

Social Audit - Goodpoint AB							
Name of supplier	Bröderna Berner Handels AB Berner Medical						
Name of factory	Ansell N.P. Sdn Bhd, Melaka, Malaysia						
Date for audit	2015-06-11, 2015-06-12		Follow up Audit		1/27/2016		
Factory manager	Mr. Gilbert Andrew (General Manager)						
Name of auditors	Ellyсна Muchlizar (A.L.G.J.)						

Non Compliance (audit 2015-06-11 , 2015-06-12)						Facility response		
No.	Requirement (Reference to national legislation or ILO Core conventions)	Description of non compliance	Classification of non-compliance (Major/Minor/Risk for non-compliance)	Verification method	Recommendation	Corrective action plan	Deadline	Person responsible
1	ILO conventions no. 29 and 105 Passport Act (1996) art.12. Constitution of Malaysia 1972 Sec 6(2)	Forced labor: Keeping original passports The company keeps original passports for the migrant workers.	Major	Management interview	Make arrangements so the migrant workers safely can keep their passport, i.e. solid lockers in their dormitories or at the factory premises. The workers shall have easy access to their passports.	Ansell will return passports to the respective individuals. Ansell will have each employee sign an acknowledgement stating that they have received their passport.	30th August 2015	Umi (HR)
2	ILO conventions no. 29 and 105 Constitution of Malaysia 1972 Sec 6(2)	Forced labor: Compulsory overtime (OT) is stated in a contract in the sample.	Major	Document review (employment contracts)	Remove clause from contracts. Create a system for ensuring all overtime is voluntary. The system shall include internal control /follow up. Start monitoring and follow up of OT.	Ansell will comply with this recommendation. Ansell will issue an addendum to the existing contract removing the compulsory OT clause, and we will have employees sign the revised contract.	30th August 2015	Umi (HR)
3	ILO conventions no. 29 and 105	Forced labor: Loans are given to migrant workers to make it possible for them to pay the recruitment agency (in their home country) and travel costs to Malaysia. The loans are deducted from wages during approx. 10 months, and equals almost 3 months of wages (for normal working hours).	Major	Document review	Investigate the possibility of recruiting without agencies. Investigate the possibility of reimbursing the workers for recruitment fees.	Ansell will investigate the possibility of recruiting without agencies. Ansell will also investigate the recommendation of reimbursing workers for recruitment fees. We will need to consider the overall cost impact of this decision.	1st Oct 2015	Umi (HR)

4	UN Declaration of human rights ILO conventions no. 29 and 105 Constitution of Malaysia 1972 Sec 6(2)	Forced labor: The migrant workers can't leave until they have fulfilled their contract, unless they have proof of poor health or important family reason (i.e. marriage).	Major	Document review and management interview	Give the migrant workers a reasonable notice period, specified in their contracts.	Ansell will comply with this recommendation. Ansell will issue an addendum to the existing contract requiring a notice period of 30 days, which is the same requirement for our local operators.	30th August 2015	Umi (HR)
5	UN Declaration of human rights Legal according to Malaysian law.	Migrant workers are not allowed to apply for other jobs, during their time they have their fixed term contract with the company.	Legal according to Malaysian law	Document review (Employment contract)		N / A		
6	<i>Employment act sec 8</i> <i>Constitution of Malaysia 1972</i> <i>Sec 10</i>	union, (stated in the employment contract). They are not covered by the CBA, but they have the same benefits regarding for example wages and leave. Comment: The employment contract used here was a template for migrant workers, provided by the embassy. The company hadn't actively written this in the contract. But the fact remains that the	Major	Document review (Employment contract)	Allow the migrant workers to join the union, and clarify to them that they are allowed to join, if they want to.	Ansell will comply with this recommendation. Ansell will issue an addendum to the existing contract removing the clause from the contract and have employees sign the revised contract.	30th August 2015	Umi (HR)

