was an important learning for us. We formalised our requirements on assessing third-party service providers in our risk assessment on labour rights (read more on page 24) and incorporated the findings in the escalation process to plant General Managers (see figure 10 above).

Strengthening worker voice

Worker engagement and third-party grievance channels are the two primary avenues through which we aim to strengthen worker voice, which is an ongoing goal for us.

Increasing worker engagement

We reach out to workers through several informal and formal mechanisms, as outlined in our Global Grievance Policy.

We have had positive results from the worker engagement program and found the sessions opened a two-way dialogue between Ansell employees at executive, managerial and production levels. The frequency and type of session are determined on a plant-by-plant basis, taking into consideration histories of non-conformance and which plants require additional oversight.

Freedom of association

We respect the rights of freedom of association and collective bargaining and believe these are essential to workers' voices being heard. Our Labour Standards Policy sets out our approach to facilitating collective action through worker unions, representatives, and committees, supported by site-specific Freedom of Association and Collective Bargaining Policies. As at 30 June 2023, more than 80% of workers covered by worker committees, workers-appointed representatives, unions and/or collective bargaining agreements at 11 out of 14 plants.

Strengthening our Monitoring and Engagement Program continued

Extending representation for migrant workers

All migrant workers engaged by Ansell have the option to access collective representation, and we extend our requirements on freedom of association to our third-party labour agents via our Supplier Code of Conduct and Labour Standards Policy.

This year, we made progress at our plants in Malaysia and Thailand. In Malaysia, worker-appointed representatives have been established where migrant workers were previously not members of local unions.

At our Thailand plant, migrant workers have ready access to the Worker’s Welfare Committee and also the Management-appointed worker representatives, who are either Cambodian or Myanmar nationals. The establishment

of workers-appointed representatives has resulted in increased engagement and awareness from migrant workers regarding their working and living rights. We have also seen an increased willingness to raise concerns over their employment status without fear of retaliation.

In the Ansell Engagement Survey 2023, the largest improvement of survey questions is 8% (from 64% to 72%) for the item “I can report an instance of unethical conduct without fear of retaliation” as rated by Production staff. In addition, the latter also scored higher on the question “I feel like I belong at Ansell” from 80% (2021) to 83% (2023). This indicates that Ansell’s production employees, local and migrant workers, do feel safe and included at Ansell.

Grievance mechanisms

We provide all workers in our internal operations with access to grievance mechanisms. We recognise that raising issues in any workplace can be difficult, particularly when there are different ranks of personnel involved. Workers need to feel safe to raise any complaints or issues at Ansell plants. As a result, our staff have access to a range of grievance mechanisms, including secure and anonymous options. We have a no-retaliation policy to reassure our staff that there are no adverse consequences for reporting concerns in good faith.

Our grievance mechanisms are disclosed in our Global Grievance policy, which covers Ansell employees and contractors worldwide. We consider the effectiveness of our non-judicial grievance mechanisms by engaging with our workers and independent third-party experts. We engage workers to evaluate legitimacy, by accessing workers willingness to utilise the mechanisms and access, by discussing workers ability and ease to raise complaints across our suite of mechanisms. We also consider equity and rights compatibility by engaging a third-party LRQA to review our remediation of recruitment fees, further details are set out on page 22. The current mechanisms are:

Managed at plant level

- **Plant managers and supervisors:** Concerns raised to managers or supervisors will either be dealt with internally or escalated to senior levels of Ansell management.
- **Plant human resources:** Concerns raised to human resources will be examined in closer detail and dealt with on a case-by-case basis.

2023 Employee Engagement Survey

This year we conducted our biennial employee survey for corporate and production workers. Overall, 67% of employees felt engaged with Ansell. Other notable indicators include:

“I feel Ansell values diversity (e.g., age, gender, race, language, education qualifications, ideas, and perspectives)” **Improved to 74%** (from 73% favourable)

“We have an inclusive work environment that is open and accepts individual differences” **Remained flat at 71%**

Read more in our 2023 Sustainability Report.

