



**Top Glove Corporation Bhd**

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## **PRESS RELEASE**

For Immediate Release

**TOP GLOVE PROVIDES CLARITY ON ALLEGATIONS IN VICE NEWS VIDEO TITLED “THIS PPE FACTORY ISN’T PROTECTING ITS WORKERS AGAINST COVID”**

**Shah Alam, Saturday, 12 December 2020** In response to a video that was published by VICE News on its YouTube channel on 10 December 2020, titled ‘This PPE Factory Isn't Protecting Its Workers Against COVID’, Top Glove clarifies the following issues raised in the video, which are thoroughly misleading and damaging to the Company’s good-standing reputation.

### **1. Workers’ recruitment fees:**

- a) Since January 2019, Top Glove has implemented a Zero Cost Recruitment Policy. Under this policy, our foreign workers DO NOT pay any recruitment fees as Top Glove bears all recruitment-related fees for our foreign workers.
- b) Additionally, the Zero Cost Recruitment Policy stipulates pre-departure orientations and interviews at the source country, post-arrival orientations in Malaysia, and monthly interviews with workers to ensure that they have not paid any hidden fees to recruitment agents.
- c) Under this policy, Top Glove reimburses workers who have paid recruitment fees to agents at their source country, supported by all workers signing a Letter of Undertaking committing that they will not pay recruitment fees during the recruitment process.
- d) Top Glove is already making remediation payment to its migrant workers, after the completion of verification by an international independent consultant. To date, we have made five rounds of

remediation payments (from August to December 2020) amounting to RM50 million (USD12.5 million) from the total RM136 million (USD34 million) that was recommended by the independent consultant, which the Group has committed to honour.

- e) To support these remedial actions, Top Glove has blacklisted 2 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 11 principled recruitment agencies in Malaysia and from overseas. Top Glove too continues to educate our workers not to pay recruitment fees to third parties.
- f) More importantly, the independent international consultant who audited us from the period of August to October 2020, has cleared us of the 11 forced labour indicators as per the International Labour Organisation standards save for one item, on Act 446, which is a work in progress between Top Glove and the relevant Ministry and Labour Department as clearly outlined in Point 2 (below).
- g) Please be informed, too, that the claim of workers having to go through three medical examinations before coming to Malaysia to work for Top Glove is false. A worker would go through a maximum of two medical examinations. Each medical examination is valid for two months, and it is an exceedingly rare case that a worker is not deployed within two months.

## **2. Workers' accommodation:**

- a) Top Glove is seriously embarking on corrective measures towards improving the living quarter of our workers nationwide, to meet the requirements of the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446). On this matter, we are in constant and close consultation and cooperation with Malaysia's Ministry of Human Resources and the Labour Department.
- b) Efforts to source for more worker accommodation and to improve existing accommodation have been ongoing in consideration of the large number of workers, for which the Group has already invested RM70 million (USD17.5 million).
- c) In addition, the Group has spent some RM20 million (USD5 million) on purchasing 100 units of apartments over the past two months and is also renting more houses for its workers.
- d) Existing amenities and facilities at our Klang hostels include cafeteria, hairdressing salon, hostel cooking area, mobile phone reload machine, sport and recreational facilities, remittance counter, laundromat, mini market, and automated teller machines.
- e) In the mid-term, the Group has earmarked approximately RM100 million (USD25 million) to be invested in workers' facilities and accommodation, which includes building mega hostels in Selangor (Klang and Banting) with a combined capacity of 7,300 pax and are fully equipped with a suite of amenities and facilities. The CAPEX for the new mega hostels is around RM70 million (USD17.5 million) and the first block of the hostels is expected to be ready by 2021.
- f) The mega hostel in Banting is part of our Innovation Campus, which incorporates factories, warehouse, a research and development centre and a commendable workers' accommodation that is expected to be completed in 2021. All Top Glove's future factories will be modelled after the Innovation Campus.
- g) The Group is also building and acquiring additional houses, apartments, and hostels in other states, which would cost about RM30 million (USD7.5 million).