7	Employment (Limitation of overtime work) Regulations (1980), Sec. 2 "Not more than 104 hours of overtime are allowed in one month." Client Code of Conduct	Working hours: Overtime hours for one worker in the sample are as high as 140 hours. This means a total of 332 hours. 108 of the OT hours is on regular overtime, which exceeds 104. The 32 remaining OT hours are on rest days, and therefore not included in the legal limit. Other workers in the sample had been working OT hours per month according to the following: 108; 119,5; 104; 122; 100; 123,3. As per client requirement - the limit of working hours (normal hours and OT) is 60 h per week. The Malaysian legislation on OT is very liberal, compared to other South East Asian countries. However, the majority of the migrant workers in the sample exceeds 104 hours OT per month. Therefore the overtime worked at the company is seen as excessive.	Major	Document review	Start monitoring overtime. Create a company policy that specifies that the limit of 104 hours/month shouldn't be exceeded. Follow up mental health and well-being of the workers whose OT hours are close to 104h/month.	Ansell will comply with this recommendation. Ansell HR will incorporate the work hours policy to include NO Overtime exceeding 104 hour per month. HR will send a memo to all Heads of Department (HOD) to observe the OT regulations (i.e. do not exceed 104 hours / month). HR will monitor the OT report from the HR system (Time Attendance Record) to ensure employees do not cross the 104 hours per month maximum. Ansell will review the recommendation regarding the need for mental health and well being follow-up for those employees who are close to 104 hours per month.	All actions by 1st Sept 2015	Umi (HR)
8	Employment act 1995 section 59 "Every employee shall be allowed in each week a rest day of one hole day..." Client Code of Conduct	Day of rest: The majority of the migrant workers in the sample don't have one day off every seven days. The highest number of consecutive working days in the sample is 45 days.	Major	Document review	Start monitoring days worked. Create a company policy that specifies that the workers shall have one rest day per week.	Ansell will comply with this recommendation. Ansell HR will send a memo to the Head of Departments (HOD) to observe a weekly rest day for employees.	15th July 2015.	Umi
9	UN Declaration of human rights	Migrant workers are not allowed to marry, or get pregnant, during their time of employment with the company. One of the employment contracts in the sample (with a migrant worker) states: "An employee who is single shall not marry another TKI or other foreign worker without permission from the employer..."	Minor	Document review		Ansell will comply with this recommendation. The initial terms in the clauses were put in place due to the legal requirements of Malaysian Immigration. We have spoken with Malaysian Immigration and this requirement is now relaxed. Ansell will issue an addendum to the existing contract removing the clauses from the contract and have employees sign the revised contract.	30th August 2015.	Umi (HR)
10	ILO- convention nr 111	Age discrimination in recruiting. Employees shall be: - Age 18-30 (in one contract) - Age 18-23 (on banner at factory gate)	Minor	Document review	Keep the minimum age limitation. Consider hiring people over 30 if they are suitable for the job.	Ansell will comply with this recommendation. Ansell will remove the age limitation requirement from job advertisements. Ansell will also issue an addendum to the existing contract removing the age limitation requirement from the contract and have employees sign the revised contract.	Immediately 30th August 2015 Immediately	Umi (HR)

11	Client code of conduct	Young workers: One 17-year old was found working in the production area, which is considered hazardous work.	Minor	Factory tour	Create a policy that includes special concern for employees below 18, i.e. concerning protection from hazardous work and excessive overtime.	Ansell will comply with this recommendation. Ansell HR will void the policy and procedure that permits the employment of "trainees" or others who are above 17 years old but below 18 years old. We will monitor recruitment to ensure compliance.	1st July 2015	Umi (HR)
12	Factories and machinery (Safety, health and welfare) regulations 1970 sec 32 g	Health and safety: Strong chlorine smell in especially the stripping area. Chlorine in combination with the heat makes it hard to breath. Ventilation (exhaust fan) is placed close to the chlorine area.	Major	Factory tour	Improve ventilation in areas where the chlorine smell is strong. Define how long time one worker is allowed to stay in this particular area. Make sure the workers in this area are on a rotating schedule.	Preliminary area chlorine mapping in the CC areas indicates chlorine levels only up to 0.3ppm (OSHA Permissible Exposure Limit = 1.0ppm => ceiling as stated in 29CFR 1910 subpart Z, July 1, 1993). A competent hygiene technician has been commissioned to conduct personal monitoring for chlorine exposure on 13th July. Based on the results of this study, options to improve - better extraction / ventilation / employee rotation - will be considered.	15th August 2015	Loh (SHE)
13	Factories and machinery (Safety, health and welfare) regulations 1970 sec 21(2) and sec 22	Fire safety: Blocked exit in warehouse Blocked fire extinguisher in finished goods warehouse.	Major	Factory tour	Look into routines for fire safety and improve implementation.	Ansell will commit to renewed efforts to enhance employee awareness through shop-floor briefings on maintaining clear access to exits and all emergency equipment. The messages are also being communicated via TVs in the canteen. Supervisors will be responsible and accountable for regular inspections to ensure that the corrections are sustainable.	Implemented and being monitored.	Loh (SHE)
14	Factories and machinery (Safety, health and welfare) regulations 1970 sec 29(h)	Fire safety: Insufficient emergency lighting in raw material warehouse, production warehouse and stairs.	Minor	Factory tour	Do a test of emergency lightning in all buildings to make sure it is sufficient. Improve if needed.	Ansell has initiated measurements of emergency lighting illumination in the plant. Objective: to achieve 1 lux at path of egress at floor level. Where required, repositioning of the present emergency lights will be considered to satisfy the objective. At the stairs, where it was pointed out during the inspection that lighting was insufficient, the e-light in the vicinity has been repositioned to ensure adequate illumination.	15th Aug 2015.	Loh (SHE)
15	Fire service act (1988) art 28	Fire certificate expired 2015-01-22. Renewal is in process.	Minor	Document review	Make sure certificate is renewed.	The Fire Certificate is ready for issue by the Fire Brigade. A check has been sent for issue of the renewed Fire Certificate. Ansell expects to receive the document from the local Fire Brigade this month.	31st July 2015	Loh (SHE)

