Basis of This Report

SCOPE AND BOUNDARY REPORTING

Financial and non-financial reporting
This document stands as our official Sustainability Report. Within its pages, we explore our non-financial performance, dissect opportunities, evaluate risks, and scrutinise outcomes associated to all stakeholders who influence over our value generation. Our reporting predominantly centres on disclosures at the group level, unless otherwise specified. Notably, there have been no substantial alterations to our organisational framework, ownership, or supply chain throughout the reporting year.

REGULATORY CONTEXT AND REPORTING FRAMEWORKS
This Sustainability Report adopts both local and global standards, which include:
- International Integrated Reporting Council (IIRC) Framework
- Framework and Sustainability Accounting Standards Board (SASB)
- United Nations Sustainable Development Goals (SDGs)
- Ten Principles of the UN Global Compact (UNGC)
- Greenhouse Gas (GHG) Protocol
- Malaysian Code on Corporate Governance (MCCG)
- Global Reporting Initiative (GRI) Standards: Core Option
- Bursa Malaysia Sustainability Reporting Guidelines 3rd Edition
- Bursa Malaysia Corporate Governance Guide 4th Edition
- International Financial Reporting Standards (IFRSs) by ISSB
- Sustainability rating criteria by index rating providers such as FTSE Russell ESG Ratings, Morgan Stanley Capital International (MSCI) ESG Ratings, S&P Global Corporate Sustainability Assessment (CSA) and Bloomberg Gender Equality Index (GEI)
- Sustainability Policy Transparency Toolkit (SPOTT)
- Climate Disclosure Project (CDP)
- EcoVadis

FORWARD-LOOKING STATEMENTS
This report contains forward-looking statements concerning our business. While we believe these statements are reasonable, they inherently involve risks and uncertainties, however we shall fervently work towards the results and developments outlined in the said statement. Forward-looking statements are valid only as of the date of this report, and we do not undertake any obligation to update or revise them, except as required by law. It is essential for investors to exercise caution and not place undue reliance on these forward-looking statements, given that actual results may differ materially from what is projected due to factors beyond our control.

EXTERNAL ASSURANCE
This report follows governance rules and procedures to ensure accurate reporting of all financial and non-financial data. The accuracy and reliability of this report have been confirmed through an assessment conducted by SIRIM QAS International Sdn Bhd. Their assurance standard encompasses an evaluation of Top Glove's sustainability reporting practices, performance, and a comprehensive review of the underlying assumptions and processes that support the Sustainability Report. The independent assurance statement from SIRIM QAS International Sdn Bhd can be found on pages 87 to 89.

ACCESSING THE REPORT
This report is exclusively available in digital format. To view it, please visit our Company’s website at http://www.topglove.com/sustainability. If you have any comments or suggestions regarding our Environmental, Social, and Governance disclosures and performance, please reach out to us via email at sustainability@topglove.com.my.

As we navigate the ever-changing post-pandemic business landscape, our commitment to sustainability stands strong, supported by our notable achievements.

Our teams’ dedication to sustainability has resulted in a much improved Environmental, Social & Governance (“ESG”) scoring, a testament to our alignment of actions with commitments.

While challenges are bound to come our way, our dedication, resilience, and innovative spirit are the driving force that will see us through. Together, we set forth on a journey towards a more sustainable and prosperous future. As we move forward, we urge our employees, partners, and stakeholders to continue championing sustainability, not only within our organisation but far beyond it. Our collective creativity and innovation are our greatest assets and will be instrumental in taking our sustainability initiatives to new heights.

To all our internal and external stakeholders, we say “thank you”. We appreciate your trust in Top Glove and are grateful for your involvement in our quest for a more sustainable and prosperous future.

Lim Cheong Guan
Managing Director
2023 Sustainability Highlights

Top Index Recognition

Secured the fifth consecutive year on the prestigious Dow Jones Sustainability Indices (DJSI) in 2023, ranked in the Top 3% in the Healthcare Equipment and Supplies Industry, and recognised in S&P Global's annual Sustainability Yearbook 2023 as an ‘Industry Mover’.

Member of Dow Jones Sustainability Indices

The Sustainability Yearbook - 2023 Rankings

- Top Glove Corporation Bhd.
- Industry Mover
- Sustainability Yearbook Member

Second consecutive year of inclusion in the Bloomberg Gender Equality Index (GEI).

Maintained FTSE4Good 4-Star rating in 2023, signifying Top Glove's position in the Top 25% of ESG ratings among PLCs in the FBM Emas Index, as assessed by FTSE Russell.

Top 13% in the FTSE Russell ESG Ratings among companies in the Healthcare Sector, marking a notable improvement from our previous position in Top 16%.

Sustainability Steering Group

The SSG, led by the Managing Director, comprises the Heads of various departments i.e. Group Engineering, HQ Safety, Corporate Secretary, HQ Regulatory Affairs, HQ IETS, Group HR, Group Procurement, Risk Management, Top Glove Foundation, Marketing and IT. This diverse team collaboratively drives sustainability strategies and targets within the organisation through bi-monthly meetings. Our SSG is responsible for monitoring sustainability metrics, following established principles. We adopt a multifaceted approach to address sustainability risks, incorporating Enterprise Risk Management adherence to a clearly defined Sustainability Policy, alignment with national and global frameworks, and the application of relevant sustainability and ISO certifications. This comprehensive strategy enables us to efficiently manage and mitigate risks while steadfastly upholding our commitment to sustainability.

Overview of Sustainability

SUSTAINABILITY GOVERNANCE

Board Sustainability Committee

The Board Sustainability Committee's ("BSC") mandate and role descriptions, as outlined in the BSC Terms of Reference, encompasses its responsibilities for managing sustainability-related risks and opportunities throughout the organisation. The Committee ensures the Board stays updated on all ESG matters as they emerge and the mitigation actions underway. In keeping abreast on the dynamic sustainability landscape, the Committee recommends to the Board of Directors their continued upskilling and understanding of sustainability through participation in training programmes, and conferences organised by regulatory bodies, government bodies and NGOs. These programmes encompass events like the Validation Meeting for the National Baseline Assessment on Business and Human Rights, Sustainability Governance and Reporting, ESG Designation Programmes, and more. The committee also ensures that Programmes considerations are carefully integrated into the organisation's strategy, key transaction decisions, and risk management processes. While the Board is ultimately responsible for reviewing and deliberating the Group's targets and monitoring progress towards those targets, the BSC enables this process by serving to bridge the communication with Management, overseen by the Sustainability Steering Group (“SSG”). In the event of significant updates, the SSG promptly escalates the matters to the Committee.

Sustainability Steering Group

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In FY2023, we continued to advance our environmental sustainability efforts by refining our Greenhouse Gases ("GHG") calculations. We enhanced the accuracy of our GHG accounting by updating our scope 2 calculations with the most recent emission factors. Additionally, we expanded our scope 3 emissions to include downstream leased assets.

Looking forward to FY2024, we are poised to take further steps in our sustainability journey. Our forthcoming plans include the establishment of an in-house GHG guideline to ensure even more precise calculations, and we will place a heightened focus on stakeholder engagement. Moreover, we anticipate expanding our scope 3 categories in FY2024. These initiatives are integral to our comprehensive strategy, aimed at broadening the coverage of our GHG emissions and further aligning our actions with our science-based target commitments. We remain committed to making a positive contribution to the environment and upholding our responsibility to stakeholders, society, and the planet.

**TOP GLOVE’S FY2025 SUSTAINABILITY BLUEPRINT STRUCTURE**

To set key focus areas and measurable ESG targets or key performance indicators both quantitative and qualitative for FY2025

### Overview of Sustainability

**TOP GLOVE CORPORATION BHD**

**CREATING SUSTAINABLE VALUE**

**ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE**

**SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN**

**GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT**

**OTHER INFORMATION**

**TOP GLOVE’S ONGOING SUSTAINABILITY TRANSFORMATION STRATEGY**

Top Glove embarked on a significant sustainability transformation journey last year with the release of our comprehensive plan, “Top Glove’s Sustainability Transformation: A Blueprint for FY2025” firmly grounded in our Company’s mission and vision. This year, we remain committed to the ongoing pursuit of the objectives outlined in our FY2025 blueprint.

In response to changing business dynamics, we have made a strategic decision to re-evaluate and prioritise our operational strategies. While we anticipate potential delays in the submission of our commitment due to these changes, our unwavering spirit and ambition to meet our sustainability goals based on science-based targets remains steadfast.

**FY2025 Sustainability Goals**

Legend: Progress Tracking to FY2025
- ○○○ Progressing well and on track to achieve targets by FY2025
- ○○○○ Progressing with slight delay, to review current approach
- ○○○○○ Progressing but lagging, to review and revise targets if necessary

**Goal 1: Transitioning into a net zero carbon business**

**FY2025 Target**

**Goal 2: Promoting inclusivity & respecting human rights**

**Goal 3: Improving community livelihood**

**Goal 4: Strengthening good corporate governance & responsible business culture**

**Goal 5: Emerging as a trusted company with a sustainable value chain**

**Company Mission**

Ensuring safe human protection globally

**Strategic Themes**

To tackle climate change and restore nature

**Sustainability Goals**

**Key SDGs Alignment**

**Sustainability Roadmap FY2022 to FY2025**

**Goal 3: Improving community livelihood**

**Goal 4: Strengthening good corporate governance & responsible business culture**

**Goal 5: Emerging as a trusted company with a sustainable value chain**

**Overview of Sustainability**

**TOP GLOVE’S ONGOING SUSTAINABILITY TRANSFORMATION STRATEGY**

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In response to changing business dynamics, we have made a strategic decision to re-evaluate and prioritise our operational strategies. While we anticipate potential delays in the submission of our commitment due to these changes, our unwavering spirit and ambition to meet our sustainability goals based on science-based targets remains steadfast.
### Goal 2: Promoting inclusively and respecting human rights

