



**Top Glove Corporation Bhd**

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## PRESS RELEASE

For Immediate Release

**PRESS STATEMENT (THE EDGE) - ARE MALAYSIAN GLOVE MAKERS LOSING THE US MARKET OVER FORCED LABOUR**

*Shah Alam, Sunday, 18 October 2020* – In reference to your reporting titled “**Are Malaysian glove makers losing the US market over forced labour**” in theedgemarkets.com (<https://www.theedgemarkets.com/article/are-malaysian-glove-makers-losing-us-market-labour-issues>); dated 15 October 2020.

We wish to point out that Top Glove has resolved the labour-related issues highlighted in the report by the U.S. Department of Labour.

The following are our clarifications which we hope will help you and your readers gain a better perspective on Top Glove’s continuous and concerted efforts in addressing and improving our labour and social compliance standards and practices.

### **1. No Debt Bondage: Top Glove has implemented a Zero Cost Recruitment Policy, effective January 2019**

- From January 2019 to date, Top Glove has implemented a Zero Cost Recruitment Policy through which the company bears all recruitment-related fees for its foreign workers.
- 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, towards ensuring that they have not paid any hidden fees to

recruitment agents.

- 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.
- Top Glove has blacklisted unethical recruitment agents and continues to do so, through a robust due diligence procedure and all business dealings with such recruitment agents will be terminated with immediate effect. Top Glove too continues to educate its workers not to pay recruitment fees to third parties.

## **2. Top Glove is committed to remediating its foreign workers with respect to recruitment fees and has commenced remediation payments**

- Top Glove has also committed to remediating its foreign workers with respect to recruitment fees previously paid by the foreign workers to agents or other parties.
- The remediation will now be based on the revised sum of RM136 million, in accordance with recommendations by the independent consultant, following the completion of the independent consultant's comprehensive verification work.
- Top Glove has already made the first 3 remediation payments on a monthly basis starting August 2020 and foreign workers will continue to receive remediation over the next 9 months, from November 2020 until July 2021.
- Top Glove has duly submitted the necessary information to the U.S CBP and is following up closely with them, with a view to an expeditious resolution of the matter and revocation of the WRO. In the meantime, our gloves will be routed to other countries across the globe to cater to the urgent and overwhelming demand for this highly essential personal protective item.

## **3. No Withheld Wages: Top Glove's workers' wages are always paid in a consistent and timely manner**

- Top Glove pays its workers in accordance with Malaysian labour law, which is a basic monthly salary of RM1,200 per month. Nevertheless, the general take-home pay of its workers is more than RM1,600 per month factoring in overtime, which is always performed within the allowable rest-day matrix.
- In accordance with the labour law as per the Malaysian labour authorities, a monthly deduction of RM60 consisting of RM10 for insurance under the Foreign Worker Hospitalisation and Surgical Insurance Scheme and RM50 for accommodation is made. As an added value, Top Glove has its own medical clinics which provide free medical checkups, consultation, and medication for both workers and staff.
- In addition, the company in July 2020 made an ex-gratia payment to its workers in appreciation of their contributions during the COVID-19 pandemic.

Top Glove continues its vigorous enforcement and remedial actions to ensure its foreign workers are protected from unscrupulous agents, thereby ensuring that Top Glove remains free of forced labour.

Additional labour-related initiatives include:

## **4. Monitored Overtime: Top Glove is fully compliant to Malaysia's Labour Law**

- Top Glove does not allow its workers to perform excessive overtime, and the workers are given rest days in line with the Malaysian labour law, which stipulates 104 hours overtime per month and one (1) rest day per week, respectively.
- 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.
- 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 relevant local regulators.

## **5. Health and Safety Protection: Top Glove is one of few manufacturing companies with a Zero Harm and Safety Health Emergency Preparedness Programme and a Workers' Health Protection Programme**

- Under these programmes, Top Glove's factories have a designated First Aid Corner equipped with cardiac emergency, immobilisation, stabilizer, and mobiliser equipment; which are facilities that go beyond the requirements set out by the Malaysia's Department of Occupational Safety & Health (DOSH), 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.
- Top Glove has also invested in two 24-hour emergency ambulances with trained paramedics. The ambulances are stationed at the Top Glove Global Doctor (TGGD) Medical and Dental Clinic, which is at Top Glove's 23-storey Corporate Office, that is a 10-minute drive to Top Glove's Klang factories.
- 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 considering workers being robbed when out, especially at night. Additionally, having police patrolling the area prevents foreign workers from loitering and potentially causing social problems.
- Top Glove maintains a good relationship with the local police, working together with them to ensure the safety of our workers and the community.
- Top Glove has in place a **Workers' Health Protection Programme**, which entitles workers to fully subsidised blood screening, as well as basic vision and hearing assessments.
- Top Glove has a Wellness Team comprising 29 people including 8 full-time Corporate Nutritionists, 2 Dieticians and 4 Medical Doctors.
- Top Glove has also provided subsidised healthy vegetarian meals for our workers, where they need only pay RM1 per meal.
- Top Glove has in place several COVID-19 preventive measures, to ensure our employees are safe and well-protected. For more details on our preventive measures against COVID19, we invite you to view:
  - The attached photo compilation
  - Our video at <https://www.youtube.com/watch?v=Zg0wQ2DtMik>

The demand for gloves continues to be on the uptrend in the U.S and the world over. Pre-COVID, it was

already growing steadily at a rate of 10% yearly and with COVID, glove demand is expected to grow by 20% per annum in 2020, 25% in 2021 and 15% post-COVID. Top Glove will continue to work hard, in safety, ethically, and efficiently to produce high-quality gloves, so we can continue to help protect and save lives all over the world.

To end, Top Glove ensures The Edge of its continued responsiveness to update and provide accurate and complete information to all its reporting (and enquiries), as appropriate.

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