

Top Glove sales to UK unlikely to be dented by negative report

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It is business as usual for Top Glove's other customers, who are supportive of the company in spite of the allegations made, says executive chairman Lim Wee Chai. BT FILE PHOTO

LAST week's report on Top Glove Corporation by The Guardian is unlikely to dent its sales of surgical gloves to the UK's National Health Service (NHS), the Malaysian glove maker's managing director Lee Kim Meow said at an earnings call on Tuesday.

The article on Dec 10 suggested Top Glove medical gloves were made in Malaysia by migrant workers who were subjected to forced labour, forced overtime, debt bondage, withheld wages and passport confiscation.

Mr Lee noted that NHS orders constitute roughly 0.5 per cent of all of the firm's glove orders and that the NHS has yet to take a decision on whether to drop Top Glove and its UK partners as suppliers.

Responding to media queries, Top Glove's executive chairman Lim Wee Chai added that the company has replied to the accusations made by The Guardian and that it was business as usual for its other customers, who he explained are supportive of the company in light of allegations made.

But Mr Lim said that the issue about overtime work by its staff "is something that we can control better - to limit monthly overtime work to a maximum of 104 hours" - and "we have passed the instruction down to managers that there is strictly no exceeding of work hours".

He said that Malaysia's Minister of Human Resources M Kulasegaran and the ministry's enforcement officers visited Top Glove's factories on Dec 10 in view of allegations made.

They found Top Glove migrant workers were not subjected to forced labour, forced overtime and debt bondage and the glove maker did not confiscate passports of the workers.

The minister also noted that Top Glove has in place a mechanism to take care of its workers and that the company is operating within the framework of Malaysian law.

Mr Lim also urged fund managers, analysts and the media to visit its facilities and workers' dormitories.

On the accusations, he said that Top Glove would be "a natural target" given that it is the largest manufacturer of gloves globally. "These things have happened to past corporations and its part and parcel of becoming better known as a company," he added.

Top Glove has made efforts to look after employee health. It set up an in-house clinic with two doctors and three nurses for staff who reside in its workers' dormitories and also employs five nutritionists to look after their dietary needs.

Mr Lee said that such initiatives earned the company a 2017 award by insurer AIA for having the healthiest employees in Malaysia. It was also commended by the insurer for having among the healthiest workplaces in 2018.

Mr Lee said: "You can place so much emphasis on employee welfare but at the same time, you can be accused of these allegations."

The earnings call on Tuesday followed a record quarter for the glove maker, which posted a 34.5 per cent increase in revenue of RM1.26 billion (S\$414.2 million) for the first quarter of fiscal 2019 on the back of stronger glove sales.

Net profit increased 4.5 per cent to RM110.1 million from the previous year.

Top Glove shares closed S\$0.03 or 1.5 per cent down at S\$1.95 on Tuesday

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