<table>
<thead>
<tr>
<th>FY2025 Target</th>
<th>FY2023 Interim Goals</th>
<th>FY2023 Performance</th>
<th>Related Material Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BSCI: 100% factories audited achieve “A” rating</td>
<td>BSCI: 100% factories audited achieve “A” rating</td>
<td>Completed BSCI: Achieved “B” rating for 1 out of 1 factory</td>
<td>Health &amp; Safety Management Relations</td>
</tr>
<tr>
<td>2. SMETA: 100% factories audited achieve not more than 5 NC/ factory</td>
<td>SMETA: 100% factories audited achieve not more than 10 NC/ factory</td>
<td>Completed SMETA: 17 out of 17 factories audited with below 10 NC</td>
<td>Human Rights, Labour Management Relations</td>
</tr>
<tr>
<td>3. Conduct Human Rights Due Diligence (HRDD) for 100% Top Glove’s own operation</td>
<td>Conduct Human Rights Due Diligence (HRDD) for 100% Top Glove’s own operation</td>
<td>Conducted 100% HRDD at Top Glove’s own operation</td>
<td>Human Rights, Labour Management Relations</td>
</tr>
<tr>
<td>4. Create 30,000 job opportunities</td>
<td>Create 7,500 job opportunities</td>
<td>1,820 job opportunities created since FY2022</td>
<td>Diversity, Equity &amp; Inclusion</td>
</tr>
<tr>
<td>5. Achieve 50% female leadership leadership in managerial positions (manager and above)</td>
<td>Achieve 46% female leadership in managerial positions (manager and above)</td>
<td>Achieved 52% female leadership</td>
<td>Diversity, Equity &amp; Inclusion</td>
</tr>
<tr>
<td>6. Reduce occupational accident rate to 2.77 per 1,000 workers</td>
<td>Reduce occupational accident rate to 3.0 per 1,000 workers</td>
<td>Reduced accident rate by 2.85</td>
<td>Occupational Health &amp; Safety</td>
</tr>
<tr>
<td>7. 95% of contractors to pass safety evaluation</td>
<td>85% of contractors to pass safety evaluation</td>
<td>100% contractor passed evaluation</td>
<td>Occupational Health &amp; Safety</td>
</tr>
</tbody>
</table>

**Note:** All targets are set against FY2021 baseline unless stated otherwise.

### Goal 5: Emerging as a trusted company with a sustainable value chain

<table>
<thead>
<tr>
<th>FY2025 Target</th>
<th>FY2023 Interim Goals</th>
<th>FY2023 Performance</th>
<th>Related Material Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Achieve ISO 45001 Occupational Health &amp; Safety Management System certification for 100% of our operating factories</td>
<td>To certify 2 additional factories with ISO 45001 Occupational Health &amp; Safety Management System</td>
<td>Additional 1 factory certified</td>
<td>Occupational Health &amp; Safety</td>
</tr>
<tr>
<td>2. Achieve ISO 14001 Environmental Management System certification for 100% of our operating factories</td>
<td>To certify additional 8 factories with ISO 14001 Environmental Management System</td>
<td>Additional 5 factories certified in FY2023</td>
<td>Environmental Compliance</td>
</tr>
<tr>
<td>3. Achieve ISO 50001 Energy Management System certification for 100% of the selected factories’ selected operating factories</td>
<td>To certify 3 selected factories with ISO 50001 Energy Management System</td>
<td>Retained certification for 3 factories</td>
<td>Energy Consumption</td>
</tr>
<tr>
<td>4. Maintain ISO 9001 Quality Management System certification for 100% of our operating factories</td>
<td>To certify all new glove and non-glove factories with QMS or HACCP within 6 to 10 months</td>
<td>Retained certification for all existing glove and non-glove factories</td>
<td>Product Quality &amp; Safety</td>
</tr>
<tr>
<td>5. Achieve ISO 37001 Anti-Bribery Management System certification for 100% of our operating factories</td>
<td>To certify 1 additional entity with ISO 37001 Anti-Bribery Management System</td>
<td>Retained certification for existing 8 entities</td>
<td>Ethics, Integrity &amp; Governance</td>
</tr>
<tr>
<td>6. Certify related factories with FSC certification within 6 months of customer request</td>
<td>Certify related factories with FSC certification within 6 months of customer request</td>
<td>Retained certification for existing 4 factories</td>
<td>Environmental Compliance, Human Rights, Supply Chain Management</td>
</tr>
</tbody>
</table>

**Note:** All targets are set against FY2021 baseline unless stated otherwise.

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**Legend: Progress Tracking to FY2025**
- ✔️ ✔️ ✔️: Progressing well and on track to achieve targets by FY2025
- ✗ ✗ ✗: Progressing with slight delay, to review current approach and revise targets if necessary
- ✗ ✗ ✗: Progressing but lagging, to review current approach and revise targets if necessary

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**Sustainability Report 2023**
# Stakeholder Engagement

We are committed to actively involve our stakeholders through various channels, addressing their concerns, and meeting their expectations. This approach allows us to align our key priorities with the broader interests of the economy, society, and environment. The outcomes of these engagements not only help us identify emerging market trends but also anticipate challenges. Consequently, we can adjust our sustainability strategy and business activities to harmonise with the evolving needs and expectations of all stakeholders.

### Stakeholder Engagement

#### STAKEHOLDERS

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are the vital force behind the Group’s operations. Effective leadership is essential to navigate the Company and maintain its operations in pursuit of Top Glove’s long-term objectives.</td>
<td>Our products ensure safe human protection globally. Fulfilling global customers’ needs is our responsibility.</td>
<td>Shareholders and investors invest in the Group’s business and we are compelled to deliver financial performance and strategic decisions for future prospect.</td>
<td>Suppliers are essential for sourcing materials and services critical to our production and customer deliveries. We prioritise close and positive relationships with them.</td>
</tr>
</tbody>
</table>

#### ENGAGEMENT CHANNELS AND FREQUENCY

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Weekly</strong> Employee assembly</td>
<td>• <strong>Annual</strong> Business trips</td>
<td>• <strong>Quarterly</strong> Analyst briefing</td>
<td>• <strong>Annual</strong> Audit and site visit</td>
</tr>
<tr>
<td>• <strong>Weekly</strong> Engagement and announcement in Viva Engage Platform</td>
<td>• <strong>Annual</strong> Tradeshows</td>
<td>• <strong>Annual</strong> Feedback forms</td>
<td></td>
</tr>
<tr>
<td>• Bi <strong>annual</strong> Performance appraisal review</td>
<td>As needed</td>
<td>• <strong>Annual</strong> General meetings</td>
<td>As needed</td>
</tr>
<tr>
<td>• <strong>Annual</strong> Employee satisfaction survey</td>
<td></td>
<td>• <strong>Analyst/fund managers/investor meetings</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### TOP 5 MATERIAL MATTERS CONCERED

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Product Quality &amp; Safety</td>
<td>2. Supply Chain Management</td>
<td>2. Supply Chain Management</td>
<td>2. Ethics, Integrity &amp; Governance</td>
</tr>
</tbody>
</table>

#### TOP GLOVE’S RESPONSE

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Independent social compliance audit</td>
<td>1. Environmentally friendly practices in manufacturing processes</td>
<td>1. R&amp;D and innovation</td>
<td>1. Environmentally and responsible handling, store, use and dispose of materials</td>
</tr>
<tr>
<td>5. Product quality &amp; safety, social and environment training</td>
<td>5. Quality testing from finished product</td>
<td>5. Updated corporate website</td>
<td>5. Environmental and responsible handling, store, use and dispose of materials</td>
</tr>
<tr>
<td>6. Tightened quality control</td>
<td>6. Independent social compliance audit, BSCI &amp; SMETA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### VALUE CREATED FOR STAKEHOLDERS

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Enhanced employer-employee</td>
<td>2. Increased brand relevance globally</td>
<td>2. Transparency in corporate governance reporting and practices</td>
<td>2. Business reputation and integrity assurance</td>
</tr>
</tbody>
</table>

#### CAPITAL

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Shareholders/Investors, Analysts/Bankers</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Human</td>
<td>• Financial</td>
<td>• Human</td>
<td>• Manufactured</td>
</tr>
<tr>
<td>• Social &amp; Relationship</td>
<td>• Social &amp; Relationship</td>
<td>• Social &amp; Relationship</td>
<td>• Intellectual</td>
</tr>
<tr>
<td>• Intellectual</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Stakeholder Engagement

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>ENGAGEMENT CHANNELS AND FREQUENCY</th>
<th>TOP 5 MATERIAL MATTERS CONCERNED</th>
<th>TOP GLOVE’S RESPONSE</th>
<th>VALUE CREATED FOR STAKEHOLDERS</th>
<th>CAPITAL</th>
</tr>
</thead>
</table>
Material Matters

Top Glove conducts a comprehensive materiality assessment at least once every four years and minor assessment every two years.

Materiality Methodology

In July 2022, we conducted a minor materiality assessment1, building on the formal and comprehensive assessment performed in FY2021. This additional assessment was prompted by the ongoing transition phase the glove industry is navigating post-pandemic. For minor materiality assessment, we identified 17 material matters crucial to our operations and sustainability initiatives.

For additional details regarding our FY2022 materiality assessment and matrix, kindly consult the Top Glove’s Sustainability Report for FY2022.

Top Glove has identified 16 material issues that are integral to our operations. This refined list now excludes Infectious Diseases and Indirect Economic Impacts as material topics. Furthermore, we have recognised Greenhouse Gases (“GHG”) Emissions as a vital component of our material matters for FY2023. GHG emissions are a crucial focus area for our sustainability efforts, reflecting our commitment to addressing environmental concerns and reducing our carbon footprint.

For FY2023, we took the important step of conducting a materiality validation, which has been thoroughly reviewed and received approval from our Board of Directors. This validation process considered a range of internal and external factors, including:

1) External and internal stakeholder expectation
2) Peer assessment
3) Global mega trends and global risk
4) External ESG ratings requirement

After conducting a thorough review and validation process, we have identified 16 material issues that are integral to our operations. This refined list now excludes Infectious Diseases and Indirect Economic Impacts as material topics. Furthermore, we have recognised Greenhouse Gases (“GHG”) Emissions as a vital component of our material matters for FY2023. GHG emissions are a crucial focus area for our sustainability efforts, reflecting our commitment to addressing environmental concerns and reducing our carbon footprint.

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1) External and internal stakeholder expectation
2) Peer assessment
3) Global mega trends and global risk
4) External ESG ratings requirement

Related UN SDGs

1 For additional details regarding our FY2022 materiality assessment and matrix, kindly consult the Top Glove’s Sustainability Report for FY2022.

