

Modern Slavery Act and Transparency in Supply Chains Act Statement

1 July 2018 to 30 June 2019

This statement is made on behalf of Ansell pursuant to s54(1) of the UK Modern Slavery Act 2015 (**MSA UK**) and the California Transparency in Supply Chains Act 2010 (**TSCA**) and sets out the actions taken by Ansell during the 12 months ending 30 June 2019 to prevent slavery and human trafficking in our business and supply chains.

1 Overview of Ansell and Operations

Ansell Limited and its subsidiaries and affiliates (**Ansell**) form a leading global organisation operating in the Personal Protective Equipment and medical device industries and providing innovative and superior health and safety protection solutions that enhance human well-being. Operating in two main business segments, Industrial and Healthcare, Ansell employs more than 12,000 people worldwide. With sites and operations in North America, Latin America/Caribbean, EMEA and Asia Pacific, customers in more than 100 countries around the world trust Ansell and its protection solutions. In addition to the manufacturing facilities which are directly owned and operated by Ansell itself, Ansell engages third-party suppliers to supply raw materials and finished goods, including latex, cotton, nylon, petro-chemicals (such as nitrile, polyisoprene and neoprene), and packaging materials.

In the course of FY19¹, Ansell closed three manufacturing facilities and consolidated key manufacturing in Southeast Asia. Products affected were part of the Industrial business segment.

Ansell also operates intra-group supply arrangements and maintains limited business partnerships with key distributors. These arrangements typically operate in our mature business markets.

Ansell Limited is listed on the Australian Securities Exchange (ASX: ANN). Ansell's entities which operate in and as companies registered in:

- (a) the United Kingdom, include Ansell UK Limited, Ansell Microgard Limited, and Nitritex Limited and Ringers Technologies UK Holdings Limited and,
- (b) California for the purposes of the TSCA include Ansell Healthcare Products LLC, Ansell Sandel Medical Solutions LLC and Ringers Technologies LLC.

¹ References in this statement to FY17, FY18, FY19 and FY20 refer to the relevant financial year commencing on 1 July and concluding on 30 June, so FY17 is the period between 1 July 2016 and 30 June 2017.

2 Our Commitments

Ansell is committed to combating the risk of modern slavery and human trafficking in our supply chain. For the purposes of this statement, “**Slavery**” is defined as anyone held in slavery or servitude, the use of forced, compulsory or child labour², and human trafficking and, as a result, addresses the requirements of the MSA UK and the TSCA. Ansell will not tolerate any form of Slavery, and we remain committed to maintaining, reviewing and, where appropriate, improving systems and processes to prevent Slavery within our operations and supply chains.

Ansell is committed to ethical and responsible business conduct in all of our operations. We believe in treating all our employees and workers in our supply chain with dignity and respect and consider fair labour practices to be an important part of their human rights.

Ansell aligns with the United Nations Guiding Principles on Business and Human, the UN Sustainable Development Goals, applicable International Labour Organisation Core Conventions on labour standards, and respects human rights set out in the Universal Declaration of Human Rights. Ansell’s commitment to respecting human rights extends to its supply chains, and we seek to engage and work with suppliers and contractors who aspire to do the same. Ansell’s *Human Rights Statement* is published on our website.

As a responsible corporate citizen, Ansell remains committed to operating in accordance with all applicable laws as a minimum wherever we do business and will apply more stringent working conditions, on a case by case basis, in circumstances where national standards do not meet the company’s standards or for other specific reasons.

3 Our Risk Management Approach

Ansell places a high priority on **risk identification and management** throughout our operations and has processes in place to assure the integrity of our Risk Management Framework. This Framework is based on a comprehensive program including integrated policies, procedures, systems and controls and regular reporting that seeks to identify, assess, mitigate and prevent risks involved in and/or directly linked to Ansell’s operations, products, services and business relationships. Consistent with our Human Rights Statement, Ansell’s approach concerning the management of human rights risks, including Slavery, is necessarily “people centred” and seeks to use due diligence to identify and assess where potential impacts may be potentially severe (and/or have the capability to become so) and therefore require prioritised action as part of a systematic approach.

