



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE PROVIDES CLARIFICATIONS TO THE GUARDIAN ON ARTICLE TITLED “UK GOVERNMENT SOURCING NHS PPE FROM COMPANY REPEATEDLY ACCUSED OF FORCED LABOUR”

Shah Alam, Tuesday, 29 September 2020

We have taken note of your article, dated 25 September 2020, titled “*UK government sourcing NHS PPE from company repeatedly accused of forced labour*”.

Our clarifications are as follows, which we hope will help you and your readers gain a clearer perspective on Top Glove’s continuous and concerted efforts in addressing and improving our labour and social compliance practices.

The issues highlighted were:

1. Forced Overtime: Top Glove is fully compliant with Malaysia’s Labour Law

- 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.
- Overtime is solely performed on a voluntary basis and workers are only allowed to perform overtime if they have not exceeded the permissible working hours limit.

- 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 an independent third party auditor.

2. Debt Bondage: Top Glove has implemented a Zero Cost Recruitment Policy

- Since January 2019, Top Glove has implemented a Zero Cost Recruitment Policy under 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 to ensure 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 is also currently in the process of making remediation payment to its migrant workers, after the verification has been completed by the independent third party auditor. To date, Top Glove has made two rounds of remediation payments amounting to RM8.8 million and is presently engaging with the U.S. Customs Border Protection (CBP) to finalise the total remediation to be paid.
- Top Glove has blacklisted unethical recruitment agents through a robust due diligence procedure and all business dealings with such recruitment agents are terminated with immediate effect.
- Top Glove continues to educate its workers not to pay recruitment fees to third parties.

3. 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 take-home pay of its workers is more than RM1,600 per month attributed to voluntary overtime (which is within the allowable rest-day matrix).
- In accordance with labour law as per the Malaysian labour authorities, Top Glove makes a monthly deduction of RM60 of its workers' wages which has been approved by the authorities, consisting of RM10 for insurance under the Foreign Worker Hospitalisation and Surgical Insurance Scheme and RM50 for accommodation. 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 recently made an ex-gratia payment to its workers in appreciation of their contributions during the COVID-19 pandemic.

4. Inadequate Protection: Top Glove is the only manufacturing company with a Zero Harm and Safety Health Emergency Preparedness Program, a Team of Wellness Professionals and a Workers' Health Protection Programme

- Under the **Zero Harm and Safety Health Emergency Preparedness Programme**, Top Glove's factories have a designated First Aid Corner equipped with cardiac emergency, immobilisation, stabiliser 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 and just 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, in consideration that workers may be 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.
- Under the **Workers' Health Protection Programme**, workers are entitled to fully subsidised blood screening, as well as basic vision and hearing assessments.
- Top Glove has a dedicated team of **30 Wellness Professionals**, which includes 4 Medical Doctors, 1 Dentist, 8 Corporate Nutritionists and 2 Dieticians.
- Top Glove also has in place several COVID-19 preventive measures, to ensure our employees are safe and well-protected, details of which are within the document attached. Additionally, for more information on our preventive measures against COVID-19, we invite you to view our video at <https://www.youtube.com/watch?v=Zg0wQ2DtMik>

To support balanced reporting, these clarifications were provided earlier to Guardian, prior to the publication of the aforementioned article. Top Glove urges the Guardian to strive to ensure the free exchange of information that is accurate, fair and thorough, enabling its readers to have a rounded perspective of the news it publishes, while taking into account the long-term implications of the extended reach and permanence of its reports.

In the meantime, Top Glove assures the Guardian of its continued responsiveness to update and provide accurate and complete information in relation to its enquiries, as appropriate.

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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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