### **3. Work hours and wages:**

- a) Top Glove pays its workers in accordance with Malaysian labour law, which is a basic monthly salary of RM1,200 (USD300) per month. It is also worthy of note that the general take-home pay of our workers is more than RM1,600 (USD400) per month because of overtime that is within the allowable rest-day matrix.
- b) In accordance with the labour law as per the Malaysian labour authorities, Top Glove makes a monthly deduction of RM60 (USD15) of our workers' wages, consisting of RM10 (USD2.50) for insurance under the Foreign Worker Hospitalisation and Surgical Insurance Scheme and RM50 (USD12.50) for accommodation. As an added value, Top Glove has our own medical clinics which provide free medical check-ups, consultation and medication for both workers and staff.
- c) In June 2020, we made an ex-gratia payment to our workers in appreciation of their contributions during the COVID-19 pandemic.
- d) Additionally, our exceptional performance in the financial year 2020 and the first quarter financial year 2021 must be dedicated to our workforce of 21,000 who have worked extremely hard, smart and fast to ensure our gloves reach those who need it the most, despite several operational challenges. Towards this, we will be awarding all our deserving workers with an outstanding performance incentive soon.
- e) We also wish to state that Top Glove's workers do not perform excessive overtime and are given rest days in line with the Malaysian labour law, which is 104 hours overtime per month and one (1) rest day per week, respectively.
- f) Overtime is solely performed on a voluntary basis and workers are only allowed to perform overtime if they have not exceeded the daily maximum allowable working hours.
- g) Towards this, Top Glove strictly monitors rest days and overtime hours clocked to ensure full compliance with the country's labour law. This has been verified by external audits and the Malaysian government authorities.
- h) Top Glove also wishes to clarify that unearned wages (i.e., minutes of lateness and/or under time and/or early out) is calculated per minute based on basic salary, a policy that has been in effect since 1 October 2019 for Management staff and workers.

### **4. Safety of workers:**

- a) Top Glove is one of few manufacturing companies in Malaysia with a Zero Harm and Safety Health Emergency Preparedness Program and a Workers' Health Protection Programme.
- b) Under these programmes, Top Glove's factories have a designated First Aid Room equipped with cardiac emergency, immobilisation, and stabiliser and mobiliser equipment, which are facilities that go beyond the requirements set out by the Malaysia's Department of Occupational Safety & Health (DOSHA), under the Ministry of Human Resources. The factories' First Responders and Safety Health Officers also work in tandem with a 24-hour emergency response team.
- c) Top Glove has also invested in two 24-hour emergency ambulances with trained paramedics. The ambulances are stationed at the Top Glove Global Doctors (TGGD) Medical and Dental Clinic, which is at Top Glove's 23-storey Corporate Office and just a 10-minute drive to Top Glove's Klang factories.

- d) Additionally, Top Glove has its own auxiliary police, who help look after the safety of our office staff and workers, as well as Top Glove's properties. These patrols ensure the safety of our workers and the community we serve.
- e) Top Glove maintains a good relationship with the local police, working together with them to ensure the safety of our workers and the community.
- f) Under the Workers' Health Protection Programme, all our workers are entitled to a fully subsidised blood screening, basic vision and hearing assessments.
- g) Additionally, Top Glove has 8 full-time Corporate Nutritionists to support the comprehensive health and well-being of our workers.

## 5. COVID-19 Mitigation

- a) The world of work is being profoundly affected by the global virus pandemic. Every single one of us across the globe, Governments, workers, and employers, continue to do our part and play a crucial role in combating the outbreak, ensuring the safety of individuals and the sustainability of businesses and jobs. Top Glove is no exception.
- b) Top Glove has implemented COVID-19 preventive SOPs since the start of the pandemic and these continue to be adhered to on a stringent basis and strengthened as required, towards ensuring the safety, health, and well-being of its employees.
- c) As of 8 December 2020, approximately 94% of our workers who underwent testing are ready to resume work after being cleared of COVID-19. This includes workers who tested negative and underwent the stipulated quarantine periods from close contact tracing.
- d) This success was made possible by our concerted efforts and close collaboration with Malaysia's Ministry of Health and the relevant authorities to always ensure that the safety and health of our workers are given the utmost priority.
- e) Top Glove continues to work closely with the relevant authorities on the scheduled closure and reopening in stages of our factories, ensuring that they strictly adhere to all the required SOPs when they reopen.

More importantly, all our foreign workers have access to a helpline in each of their native languages, managed by the independent consultant, to voice their grouses and concerns in our effort to advocate freedom of speech. This is supported by our Whistle-blower Channel that is also handled by an external independent service provider to justly receive and highlight concerns raised by our workers.

Top Glove remains committed to operating strictly by our Guiding Principles, part of which include our Corporate Values of R.I.V.E.R. (Respect; Integrity; Value; Empowerment; and Relationship). We epitomise transparency in our Annual Reports, the latest report can be accessed here: [Top Glove's Integrated Annual Report For Financial Year Ended 31 August 2020](#).

For more information about the Company, we welcome all stakeholders to view the following videos: [Top Glove Corporate Video 2020](#), [Workers Sharing Work Experience Video](#) and [Top Glove Sustainability Video 2019](#).

Top Glove stands by the hard work and dedication of our team in ensuring that we continue to deliver our high-quality and essential medical gloves to first responders and frontlines all over the world in a timely and efficient manner.

Top Glove urges all media to honour the principles of ethical journalism by verifying the news they publish and broadcast, enabling their readers to have access to accurate, balanced and transparent reporting.

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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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