Governance

In FY19 Ansell formally moved the detailed governance process for Corporate Social Responsibility (**CSR**) and Sustainability within the remit of the CSR & Risk Committee (formerly the Risk Committee) of the Ansell Board of Directors and published its inaugural standalone *CSR & Sustainability Report* in 2018.

² Whilst acknowledging that child labour may not itself always be a form of modern slavery, our approach addresses the risks associated with child labour in a manner which is aligned with relevant International Labour Organisation standards.

Building on these two steps, the CSR & Risk Committee Charter (**Charter**) was adopted by the Ansell Board of Directors on 15 August 2018, and further updated in April 2019. The Committee is chaired by a member of the Board and the Charter sets out its role and authority to assist the Board in fulfilling its corporate governance responsibilities in relation to, amongst other issues, Ansell's corporate social responsibility and sustainability policies and practices, and their review, oversight and monitoring by providing guidance to management. The Committee met periodically during FY19 and discussed and reviewed Ansell's on-going approach to combatting the risks of slavery, specifically concerning labour management and performance reports. The *Committee Charter* can be found on our website.

Considering the evolving sustainability landscape, in FY19 we refined and expanded our CSR and Sustainability structure and process, and formed a new CSR & Sustainability Council (prior to this Council, there was the Ansell's CSR Steering Committee). This Council encompasses leaders from areas including the Company's Compliance, Human Resources, Investor Relations, Law, Sales, Operations and Employee Health & Safety functions. Four cross-functional supporting teams were also created within the structure of the Council to efficiently facilitate the embodiment of Ansell's CSR and Sustainability principles. These teams are Stakeholder Response & Communications; Safety, Human Rights and Communities; Environment & Climate; and Reporting, Standards & Governance. This Committee is responsible for the publication of the annual *CSR & Sustainability Report* (the FY19 report was released on 28 October 2019 following approval by the Ansell Board of Directors), amongst other day to day responsibilities, and during FY19 it focused on labour standards management issues in higher risk jurisdictions in Southeast Asia in the context of Ansell's disposable glove business segment and the continuing review and development of our overall approach to human rights and Slavery risk management.

Policies, standards and procedures for ensuring compliance with Ansell's anti-Slavery commitments and combating Slavery risks

Our goal is to ensure that all individuals involved in our supply chains experience safe, fair, non-discriminatory, and ethical working conditions. By requiring suppliers to sign the Ansell Supply Agreement at the engagement stage, we have initiated a process by which suppliers confirm adherence to our Supplier Code of Conduct and accordingly, that they do not engage in Slavery.

SEDEX is the preferred standard for Ansell social compliance, although we also recognize BSCI and SA800 systems.

Our position in relation to Slavery is supported by our Human Rights Statement, our employee Code of Conduct, our Supplier Code of Conduct, Labour Standards Policy and our increasing use of independent third-party audits.

Ansell adheres to a set of core values, including integrity, trustworthiness and excellence, and these values remain the foundation of Ansell's Global Code of Conduct. The Ansell Global Code of Conduct serves as the policy framework for all our activities and requires Ansell employees to act with the utmost integrity when dealing with all our stakeholders. We took steps to review the Code over the course of FY19, and an updated Code of Conduct was approved by the Ansell Board in August 2019. During FY19 the Global Code of Conduct continued to reflect Ansell's position that it unequivocally prohibits Slavery in its operations and supply chains.

Through our Supplier Code of Conduct, we require our suppliers to certify fair working conditions, including the following requirements:

- (a) The use of prison, forced, indentured, or bonded labour is prohibited.
- (b) Physical, sexual or psychological harassment or abuse, or cruel or unusual disciplinary practices are prohibited.
- (c) No child labour may be used. Every vendor must comply with the child labour laws of the country where the workers are employed.
- (d) Fair wages and benefits must be provided in compliance with the laws of the country of manufacture, including those relating to minimum wages, overtime, maximum hours, piece rates, benefits, and other elements of compensation.
- (e) Overtime in excess of the hours allowed by the manufacturing country's laws is prohibited.
- (f) Appropriate standards must be adopted in relation to health and safety, collective bargaining, and protection of the environment, amongst other topics.