Externally managed

- **Ansell compliance hotline:** Concerns raised through the hotline phone number, email or website are automatically sent to a third party without Ansell’s intervention. Complaints will be directed to Ansell’s Compliance team and human resources. Confidentiality and security of the complainant is a priority. The hotline is available 24/7 to all workers at Ansell plants and in a language of their choice.
- **Externally managed hotline:** Third-party hotline operated by LRQA rolled out in FY22 at 6 plants.

Externally managed grievance mechanisms

In alignment with the ILO FLI, Sedex and UNGPs, LRQA built a third-party channel for workers to report modern slavery and human rights breaches. The hotline (called Suara Kami in Malaysia, Xiang Shou in China, and Nossa Vox in Brazil), has been trialled at six Ansell plants during FY23. The hotline allows workers to disclose matters to an independent third party, LRQA. Providing a confidential hotline has increased our visibility of issues while maintaining workers' privacy. We promote the channel to workers using infographics and QR codes and have added it to our onboarding. Since some workers do not have access to personal phones, the channel is activated through toll-free phones, WhatsApp and Facebook Messenger to boost accessibility.

Reported concerns are shared by the external hotline to the appointed Ansell personnel in a form of a ticket, with an assigned severity level and description. The appointed Ansell personnel is not a member of plant management, and will investigate and follow-up until close out, ensuring that appropriate evidence is collected, and the worker's details remain confidential. The corrective action is reviewed by the external hotline operators, who communicate the outcomes to the worker who raised the concern.

Table 7: Third-party grievance channel outcomes

| Issue categorisation (as per Hotline) | Description | Number of tickets raised | Number of tickets closed |
|---|--|--------------------------|--------------------------|
| High risk/ Zero Tolerance | These issues are the most severe non-conformances, such as forced overtime, human-trafficking, forced or child labour, threats or violence. They are listed by the ILO FLIs and SMETA as potential indicators of modern slavery. | 1 | 1 |
| Medium risk/ Critical issues | These issues are categorised as medium risk by SMETA, such as discrimination, excessive working hours, dangerous or substandard working conditions. | 4 | 4 |
| Low risk/ Non-urgent | Non-urgent issues include salary or benefit complaints, leave requests and healthcare-related inquiries. | 23 | 23 |

* Tickets raised often include more than one issue, as raised by a worker. Concerns are shared by the external hotline with the appointed Ansell personnel in a form a ticket, with an assigned severity level.

Cases raised are investigated as per protocol stipulated by the third-party hotline. The appointed independent personnel in Ansell investigates the root cause of concerns raised, and conducts corrective actions and remediation. Actions undertaken include, but not limited to communication of Ansell's policies and standards to the plant workforce or specific briefings during townhalls, one-on-one coaching, issuance of warning letters in cases where disciplinary action is required. Our actions are communicated to the third-party hotline, which verifies and ensures the worker is satisfied, before closing the case.

Strengthening monitoring and engagement in our third-party supply chain

Ansell undertakes multiple monitoring and engagement activities over our third-party supply chain. Monitoring activities include second-party audits, third-party audits and SAQs. Engagement activities include training, top-to-top engagement and this year Ansell hosted our inaugural Global Supplier Summit. Ansell also provides workers in our supply chain an opportunity to engage through our various grievance mechanisms.

Figure 11: Number of finished goods supplier audits completed

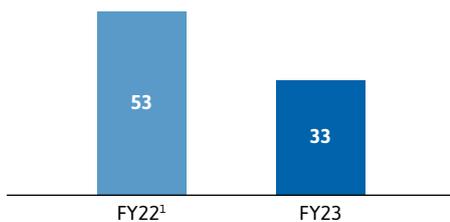
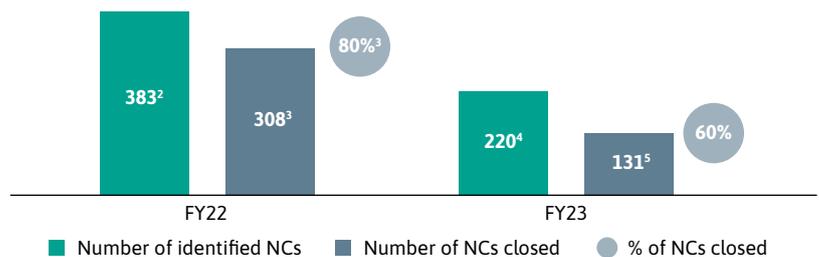


