

MEDIA STATEMENT

3 June 2020

KUALA LUMPUR, 3 June - UEM Edgenta Berhad (“UEM Edgenta” or “the Company”) wishes to clarify the Company’s position with regards to a gathering which took place at the Hospital Raja Permaisuri Bainun (“HRPB”), Ipoh, Perak on 2 June 2020.

The Company would like to reiterate that we always remained professional in our dealings with the National Union of Workers in Hospital Support and Allied Services (“Union”). Actions by the authorities relating to the organisation of public gatherings during the Conditional Movement Control Order (“CMCO”) are matters which are not determined by the Company.

Notwithstanding the circumstances as explained above, UEM Edgenta is committed to provide our clarification on the misleading allegations raised by the Union as follows:

- 1. Edgenta UEMS (“Ed-UEMS”) has embarked on widespread union busting activities in all its hospitals, attacking union members and worksite committee members.**

Since 2015, the Union has been active in advocating for the rights of cleaners employed by subcontractors appointed by hospital support service concession holder, Edgenta Mediserve (sister company of Edgenta UEMS).

NS Medik Sdn Bhd, one of the subcontractors employed by Edgenta Mediserve prior to 2020, entered into a Collective Agreement with the Union on 23 October 2019. The insourcing arrangement undertaken by Edgenta Mediserve (i.e. provision of the cleansing services to be undertaken by Edgenta UEMS from 1 January 2020 onwards) was seen as “Union Busting” by the Union.

This is untrue as the decision to insource was discussed within UEM Edgenta (parent company of Edgenta UEMS and Edgenta Mediserve) for a period of time, which was an internal business decision and it is aimed at:

- Improving the quality of service delivery of cleansing in the hospitals;
- Adopting an operating model that allows for workers to be employed directly under Edgenta UEMS instead of being sub-contracted. This then allows for better terms to be offered to the workers, examples, permanent employment (instead of fixed term contract) and hospitalisation insurance.

Pursuant to the insourcing arrangement, a total of 2,200 cleaners from previous subcontractors became employees of Edgenta UEMS.

Basic salary was improved to RM1,200 per month (previously RM1,100 per month) from January 2020 (please refer to item 10) and improved hospitalisation insurance (previously not provided). The claim of union busting had been referred to the Industrial Court for mention proceedings. The mention was earlier scheduled at 8:30am on 19 March 2020 but was then postponed due to MCO. We have yet to receive new date for the mention proceeding.

- 2. Union members especially worksite committee members have been subjected to deliberate changing of their working hours and shifts unilaterally without prior consent from them.**

Any changes to be made to the roster is for the purpose of enhancing efficiency of the operations and most importantly the needs of each hospital.

The change of working hours is done in compliance to S60A(1)(d) of Employment Act 1955, Amendment 2012 which stipulates the following:

60A. (1) Except as hereinafter provided, an employee shall not be required under his contract of service to work—

- more than five consecutive hours without a period of leisure of not less than thirty minutes duration;*
- more than eight hours in one day;*
- in excess of a spread over period of ten hours in one day;*
- more than forty-eight hours in one week.*

Notice of the change has been communicated via a memo to staff dated 11 February 2020. Implementation has progressively started since issuance of the memo.

- 3. Workers active in the union have also been punished by arbitrarily transferring them out to hospitals far away from their residence.**

Edgenta UEMS received a letter from Union on 31 March 2020. Their complaint was about a staff whose roster had been changed from morning shift to afternoon shift without due consideration of her family commitment.

We had investigated the matter. On 26 March 2020, Hospital Kampar wrote an official complaint and requested for the staff to be replaced by a different worker, citing unsatisfactory work performance. In response to the request, we had tried

our level best to accommodate by assigning staff to a different shift in the same hospital.

Staff refused citing family commitment and had been very uncooperative. In the end we arranged for her transfer to Hospital Tapah which is 20km away from Hospital Kampar and managed to put her in the morning shift as requested by her. Staff agreed to the transfer and matter had since closed.

The transfer was never with the motive of punishing staff who is active in Union but rather a request from hospital due to unsatisfactory performance.

As company policy, if there is any instance of abuse of power by any staff / supervisor to unfairly treat fellow colleagues, we will take the necessary disciplinary action against the person accused of such abuse.

4. Workers are forced to work longer hours without overtime pay.

This is a false allegation. As per company policy, ongoing practice and per our memo dated 11 February 2020 to employees, if an employee is requested to work beyond their normal working hours, overtime will be paid accordingly, and this is in accordance to labour laws.

5. Forbidding union activities – disallowing union worksite committees to have discussions with workers even during their legitimate break time, threatening disciplinary action against union officials, intimidating workers by taking photos of workers meeting union worksite committee, threatening disciplinary action.