Ansell employees have access to a Compliance Hotline which operates 24/7 in all of Ansell's community languages, allowing all employees to report any suspected breaches of Ansell policies or practices on an anonymous basis. The Compliance Hotline is operated by an independent third party, and Ansell has adopted a no-retaliation policy ensuring that there can be no adverse consequences for reporting concerns regarding non-compliance on a good faith basis. Ansell tracks certain metrics regarding the Compliance Hotline that are reported annually to the Ansell Board of Directors in the annual compliance report.

Due Diligence

Certification

As stated above, Ansell's policy position and approach is to obtain certification from suppliers at the outset of the business relationship that they comply with applicable laws and Ansell's expected business standards through their compliance with our Supplier Code of Conduct.

Verification of potential Slavery Risks

A human rights impact assessment was undertaken in 2016 by BSR (an external global, non-profit sustainability consultancy) at Ansell's manufacturing plants in Malaysia, Mexico and Sri Lanka. Following the findings of that assessment, and working with Sedex, Ansell conducted self-assessments at each of its global manufacturing plants beginning in FY17. This process identified strengths and areas to further enhance in our labour policies and procedures. In FY18, Ansell's internal Human Resources and Operations teams took steps to update and standardise our practices across our global operations.

During FY19, general scrutiny of labour standards in the Malaysian rubber glove industry identified potential forced labour risks in this industry. This prompted us, as part of our overall human rights risk management approach which includes slavery and human trafficking issues, to review and re-assess the risk profile of various jurisdictions, aspects of our operations and suppliers as higher risk and initiate further review to ensure compliance with Ansell's standards and our Corporate Social Responsibility and Human Rights commitments in our operations and supply chain.

Consequently, and in the context of our Asian business, Ansell undertook and then communicated about a broad review of our supply chain, covering both third-party supplier and Ansell's own facilities to assess whether:

- (a) implementation of our standards had been fully effective and appropriate;
- (b) standards needed to be updated or strengthened further; and
- (c) the effectiveness of mechanisms to independently verify compliance.

This was part of our on-going work to review and address labour standards in the context of our operations and supply chain.

Ansell also implemented a new Foreign Workers Recruitment Policy in December 2018, enhanced training on Slavery and conducted worker interviews and self-assessments in response to the specific risks raised in relation to labour practices in Malaysia.

Further detailed reporting is published in our standalone *CSR & Sustainability Report* for FY19.

Ansell also reviewed national standards, ILO conventions and other recognised guidelines to determine what standards are legally appropriate in the countries in which Ansell operates and how they contribute to Ansell's overarching objectives of employee health, safety and well-being. This review concluded that our fair working standards are appropriate to maintain the health and safety of Ansell employees and those working in Ansell's supply chain.

Audits

As part of our **risk identification** (including assessment, integration of findings and tracking), Ansell has taken a risk based approach to inform our priorities based on jurisdictional risk and the comparative risk presented by the Healthcare segment and disposable glove product line of our business. In the context of Ansell's two main business units, Industrial and Healthcare represent broadly equal parts of our overall business but with distinct manufacturing and supply chain risk profiles concerning slavery and/or broader human rights risks. Our management approach has been informed by the Human Rights Impact Assessment we undertook in 2016 and an assessment of the risks in each of our business units and specific product lines. We considered the human and labour risk profile of the jurisdictions where our manufacturing sites and direct tier 1 suppliers are located and the overall need to develop the maturity of labour standards in certain jurisdictions. This assessment indicated that we should prioritise our efforts and on-going review and actions on disposable glove manufacturing in Southeast Asia, then progressively expand our "people centred" led risk assessment and approach and prioritise further steps concerning other areas of our business operations and relationships.