Figure 12: Number of identified NCs and closed NCs for finished goods suppliers' audits



1. Restated FY22 data to exclude suppliers as a result of our rationalisation strategy.
2. Restated FY22 data to exclude suppliers as a result of our rationalisation strategy and to include new audit findings received after last reporting cut off.
3. Restated FY22 data to exclude suppliers as a result of our rationalisation strategy and updated close-out rate of FY22 NCs after completion of follow-up audits in FY23.
4. The identified number of NCs is based on received audit findings before reporting cut-off.
5. The close-out rate is primarily due to reporting cut-off, as follow-up audits are scheduled in FY24.

Strengthening our Monitoring and Engagement Program continued

Second-party audits

Second-party audits are conducted in line with the SMETA four-pillar framework, either where third-party audits cannot be arranged in a timely manner, or where assessing allegations received via formal or informal channel is required, or where we have categorised a supplier as 'C medium-high risk' or 'D high risk' (see page 25, Supplier risk profile). By visiting a supplier's location in person we strengthen our understanding of their risks and controls. Where risks are identified on site, we work with suppliers to identify root causes, implement corrective actions and verify close-outs. The additional oversight provided by second-party audits has allowed us to develop a closer relationship with suppliers, and increase cooperation when rectifying issues identified during audits.

Third-party audits

Ansell requires suppliers to undergo third-party audits on an ongoing basis, with frequency determined by risk level. Audits assess compliance with Ansell's SCOC, local laws and other applicable standards. Ansell requires suppliers to be audited against the SMETA four-pillar framework, Business Social Compliance Initiative (BSCI), Social Accountability International SA8000 or equivalent by accredited third-party auditors. Suppliers may additionally share findings from other third-party or customer audits, such as FLI assessments, which contribute a richer point-in-time view of suppliers' practices and on-ground conditions.

Suppliers are required to share audit results with Ansell's responsible sourcing and quality assurances teams, who review findings and recommend corrective action plans (CAPs). Audit results feed into the supplier's risk profile (see page 25, Supplier risk profile). Ansell keeps track of findings, supplier classification and follow-up actions, which are reported to the SMF working group and the LRC monthly.

During the year, suppliers in packaging, synthetic latex and synthetic yarn categories completed 14 audits. This is the outcome of a full one-year program of engaging and guiding these categories of suppliers to undergo audits. While some suppliers regularly conduct audits, a majority required coaching and top-to-top engagement.

Finished goods suppliers completed 33 audits, a reduction from the 53¹ audits conducted in FY22. The difference is a result of our rationalisation strategy. We also saw decrease in the number of audits due to our rolling approach, with most suppliers conducting their audits in FY22. 60% of the 220 NCs identified in FY23 have been closed-out. Since the implementation of the SMF, this is the highest reported NC close-out rate of third-party supplier audits. Furthermore, close-out statuses and corrective actions were verified by third-party auditors during follow-up audits. We observed that suppliers were more proactive in arranging follow-up audits and did not wait for the maximum time limit or wait for the next audit cycle. We believe this is a result of heavy scrutiny and pressure on the healthcare industry over recent years, resulting in increased efforts on priority issues and monitoring activities. Engagement through our SMF also contributed to the close-out rate, as our teams regularly meet with suppliers on performance tracking, where we emphasise Ansell's requirements on timely close-out and time-bound action plans.

In addition to monitoring close-out performance, we support suppliers by sharing learnings and practices adopted at our internal operations. Through this process we have identified four common historically prevalent non-conformances in our supply chain: recruitment fees, worker accommodation, excessive overtime and social insurance. For actions taken that focused on recruitment fees, worker accommodation and excessive overtime see improving the lives of worker in our supply chain, page 23.