16	Client code of conduct	Dormitory: The fire safety is not sufficient in the smaller houses. Metal gate locked with a wedlock (a small key). No fire extinguisher or fire blanket etc. in the house. Cooking on a gas stove takes place the houses.	Major	Visual inspection	Start working systematically with fire safety in the houses. Make sure evacuation in case of fire is possible, provide fire extinguishers and/or fire blankets and instruct the workers in how to use them.	Ansell will comply with this recommendation. We will provide a fire blanket at the hostel.	15th August 2015	Loh (SHE) & Umi (HR)
17	Occupational safety and health (safety and health committee) reg (1996) sec 29	Evacuation drill: 2015: Conducted for the day shift NP plant, but not all employees were covered. Not yet conducted for night shift. (Drill for night shift is planned for July 2015.)	Observation	Document review	Make sure all shifts on both plants are covered during 2015. Make sure the absolute majority of the employees are participating.	The remaining areas on all shifts will be scheduled for evacuation drills and these drills will be conducted before 31st Dec 2015.	31st Dec 2015	Loh (SHE)
18	Observation - connected to non-compliance no 1	Observation - Dormitory: No lockable space in the smaller houses.	Observation	Visual inspection	Install solid lockable spaces in the smaller houses. Make sure lockable spaces in the larger dormitories are solid.	Ansell will comply with this recommendation. We will provide the appropriate locker to the employees in the hostels	30th Sept 2015	Umi (HR)
19	Factories and machinery (Safety, health and welfare) regulations 1970 sec 21(1)	Observation - Fire safety: The larger of the two canteens has no emergency exit. There are two openings on one side, but they are very close to each other.	Observation	Factory tour	Look into the need for another emergency exit at the canteen, opposite from the two existing exits.	An emergency exit from the AM canteen, towards the plant, in case of a emergency on the roadway (ex. chemical tanker spill), is being evaluated.	31st July 2015.	Loh (SHE)
20	Factories and machinery (Safety, health and welfare) regulations 1970	Observation - Fire safety: One of the assembly areas is too small, since it is located at a parking area filled with cars.	Observation	Factory tour	Make sure the assembly points are large enough for the number of people that are expected at a complete evacuation.	A detailed assessment of the locations and footprints of the safe assembly areas is being conducted to ensure that the spaces are large enough to hold the maximum number of employees in the event of a plant-wide evacuation.	31st July 2015	Loh (SHE)

21	Observation - workers' rights	Observation - Employment contracts: Relevant for migrant workers. All employment contracts in the sample are not in the native language of the employee. Many of the migrant workers don't understand English or Malaysian.	Observation	Document review	Create standard contracts for all workers, that are translated into their native language. Make sure they see, read and sign these contracts before they travel to Melaka.	Ansell will comply with this recommendation. All new employment contracts will include a translation of the contract in the respective national language.	1st August 2015	Umi (HR)
22	Observation - workers' rights	Observation - Employment contracts: It is not clear that all employees get a copy of their employment contract.	Observation	Document review	Make sure all employees has a copy of their employment contract.	Ansell will comply with this recommendation. In future contracts, Ansell will include an acknowledgement receipt from the respective employees stating that they acknowledge that they have received a copy of their employment contract.	1st August 2015	Umi (HR)
23	Observation - workers' rights	Observation - Communication on workers' rights: There is no notice board or similar where workers' rights are displayed. Some information is displayed on TVs placed in the reception and the two canteens. If the local workers want they can get a copy of the CBA from the HR.	Observation	Visual inspection	Create a space where you display workers' rights and other policies, such as "Occupational safety and health policy" translated into relevant languages.	Ansell will comply with this recommendation to translate the appropriate policies into relevant languages. These notices will be displayed in a common area.	30th August 2015	Umi (HR)