All new suppliers are required to have a 3rd party audit conducted prior to formally becoming a supplier of Ansell, and existing suppliers are required to have a 3rd party audit conducted every two years (and more frequently in the event of non-compliance being detected).

The key on-going work undertaken by Ansell over the course of FY19 included the following:

- (a) A programme of **announced and independent** third-party audits (using the Sedex Member's Ethical Trade Audit (SMETA) 4-Pillar methodology to assess Labour Standards, Health & Safety, Environment, and Business Ethics) was commenced and substantially completed in 10 **Ansell manufacturing plants** in Asia to evaluate labour standards, health and safety, environment and business ethics to provide independent verification of Ansell's compliance with its standards in these areas. All audit reports were uploaded to the Sedex digital data platform; and
- (b) A programme of **announced and independent** third-party audits of the workplace standards of our direct tier 1 finished goods **suppliers** in the disposable glove segment of our business in Southeast Asia was conducted. These audits related to hours, overtime worked, rest days taken, practices associated with the recruitment of foreign employees, together with issues concerning freedom of movement and association and were conducted by a reputable provider of SMETA.

These audits identified where manufacturing sites fell short of our labour standards on overtime and rest days; some non-compliance amongst our suppliers; and audits generally provided a positive platform for improvement and engagement.

Ansell has subsequently created specific action plans (and work is on-going) for our manufacturing sites in Asia to ensure compliance with Ansell's policies and procedures and applicable local laws including:

- (a) Implementing digital tracking system for employee time and attendance (which we intend to expand to other Ansell manufacturing locations);
- (b) Seeking to offer competitive compensation and attractive working environments; restructuring shift roster systems; reinforcing our workforce management through a "reserve pool" of workers; and providing manager and supervisor training;

As a result of our due diligence we have obtained a better understanding of the challenges involved in managing working hours to ensure worker safety and well-being across a diverse geographical manufacturing footprint and how we can work with our suppliers to drive and promote improvements in their practices. Our goal was to assess compliance through third-party review, work collaboratively with suppliers to ensure appropriate standards were understood and met, and breaches were identified and unacceptable practices modified. We continue to monitor corrective action through follow-up audits. Most suppliers have responded positively to the audits, demonstrating a clear improvement and willingness to progress. We have taken action where necessary to ensure adherence to our standards and commitments.

4 Training on Human Trafficking and Slavery for Employees and Management with Direct Responsibility for Supply Chain Management

Ansell's approach is to provide training on the Global Code of Conduct to all professional level staff upon joining and other general or plant floor staff where appropriate. We have also instituted:

- (a) Training for our production management at all of our manufacturing sites on the SMETA 4-Pillar Standards, which embeds the Ethical Trading Initiative Base Code, an internationally recognised code of good labour practice;
- (b) Continued to roll out Slavery training into our plants; and
- (a) Manager and supervisor training to assist with supporting the combatting of human trafficking and slavery in supply chains.

5 Next Steps and Measuring Our Effectiveness

As part of the on-going development of Ansell's approach to combat slavery and human trafficking risks in its business and supply chain, in FY20 Ansell intends to:

- (a) Publish and implement an updated Global Code of Conduct, Corporate Social Responsibility Statement, Human Rights Statement, Labour Standards Policy and Supplier Code of Conduct, and launch associated training program;
- (b) Continue to review the position concerning recruitment fees;
- (c) Publish a CSR & Sustainability Report for financial year 2019 following Board approval;
- (d) Complete analysis and follow-up (on-going, if needed) of SMETA audits initiated so far;
- (e) Initiate Sedex SMETA audits to follow up progress at our manufacturing sites in Asia, and commence audits for our manufacturing facilities in Brazil, Lithuania and Portugal;
- (f) Continue Sedex SMETA audits of our suppliers in Asia; and
- (g) Review our Slavery training programme.

To learn more about Ansell's Human Rights programs and developments, please refer to Ansell's current *CSR & Sustainability Report*.

This statement was approved by the Board of Ansell Limited on 14 November 2019.

Signed



Magnus Nicolin

CEO and Managing Director