PHYSICAL IMPACTS OF CLIMATE CHANGE

**Affected Stakeholders**
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators

**Approach, Initiatives and Metrics**
Read more on pages 19 to 24

GREENHOUSE GASES (GHG) EMISSIONS

**Affected Stakeholders**
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators

**Approach, Initiatives and Metrics**
Read more on page 25

ENERGY CONSUMPTION

**Affected Stakeholders**
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators

**Approach, Initiatives and Metrics**
Read more on pages 26 to 27

ENVIRONMENTAL COMPLIANCE

**Affected Stakeholders**
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators, Local Communities, NGOs

**Approach, Initiatives and Metrics**
Read more on page 28

1. For additional details regarding our FY2022 materiality assessment and matrix, kindly consult the Top Glove’s Sustainability Report for FY2022.
## Material Matters

### WATER MANAGEMENT
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Suppliers, Local Communities
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 29 to 30

### WASTE & EFFLUENT
- **Affected Stakeholders**: Governments/Regulators, Local Communities, NGOs
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 31 to 35

### OCCUPATIONAL HEALTH & SAFETY
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 40 to 44

### HUMAN RIGHTS
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Governments/Regulators, Local Communities, NGOs
- **Related UN SDGs**: 5, 8, 10
- **Approach, Initiatives and Metrics**: Read more on pages 45 to 49

### LABOUR MANAGEMENT RELATIONS
- **Affected Stakeholders**: Employees, Shareholders/Investors, Suppliers, Governments/Regulators, NGOs
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 45 to 49

### DIVERSITY, EQUITY & INCLUSION
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Suppliers, Local Communities
- **Related UN SDGs**: 5, 8, 10
- **Approach, Initiatives and Metrics**: Read more on pages 50 to 58

### SECURITY MANAGEMENT
- **Affected Stakeholders**: Employees, Local Communities
- **Related UN SDGs**: 3
- **Approach, Initiatives and Metrics**: Read more on pages 60 to 62

### LOCAL COMMUNITIES
- **Affected Stakeholders**: Employees, Local Communities, NGOs
- **Related UN SDGs**: 1, 4, 5, 15
- **Approach, Initiatives and Metrics**: Read more on pages 63 to 70

### ETHICS, INTEGRITY & GOVERNANCE
- **Affected Stakeholders**: Employees, Local Communities, NGOs
- **Related UN SDGs**: 8, 12, 13
- **Approach, Initiatives and Metrics**: Read more on pages 63 to 70

### PRODUCT QUALITY & SAFETY
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Suppliers
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 71 to 78

### SUPPLY CHAIN MANAGEMENT
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors, Suppliers
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on pages 83 to 85

### CUSTOMER EXPERIENCE
- **Affected Stakeholders**: Employees, Customers, Shareholders/Investors
- **Related UN SDGs**: 6, 12, 13, 15
- **Approach, Initiatives and Metrics**: Read more on page 86
Environmental: To Tackle Climate Change and Restore Nature

**HIGHLIGHTS**

- 5.68 GWh green electricity being utilised
- Solid waste reduction by 70%
- Municipal water reduction by 22%
- Planted 2,150 mangrove trees to support biodiversity conservation

**GOAL 1: TRANSITIONING INTO A NET ZERO CARBON BUSINESS**

**Management Approach:**
We are mindful of the economic, environmental and social issues that may arise due to physical impacts of climate change. Accordingly, we strictly manage our emissions from business operations and are prudent with resource consumption.

Top Glove acknowledges the growing significance of climate-related risks and opportunities in relation to our business and the environment. We are committed to reducing the adverse environmental effects of our operations and supply chain while capitalising on the potential benefits.
Environmental

CLIMATE RISK GOVERNANCE

On Sustainability governance, the Board is supported by the Board Sustainability Committee (“BSC”) which was established in March 2019 to strategically integrate sustainability across key aspects of Top Glove’s business. The BSC comprises of four independent directors and is chaired by Ms. Sharmila Sekarajasekeran, Senior Independent Director. The BSC supervises Top Glove’s sustainability risk and strategy, including climate-related risk and opportunities, and initiatives for climate mitigation and adaptation. The BSC also oversees the establishment of targets and monitors progress towards these targets. Regular updates on climate-related risks as well as opportunities are provided through structured reporting by the BSC during our quarterly Board meetings. These updates cover emerging climate trends, regulatory changes, and strategic adjustments. The BSC assesses the necessary skills for climate-oriented strategies through evaluating current skills, predicting future needs, capacity building, consulting industry associations, and aligning leadership.

The BSC is supported by the Sustainability Steering Group (“SSG”) which is led by our Managing Director and consists of members of all Head of Departments across the Company. Collaborative efforts are undertaken with group departments to ensure climate-related factors are integrated seamlessly into their operations. Through bimonthly meetings, the SSG brainstorms on climate risk matters, executes mitigation and strategies. Top Glove employs a systematic framework to identify, assess, and mitigate sustainability risk including climate-related risks. This entails regular risk assessments that evaluate potential risks across operational, financial, and reputational aspects. Moreover, controls are established to monitor and manage GHG emissions, energy consumption, and resource utilisation. Guided by established principles, management takes on climate-related risks through a combination of methods, including the implementation of Enterprise Risk Management (“ERM”), Task Force on Climate-related Financial Disclosures (“TCFD”), International Financial Reporting Standards (“IFRSs”) S2, and emerging regulations.

Climate Risk Strategy

We conducted a comprehensive assessment of the climate-related risks and opportunities that could reasonably impact our Company’s prospects. As part of this evaluation, we employed scenario analysis to envision potential climate scenarios and their potential effects on our operations. We have categorised the identified climate-related risks into two main types: physical risks and transition risks. Following the guidelines of the TCFD and the Intergovernmental Panel on Climate Change (“IPCC”), we undertook a comprehensive climate change scenario assessment in FY2023.

This assessment, conducted using both quantitative and qualitative methods, aimed to identify, evaluate, and manage climate-related risks and opportunities for Top Glove. Our scenarios are based on the Representative Concentration Pathways (“RCPs”) outlined by the IPCC, specifically aligning with the RCP2.6 and RCP8.5 pathways. Climate-related risks and opportunities assessment are focused on two different and intentionally extreme scenarios over short, medium and long-term horizons to provide contrast between potential futures. The established methodology in ERM Framework is also integrated when evaluating the climate scenario analysis to ensure effective and comprehensive climate-related risk management approach.

Risk Management

The Group’s ERM Framework is set up in accordance with ISO 31000:2018 Risk Management Guideline where risks arising from the business and manufacturing operations are continuously identified. A systematic risk management is conducted through qualitative and quantitative analysis to identify the risk possibility and the impact severity as enclosed in the ERM Framework. Transition and physical climate risk are one of the risk assessment areas integrated in the Group’s ERM Framework. Risk Management regularly coordinates with risk owners from all business units across operating countries to identify, assess, and mitigate climate-related risks, following the methodology outlined in the ERM Framework.

Climate-related Risk and Opportunities

Climate-related Risk: Physical Risk

Climate scenario aligning with RCP8.5 Limited climate action leading to global warming of 4 degrees Celsius above pre-industrial levels by 2100

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Financial Impacts</th>
<th>Time horizons</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute and chronic</td>
<td>• Reduced revenue from disruption to production output (e.g. transport difficulties, supply chain interruption, low sales)</td>
<td>Long-term</td>
<td>• Ensuring monthly maintenance on the in-house Water Treatment Plant for continuous supply.</td>
</tr>
<tr>
<td></td>
<td>• Increased operating costs (e.g. negative impact on workforce such as absenteeism, safety and health)</td>
<td></td>
<td>• Establishment of 2 proprietary water treatment plants, strategically providing reverse osmosis water to manufacturing facilities located in Klang. This achievement was realised at a cost of RM69.8k. (more details see page 29)</td>
</tr>
<tr>
<td></td>
<td>• Increased operating cost (increase cost for industrial water use and potential conflicts over limited water usage)</td>
<td></td>
<td>• Sustaining rainwater harvesting projects within manufacturing facilities.</td>
</tr>
</tbody>
</table>

• Sustaining Integrated Industrial Effluent Treatment System (IETS) to increase water recycling efforts within Top Glove’s production operations.

The Group is committed to promote risk management culture across the Company where such initiatives have been conducted throughout FY2023:
Environmental

Climate-related Risk: Physical Risk (continued)
Climate scenario aligning with RCP8.5 Limited climate action leading to global warming of 4 degrees Celsius above preindustrial levels by 2100

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Financial Impacts</th>
<th>Time horizons</th>
<th>Strategies</th>
</tr>
</thead>
</table>
| Acute and chronic  | • Reduced revenue from disruption in operation plant that is located at flood risk area. (e.g. transport difficulties, supply chain interruption, low output lead to low sales)  
Estimated quantitative financial impact: RM96k per incident per factory  
• Increased operating cost (e.g. damages to facilities, negative impact on workforce)  
• Elevated insurance premium (e.g. assets located in ‘high risk’ locations) | Short-term to Long-term | • Implemented a variety of flood mitigation initiatives aimed at improving drainage and water flow systems in the vicinity of our Klang factories and neighbouring residential areas. Total investment cost in FY2023: RM22k |

Climate-related Risk: Transition Risk
Climate scenario aligning with RCP2.6 Aligns with the goals of the Paris Agreement and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5 degrees Celsius carbon budget

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Financial Impacts</th>
<th>Time horizons</th>
<th>Strategies</th>
</tr>
</thead>
</table>
| Policy and Legal   | • Enhanced emission reporting obligations  
• Mandates on and regulation of existing products and services e.g. EUDR  
• Emerging regulations on carbon-pricing mechanism e.g. Carbon Border Adjustment Mechanism (CBAM) | Short-term     | • Performed regular monthly assessments to ensure compliance with Scheduled Waste and Industrial Effluent Treatment System (IETS) regulation  
• Engaged proactively in workshops, training programmes, webinars, and skill-building activities facilitated by environmental entities such as the Environment Institute of Malaysia (EIMAS) and Climate Change Governance (CCG), among others |

Technology
• Substitution of existing products with lower emissions options  
• Unsuccessful investment in new technologies  
• Incurred losses, impairment of assets, and premature retirement of current assets due to policy shifts  
• Increased costs resulting from capital investments in technology development and R&D expenditures

Market
• Customer Preferences Change: Risk of customers preferring eco-friendly products, affecting demand  
• Market Signal Uncertainty: Risk from unclear trends, making strategy adjustments difficult  
• Financial adjustment due to assets adjustment (e.g. legacy assets adjustment)

Environmental

Environmental

Environmental

Environmental
## Environmental

### Climate-related Risk: Transition Risk (continued)

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Financial Impacts</th>
<th>Time horizons</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>• Reduced revenue from decreased demand for products (e.g. negative reputation due to poor climate practices)</td>
<td>Short-term to Medium-term</td>
<td>• Consistently keep internal stakeholders informed about initiatives driven by the Top Glove SSG, led by the Managing Director and composed of all Department Heads. The group convenes bi-monthly to ensure the progress of ESG targets</td>
</tr>
<tr>
<td>• Increased stakeholders concern or negative stakeholder feedback</td>
<td></td>
<td></td>
<td>• Align product development and innovation with sustainability trends and customer preference</td>
</tr>
</tbody>
</table>

### Climate-related Opportunities (Physical & Transition Risks) (continued)

<table>
<thead>
<tr>
<th>Opportunity Type</th>
<th>Financial Impacts</th>
<th>Time horizons</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource Efficiency</td>
<td>• Reduced operating costs (e.g. through efficiency gains and cost reductions)</td>
<td>Short-term</td>
<td>• Evaluate business travel practices to optimise transportation efficiency</td>
</tr>
<tr>
<td></td>
<td>• Increased revenues due to lower operating cost</td>
<td></td>
<td>• Initiate recycling programmes, like Fabric Recycling, where materials are upcycled and repurposed to create cleaning cloths and bags, aligning with the circular economy principles</td>
</tr>
<tr>
<td></td>
<td>• Increased value of fixed assets (e.g. highly rated energy-efficient buildings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Benefits to workforce management and planning (e.g. improved health and safety, employee satisfaction) resulting in lower costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total cost savings in FY2023:** RM1.5 million  
**Total revenue in FY2023:** RM170k

### Climate-related Metrics and Targets

Top Glove has employed a diverse range of metrics to assess both existing and prospective impacts. The essential performance indicators, used to gauge the advancement of strategy implementation, are complemented by metrics aimed at tracking significant risks. These indicators are informed by our TCFD risk assessment, contributing to the establishment of metrics and targets aligned with the Top Glove’s Sustainability Blueprint.