Company policy does not hinder any employees from taking part in any Union related activity as long as it is done outside working hours, in accordance to the procedure and does not affect the continuing operations at hospitals. If the employee is prevented from engaging in such activity, he or she can raise this to a higher-level management as a grievance, and appropriate action will be taken.

During MCO period since mid-March 2020, there are nevertheless protocols for social distancing to ensure safety of hospitals and frontline workers staff, this shall not be confused and taken out of context for accusation of forbidding union activities.

The Company treat these intimidation allegations seriously and will be forming an internal task force to review such allegations. If there is such incident, Company will investigate to ascertain the facts and will take necessary disciplinary action against supervisors who have violated the code of conduct.

- 6. Blatant discrimination of union members, by not allowing them an opportunity to work overtime to increase their earnings. Employers openly intimidate that those involved in union activities will be denied overtime work.**

Overtime work is based on operational needs and is non-contractual. When overtime work is required to fulfil the operational needs, staff who are trained on and familiar with the work requirements of that area are selected. The selection criteria are not based on whether they are union or non-union members.

- 7. Constant verbal harassment and intimidation by Edgenta UEMS supervisors towards the union worksite committee.**

We have not received any specific report on incidents pertaining to this matter. Allegations by Union were sweeping but without details nor evidence. If the employee has experienced harassment or intimidation, he or she can raise this to a higher-level management as grievance, and appropriate action will be taken.

Given the importance of fair treatment, integrity and respect as part of our Company's code of conduct, the Company will be forming an internal task force to review such allegations. If there is such incident, Company will investigate to ascertain the facts and will take necessary disciplinary action against supervisors who have violated the code of conduct.

- 8. Furthermore, Edgenta UEMS has denied proper PPE equipment when they clean COVID-19 wards and facilities, putting them at great risk of infection. Inadequate supply of facemask and gloves in particular.**

This is not true. Supply of facemask and gloves were known to have global shortage in March 2020. Nevertheless, Company had taken extra efforts to procure PPE to ensure the safety of staff despite significantly higher cost.

Due to the swift action by the Company and prioritisation of worker's safety over cost, PPE supplies and stocks were adequate since April 2020, and staff had been provided with appropriate PPE based on hospital recommended usage guidelines. There are differentiated usage guidelines for COVID-19 vs Non

COVID-19 treatment area due to the level of risk involved following *MoH Guidelines COVID-19 Management No.5/2020 (updated on 24 March 2020)*.

As it is important to ensure responsible usage of PPE to ensure that resources are not wasted, there are stock controls in place to avoid abuse of PPE usage as well as reduce risk of pilferage.

- 9. Denied special government allowance of RM600 to frontline workers. Edgenta UEMS staff were only paid a one-off token sum of RM300. Doctors, nurses and other medical staff have been paid the front liner assistance payment, but cleaners are denied this payment.**

Ed-UEMS one-off incentive is company's own initiative to recognise its staff and has no correlation to the government special allowance of RM600. We are disappointed that genuine efforts by company to reward its staff are taken out of context and used by Union to mislead the public that the company has denied staff with any government allowance.

For information, most of Ed-UEMS frontliners would have been recipients of the government B40 incentive (household income below RM4,000 and RM8,000), of which they would be entitled to either RM1,600 or RM1,000 for each household.

- 10. Workers only earn a minimum wage of RM1,100 per month. No annual increment in wages, so all workers irrespective of their years of service earn only a meagre wage. No increment of eligible number of annual paid holidays or sick leave in accordance with worker seniority.**

Union allegation is incorrect. Company had given all cleaners salary of RM1,200 since January 2020 regardless of which hospital they served, despite the Minimum Wage Act gazette outlined about 57 town and cities with effective date 1 February 2020.

As workers are now permanent employees of the company (as opposed to contract worker status with their previous employer), they are entitled to annual wage increment. Annual paid holidays and sick leaves are provided based on years of experience when they joined the company.

11. Discontinuing subsidised transport services for workers to travel to and from hospitals to work, causing further hardship and extra cost to workers.

Our terms & condition of employment does not specify transportation as part of the benefits received by the employees.

Nevertheless, to ensure smooth transition and to allow time for staff to plan for alternative transport arrangement, the transportation arrangement has continued as usual until today for 139 workers who are staying beyond the 30km radius.

The company has terminated one transporter who was ferrying 3 workers to Hospital Bahagia Ulu Kinta (HBUK) in February 2020. The workers were staying less than 30km from the hospital.

As per our letter dated 7 February 2020 to the Union, we will call for a briefing with all the workers if such discontinuation is to take place.

-End of Release-