



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE REFUTES CANADIAN BROADCASTING CORPORATION (CBC)'S RECENT REPORTING ON ITS WORKERS' WELFARE

Shah Alam, Monday, 18 January 2021 Top Glove strongly refutes the Canadian Broadcasting Corporation (CBC)'s reporting in its articles and videos titled, 'Hidden camera reveals 'appalling' conditions in overseas PPE factory supplying Canadian hospitals, expert says' and 'The truth about your lifesaving PPE' published on Friday, 15 January 2021. Top Glove clarifies that the allegations raised in these reporting and the manner they were presented is thoroughly misleading and damaging to the Company's good-standing reputation as it suggests a breach in the implementation of existing policies that are advocated by the Company and its Directors.

The Company states that CBC's reporting intentionally downplays or excludes altogether the most current remedial actions which Top Glove has taken on the issues highlighted in its reporting to meaningfully address these allegations, which include Top Glove's commitment to combating forced labour and its current implementation of robust policies to protect the rights of its workers.

We are extremely disappointed that our remedial actions were not comprehensively published and fairly represented in the main reporting video, as they should rightfully be.

In the interest of all parties, Top Glove unequivocally requests that this statement is published, which outlines our up-to-date progress and the steps which the Company has taken to ensure the safety and well-being of all its employees:

1. Enforced Zero Cost Recruitment Policy since January 2019

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 Top Glove is already making remediation payments to its migrant workers, 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 (USD15 million) from the total RM136 million (USD34 million) that was recommended by the independent consultant, which the Group has committed to honour. This covers more than 11,000 foreign workers, including those who have left the Company.
- 1.5 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 to refrain from paying recruitment fees to third parties.

2. Ensuring overtime work is in line with Malaysian labour law

- 2.1 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.
- 2.2 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.
- 2.3 Towards this, Top Glove strictly monitors rest days and overtime hours clocked via digital tools to ensure full compliance with the country's labour law.

3. Zero tolerance of any form of violence, harassment, or abuse of workers

- 3.1 Top Glove does not tolerate any form of violence, harassment, or abuse, and views such allegations seriously. The supervisor who was filmed slapping a worker was dismissed immediately following the incident.
- 3.2 As to the threats of violence that were received by "Rahmat" (a purported Top Glove employee who was depicted in the video), we urge him to report the incident through our whistle-blowing channels and to make a police report.
- 3.3 Top Glove has significantly improved our grievance mechanism with the establishment of independent grievance helplines in the native languages of our workers with thirdparty auditors as the Company's helpline receivers. This is in addition to existing internal grievance channels as well as whistle-blowing channels which are handled by external service providers as case receiver.

4. Improved workers' safety and working conditions

- 4.1 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.
- 4.2 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 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.

- 4.3 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.
- 4.4 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.
- 4.5 Top Glove maintains a good relationship with the local police, working together with them to ensure the safety of our workers and the community.
- 4.6 Under the Company's Workers' Health Protection Programme, all our workers are entitled to a fully subsidised blood screening, basic vision, and hearing assessments.
- 4.7 Additionally, Top Glove has 40 wellness team members to support the comprehensive health and well-being of our workers.

5. COVID-19 SOPs and robust response

- 5.1 While we have had COVID-19 prevention SOPs in place since the start of the pandemic, in accordance with guidelines from the relevant Malaysian authorities, we recognise that there continues to be room for improvement.
- 5.2 Following a temporary closure in stages of our factories in Meru, Klang for approximately two weeks in November and December 2020, all our factories underwent disinfection and sanitisation and we have since reopened them with reinforced health and safety measures, with an emphasis on education and awareness of and adherence to these SOPs.
- 5.3 Top Glove wish to stress that as soon as some of our employees tested positive for COVID-19, we continue to work very closely with the Malaysian Ministry of Health and other relevant authorities to minimise and curb the further spread of the virus.

6. Better and enhanced workers' accommodations

- 6.1 Top Glove is seriously embarking on corrective measures towards improving the accommodations of our workers nationwide, to meet the requirements of 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.
- 6.2 At the end of December 2020, we had relocated about 2,000 workers to a new hostel accommodation that we are renting. This hostel is the most suitable one in the Klang Valley for our needs, in terms of its capacity to accommodate our request and the facilities following Act 446. This hostel is equipped with a full host of facilities for our workers including canteens, convenience shops, sports and recreational facilities, and a laundromat.
- 6.3 In the mid-term, the Group has acquired an entire block of an apartment in Meru, Klang with a target completion date of March 2022. The Group is also building mega hostels in Selangor (Klang and Banting) which are fully equipped with a suite of amenities and facilities.

Top Glove is committed to ensuring that debt bondage and other related issues which were wrongly reported by CBC have no place in our business operations. We approach this by ensuring appropriate decision making across all levels of our operations which are evaluated by our Management and Directors.

As an added compulsory measure, the Company conducts assessments to identify gaps and potential risks within our operations and supply chains, develop mitigation plans, and provide remedial actions on areas which our business and operations do not meet our aspiration on the rights of our workers.

Top Glove reiterates that the health and safety of our employees is the Company's top priority. As the Company continues to produce high-quality medical gloves to protect medical practitioners and frontliners across the world, we are dedicated to adhering to stringent measures to safeguard our employees as well as the communities we serve.

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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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