



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE CONTINUOUSLY DEMONSTRATES ETHICAL LABOUR PRACTICES

Company awarded "A" rating in recent social audit of Factory 9

Shah Alam, Tuesday, 21 July 2020 Top Glove Corporation Bhd (Top Glove) has continuously upheld good labour practices and complied with requirements of labour laws and best practices, while ensuring adequate measures are in place to protect the safety and well-being of its workforce.

In demonstration of its commitment to ethical labour practices and further dispelling allegations of forced labour taking place in its manufacturing facilities, the company was accorded an "A" rating in a social audit conducted on 23 to 26 June 2020 by Amfori, a leading global business association for open and sustainable trade. The overall "A" score represents the highest Amfori rating, which was the result of Top Glove receiving 12 "Very Good" scores and 1 "Good" score for a total of 13 performance areas assessed during the said audit.

"The recent Amfori audit and earlier third-party audits which garnered good ratings, provide independent verification that there is no element of forced labour in our manufacturing facilities", said William Yap, General Manager of Human Resources at Top Glove.

As a socially responsible employer and industry leader, Top Glove has consistently striven to comply with and exceed international standards and expectations with regard to labour related matters, particularly as follows:

- ***Implemented Zero Cost Recruitment Policy to address concerns of debt bondage and forced labour***

Since January 2019, Top Glove has implemented a Zero Cost Recruitment Policy under which Top Glove bears all recruitment-related fees for its foreign workers who arrived from the year 2019 onwards.

The policy stipulates that Top Glove will conduct pre-departure orientations and interviews at the source country, post-arrival orientations in Malaysia, as well as monthly interviews with workers towards ensuring they have not paid any hidden fees to recruitment agents. Workers who have paid recruitment fees to agents in their source country will be reimbursed. In addition, workers also sign a Letter of Undertaking committing that they must not pay recruitment fees during the recruitment process and the company continues to educate workers not to pay recruitment fees to third parties.

Unethical recruitment agents are blacklisted through a robust due diligence procedure and all business dealings with them are terminated immediately.

- ***Absolutely no passport confiscation. Workers have full custody of their passports.***

In December 2018, Top Glove implemented a Foreign Workers' Passport Safekeeping Policy under which workers have full custody of and are responsible for their own passports. The policy also includes awareness training for workers on how to keep their passports safely to avoid theft or misplacement. As a best practice, the company also provides each worker the option of keeping their passports in a personal locker (with key) in their respective hostel rooms, or in a passport locker (with key) at the factory office.

For details of our additional ongoing good practices and improvements since 2019 in social compliance as below, please refer to the attached **Appendix**:

1. Continuous compliance with Malaysian labour authorities on payment of wages
2. Absolutely no forced or excessive overtime by workers
3. Decent accommodation and facilities for workers
4. Employee safety and health is our foremost priority
5. Upholding the highest standards of corporate governance

Since January 2019, Top Glove has attended to more than 100 external social audits of its factories, conducted by established international audit firms. In addition, Top Glove has proactively engaged with various organisations with a view to improving Top Glove's social compliance and performance.

"We will continue to engage with our stakeholders and are also committed to keep improving worker welfare, which remains a priority for Top Glove", Yap added.

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About Top Glove Corporation Bhd

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also one of the component stocks of the MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index, FBM Top 100 Index, FBM Emas Index, FBM Hijrah Syariah Index, FBM Emas Syariah Index, FTSE4Good Bursa Malaysia Index and the Dow Jones Sustainability Indices (DJSI) for Emerging Markets. Top Glove is currently the world's largest manufacturer of gloves with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

Summary of key information:

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