

A member of Top Glove Corporation Bhd, a Public Listed Company on Bursa Malaysia & Singapore Exchange.

<b>FACTORY 9</b>	: Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor D.E., Malaysia.
	☎ +603-3392 1992    📠 +603-3392 1291    📠 +6012-2896 270    ✉ sales@topglove.com.my    🌐 www.topglove.com
<b>BUSINESS DIRECTION</b>	: To Produce Consistently High Quality Gloves At Efficient Low Cost.
<b>FACILITIES</b>	: 34 Factories (Malaysia, Thailand & China), 581 Production Lines, 55.8 Billion Gloves Per Annum, 12,000 Employees.
<b>MARKET</b>	: Exports to 195 countries worldwide with Marketing Offices in the USA and Germany.

To our valued customers and stakeholders,

## ALLEGED VIOLATION OF MIGRANT WORKERS' RIGHTS

It has recently come to our attention that there are allegations of Top Glove having acted in violation of its migrant workers' rights. As a socially responsible business committed to doing well by doing good, we view these allegations very seriously. We assure you that the allegations are entirely unfounded and such allegation had tarnished our good name.

As you would be aware, Top Glove which was established in 1991, is today the world's largest manufacturer of gloves. We are listed on Bursa Malaysia and the Singapore Exchange and have a market capitalisation of approximately RM15 billion (USD3.6 billion). As an industry leader, we hold ourselves to the highest standards in every aspect of our business operations, particularly in terms of how we treat our people - the lifeblood of our organisation and the driving force behind much of the resounding success we enjoy today. We believe healthy and happy employees are best positioned to contribute to the continued growth of our business. Accordingly, a key management priority has always been employee welfare. Top Glove adopts a zero-tolerance policy with regard to the abuse of human's rights at all levels and will also not tolerate any attempts to mislead our customers and stakeholders into believing otherwise.

Top Glove is fully in compliance with local labour law requirements, the Employment Act 1955 and ILO Standards and ensures adequate measures are implemented to protect our people against practices which encroach of their fundamental rights. We also have in place robust wellness and safety programs for all employees, emphasizing the **5 Top Glove Quality Wells**, which are *Clean Well, Eat Well, Work Well, Exercise Well and Sleep Well*. Our commitment to continuously improve employee welfare is also underscored by our participation in the Responsible Workplace Program (RWP) by ELEVATE, ongoing since May 2018. In fact, our human/labour rights and health initiatives exceed those of the glove industry average. A testament to our commendable practices in Human Resource management, we won several prestigious awards which include the **HR Asia Best Companies To Work For in Asia** by Business Media International and **Malaysia's 100 Leading Graduate Employers Chemical & Heavy Industries** by GTI Media for 3 consecutive years (2016 to 2018). We also won the **AIA Vitality Malaysia's Healthiest Employee Award** in 2017 and **AIA Vitality Malaysia's Healthiest Workplace Award** in 2018.

Even as we expand our business, we continue to be mindful that our growth must not come at the expense of the environment or communities, and certainly not our people. We believe in leaving a positive legacy, which includes improving the environment, uplifting socio-economic conditions of the communities we operate within and ensuring our people are better off than when they first started working with us.

On a yearly basis, Top Glove's manufacturing facilities are certified by ISO, CE, Local and Foreign Authorities, and also undergo inspections and audits by our customers/customers' appointed 3rd party auditors. In 2017 and 2018 alone, a total of 28 Social Responsibility Audits were conducted at Top Glove by customers and 3rd party auditors, in accordance with **internationally recognised standards which include SA8000, ICS, SMETA, SER, BSCI as well as our customers' own high standards**. These audits were also carried out by renowned independent audit firms and certification bodies such as Asia Inspection, Intertek, BV, UL, TUV SUD, ORAKEL, SGS and others.