Please refer to the specified section of this report, which pertains specifically to our GHG Emissions, Energy Consumption, Water Resource Management, Waste & Effluent Management, and Sustainable Product Management. Metrics and targets in each of this section correspond to each of the mitigation strategies outlined in our TCFD.

At Top Glove, ESG metrics linked to 40% of the Management’s KPI, highlighting our commitment to sustainability. One of the five key performance areas is carbon reduction intensity, a vital part of our climate risk mitigation strategy, ensuring our leaders actively contribute to environmental goals.
Environmental

**GHG EMISSIONS**

**Management Approach:**

As a critical component of our production operations, our objective is to minimise carbon emissions as part of our commitment to addressing climate change.

Our carbon emission calculation for this year is within the operational boundary now encompasses all glove factories in Malaysia, Thailand, and Vietnam. The emission factors used for the calculation are sourced from recognised organisations like the Intergovernmental Panel on Climate Change (IPCC) and other relevant sources that pertain to our operations. As part of our commitment to environmental sustainability, we have set a clear and ambitious goal to significantly reduce our GHG emissions.

**Improvement of GHG Inventory**

We have made improvements to our GHG inventory, specifically in the following areas:

- **Scope 2:** We have updated this scope with the latest emission factors for transparency. This ensures that our reporting accurately reflects our emissions related to purchased electricity.
- **Scope 3:** We have enhanced our Scope 3 reporting by addition of our downstream leased assets, in addition to the existing three categories.

Below are the emission data for FY2023:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>CO₂eq Emission (tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td><strong>Scope 1</strong></td>
<td></td>
</tr>
<tr>
<td>Natural Gas</td>
<td>770,049</td>
</tr>
<tr>
<td>Diesel &amp; Petrol</td>
<td>N/A</td>
</tr>
<tr>
<td>Fleet Vehicles</td>
<td>N/A</td>
</tr>
<tr>
<td>Coal</td>
<td>20,038</td>
</tr>
<tr>
<td><strong>Total (Scope 1)</strong></td>
<td>790,587</td>
</tr>
<tr>
<td><strong>Scope 2</strong></td>
<td></td>
</tr>
<tr>
<td>Electricity (Glove Manufacturing Entities)¹</td>
<td>343,425</td>
</tr>
<tr>
<td>Electricity (Non-Glove Manufacturing Entities)²</td>
<td>14,624</td>
</tr>
<tr>
<td><strong>Total (Scope 2)</strong></td>
<td>328,041</td>
</tr>
<tr>
<td><strong>Scope 1 &amp; 2 Total</strong></td>
<td>1,148,636</td>
</tr>
<tr>
<td><strong>Intensity (tonne/1,000 pcs gloves)</strong></td>
<td></td>
</tr>
<tr>
<td>Only include Glove Manufacturing Entities</td>
<td>0.0176</td>
</tr>
<tr>
<td><strong>Variances (over year)</strong></td>
<td>9.83</td>
</tr>
<tr>
<td><strong>Scope 3</strong></td>
<td></td>
</tr>
<tr>
<td>Waste Generated in Operations³</td>
<td>N/A</td>
</tr>
<tr>
<td>Business Travels⁴</td>
<td>0.21</td>
</tr>
<tr>
<td>Employee Commuting⁵</td>
<td>N/A</td>
</tr>
<tr>
<td>Downstream Leased Assets</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total (Scope 3)</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total (Scope 1, 2 &amp; 3)</strong></td>
<td>1,148,636</td>
</tr>
</tbody>
</table>

Note: Historical data should not change, but we always review historical figures if data quality or science has improved.

¹ Data collection is using operational approach for organisational boundary.
² Data covers all non-glove manufacturing entities except for the owned hostel.
³ Data covers all types of vehicles except for tractors.
⁴ Data covers staff commuting, 40% and 100% for workers.
⁵ Top Glove utilises the location-based method for calculating its Scope 2 emissions, with electricity sourced from Tenaga Nasional Berhad. Carbon emissions associated with purchased electricity (Scope 2) are determined using emission factors obtained from Suruhanjaya Tenaga Malaysia, specifically the Grid Emission Factor (GEF) for the years 2017-2019.

**Absolute Carbon Emissions Reduction Performance**

In FY2023, carbon emissions reduced to 486,435 tonnes, representing a significant 53% decrease compared to the baseline year of FY2022. However, when evaluating the relative carbon emissions in relation to the volume of gloves produced, we observed an increase level of 0.0207 tonnes of CO₂ emitted per 1,000 gloves manufactured.

While there is reduction in absolute emission, we acknowledge that comparing intensity emissions to glove volume has become challenging due to the dynamic business landscape, which has led to changes in production output. Despite these challenges, our commitment to sustainability remains unwavering. We are actively pursuing opportunities to optimise our carbon footprint and enhance our environmental performance.

**ENERGY MANAGEMENT**

**Management Approach:**

As one of the key resources used in our production, we aim to reduce the consumption of non-renewable energy, replacing it with clean or renewable energy.

Top Glove has recognised the importance of effective energy management in response to the growing need for sustainable practices. In line with this commitment, we have adopted our Energy Policy, which outlines our approach to optimising energy usage, reducing our environmental impact and climate change. This Policy operates alongside our broader Sustainability Policy, demonstrating our comprehensive approach to sustainability. By mandating adherence to ISO 50001:2018 standards, we exemplify our unwavering commitment to upholding the highest standards in energy management practices. In FY2023, we retained our existing factory certifications, as no new factories were certified in FY2023, we retained our existing factory certifications, as no new factories were certified in FY2023.
Environmental

In terms of demand response, we monitor and manage our electricity consumption by shifting non-essential operations to non-peak hours. This practice supports grid reliability and reduces emissions during periods of high electricity demand.

In addition, we consider energy performance as an additional criterion for the selection of purchased items and vendors, wherever applicable. We maintain regular engagement with our suppliers and vendors, emphasizing our commitment to ISO 50001 Energy Management System (EnMS) compliance. We expect our suppliers to adhere to the same standards, and we actively encourage them to provide us with Energy Star-rated electrical appliances.

Since we installed our first solar panel, we have been on track to shift electricity source at our plants to renewable energy sources.

Solar Power System Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Green Energy Utilised for Glove Manufacturing (GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td>1.66</td>
</tr>
<tr>
<td>FY2022</td>
<td>5.75</td>
</tr>
<tr>
<td>FY2023</td>
<td>5.68</td>
</tr>
</tbody>
</table>

The PPA (Power Purchase Agreement) between Top Glove and Shizen Malaysia in 2022 has allowed Top Glove to expand its total capacity from 5.34 MWp to 7.74 MWp in FY2023. As a result, we anticipate approximately 4,430 tonnes of CO2eq emissions avoided annually. To put this into perspective, it is equivalent to planting approximately 203,491 trees.

Energy Data

**ELECTRICITY CONSUMPTION INTENSITY (KWh/1,000 PCS GLOVES)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.35</td>
<td>8.62</td>
<td>6.94</td>
<td>6.83</td>
</tr>
</tbody>
</table>

**ABSOLUTE ELECTRICITY CONSUMPTION (KWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>205,215,076</td>
<td>372,687,396</td>
<td>448,586,057</td>
<td>421,965,246</td>
</tr>
</tbody>
</table>

**NATURAL GAS CONSUMPTION INTENSITY (MMBTU/1,000 PCS GLOVES)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.31</td>
<td>0.31</td>
<td>0.29</td>
<td>0.29</td>
</tr>
</tbody>
</table>

**ABSOLUTE NATURAL GAS CONSUMPTION (MMBTU)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,082,009</td>
<td>11,069,112</td>
<td>14,512,799</td>
<td>14,296,497</td>
</tr>
</tbody>
</table>

**WATER RESOURCE MANAGEMENT**

**Management Approach:**

We address water scarcity as a global concern and we are committed to manage our water resources with a holistic water management. We are dedicated to reduce water consumption inside our operations. We track and analyse data to plan initiatives effectively that benefit all.

As part of our commitment to sustainable water management, we are actively working towards reducing our reliance on municipal water supply. We have implemented a comprehensive water management plan that includes upgrading our water treatment plant, enhancing our rainwater harvesting system, improving in-house water recycling facilities, and implementing strict monitoring measures to prevent water wastage. Our goal is to safeguard freshwater accessibility for the well-being of humanity. We have surpassed our goal of reducing municipal water consumption by 22%, achieving a rate of 0.1796 m³/1,000 pieces of gloves in FY2023. This commitment reflects our dedication to responsible water management and our proactive efforts to promote sustainable practices within our operations.
Environmental

The data presented in this section encompasses all our Malaysia glove factories, reflecting our collective efforts to prioritise responsible water usage and conservation.

Water Management

**WATER TREATMENT PLANT (REVERSE OSMOSIS, ULTRAFILTRATION, WASTEWATER RECLAMATION)**

**Purpose**
The surface water and rainwater harvested is utilised for production and housekeeping purposes.

**Beneficiary**
All Klang factories

**Investment Cost**
RM89,893

**Cost Saving**
RM7,683,038

**ON SITE DETENTION (OSD) TANKS**

**Purpose**
Installing on-site detention (OSD) tanks for surface water recycling can reduce drain water volume during heavy rain, enhance water security, and provide diversified water sources for factories, mitigating flood risks and overflow to surrounding land. Water collected in OSD tank will be treated and channeled to factories and stored in rainwater tank for production and housekeeping purposes.

