



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE RESPONDS TO CONTRIBUTOR JULIAN TAN'S OPINION IN FOCUS MALAYSIA ON 30 JANUARY 2021

Shah Alam, Tuesday, 2 February 2021 TOP GLOVE writes in response to a letter from a contributor named Julian Tan in an article that was published by Focus Malaysia on 30 January 2021, titled: 'Top Glove's response to allegations raises more questions than answers', (<https://focusmalaysia.my/opinion/top-gloves-response-to-allegations-raises-more-questions-thananswers/>).

To begin, we thank Mr. Tan for his kind words on our prompt reply towards addressing the feedback we receive from all our stakeholders and in this instance, from contributors of Focus Malaysia. We actively advocate and routinely engage with our shareholders, public and private institutions, members of the public, and the media, in a timely and transparent manner.

We wish to inform Mr Tan and the readers of Focus Malaysia that Top Glove has always placed a high value on our employees' health and wellbeing at the workplace. Over the years, Top Glove has created a lot of jobs and a lot of value for its workforce, including its foreign workforce, who have been able to upgrade the standard of living for their families in their home countries. Top Glove too remains committed to investing in the welfare of workers in view that happy and healthy employees will be more satisfied and productive, which is beneficial for both the Company and its employees.

Issues that Mr Tan raised in his letter, including that of recruitment fees, termination of a former employee for misconduct, and workers' accommodation, have and are currently being addressed by the Company, effectively and efficiently, with the support of the relevant authorities. On these matters, the Company has been transparent in our reporting of updates which are available on the Company's website: <https://www.topglove.com/press-release/>

, in particular:

- i. <https://bit.ly/3GGD41k>: *Top Glove refutes Canadian Broadcasting Corporation (CBC)'s recent reporting on its workers' welfare*
- ii. <https://bit.ly/3DQcMIv>: *Top Glove Working with Authorities to Improve Workers' Accommodations*

Regarding the points Mr Tan raised in his letter, below are the clarifications from Top Glove:

1. **Zero Cost Recruitment:**

To ensure workers do not pay remediation fees, Top Glove has a robust Zero Cost Recruitment Policy in place which has been implemented effective January 2019.

- a) Under this policy, our foreign workers DO NOT pay any recruitment fees as the Company bears all recruitment related fees for our foreign workers. Under this policy too, Top Glove reimburses all workers who have paid recruitment fees to agents at their source country, including those who have left the Company prior to January 2019, supported by the workers signing a Letter of Undertaking committing that they will not pay recruitment fees during the recruitment process.
- b) Top Glove is already making remediation payments to our migrant workers currently in employment with the Company, after the completion of verification by an international independent consultant. To date, we have made six rounds of remediation payments (from August 2020 to January 2021) amounting to RM61 million from the total RM136 million that was recommended by the independent external consultant, which the Group has committed to honour. We also wish to point out that workers who have left the company will also receive remediation payments, the first payment for which was made in January 2021.
- c) To support these remedial actions, Top Glove has blacklisted 6 unethical recruitment agents through a robust due diligence procedure and all business dealings with such recruitment agents are terminated with immediate effect. We are currently working with 7 principled recruitment agencies in Malaysia and from overseas. Top Glove too continues to educate our workers not to pay recruitment fees to third parties.

2. **Workers' accommodations:**

Mr Tan's statement that "relocating...2,000 workers is also an indictment of the appalling living conditions of its workers before this" is inaccurate.

- a) This initiative is part of our ongoing efforts to advance the work environment and living conditions of all our employees, local and foreign, at our offices and factories in Malaysia and abroad guided by the Management and Independent Directors. Continuous improvements such as these have been and will continue to be Top Glove's priority as we scale to greater heights in years to come. We are always mindful that we can do better and will continue to look for areas to improve.
- b) Additionally, the relocation to the Westlite-PKNS accommodation is a temporary measure while the construction of new workers' hostels with full facilities are underway. With a CAPEX of RM195 million, these new accommodations, which would have a capacity of 10,000 people, are expected to be completed in stages from now to 2023.
- c) Top Glove categorically refutes Mr. Tan's claim on the number of COVID-19 cases with its workers which was substantially lower than the stated 7,000. In addition to a lower number of cases and the fact that almost all our workers were asymptomatic, the Company has proactively embarked on mass testing of our employees with close to 12,000 of our factory employees having undergone screening as at 31 January 2021.

3. On Mr Tan's claim that "Ministry of Human Resources opening 19 investigation papers against 6 companies related to Top Glove over the spread of COVID-19 in the Teratai cluster":

- a) To date, no charges have officially been pressed against Top Glove. Top Glove, however, is in constant and close consultation and cooperation with the Ministry and the Labour Department, in our efforts to continually improve the accommodations of our foreign workforce.

4. On dismissal of a "whistleblower":

- a) Top Glove wishes to clarify that the said worker was dismissed due to his committing a major misconduct in contravention of the Company's Social Media Policy and Procedures under the Company's Disciplinary Guidelines for Workers' Misconduct [Rev4]; dated 26 February 2020. Top Glove reassures Mr. Tan and readers of Focus Malaysia that the Company's Disciplinary Guidelines and Code of Conduct have been drafted with the fair and respectful treatment of all employees in mind.
- b) In this instance, the said worker was not a whistleblower (as wrongly mentioned by Mr. Tan). The truth of the matter is that he did not avail himself of the existing channels (please see point 'c' below) made available for reporting but chose instead to share the pictures concerned on social media, a major misconduct under Company guidelines.
- c) Additionally, the Company also has in place an existing Grievance Mechanism and Whistleblowing Policy with various reporting channels. This has been enhanced with third party auditors who act as external whistleblowing case receivers for secure and efficient case management, and as grievance helpline receivers for helplines in the native languages of our foreign workforce.

5. We agree with Mr Tan's statement that being a public listed company, Top Glove is duty bound to disclose updates with the Company:

We make all necessary disclosures in our announcements and beyond, for example, through press releases. These disclosures are all made voluntarily, and are publicly available on our website, www.topglove.com.

Just as Top Glove remains committed to producing high quality medical gloves to protect medical practitioners and frontliners across the world, we will continue to be equally committed to taking care of our employees and the communities we serve.

Top Glove looks forward to Focus Malaysia publishing this response to provide your readers with a more accurate and representative perspective of the Company and once again, encourages you to work alongside us to minimise and eliminate the continual spread of misinformation on the Company with immediate effect.

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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.