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Top Glove's operations have been established based on the **Business Ethics of Honesty, Integrity & Transparency**, the cornerstone of our business. Hence, we have always welcomed Social Responsibility Audits by our customers and stakeholders and have never had the occasion to reject any valid requests to conduct such audits.

Allow us to provide clarification with regard to the following allegations:

**1) Systematic confiscation of passports from migrant workers**

We do not confiscate our workers' passports and have had the following in place since September 2015:

- a) Foreign Workers' Passport Safekeeping Policy
- b) Foreign Workers' Passport Safekeeping Room and individual lockers
- c) Letter of Consent (Passport Handover): *Translated into worker's native language*
- d) Continuous education on the importance of passport handling & safekeeping is conducted during the TGWIP (Top Glove Worker's Induction Program) as well as Refresher trainings.

**2) Limitation to freedom of association (unionization is explicitly forbidden in the contract between the factory and the recruitment agency)**

Top Glove does not prohibit the forming of any workers' union. Since September 2015, we have also developed the **Human Rights & Ethical Conduct Policy** which states in **Clause 4.4 on Freedom of Association and Rights to Collective Bargaining** that the company does not discriminate against any members of any union and they will be accorded the same opportunities as other employees. Currently, every factory has its own Workers' Representatives representing each nationality, elected by the workers themselves. Regular meetings and platforms are also available for workers to voice out grievances directly to the factory management, including but not limited to Safety & Welfare meetings, Hostel Leader meetings, Hostel Satisfaction Surveys, TGPAC meetings (Top Glove Prevention & Anti-Corruption Committee), a Complaint Box and Direct Access Mobile Number to the Managing Director.

**3) Very high recruitment fees for migrant workers (deductions from workers' salaries RM 400 per month)**

Top Glove only imposes recruitment fees as allowed by the local authorities and the government of workers' source countries. Prior to 2016, Top Glove served as an intermediary for the deduction of workers' salaries to repay for workers' personal loans with the recruitment agencies. However, these practices have since been discontinued. All salary deductions are now made only after obtaining JTK (Jabatan Tenaga Kerja/ Labour Department) approvals and only for essentials, i.e. *accommodation, SKHPPA (Foreign Worker Hospitalization & Surgical Scheme) and meals*. The total deducted amount is not more than 20% of the workers' salary which is in compliance with the local law.

**4) Excessive daily overtime**

Lengthy working hours are also our main concern and we continue to explore every possible way to address the issue of our workers' excessive daily OT. These initiatives include:

- a) Constantly ensuring sufficient supply of manpower to support our operations,
- b) Introducing new changing shift patterns to allow sufficient rest time for workers,
- c) Regularly conducting training to improve workers' efficiency and quality of work,
- d) Communicating with both Heads of Departments and workers on the local working hours' regulations via memos, and
- e) Progressively investing in more automation for factory operations to reduce the need for manual labour

# TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

# TOP GLOVE SDN. BHD.

(Company No. 220483-T)

(GST ID: 000562692096)

## The World's Largest Rubber Glove Manufacturer

GOOD HEALTH, SAFETY FIRST & BE HONEST

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### 5) Migrant workers living in crowded dormitories

In 2015, we constructed a 3-storey hostel for workers, well-equipped with amenities and facilities such as a mini market, sports facilities, prayer rooms, canteen, laundry, barber, currency exchange facility, Automated Teller Machine (ATM) machine and mini gym. Our average dorm size is **52.71sqm<sup>2</sup>** and shared by not more than 12 workers at any one time. Sufficient bathrooms, toilets and water dispensers are available on every floor.

We hope in earnest and trust that the above will help to address your concerns. However, if there are areas which have not been sufficiently addressed, please do not hesitate to contact us. We appreciate and trust you will not be misled by irresponsibly disseminated false information. Thank you for your continuous support and we look forward to deepening our business relationship with you for many years to come.

Yours faithfully,



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Dato' Lee Kim Meow  
Managing Director  
November 28, 2018