**Beneficiary**
F4AW and F14AW

**Investment Cost**
RM414,584

**INSTALLATION OF FILTERS AT PRE-LEANING TANK**

**Purpose**
By installing filters in the pre-leaning tank, we are able to conserve water resources by prolonging the usage of water and reducing the overall water consumption.

**Beneficiary**
All factories

**Investment Cost**
RM168,580

**Rainwater Harvesting**

**Purpose**
We utilise harvested rainwater for housekeeping and operational purposes. Our rainwater harvesting system, which includes tanks to retain rainwater, is designed to reduce reliance on municipal water.

**Beneficiary**
All factories

**Cost Saving**
RM819,088

**Water Data**

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawal intensity (m³/1,000 pcs gloves)</td>
<td>0.280</td>
<td>0.290</td>
<td>0.362</td>
<td>0.397</td>
</tr>
<tr>
<td>Municipal water withdrawal intensity (m³/1,000 pcs gloves)</td>
<td>N/A</td>
<td>0.230</td>
<td>0.222</td>
<td>0.180</td>
</tr>
<tr>
<td>Water consumption intensity¹ (m³/1,000 pcs gloves)</td>
<td>N/A</td>
<td>0.043</td>
<td>0.078</td>
<td>0.049</td>
</tr>
<tr>
<td>Water withdrawal at Headquarter, Top Glove Tower (m³)</td>
<td>35,436</td>
<td>34,913</td>
<td>34,340</td>
<td>36,913</td>
</tr>
<tr>
<td>Grand total of Top Glove Tower users (including tenants)</td>
<td>1,843</td>
<td>1,125</td>
<td>1,073</td>
<td>861</td>
</tr>
<tr>
<td>Water withdrawal intensity (m³/occupant)</td>
<td>19</td>
<td>31</td>
<td>32</td>
<td>43</td>
</tr>
<tr>
<td>Total water reclams² (m³)</td>
<td>2,431,382</td>
<td>1,427,565</td>
<td>2,889,093</td>
<td>2,686,377</td>
</tr>
<tr>
<td>Water treatment plant (from 2 water treatment plants)</td>
<td>1,129,229</td>
<td>891,616</td>
<td>2,352,395</td>
<td>2,377,621</td>
</tr>
<tr>
<td>Industrial effluent treatment system (IETS)</td>
<td>1,302,153</td>
<td>535,949</td>
<td>536,698</td>
<td>308,756</td>
</tr>
<tr>
<td>Source of water withdrawal³ (Total, m³)</td>
<td>18,456,616</td>
<td>18,182,568</td>
<td>16,282,460</td>
<td>8,405,774</td>
</tr>
<tr>
<td>Municipal</td>
<td>12,498,389</td>
<td>14,081,233</td>
<td>9,689,639</td>
<td>3,561,405</td>
</tr>
<tr>
<td>Pond water</td>
<td>3,305,478</td>
<td>2,386,019</td>
<td>3,400,150</td>
<td>1,871,598</td>
</tr>
<tr>
<td>Rainwater</td>
<td>221,366</td>
<td>287,751</td>
<td>303,578</td>
<td>286,394</td>
</tr>
<tr>
<td>Reclalm water</td>
<td>2,431,382</td>
<td>1,427,565</td>
<td>2,889,093</td>
<td>2,686,377</td>
</tr>
</tbody>
</table>

¹ Water consumption is determined by taking the overall withdrawal and subtracting the total discharge.
² Water reclam: Water recycling and reusing water within facilities.
³ Water withdrawal is the water extracted to supply facilities.

Baseline Water Stress ("BWS")

The BWS analysis conducted using the World Resources Institute (WRI) database indicates that the operating factories of Top Glove are classified under low BWS, with a level of less than 1. The BWS layer, developed as part of WRI’s Aqueduct Water Risk Atlas, measures the ratio of total water withdrawals relative to the annual available renewable surface water supplies. This classification suggests that the water stress in the areas where Top Glove operates its factories is relatively low, indicating a lower level of competition and pressure on water resources. We continue to maintain regular monitoring and ongoing assessments of water stress as they are crucial to ensure the sustainability of water resources and adapt to any changes in water availability or demand.

Baseline Water Stress According to Country of Operating Factories

<table>
<thead>
<tr>
<th>Location</th>
<th>Water Risk Index</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>0.33 - 0.66</td>
<td>Low-Medium Risk</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.33 - 0.66</td>
<td>Low-Medium Risk</td>
</tr>
<tr>
<td>China</td>
<td>&lt; 0.33</td>
<td>Low-Medium Risk</td>
</tr>
</tbody>
</table>

Note: The data is based on all districts where Top Glove’s factories are operating in each country.
Environmental

WASTE & EFFLUENT MANAGEMENT

Management Approach:
We do not subscribe to the attitude of “harm today, balm tomorrow”. We manage our waste and effluent in compliance with laws and regulations and are also committed to reduce waste generation through operational eco-efficiency.

Top Glove fully endorses the waste management hierarchy and remains dedicated to implementing its principles in daily operations. Our commitment lies in embracing the SR principles of waste management. We actively focus on preventing wastages, reducing waste generation, promoting the reuse of waste to maximise its value, facilitating the recycling of waste for a second life, recovering waste as valuable energy resources, and ensuring the responsible disposal of waste.

Waste Management

Engaged with Department of Environment (“DOE”) licensed collector
In our commitment to responsible waste management, we actively engage with licensed waste collectors authorised by the DOE. These licensed collectors adhere to stringent environmental regulations and standards, ensuring that our waste is handled and disposed of responsibly. By partnering with DOE-licensed collectors, we prioritise compliance and environmental responsibility throughout our waste management processes.

Monitoring Reporting
We maintain a consistent waste monitoring and reporting system to track and analyse our waste generation and disposal practices. This system allows us to assess our waste reduction efforts, identify areas for improvement, and measure progress towards our sustainability goals. Regular reports are generated to provide transparency and accountability to stakeholders, showcasing our commitment to sustainable waste management.

Training & Education
We believe in the importance of fostering a culture of sustainability throughout our organisation. To achieve this, we provide training and education programmes to our employees and stakeholders. These programmes raise awareness about the importance of responsible waste management, highlight best practices, and promote waste reduction strategies, all of which contribute to reducing the environmental impact. By equipping our team with the knowledge and skills to make sustainable choices, we ensure that waste management is integrated into our daily operations.

Operational Resource Optimisation and Waste Reduction Initiatives

Digitalisation to move for less paper
As part of our commitment to responsible consumption, Top Glove diligently monitors the quantities of paper and virgin plastic stretch film utilised in our operations. This represents a significant stride toward our overarching objective of transforming into a paperless and plastic-free company. In FY2023, we successfully reduced paper usage by 80.8%, surpassing our target of a 40% reduction (37,800 kg) for the year.

Material Consumption

We initiated material consumption monitoring several years ago as part of our commitment to responsible consumption.

Circular Economy Activities

R&D is at the core of our business sustainability. We promote the adoption of circular economy principles to effectively manage waste generated during glove production. Notably, common waste materials like tainted formers and used rubber are subjected to recycling or upcycling processes to derive added value. The tainted formers undergo a reglazing process to eliminate surface contaminants and subsequently reintegrated into the production cycle. Similarly, nitrile waste is processed and transformed into new products such as rubber compounds, coaster, insulation mats, mousepads, shoe outsoles and more, thereby extending the lifecycle and enhancing the sustainability of these materials.

Research and Development (R&D)
Continuous improvement in waste management practices is essential to our sustainability efforts. Therefore, we invest in R&D initiatives aimed at finding innovative solutions to reduce waste generation, improve recycling rates, and minimise the environmental impact of our waste streams. In FY2023, one of our collaborations with a supplier involves converting scheduled waste into bricks.

Site audit on licensed scheduled waste collectors
To ensure the responsible handling of our waste, we conduct site audits on our licensed scheduled waste collectors. These audits encompass a comprehensive assessment of their facilities, equipment, and waste management procedures. By regularly evaluating our waste partners, we verify their compliance with environmental regulations and our sustainability standards, mitigating potential environmental risks.

Environmental

SUSTAINABILITY ROADMAP FY2022 TO FY2025

80.8% reduction of paper usage in FY2023

Note: The consumption of raw material is dependent on glove weight requested by customer.

| NITRILE CONSUMPTION (KG/1,000 PCS OF GLOVES) |
| 2023 | 6.83 |
| 2022 | 6.81 |
| 2021 | 6.48 |

| LA T EX CONSUMPTION (KG/1,000 PCS OF GLOVES) |
| 2023 | 8.20 |
| 2022 | 7.89 |
| 2021 | 6.65 |

| PAPER USED (KG) |
| 2023 | 27,907 |
| 2022 | 15,448 |
| 2021 | 64,768 |

**Environmental**
Environmental

Achievement Awards in Prime Minister’s Hibiscus Award 2021/2022

We are delighted to share that Top Glove has achieved highly commendable success at the Prime Minister’s Hibiscus Awards 2021/2022, receiving a total of three awards. Notably, Top Glove’s Factory 9 has been honored with the Notable Achievement Awards in Environmental Performance, underscoring our commitment to a greener future. Furthermore, Factory 30 has achieved the remarkable feat of winning the Gold Winner title in the Special Project Award, along with the Notable Achievement Awards. These accolades serve as a testament to our dedication to environmental protection and sustainable development. We also extend our appreciation to our stakeholders for their trust and support. Together, we strive for a brighter and more sustainable tomorrow.

Scheduled Waste Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Scheduled Waste Generated (Tonnes)</th>
<th>Total Scheduled Waste Reused/Recycled/Other Recovery Process (Tonnes)</th>
<th>Total Solid Waste Disposed Through Incineration (with or without energy recovery), Landfilling, Other Disposal Operations (Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>6,945.00</td>
<td>5,089.00</td>
<td>3,004</td>
</tr>
<tr>
<td>2022</td>
<td>5,717.05</td>
<td>3,909.05</td>
<td>7,468</td>
</tr>
<tr>
<td>2021</td>
<td>9,756.42</td>
<td>6,503.46</td>
<td>10,116</td>
</tr>
</tbody>
</table>

Effluent Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Water Discharged (M³)</th>
<th>Discharge Intensity (M³/1,000 pcs of gloves)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>6,175,124</td>
<td>0.348</td>
</tr>
<tr>
<td>2022</td>
<td>10,733,976</td>
<td>0.284</td>
</tr>
<tr>
<td>2021</td>
<td>10,718,876</td>
<td>0.176</td>
</tr>
</tbody>
</table>

Effluent Treatment

Effluent management is a vital aspect of our commitment to environmental sustainability. We have implemented comprehensive effluent treatment processes to ensure that any effluent generated during our operations is treated to meet regulatory standards. Our treatment facilities are designed to remove harmful pollutants, ensuring that only treated, safe effluent is discharged into the environment.

