

TOP GLOVE TO PAY RM136M TO MIGRANT WORKERS AS REMEDIATION FOR RECRUITMENT FEES

06 October 2020 / 12:10



KUALA LUMPUR (Oct 6): Top Glove Corp Bhd has announced it will pay RM136 million over the next 10 months to compensate its migrant workers, as part of its efforts to resolve the US Customs and Border Protection's (CBP) import ban over forced labour claims.

"The remediation will now be based on the revised sum of approximately RM136 million, in accordance with recommendations by the independent consultant, following the completion of the independent consultant's comprehensive verification work," said the world's largest rubber glove maker in a filing with Bursa Malaysia.

The remediation sum announced today is much higher than the glove maker's estimated compensation of RM53 million.

The group said the new compensation quantum affirms its commitment to remediating its migrant workers in respect of the recruitment fees previously paid by the migrant workers to agents or other parties.

Migrant workers will receive remediation over the next 10 months from this month onwards, it said.

"Top Glove has duly submitted the necessary information to the US Customs and Border Protection and is following up closely with them, with a view to an expeditious resolution of the matter and revocation of the Withhold Release Order (WRO)," it added.

Prior to this, the group said it made two remediation payments of RM4.4 million each to the migrant workers who were employed by the group before 2019, on Aug 10 and Sept 10.

In July, the CBP slapped a ban on imports from two subsidiaries of Top Glove over forced labour concerns. The ban came at a time when the demand for gloves spiked amid the Covid-19 outbreak.

Two subsidiaries, namely Top Glove Sdn Bhd and TG Medical Sdn Bhd, received the WRO.

The North American market accounted for about 27% of the group's total exports last year.

Top Glove's share price closed down 28 sen or 3.14% at RM8.64, making it among the top losers on Bursa Malaysia today.

The group's market capitalisation stood at RM70.29 billion. Some 48.35 million shares were done.