

Original email sent from Above Ground on September 13, 2022. Email sent again on October 27, 2022:

Dear Ansell Canada Representatives,

I'm writing to you on behalf of Above Ground, a civil society initiative that seeks to ensure companies based in Canada or supported by the Canadian state respect human rights wherever they operate.

We are preparing to issue a publication highlighting potential Canadian business ties to forced labour abroad, which will identify companies that have imported into Canada goods made by manufacturers suspected of using forced labour. By reviewing U.S. shipment records (bills of lading) accessed through the Panjiva import database, we determined that between August 2020 and April 2021 over a dozen shipments of disposable gloves were sent from the manufacturer TG Medical in Malaysia to Ansell Canada at an address in Canada. If you believe your company has been wrongly listed as the recipient of these shipments, please advise me immediately.

Note that on July 15, 2020, U.S. Customs and Border Protection issued a detention order on disposable gloves made in Malaysia by Top Glove Corporation after [it determined](#) they were “reasonably indicated to be manufactured by forced labor.” Top Glove [stated](#) that the order applied to gloves produced both by Top Glove and by its subsidiary company TG Medical. This in effect banned TG Medical's products from entering U.S. commerce, until the order was lifted on September 10, 2021.

Your company may therefore be named in our publication, alongside other firms that have imported into Canada goods from manufacturers of concern. Our publication may also discuss any public comment your company has made regarding its business with TG Medical or Top Glove, or any further information you may wish to provide now.

If your company wishes to provide a response for us to include in our report, we invite you to reply to this email by October 4, 2022. If you need slightly more time to respond, please advise as soon as possible.

We thank you for your attention to this important matter.

Kind regards,
Karen Hamilton
[Director, Above Ground]

More about our research process:

Above Ground's research is based on shipment records ([bills of lading](#)). For many shipments arriving at U.S. ports, including those en route to Canada, these records [are made accessible](#) to the public by companies such as Panjiva and Import Genius. We searched Panjiva's database for shipments sent to consignees (recipients) in Canada in which a manufacturer from one or more of the following categories was listed as a shipper or named in the description of goods shipped:

- Manufacturers whose products were subject, as of June 2021, to withhold release orders in the U.S. (These orders are [issued by the U.S. government](#) when it finds "information reasonably but not conclusively indicates" the goods were produced in whole or part by forced labour. The full list of past and active withhold release orders can be found [here](#).)
- Manufacturers that the U.S. government placed on its Entity List on June 22, 2020, citing their involvement in forced labour. (See the [Federal Register notice](#) of the addition of these companies to the list. The full entity list can be found [here](#).)
- Manufacturers reported by the [Australian Strategic Policy Institute](#) in March 2020 as having allegedly employed Turkic ethnic minorities in or from Xinjiang, China, through coercive state-run "poverty alleviation" programs widely condemned as forced labour schemes. (The time range of their alleged participation in these programs varied.)

To identify Canadian-bound shipments linked to each manufacturer, we ran a search for shipment records with the company's name in the fields "shipper," "shipper (original format)," or "goods shipped." We filtered the results to include only shipments sent to a consignee in Canada during a relevant time frame, which varied depending on the manufacturer. The Panjiva search results are presented in tables that can be downloaded, each line containing a single shipment record. We examined each record to verify that the manufacturer in question was involved, and where relevant, that the goods shipped were those under a U.S. withhold release order. We deleted the irrelevant records, then counted the number of shipment records for each consignee (recipient).

Reply from Ansell sent on November 7, 2022:

Dear Ms. Hamilton,

We welcome your attention to the issue of modern slavery, which will only be fully addressed if all stakeholders in the industry are equally vigilant in identifying and eliminating modern slavery risks in supply chains and that includes informed purchasing decisions in the medical sector.

We would therefore suggest an additional focus to your report which is the extent to which companies have clear policies regarding modern slavery, demonstrate that

they consistently implement these policies, provide transparency and detail with regard to identification and remediation of issues, and therefore demonstrate whether they are effective contributors to driving the change needed to working conditions across the Malaysian glove industry. We provide you summary detail of Ansell's approach in our response, with significant additional detail available in our 2022 Sustainability Report (attached) and our 2022 Modern Slavery Statement (to be published in early November).

Additionally, in the interest of full disclosure, we request that you provide our full response in your report (which can be hyperlinked) and not use excerpts of our statement.

Kind regards,
Christine Burke
Sr Manager, Corporate Communications & Social Responsibility

Ansell Statement for Above Ground

7 November 2022

Ansell's approach to managing modern slavery risks

Ansell respects human rights and is committed to identifying, remediating, and preventing modern slavery. Ansell aligns with the United Nations Guiding Principles on Business and Human Rights and the ILO Core Conventions.

The industry Ansell operates in, and the location of many of our internal operations and third-party suppliers, expose us to higher risks of labour exploitation. These are complex issues and as a market leader, we are actively identifying and implementing effective solutions across our own operations, third-party supply chain and the wider industry.

Strong policies, training, accessible grievance mechanisms and ongoing monitoring are key controls we use to mitigate the risk of modern slavery.

For example, our Zero Recruitment Fee Policy is based on a commitment to pay all recruitment costs incurred by migrant workers in our workforce. In 2019, Ansell was one of the first organisations in our industry to reimburse migrant workers in our Malaysian plants who paid recruitment fees to agents in their home countries. Since Ansell's remediation, many organisations have followed our lead.