Social insurance non-conformances are concentrated in China. Social insurance in China captures medical and pension insurance, unemployment, work-related injury and maternity insurance. We are working closely with key suppliers in China to increase social insurance coverage to 100%, meeting the local social insurance law. Corrective action plans include promoting employees to participate in social insurance through training and tracking the regional insurance system monthly to check coverage.

Supplier assessment questionnaires (SAQs)

To supplement the audit program, we rolled out a series of SAQs leveraging relevant international frameworks including the ILO and the ETI base code, and industry standards including SMETA. The due diligence SAQ is a first step to gain an understanding of a supplier's risks and controls. Dependent on the results of the initial SAQ Ansell also may use the topic-specific SAQs covering responsible recruitment, accommodation and working hours to deep-dive on common non-conformances identified across our supply chain. To date, we have used SAQs with our current packaging and yarn suppliers through the supplier onboarding process. In FY24, we plan to expand the use of SAQs across Wave 1 and 2 suppliers. The SAQs have increased both Ansell's visibility of our suppliers' operations, and the frequency of touch points between Ansell's procurement teams and suppliers. Through ongoing dialogue, we are seeing proactive identification of labour rights issues and a reduction in the number of non-conformances identified.

Table 8: SAQs

| SAQ topic | Frequency | Questionnaire details |
|--------------------------------|-----------------|--|
| Due diligence | Yearly | The due diligence questionnaire collects information on a supplier’s risk profile and controls, and recommends subsequent corrective actions based on supplier responses. Risk profile questions consider the presence of migrant workers, workers engaged through labour agents, young workers and worker gender. The controls assessment considers pre-employment, employment and post-employment practices in line with FLI. The controls assessment also queries supplier management practices. The corrective action plan recommendations are reviewed by the supplier’s senior management and Ansell |
| Responsible Recruitment | Yearly | The responsible recruitment questionnaire collects information on suppliers’ recruitment fee policies, if any recruitment fee cases exist and if so, what are their remediation plans and timeline |
| Accommodation | Yearly | The accommodation checklist collects information to determine whether a supplier’s hostel provides safe and adequate living conditions for workers. The questionnaire considers occupancy density, safety processes, bedding and other amenities, in line with local legislation and ILO standards |
| Working hours | Weekly/ monthly | The working hours questionnaire queries overtime and total hours worked on a weekly and monthly basis |

SAQs are only valuable when the information provided is accurate. This is why we make them a collaborative and informative opportunity for Ansell and its suppliers. We reinforce that Ansell is here as a resource to suppliers, to help them understand the questionnaire and to answer any queries they have. We also remind them of the importance of answering honestly, since regardless of their responses, our document reviews and subsequent audits will identify discrepancies. Ultimately, suppliers understand that it is in their best interest to have matters identified early in the SAQ process rather than be detected at the audit stage.

Supplier engagement

This year, we invested time to increase supplier engagement through our procurement teams. We engage through supplier briefings, regular meetings on performance monitoring, top-to-top engagement and a Global Supplier Summit, held for the first time in FY23.

Supplier briefings aims to raise awareness on modern slavery due diligence, through communicating the Ansell SMF and SCOC expectations. Briefings draws on international standards set by the ILO, auditing frameworks such as SMETA and FLI, and Ansell’s own experience. Supplier briefings are designed to engage relevant stakeholders in the supplier’s business, including human resources teams, top management, quality assurance teams and compliance officers, to support full integration of Ansell expectations.

We have now run engagement for 100% of our Wave 1 suppliers, 98% of Wave 2 and 87% of Wave 3. We are proud of this milestone, and we are on track to meet 100% engagement across all waves in the SMF.

Top-to-top engagement involves senior leaders from Ansell – including the VP of Global Sourcing, SVP of Operations and Supply Chain and our CEO – engaging directly with our suppliers’ senior leaders to elevate modern slavery and broader labour rights issues.