Monitoring and Compliance

We maintain strict monitoring protocols to assess the quality of our effluent continuously. Regular sampling and analysis are conducted to verify compliance with local, national, and international environmental regulations. By closely monitoring our effluent, we proactively identify any deviations from compliance and take corrective actions promptly to mitigate environmental impacts.

Awareness and Education

We understand the importance of creating awareness and educating our employees, stakeholders, and the community about the significance of effluent management for pollution control. Our awareness and education programmes aim to inform and engage individuals in responsible water use, effluent treatment, and pollution prevention. We believe that informed stakeholders are essential partners in our efforts to protect the environment.

Established Group Key Performance Indicators (KPIs)

To measure the effectiveness of our effluent management efforts, we have established a set of Key Performance Indicators (KPIs) that align with our sustainability goals. These KPIs include metrics related to effluent quality, reduction in waste intensity, and compliance measures. Regularly tracking and reporting on these KPIs helps us gauge our progress and drive continuous improvement in our pollution control strategies.
Environmental

**Biogreen™ Plant-Based CPE Gloves**

During the FY2023, R&D took significant strides in expanding our green product portfolio Biogreen™ as part of our commitment to addressing two critical global challenges: waste accumulation and climate change. To this end, we introduced two distinct product categories: The Biodegradable Series and the Renewable Series. These products are the result of our dedicated research aimed at developing gloves with a low carbon footprint by using renewable materials and minimising environmental impact.

Under the Biodegradable Series, we developed a range of gloves utilising environmentally friendly materials such as Nitrite Butadine Rubber (NBR), Casting Polyethylene (CPE), and Thermoplastic Elastomer (TPE). These gloves are specifically designed to combat waste accumulation in active landfills through a process of anaerobic biodegradation facilitated by microbial activity. By employing this innovative approach, we aim to significantly reduce the environmental impact associated with glove disposal.

Our **Renewable Series** focuses on promoting the adoption of sustainable practices in glove production. This involves encouraging the use of renewable plant-based materials or responsibly managed forest. We have recently pursued a substantial stride in advancing our product portfolio within this series with the launch of our biodegradable nitrite glove.

**Biogreen™ Biodegradable CPE Glove**

Our **Renewable Series** focuses on promoting the adoption of sustainable practices in glove production. This involves encouraging the use of renewable plant-based materials or responsibly managed forest. We have recently pursued a substantial stride in advancing our product portfolio within this series with the launch of our biodegradable nitrite glove.

**Biogreen™ Biodegradable Nitrite Glove**

In addition to the Life Cycle Assessment ("LCA") conducted for our Biogreen™ Biodegradable Series and partial LCA for Plant-Based CPE Gloves, this year we are continuing our LCA efforts in line with ISO 14040 and ISO 14044 standards. We have recently taken a substantial stride in advancing our operations by instituting a specialised R&D Task Force dedicated to conducting LCA within our Top Glove’s factories. Our comprehensive evaluation encompasses various facets of the product’s life cycle, spanning from the selection of raw materials, the direct production process, and the distribution of goods, to the management of end-of-life considerations.

In alignment with our commitment to product risk management, this initiative places significant emphasis on the incorporation of sustainable and REACH-compliant materials to mitigate the presence of restricted substances in our products for the good sake on human health and environmental benefits. Its overarching objective is to bolster our internal capabilities and streamline the LCA process, thereby enabling us to more effectively address the criteria governing both product and process design.

**Biogreen™ Biodegradable CPE Glove**

**Biogreen™ Biodegradable Nitrite Glove**

**Biogreen™ Biodegradable TPE Top Grip Glove**

**Biogreen™ Plant-Based CPE Glove**

**Biogreen™ FSCTM Certified Latex Glove**

**SUSTAINABLE PACKAGING MATERIALS**

Maintain existing certification for packaging material factory for FSC

**Management Approach:** Top Glove advocates ethical and responsible sourcing and procurement practices. The Company recognises that its supply chain has a significant impact on the well-being of the environment and is committed to minimising any adverse effects. This commitment reflects the Company’s dedication to sustainable practices and its recognition of the importance of environmental stewardship.

We are committed to minimising the packaging needed for our products and ensuring responsible management of packaging. We are actively exploring alternative materials and recycled plastics to replace non-recyclable items. Our focus includes developing gloves made from recycled plastic materials and introducing refill packs for liquid detergent, aimed at reducing overall plastic consumption. However, our progress in transitioning to the use of recycled plastic bottles and refill packs currently stands at 0% due to shifts in the business landscape.

**R&D Open Innovation in Top Glove**

Top Glove recognises the power of open innovation and actively cultivates long-term partnerships with external parties such as universities and research institutions. These collaborations have become instrumental in our R&D endeavours, propelling us towards cutting-edge advancements and social impact. Our engagement in extensive research collaborations spans across multiple domains, including new product development, process improvement, and wastewater treatment. The costs involved in R&D across multiple domains can be found in the TCFD and Water Management sections.

In the pursuit of operational excellence and sustainability, our collaborations in process improvement have yielded significant benefits. By partnering with universities and research institutions, we harness their expertise to optimise our manufacturing techniques, streamline processes, and enhance operational efficiency. This allows us to reduce waste generation, minimise resource consumption, and mitigate our environmental impact. Through our commitment to open innovation and collaboration, we actively contribute to social responsibility by implementing sustainable practices in our operations. Together with our external partners, we strive to create a more sustainable future, where glove manufacturing is synonymous with responsible and environmentally conscious practices.

**Collaboration Partner**

Our R&D Department has been on-going collaboration with a nitrite latex supplier to innovate glove products which require low energy consumption and is able to be produced at consistently high quality. This marked our commitment to accelerate Top Glove sustainability initiatives through partnerships.

**SUSTAINABLE PRODUCT MANAGEMENT**

During the FY2023, R&D took significant strides in expanding our green product portfolio Biogreen™ as part of our commitment to addressing two critical global challenges: waste accumulation and climate change. To this end, we introduced two distinct product categories: The Biodegradable Series and the Renewable Series. These products are the result of our dedicated research aimed at developing gloves with a low carbon footprint by using renewable materials and minimising environmental impact.

**Biodegradable Series**

**Biogreen™ Biodegradable Nitrite Glove**

**Biogreen™ Biodegradable CPE Glove**

**Biogreen™ Biodegradable TPE Top Grip Glove**

**Renewable Series**

**Biogreen™ Plant-Based CPE Glove**

**Biogreen™ FSCTM Certified Latex Glove**

**SUSTAINABILITY ROADMAP FY2022 TO FY2025**

86% inner boxes purchased is made with 100% recycled material or FSC paper

19.2% of reduction of virgin plastic resin

Biodiversity & Conservation

We believe that the preservation of biodiversity is essential for maintaining the balance of ecosystems, protecting endangered species, and safeguarding the natural heritage of our planet. As part of our sustainability commitments, we work to identify, conserve, and restore biodiversity within our operations and the surrounding areas.

Top Glove remains steadfast in its commitment to reduce plastic packaging usage and launched the "Top Glove No Single Use Plastic Campaign" in May 2022, which continues until today. As part of our ongoing efforts, we have also actively investigated alternative materials to replace plastic containers provided by our canteen operators. These operators have transitioned to using washable and reusable containers for dine-in orders, while opting for paper or sugarcane materials for takeout orders. We further promote eco-conscious practices by encouraging our employees to bring their own food, fostering a culture of sustainability within our organisation.

Our in-house Packaging Material Plant is FSC certified. This certification signifies our dedication to responsible sourcing practices and underscores our commitment to meeting recognized standards for environmental sustainability. Currently, approximately 98% of our packaging materials, in terms of quantity, are derived from recycled or recyclable sources. This demonstrates our commitment to reducing waste and minimising our environmental impact. Our objectives encompass several sustainability initiatives aimed at minimising our environmental impact. These collective efforts reflect our dedication to sustainable practices and responsible sourcing. Our efforts also extend to tracking the reduction of virgin plastic resin usage in stretch film. We are pleased to report an 19.2% reduction in plastic resin usage, bringing us close to our FY2023 target.

**Management Approach:** We effectively address biodiversity conservation, we engage in joint initiatives and community-based conservation projects that aim to protect and enhance biodiversity. As stated in our Sustainability Policy, our commitment to protecting biodiversity extends to the supply chain and is reflected in our Business Partners’ Code of Conduct.
Environmental Conservation Initiatives

Mangrove Nursery & Plantation

In a collaborative effort, the Top Glove Foundation worked together with the Kampung Sijangkang communities to undertake a remarkable project. Their goal was to turn an illegal dumpsite into an educational park and enhance an existing mangrove plantation to establish a mangrove recreational park. Mangroves unique ecosystem, known as ‘blue carbon’ environments, have the remarkable ability to store significant amounts of carbon over extended periods. By safeguarding and preserving mangroves, we actively contribute to the reduction of GHG emissions and support climate change mitigation efforts. Top Glove has built the first 3 nurseries, and as of FY2023, we have harvested a total of 3,450 mangrove propagules. We plan to propagate another 2,000 mangrove propagules by FY2025 to sustain the preservation of mangrove site.

Since FY2022, we have been offering internship opportunities to the local community in Indonesia, including high school and university students. In FY2023, the employment details are presented in the table below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Institution</th>
<th>Number of employees</th>
<th>Gender</th>
<th>Nationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SMA Negeri 1 Kelapa</td>
<td>2</td>
<td>2 Male</td>
<td>Indonesians</td>
</tr>
<tr>
<td>2</td>
<td>SMA Negeri 1 Mendo Barat</td>
<td>4</td>
<td>2 Male, 2 Female</td>
<td>Indonesians</td>
</tr>
<tr>
<td>3</td>
<td>University Bangka Belitung</td>
<td>2</td>
<td>2 Male</td>
<td>Indonesians</td>
</tr>
</tbody>
</table>

The company has diversified its cultivation efforts to include other types of plants such as bananas and orchids. Through this plantation, Top Glove is not only contributing to the conservation of biodiversity but also making a positive impact on the environment. The extensive tree planting efforts have enabled the absorption of approximately 2,169 tonnes of carbon dioxide.

