



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE REMAINS FIRM ON ITS LABOUR GOVERNANCE

Shah Alam, Wednesday, 29 July 2020 Top Glove Corporation Bhd the world's largest manufacturer of gloves, has today asserted the following in line with its strict labour governance:

1. Top Glove has implemented a Zero Cost Recruitment Policy and has Zero Tolerance for Unethical Intermediary Recruitment Agents

- 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 who arrived January 2019 onwards.
- The policy also 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 been made to pay recruitment fees to agents in their source country will be reimbursed accordingly.
- Workers are also made to sign a Letter of Undertaking; committing that they will not pay recruitment fees during the recruitment process.

Mr. William Yap, General Manager of Human Resources, Top Glove Corporation Bhd. said: "Top Glove only works with ethical and socially responsible recruitment agents, to which end we have a robust due diligence procedure (encompassing checks on business background, practices, and processes) to ensure potential agencies fully comply with the Sedex Members Ethical Trade Audit (SMETA) and/or the Business Social Compliance Initiative's (BSCI) code of conduct, as well as applicable local laws and regulations.

We have put in great efforts to raise awareness and educate our workers not to pay any recruitment fees to

any third parties and we will strictly ensure that the awareness exercise continues,” continued Yap.

2. Compliance with Malaysia’s labour law requirement on overtime & rest day

- Top Glove’s workers do not perform excessive overtime and are given rest day in line with the Malaysia labour law requirement, which is 104 hours of overtime per month and one (1) rest day per week, respectively. Maximum allowable overtime is 4 hours per working day and solely on a voluntary basis. This has been verified by the Malaysian government authorities and reflected in external audit results including a recent audit.
- To ensure compliance with Malaysian labour law requirements, Top Glove has implemented a digital monitoring exercise.

3. Workers have full custody of their passports

- Top Glove implemented a *Foreign Workers’ Passport Safekeeping Policy* in early 2019 under which workers have received, have full custody of and are responsible for their own passports. In the event the company requires the workers’ passports for purposes of renewal or in emergencies, the workers’ permission will be sought. 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 have provided its workers the option to keep their passport in a personal locker (with key) at their respective hostel rooms, or keep their passport in a passport locker (with key) at the factory office.

4. Full release of workers’ wages

- Top Glove pays its workers in accordance with the Malaysian labour law on wages, which is the basic RM1,200 per month. However, the worker’s take-home pay is more than RM1,600 per month.
- In accordance with the local labour law, Malaysian labour authorities have allowed and the Department of Labour has approved the Company to perform monthly deductions amounting to RM60 (which consists of RM10 for insurance under the Foreign Worker Hospitalisation and Surgical Insurance Scheme and RM50 for accommodation) to be made. However, Top Glove has its own medical clinics which provide free medical check-ups, consultation and medication for both its workers and staff members; resulting in nil salary deductions for these.
- Additionally, the Company has always paid its employees in a timely manner and has recently made an ex-gratia payment to our workers in appreciation of their contributions during the pandemic.

5. Social audits are initiated by customers based on internationally recognised standards

- Since January 2019, we have attended to more than 100 external social audits of our factories, by reputable audit bodies. The social audits are independent audits initiated by our customers, many of which are unannounced.
- These social audits are carried out based on international standards, which are the Business Social Compliance Initiative (BSCI) and Sedex Members Ethical Trade Audits (SMETA).
- The positive results and outcomes of both these audits have reflected excellent progress in Top Glove’s social compliance in 2019 where concentrated efforts were made to enhance its labour practices to meet the stringent international requirements.
- In December 2019, Top Glove’s factory in Malaysia received an ‘A’ rating by Amfori following an international-level social audit in accordance with the Business Social Compliance Initiative (BSCI) standards.

“As we continue to improve, another factory was recently awarded an ‘A’ rating under the same BSCI standards,” said Yap.

6. Top Glove's foremost priority is its workers' safety and health

- Top Glove has a robust Safety & Health Policy to govern all operational processes which its personnel are required to comply with.
- Over and above meeting requirements set out by the Department of Occupational Safety & Health (DOSH), a department under the Ministry of Human Resources, Top Glove has also embarked on a Zero Harm and Safety Health Emergency Preparedness Program for its factories, whereby a workplace operates without exposing an individual to injury, through the implementation of safe work environment systems.

7. Provision of decent accommodation for all workers

- Decent accommodation with proper facilities is provided to all of Top Glove's workers. Some workers' accommodation is fitted with cooking facilities. At one of the Company's newer hostels, two (2) types of native cooking is available for the convenience of its workers. Additionally, hostels are surrounded by a variety of eateries while the factory canteens operate all day. This hostel also provides various amenities including a barber shop, prayer halls, mini 4 market, Automatic Teller Machines (ATM), laundromat, money transmission operators, and recreational areas.
- Top Glove also has its own ancillary police to ensure the safety of its workers.

This clarification is in response to the pulling of the Company's gloves from a supermarket chain shelves in New Zealand, as reported in an [article](#) by Newsroom, following allegations of forced labour in Top Glove's factories. In its article, Newsroom states that it has seen evidence Top Glove products have come into New Zealand via medical supplies importer Protec, and Protec has told them its customers included "Foodstuffs and the hospitals". Protec accounts for less than 0.2% of Top Glove's total sales.

In response to these allegations, Top Glove confirms its compliance with the Malaysian labour laws; amplified by stringent labour practices, environmental, and health and safety measures of its workers across all of the Company's factories.

"We believe in treating everyone with respect, embrace diversity and are committed towards upholding human rights. All 20,000 of our people embrace our Corporate Values, represented by the acronym **R.I.V.E.R.**, which promotes *Respect, Integrity, Value, Empowerment, and Relationship*. Top Glove has been founded on good and positive values, which we will continue to instil among our employees. We continuously identify ways to create a work environment in which everyone feels valued and appreciated", affirmed Yap.

In tandem, the company is also working closely with the U.S. CBP to resolve the order on disposable gloves manufactured by two of its subsidiaries and is expected to provide an update soon.

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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