In addition, we commissioned a third-party consultant, ELEVATE, to review our remediation program in 2021. ELEVATE concluded that while our initial approach to remediation of migrant workers employed at Ansell was aligned with best practices at the time, the amounts remediated to migrant workers from a couple of countries were lower than the current average industry benchmark. So, this year we adopted the higher industry benchmark and have made an additional reimbursement payment to affected workers.

Our Ethical Recruitment Program is a three-stage gate process designed to protect migrant workers in our workforce and to prevent unethical demands of recruitment-related fees from agents in the workers' home countries. We only engage with labour agents who we are confident comply with our Zero Recruitment Fee Policy and are doing recruitment the right way.

Also, our Supplier Code of Conduct outlines Ansell's strict standards on protecting human rights. Ansell consistently communicates to suppliers our expectation that they have adequate and effective systems in place to ensure the highest standards of health and safety for all workers, to prevent human rights abuses, and to remediate any abuses identified in their supply chains. We seek to drive meaningful change in our supply chain and strengthen relationships with our suppliers. This is done through a series of engagement activities.

First, we regularly engage with our suppliers, share leading practices, and support them with training. In addition, Ansell requires its suppliers to communicate their performance transparently and openly on labour rights and we regularly monitor labour rights in our suppliers' sites through third-party audits.

Importantly, supplier engagement is not solely focused on audits. Audits will only ever be a point in time assessment. Collaboration is essential. Ansell is looking to engage with like-minded suppliers who share our values and where upholding human rights and eliminating modern slavery is fundamental to their values as an organisation.

Second, Ansell's Supplier Management Framework was established to drive meaningful change in our third-party supply chain. It takes a risk-based approach and assigns appropriate measures and activities to target risks. Under the SMF, we prioritise suppliers into different waves based on industry, location of sourcing, criticality to the

business, inherent modern slavery risks, and spend. The SMF is being implemented in three waves, with roll-out to the highest priority suppliers first.

Ansell works with suppliers to monitor and close out non-conformances in accordance with agreed timeframes. The framework details how to identify and categorise labour rights non-conformances into varying levels of severity. The severity of the non-conformances informs the timeframes for action and consequences for suppliers, and the required level of engagement and approval within Ansell.

The SMF sets out escalation pathways and ultimately, consequences for suppliers who fail to close out severe non-conformances, which gives the business a structure to follow in making decisions.

In line with commentary from the United Nations on Guiding Principle 19 and a recent joint publication by the ILO and the Malaysian Rubber Council, Ansell does not automatically terminate upon allegations of forced labour, instead we provide the supplier with an opportunity to demonstrate a commitment to improve working conditions through meaningful action. By staying engaged and seeking improvements through our influence as a customer, the aim of our approach is to allow continued employment for the supplier's workforce and improve workers' conditions. However, there is a limit to how long we give suppliers to improve and where a supplier is not progressing their labour standards compliance, Ansell will take further action, which may include termination.

The Malaysian glove industry has been the focus of increased scrutiny due to allegations of adverse labour rights impacts. Ansell's enhanced approach together with an important increase in attention and focus from multiple stakeholders has contributed to significant progress in working conditions for workers, particularly over the last couple of years. Of particular significance is that suppliers representing 98% of Ansell's finished goods spend in Malaysia have declared that they have completed their recruitment fee reimbursement program, reimbursing over US\$30 million to more than 18,000 migrant workers.

But these industry challenges cannot be solved by a single company in isolation. There are several key drivers of change and progress – these include Ansell and other glove suppliers, purchasers and end users, investors, regulators, and government, as well as activists.

Therefore, Ansell seeks out partnerships that drive collaborative and industry-wide action. An example of this is the Responsible Glove Alliance (known as the RGA). In March this year, the RGA was launched, with seven founding members, including Ansell. The alliance aims to drive transformational change on labour rights in the Malaysian glove industry. The RGA's focus is on recruitment transformation, collective influence on labour rights management amongst suppliers, and the application of aligned due diligence standards, tools and programs.

Top Glove

In 2020, US Customs and Border Protection (CBP) issued a Withhold Release Order (WRO) against Top Glove, later converted to a Finding. At the time, Top Glove was a supplier to Ansell.

As stated previously, Ansell's preferred practice when labour issues are discovered in its supply chain is to work with suppliers to achieve meaningful improvement. We worked to understand the alleged non-conformances (noting that the US CBP does not publicly disclose the specific allegations). During this period in which US CBP were investigating Top Glove, we reduced our purchases from Top Glove and sought to identify alternate suppliers of the products. However, we did continue to sell Top Glove products where the WRO/Finding did not apply, including Canada. This approach was implemented to ensure customers continued to receive their vital supply of personal protective equipment during the COVID-19 pandemic. As part of their corrective actions, Top Glove announced a

remediation program to repay past recruitment fees paid by migrant workers. In September 2021, the US CBP withdrew the Finding.

Conclusion

Meaningful change across this complex issue takes time and requires multi-stakeholder collaboration with industry partners, competitors, governments, and non-government organisations, along with significant financial investment. Our recently released 2022 Sustainability Report (attached) includes extensive detail on the governance structures, frameworks and collaborations we have implemented to promote decent work across our internal operations, third-party supply chain and the wider industry. We encourage you to examine this report as you finalize your publication. Further details on our approach to labour rights can be found in our 2022 Modern Slavery Statement, to be released in early November 2022.

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