1. 1 trees absorbed approximately 21 kg of carbon dioxide annually.
**Social: To Be A People Centric Corporate Citizen**

**HIGHLIGHTS**

- **Lost Time Injury Frequency Rate (LTIFR)**
  - Reduction to **0.81**

- **Zero fatality cases** in FY2023

- **14 factories** achieved Grade A in DOSH OSHWA audit

- **117,572** training hours achieved in technical, soft skills and core trainings

- **SMETA audited factories** with an achievement rate of maintaining fewer than 10 non-compliances per audit.

**GOAL 2: PROMOTING INCLUSIVITY & RESPECTING HUMAN RIGHTS**

- **Management Approach:**
  - Investment in employees' health and safety is the best prevention of negative impacts such as health and safety risks and lowered productivity. At Top Glove, we recognize our responsibility in providing a safe and healthy workplace for our employees by enhancing the safety process within our operations, providing necessary technical and educational support in occupational safety and health as well as enhancing our healthcare initiatives.

- **Health & Safety Governance**
  - In adherence to the Group's Occupational Safety & Health ("OSH") Policy, our Safety & Health Committee is more than 800 members. This committee is comprised of both management and employee representatives from diverse departments, entrusted with the responsibility of spearheading safety management initiatives and strategies for the entire organisation. The Head of Group Safety is a part of the Sustainability Steering Group, which reports to the Board Sustainability Committee.

- **Health & Safety Management System**
  - We continue to uphold OSH best practices by maintaining ISO 45001:2018 Occupational Health & Safety Management System certification at our operations. Initiated in FY2021, a total of 7 factories were certified with the ISO 45001:2018 as at FY2023 and we are working towards extending the ISO 45001:2018 certification to other factories by FY2025. The system is regularly audited both internally and externally and includes all employees and third-party providers who work on the Company premises. In FY2023, our target was to achieve certification for 2 additional factories under ISO 45001:2018. However, only one out of 2 factories were certified due to changes in number of operational factories.

**SUSTAINABILITY ROADMAP FY2022 TO FY2025**

- **7 factories certified with ISO 45001:2018**
  - Occupational Health & Safety Management
Social Hazards: Risk Identification and Assessments

The OSH Policy highlights the creation of a proactive culture where all OSH’s risks associated with its activities are adequately controlled by eliminating or reducing the risks to As Low As Reasonably Practicable (ALARP). Risk assessments are carried out whereby identified hazards and risks are examined, analysed and evaluated for improved control. Additionally, OSH awareness training have been conducted regularly to enhance the knowledge and skill of workers in order to prevent workplace injury/illness. The identification of hazards stands as a crucial step in ensuring the safety of our workplaces within the group. Our sites conduct comprehensive risk assessments, employing various methods in accordance with local laws and regulations. As a company, we classify our activities based on the level of risk involved and the availability of recognised methods to mitigate those risks effectively.

The following assessment monitoring systems are adopted:

- Chemical Health Risk Assessment (CHRA)
- Noise Risk Assessment (NRA)
- Chemical Exposure Monitoring (CEM)
- Audiometric
- Local Exhaust Ventilation (LEV)
- Medical Surveillance
- Control of Industrial Major Accident Hazards (CIMAH) Assessment
- Organised safety talk, covering topics such as fire safety, chemical safety awareness and machinery trainings
- Developed a LOVE (Local Exhaust Ventilation) system and implementation of Contractor Management procedure.
- Conducted weekly hydrant test
- Published Safety Bulletin
- Work related incidents are identified and assessed through incident reporting procedure.
- Work related hazards and risks for processes and projects are assessed via:
  - Observation, interviews and implementation of Hazards Identification, Risk Assessment and Risk Control (HIRARC), the relevant trainings for which have been provided to employees.
  - Monthly Corrective Action and Preventive Action (CAPA), through Safety and Health Committee meeting.
  - Monitoring of Unsafe Acts and Unsafe Conditions (UAUC) through Top Glove Good Safe online reporting.

Work-related hazards are addressed promptly through “Top Glove Good Safe” online reporting tool. This system aims to eliminate the occupational hazards from UAUC in workplace that can potentially lead to serious injuries/illness. The reported Good Safe will be routed to the rightful process owner for immediate action to be taken to close the UAUC raised. Through this participatory approach, a strong joint ownership will be developed to create positive safety and health workplace. The safety team conducts due diligence for new operations and projects as established in the Contractor Management procedure. Contractors are required to provide a HIRARC and undergo a review of their safety measures prior to commencing work. Safety requirements serve as the key selection criterion for new contractors.

Awareness and Trainings

We continuously conduct training to improve and enhance employees’ safety awareness to prevent accident and incidents. Trainings include Work Instruction (WI) covering safety precautions which are provided to workers. Other training scopes include HIRARC, PPE, chemical spillage, machinery handling, Emergency Response Team, working at height, etc. In FY2023, 100% of our 11,213 employees, consisting of staff and workers, received training on health and safety standards.

Incident Reporting

Work related incidents are identified and assessed through incident reporting procedure. Typically, these incidents are investigated by involving relevant process owner and effective corrective measures are suggested for implementation. Corrective measures are determined by adopting the hierarchy of controls such as elimination, substitution, engineering controls, administrative controls and personal protective equipment (PPE). The implemented corrective measures are frequently upheld and supervised to prevent the recurrence of similar incidents.

Health & Safety Performance

We continuously conduct training to improve and enhance employees’ safety awareness to prevent accident and incidents. Trainings include Work Instruction (WI) covering safety precautions which are provided to workers. Other training scopes include HIRARC, PPE, chemical spillage, machinery handling, Emergency Response Team, working at height, etc. In FY2023, 100% of our 11,213 employees, consisting of staff and workers, received training on health and safety standards.

Promoting a safety culture is crucial in ensuring the well-being of employees and preventing accidents in various environments. Here are other initiatives that we have undertaken to further promote safety culture:

1. Published Safety Bulletin
2. Conducted weekly hydrant test
3. Organised safety talk, covering topics such as fire safety, chemical safety awareness and machinery trainings

We are currently on track to achieve our interim target for FY2023, which involves attaining an accident rate of 2.85 per 1,000 employees and ensuring that 100% of contractors meet the minimum score. This reflects our unwavering commitment to safety.
Social

Employee Safety Data

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee fatalities rate (percentage, %)</td>
<td>0.01</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of employee fatality case</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of employees covered for LTIFR (%)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Lost-Time Injury Frequency Rate (LTIFR) (number/a million hours worked)</td>
<td>0.92</td>
<td>0.86</td>
<td>0.81</td>
</tr>
<tr>
<td>Number and rate of high consequence work-related injuries (including fatalities)</td>
<td>Number: 71 Rate: 3.24</td>
<td>Number: 57 Rate: 2.99</td>
<td>Number: 32 Rate: 2.85</td>
</tr>
</tbody>
</table>

Contractor Safety Data

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor fatalities rate (percentage, %)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of contractor fatality case</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of contractors covered for LTIFR (%)</td>
<td>N/A</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Lost-Time Injury Frequency Rate (LTIFR) (number/a million hours worked)</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number and rate of high consequence work-related injuries (including fatalities)</td>
<td>N/A</td>
<td>Number: 0 Rate: 0</td>
<td>Number: 0 Rate: 0</td>
</tr>
</tbody>
</table>

Our key initiatives in promoting good physical and mental health:

1. Zero Harm on Mental Health Programme
2. Promoting 5 Healthy Wells Principle (Clean Well, Eat Well, Work Well, Exercise Well, Sleep Well)
3. Healthy Eating Active Lifestyle (H.E.A.L) Programme
4. Complimentary access to gymnasium facilities & sports subsidy
5. Monthly health talks, health workshops, e-health info for employees
6. Complimentary counselling services
7. Workers Health Protection Programme (WHP)
8. Staff Health Management Programme (SHMP)

Top Glove continues to comply with the Foreign Worker’s Medical Examination Screening (FOMEMA) for all foreign workers as required by the governments of Malaysia. New foreign workers undergo FOMEMA every year for the first 3 years and subsequent alternate years until the foreign worker returns home.

FOMEMA includes screening for communicable disease such as HIV/AIDS, Tuberculosis and Malaria. A working permit is issued once the foreign worker is certified fit by FOMEMA. Failing which, the foreign worker will not be allowed to stay and work. Employers are required to repatriate the foreign worker as per Malaysia’s regulations. With that, the Company is able to mitigate the spread of diseases. Top Glove offers a FOMEMA briefing as part of the new worker orientation module, ensuring that newcomers are equipped with the necessary exposure and knowledge before officially joining the Company.

Positive Psychology at Work

The importance of employee mental health in the workplace cannot be overstated as in today’s fast-paced and demanding work environments, prioritising mental well-being is essential for both individuals and organisations. Top Glove has been very committed to dedicated and unwavering focus on providing training and resources related to mental health. This commitment reflects an organisation’s determination to support the well-being of its employees by offering education and tools to enhance mental health awareness, understanding, and support within the workplace. We are dedicated to offering monthly mental health awareness training sessions throughout this year. These training sessions are facilitated by our in-house counsellor within the Group Human Resources department, who is also available to provide counselling sessions for any staff members in need of support. These trainings series have beneficial to 1,592 staff that have joined different training topics that we provided to them.
Social

HUMAN RIGHTS & LABOUR STANDARDS

Management Approach:
As a business with a global footprint and employees from diverse backgrounds including vulnerable groups such as foreign workers, we are committed to eradicating forced labour and creating an inclusive and respectful ecosystem, where fundamental rights are respected, and every employee is treated equally, leaving no one behind.

Human Rights Governance
Top Glove has diligently established a comprehensive framework for Business and Human Rights ("BHR"), with the finalisation process overseen by the Chairman's Office. To ensure a thorough evaluation and mitigation of risks, Top Glove conducts Bow Tie Risk assessments on BHR. Several salient issues have been identified within the realm of human rights that have emerged as central to our commitment to responsible business practices. These include our dedication to establishing an effective grievance mechanism for addressing harassment and bullying concerns, ensuring the safety and health of our workers, and diligently managing working hours and securing futures for our employees.

The BHR monthly meeting is chaired alternately by the CEO and the Managing Director. Heads of departments are required to attend the meeting as assigned. Daily responsibilities related to BHR issues are managed by the head of each respective department. BHR-related issues are promoted through Board Committees, including the Board Sustainability Committee (BSC), Board Risk and Integrity Committee (BRIC), Board Nomination and Remuneration Committee (BNRC) and Board Audit Committee (BAC).