Global Supplier Summit

In February, we held our first Global Supplier Summit in Malaysia to strengthen the relationship key business partners. The summit involved senior stakeholders from 25 key suppliers from 13 countries, with a total of 100 external attendees. With sustainability as the foundation of Ansell’s purpose fully integrated into its business strategy, the theme was: ‘Deliver Growth with Supply Reliability and ESG/Sustainability’. The summit provided a unique opportunity to discuss performance, challenges and strategic plans for FY24 and beyond. Ansell’s senior leaders, including our Chairman and CEO, communicated our supply chain requirements and expectations. It was clear that moving forward, Ansell expects suppliers to continue to uphold labour rights best practice and invest in transitioning to low carbon technologies and processes.

Ansell presented its inaugural ‘Outstanding Performance Award’ to a supplier selected for its excellent performance in quality, delivery and cost and ESG, and demonstrated strong business support of Ansell, including at the height of the COVID-19 pandemic.

We engaged with attendees through feedback on the day and a post-event survey. Suppliers commented that Ansell had clear policies on sustainability and modern slavery and had a clear message on radical collaboration across the industry.

Grievance mechanisms in the supply chain

As set out in the SCOC, Ansell expects suppliers to maintain an easily accessible confidential grievance mechanism for workers and encourage reporting of non-conformances against Ansell’s SCOC. In FY22 we updated the SCOC to include the link and phone number of Ansell’s own compliance hotline, which is a secure channel accessible to all of our stakeholders.

Appendix A: Alignment Matrix

This Labour Rights Report (and Modern Slavery Statement) was prepared in accordance with the criteria set out in the *Australian Modern Slavery Act 2018* (the Australian Act), the *United Kingdom Modern Slavery Act 2015* (the UK Act), the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act 2024* (the Canadian Act) and the *California Transparency in Supply Chains Act 2010* (the California Act).

| Response to reporting criteria | This section addresses the requirements of: | Further details on page |
|---|--|-------------------------|
| <p>Identify the reporting entity</p> <p>This report is made on behalf of the reporting entity Ansell Limited (ABN 89 0040 853 30). The statement sets out the actions taken by Ansell and its owned or controlled entities (collectively 'Ansell') during the 12 months ending 30 June 2023 to prevent modern slavery and human trafficking in our business and supply chains. Ansell's subsidiaries are listed in our 2023 Annual Report. For the purposes of the Canadian Act, the relevant entity is Ansell Canada Inc.</p> | Australian Act s16(1)(a) | n/a |
| <p>Structure, operations and supply chain</p> <p>Ansell Limited (Ansell) is a global protection solutions company employing more than 14,000 people in 55 countries. Ansell is legally domiciled in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX: ANN). Ansell has four corporate headquarters: Melbourne, Australia; Brussels, Belgium; New Jersey, United States; and Cyberjaya, Malaysia.</p> <p>Ansell has two primary business units: HGBU and IGBU. Ansell operates 15 manufacturing facilities, 24 distribution facilities/warehouses and four corporate hubs, with several offices. Ansell's manufacturing facilities are located in 10 countries. Ansell procures good and services from more than one thousand of direct suppliers in over 25 countries for a wide range of sourcing categories, with key sourcing location in 23 countries.</p> <p>Ansell's subsidiaries are listed in the 2023 Annual Report. Changes to our operating footprint are described in 'About this Report'. In February 2023, Ansell Limited acquired Careplus (M) Sdn Bhd, which has been renamed 'Ansell Seremban'. Ansell Seremban is a Malaysian manufacturer of surgical, latex and nitrile power-free gloves.</p> <p>At the time of the FY23 third-party audits, Careplus was a supplier to Ansell, and is therefore captured within our supplier data for the purpose of this year's reporting. Ansell acquired the remaining 50% stake in Ansell Seremban, formerly Careplus in February 2023. The transition of Ansell Seremban to Ansell in-house standards will continue into FY24 and onwards.</p> | <p>Australian Act s16(1)(b)</p> <p>UK Act 54(5)(a)</p> <p>Canadian Act s11(3)(a)</p> | Page 2 About Ansell |
| <p>Risk of modern slavery in our operations and supply chain</p> <p>In FY20 we engaged a third party to conduct a detailed modern slavery assessment over the inherent risks within the industry and country of operation of our operations and supply chain. The risk assessment considered human trafficking, child labour and forced labour (including debt bondage).</p> <ul style="list-style-type: none"> • Operations: Ansell operations range from low-risk corporate hubs and offices to high-risk manufacturing plants. Select plants are considered high risk due to the geography, worker skill level and migrant status. • Supply Chain: Ansell's supply chain contains a number of high-risk procurement categories including textiles, packaging, forest products, minerals and healthcare finished goods. Textiles, forest products and minerals are high risk for forced labour and child labour. Finished goods are at risk of forced labour, in particular debt bondage. <p>During the year we developed tools to refine our understanding of risks in our manufacturing operations and for high risk suppliers. These risk assessment tools supplement our inherent risk assessment.</p> | <p>Australian Act s16(1)(c)</p> <p>UK Act 54(5)(d)</p> <p>Canadian Act s11(3)(c)</p> | Page 13 and page 25 |

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

Ansell takes a risk based approach to assessing and addressing modern slavery, human trafficking, child labour and forced labour (including debt bondage) risk. We have developed a comprehensive set of policies and procedures brought together in the Labour Standards Management Framework (page 16) for operations and the Supplier Management Framework (page 19) for supply chain. Our policy framework includes a requirement for Ansell’s direct suppliers to comply with their obligations under local law and Ansell’s standards set out in our SCOC. We do not require suppliers to certify that materials incorporated into products comply with the laws of the country or countries in which they do business, with the exception of conflict minerals.

Ansell is committed to prevent modern slavery, human trafficking, child labour, forced labour (including debt bondage) and other adverse labour rights impacts, and to provide decent work. As such Ansell works with suppliers to improve working conditions by conducting audits and closing out non-conformances in a timely manner. However, where suppliers do not align with our labour standards commitments, and do not seek in good faith to progress positive change, we will review potential options, including finding alternate sourcing for our product and terminating the supplier relationship.

To date, Ansell’s remediation program has focused on financial compensation for workers who paid recruitment fees. Ansell provided financial support, such as up-front payment for products, to provide some suppliers with the cash flow needed to implement remediation for migrant workers in their employ. Ansell does not currently measure the financial impact of actions taken to eliminate the use of forced and child labour in activities or supply chains, therefore no remediation of these impacts has taken place, other than stated here.

Australian Act s16(1)(d) Page 16 and 19
 UK Act 54(5)(b),(c) and (d)
 Canadian Act s11(3)(b), s11(3)(d) and (e)
 California Act 1714.43(c) 1, 2, 3 and 4

Assess the effectiveness of actions taken

We measure the effectiveness of actions taken to identify, assess and address modern slavery through internal reviews of the labour rights program and key initiatives. In FY23 this was done through tracking key performance indicators, which are reported to the 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 communicated the status of key indicators to the ELT and Board through five Board meetings with a sustainability agenda during FY23.

Key performance indicators include audit findings and close-out rates, status of corrective actions, number of workers and suppliers participating in engagement activities, number of high-risk suppliers as determined through the supplier risk profiling.

Australian Act s16(1)(e) Page 11
 UK Act 54(5)(e)
 Canadian Act s11(3)(g)

Consultation

With the exception of Ansell Seremban, Ansell and its subsidiaries operate as a single, integrated group. Many of the entities owned and controlled are accounting structures that do not have separate corporate governance structures that can be consulted or engaged for the purposes of this report. As such consultation was focused on engaging stakeholders across the business who deliver the labour rights program.

Ansell Seremban is currently being integrated into Ansell operations. During FY23 the acquisition was treated as a Wave 1A supplier, therefore was covered by the requirements of the SMF, and is captured in supplier data.

Australian Act s16(1)(f) n/a

Other relevant information

We conduct training to upskill our operational teams and suppliers on modern slavery and human rights related topics. During the year we ran briefings for relevant plant staff on the FLI and suppliers covered by the SMF on Ansell’s SCOC.

Australian Act s16(1)(g) Page 18 and 19
 UK Act 54(5)(f)
 Canadian Act s11(3)(f)
 California Act 1714.43(c) 5

Appendix B: Policies

Ansell's commitment to protecting human rights is guided by our policy framework. Our policies are communicated to our workers and actioned throughout the business through trainings, programs, targeted initiatives and performance monitoring.

In summary, our policies outline our benchmarks for managing modern slavery risks and controls in our internal operations and supply chain. Our policies extend to risks of human trafficking, dangerous or sub-standard working conditions and grievance mechanisms.

We review our policies regularly; below we indicate which policies were reviewed in FY23 and which are slated for review in FY24.

| Policy | Relevance | Communication | FY23 update |
|---|--|--|------------------------------|
| Business-wide policies | | | |
| Human Rights Statement | Sets out Ansell's commitment to protecting human rights as an employer and through sourcing activities. | Available on our public website and intranet for all employees and stakeholders. | Reviewed in FY22 |
| 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 FY22 |
| Whistle-blower Policy | Outlines the process for making and investigating a disclosure in line with the Whistle-blower Protection Scheme set out under the Corporations Act 2001 and the Taxation Administration Act 1953. | 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 FY24 |
| Conflict Minerals 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 FY24 |
| 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 in FY22 |
| Operational policies | | | |
| Ansell Code of Conduct | Sets out our expectations of employees, officers and directors and serves as a guide to ethical principles and business conduct at Ansell. 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 FY24 |
| 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 suppliers in relation to human rights, environmental protection, human trafficking, health and safety, bribery and corruption and data protection. | Communicated to suppliers during contracting, including supplier briefings and other engagement activities. | Reviewed and updated in FY23 |

Appendix C: Glossary of Terms

The below table is a glossary of terms used to describe risks associated with labour rights and modern slavery.

| Risk factors | Definition |
|---|---|
| Low-skilled labour | The skill level required for an industry or process influences the risk of exploitative labour practices. Lower-skilled workers enjoy less bargaining power to demand that their rights be upheld, and therefore have a heightened vulnerability to labour exploitation. |
| High labour intensity associated with employment | Labour intensity refers to the amount of labour required relative to the output of a process. If labour is a high proportion of fixed costs there is a greater incentive to drive down labour costs, increasing the risk of exploitative labour practices and human rights abuses. In addition, an employee’s exposure to health and safety risks is heightened if their work requires them to perform manual labour. |
| Low levels of regulation within the industry | The level of regulation within a specific industry will influence workers’ rights and protections. In industries with weaker regulation, employees are more vulnerable to exploitative and dangerous practices due to limited protections for workers. |
| High presence of migrant labour | Migrant workers have a heightened vulnerability to exploitative practices due to a number of known risk factors, including, among others, language barriers, dependency on employment to avoid being deported, workers being unaware of their rights, and feelings of isolation in a foreign country without a network of friends and family. Exploitation of migrant workers is a systemic issue, with employers and recruitment agents taking advantage of their heightened vulnerability through practices such as charging recruitment fees, underpayment, excessive working hours, unsafe working conditions, document retention, and discrimination and harassment. |
| High prevalence of casual or seasonal workers | An employee’s employment status (e.g. full-time, part-time, seasonal) may influence their access to employee benefits and bargaining rights. Workers hired on a casual or seasonal basis have a heightened vulnerability to exploitative practices compared to permanent employees. |
| Presence of employee accommodation | The level of labour exploitation and violations of human rights is heightened in industries where employees are commonly required to live in or near employer-provided accommodations. The reason for this is that employees may be required to pay high rents, work longer shifts, have unlawful deductions made for accommodation and transportation, live in unsafe accommodation, and may be isolated and not have access to leave. |
| High prevalence of subcontracted labour | Due to a lack of oversight and transparency, subcontracted labour may pose a significant risk to a company as they may not comply with the standards of the contracting company. Often, this may present itself in terms of negative social outcomes for employees and the wider community in which the company operates. |

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