Overarching Framework on Human Rights

In our unwavering commitment to upholding human rights, we strive to implement:

- UN Global Compact Ten Principles
- UN Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights
- International Labour Organisation (ILO)
- Amfori Business Social Compliance Initiatives (BSCI) Code of Conduct
- Sedex Member Ethical Trade Audit (SMETA) guidelines

Policies on Human Rights Practices & Labour Standards

Our commitment to human rights is exemplified by our Human Rights Policies, which is aligned with global standards. Within our policies, we have thoughtfully defined the relevant requirements that guide our Company's practices including the elimination of debt bondage, provision of fair working hours and days, protection of freedom of association, recognition of rights to collective bargaining, and a focus on occupational health and safety. Additionally, we uphold the prohibition of all forms of forced labour, bonded labour, modern slavery and child labour. We do not hire employees younger than 18 years old and have a verification process in place to identify and decline underage candidates as outlined in our Recruitment Policy.

Top Glove is actively enhancing its BHR Framework to include a broader range of areas. Top Glove’s Policies seamlessly interlink our existing rules and regulations centred around human rights. For example:

Policies on Human Rights Practices & Labour Standards

1. Human Rights & Ethical Conduct
2. Employee Code of Conduct
3. Occupational Safety & Health Policy
4. Diversity, Equality and Inclusion Policy
5. Prevention of Sexual Harassment Policy
6. Prevention of Bullying Policy
7. Grievance Procedure
8. Sustainability Policy

In operations where, formal unions do not exist, all workers are covered under the Workers’ Welfare Committee, for which workers in every factory have the right to elect their representatives from each nationality and gender. Our subsidiary, Eastern Press Sdn Bhd, is covered by collective bargaining agreements, with the notice period for consultation and negotiation specified in collective agreements. In total, there are 40 union members who are covered under the union at Eastern Press Sdn Bhd.

The Company has effectively communicated its expectations to all stakeholders through the Business Partners’ Code of Conduct and Employee Code of Conduct. Business Partners’ Code of Conduct was distributed yearly to supply chain and customers, ensuring that they are fully aware of the Company’s standards and requirements. Employees are required to sign the Employee Code of Conduct. By doing so, the Company has established a framework for responsible and ethical practices throughout its stakeholders. Dialogue sessions and engagements with customers, investors, and suppliers include discussions about human rights, encompassing existing policies, initiatives and expectations. Our commitment to BHR is exemplified through various initiatives:

Key Initiatives

1. ESG Assessments on Critical Suppliers
2. Internal Social Audits
3. Compliance with Local Laws
4. Independent Social Audits
5. Audits requested by customers
6. Workers’ Welfare Committee

We engage in a workers’ welfare committee, which is represented by workers’ representatives, to facilitate discussions that address topics related to their welfare, safety, health, and labour standards, in collaboration with the host and factory management. This inclusive approach underscores our commitment to the well-being and rights of all employees.

Human Rights Due Diligence

The integration of due diligence into our internal processes and social audit compliance, underscores our commitment to fulfilling our due diligence obligation. By leveraging existing practices, we ensure the early identification and assessment of potential human rights impacts through our internal social compliance procedures. As part of this commitment, we conduct annual internal site or virtual audits consists of human rights within our own operations and supply chain, allowing us to continually monitor and address any relevant issues proactively.

In FY2023, we conducted external and internal social compliance audits on SMETA, BSCI and Customer Code of Conduct to demonstrate our unchanging commitment to safeguard human rights of our employees. The due diligence process covers a range of areas, including forced labour, human trafficking, child labour, freedom of association/rights of collective bargaining, remuneration, and discrimination. No violations of human rights were identified from the social compliance audit conducted.

External Social Audit Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Audits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of announced audits</td>
<td>47</td>
</tr>
<tr>
<td>Total number of semi-announced audits</td>
<td>1</td>
</tr>
<tr>
<td>Total number of audits initiated and paid by customers</td>
<td>29</td>
</tr>
<tr>
<td>Total number of audits initiated and paid by Top Glove</td>
<td>18</td>
</tr>
</tbody>
</table>

With the implementation of SAP Ariba, we have established a robust supplier pre-screening process as a prerequisite for becoming a Top Glove supplier. Through this system, new suppliers/projects are required to complete a pre-screen assessment by providing relevant information about their operations. This data will then undergo a thorough analysis to identify potential human rights risks associated with each supplier. For suppliers who receive a grading below our established standards (grade D and E), suppliers are encouraged to improve their operations and our Business Partners’ Code of Conduct outlines the process for any deficiencies and implement necessary improvements to enhance their grading.

Zero Tolerance Statement in DEI Policy

We are committed to a strict zero tolerance policy against any form of discrimination, harassment, or bullying, including but not limited to sexual conduct, race, sex, disability, gender, age, sexual orientation, beliefs, and socio-economic background. Our priority is to foster an inclusive and respectful workplace where every employee feels safe and valued.
Social

Access to Remedy: Grievance Channel

Our multiple grievance channels provide opportunities for our employees to raise grievance anonymously. The Company has set up various channels allowing workers to provide feedback through internal grievance channels and an externally managed complaints hotline. Our commitment lies in engaging stakeholders during the grievance process and taking necessary actions for resolution. We strongly encourage employees to voice any complaints or concerns they may have regarding unjust treatment, unfair practices, disrespect, harassment, or workplace health and safety issues.

i. Whistleblowing channel. For our whistleblowing data disclosure, please refer to Whistleblowing section in page 78 this report.

ii. Top Glove Counselling Lines for workers to report harassment and bullying incidents.

iii. Centralised workers’ helpline

iv. Email

v. WhatsApp

vi. Worker representatives from each nationality and gender

vii. Human Resources representative at factory

viii. HR Connect managed by Group Human Resource. We have digitalised the grievance channel by incorporating grievance feature into the employee mobile app.

INTERNAL HELPLINE MANAGED BY HR DEPARTMENT

In FY2023, total 513 cases received and all of the cases have been remedied.

External Helpline by Impact

In FY2023, total 40 cases received and 39 of the cases have been resolved and closed with remaining 1 pending for verification on the action taken by the Company. In FY2023, the Impact Helpline received calls in the following areas:

- Information & assistance request: 47.50% (19 cases)
- Information request: 35.00% (14 cases)
- Discrimination: 10.00% (4 cases)
- Physical/Sexual/Verbal/Psychological abuse: 5.00% (2 cases)
- Accommodation: 2.50% (1 case)

Top Glove Sustainability Grievance Channel

Top Glove launched its Sustainability Grievance Channel in early 2023, recognising stakeholders’ critical role in identifying potential environmental, social, and economic impacts from our business activities. This channel fosters open dialogue, strengthens trust, and proactively addresses grievances. It explicitly covers human rights concerns, allowing stakeholders to raise issues on labour practices, health and safety, community engagement, and other areas with human rights implications. The channel ensures complete confidentiality and optional anonymity for external and internal stakeholders, including local communities, NGOs, suppliers, contractors and employees, enabling them to freely raise concerns without fear of retaliation or negative consequences. We will work closely with stakeholders to understand the concerns, assess potential impacts, and develop effective solutions.

Reinforcing our Respect for Human Rights through Training

Over the past several years, we have provided the following training to reinforce our respect for human rights:

a) Our internal trainers have conducted multiple in-house training for Head of departments and Human Resources Business Partners covering essential topics such as:
   - Business Social Compliance Initiative (BSCI)
   - SEDEX Members Ethical Trade Audit (SMETA)
   - the 11 International Labour Organisation (ILO) indicators of forced labour

b) In FY2023, a total of 7,188 training hours on Human Rights Policies or procedures concerning aspects of human rights that are relevant to operations were conducted. Number of staffs trained in FY2023 is 599 staffs.

c) Training sessions on human rights encompassing aspects relevant to the organisation’s operations, have been conducted throughout the entire organisation, from top management to workers. Since 2019, HR has successfully educated over 6,051 workers on a wide range of Human Rights and Policies and practices.

d) Social standard posters such as BSCI, ETI Base Code, ILO Forced Labour Indicators in workers native languages are displayed on notice boards at workers’ hostel and factory.

As outlined in our guidelines, when faced with an unsatisfactory remedy, the matter will be escalated to the Head of Group Human Resources for further action. It’s worth noting that all reported cases have remedied and concluded at the level of the Head of Factory/Group of Department, Factory Human Resources, and Group Human Resources.
SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN

Social

This year, a sustainability representative from our Company had the privilege of participating in a Multistakeholder Consultation for the National Baseline Assessment on Business and Human Rights in Kuala Lumpur. During this event, we had the opportunity to engage with various stakeholders, including NGOs, the ILO, and representatives from other corporate sectors. This engagement allowed us to hear valuable feedback and insights.

As a proud member of the UN Global Compact Malaysia & Brunei (UNGCMYB), our staff is actively dedicated to continuous learning through human rights-related training. We actively seek opportunities to share and learn best practices with other industries, fostering a deeper understanding of ethical practices and advancing our commitment to human rights.

EMPLOYEE BENEFITS

Employee Accommodation

Our accommodation fully complies with Act 446: Employees' Minimum Standards of Housing, Accommodations, and Amenities Act 1990. We have made sure that our workers have everything they need for a comfortable stay. Within the accommodation, we provide various amenities like a laundromat, canteen, mini market, and recreational facilities, making it convenient for our workers to meet their daily needs.

Work-Life Integration for Employee

To support employees in achieving work-life integration for maximal well-being, Top Glove has implemented a series of initiatives in FY2022, on top of the existing Flexible Working Hours Policy:

- **1. Family Friendly Policies**
- **2. Flexible Working Hours**
- **3. Working from Home Policies**
  - a) Working Parents/Pregnant Mother
    Working parents with children under the age of 12 years old or Pregnant Mothers. They are entitled to 30 days working from home arrangements.
  - b) Caregiver
    - Staffs are entitled to an aggregate 10 days of flexible work from home (WFH) arrangements in a calendar year as a form of caregiver support for staff who need to care for immediate family members such as parents, parents-in-law, spouse, children, and grandparents.
    - Local workers may request to change shift (subject to operations scheduling and prior approval from superior).
- **4. Nursing Room**
- **5. Parental Leave**
- **6. Health Care**

Parental Leave Data

<table>
<thead>
<tr>
<th>Scope</th>
<th>Gender</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of employees that were entitled to parental leave</td>
<td>Female</td>
<td>4,478</td>
<td>3,684</td>
<td>1,150</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>5,698</td>
<td>4,503</td>
<td>1,351</td>
</tr>
<tr>
<td>Total no. of employee that took parental leave</td>
<td>Female</td>
<td>195</td>
<td>234</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>165</td>
<td>256</td>
<td>220</td>
</tr>
<tr>
<td>Total no. of employee that returned to work in the reporting period after the end of parental leave</td>
<td>Female</td>
<td>195</td>
<td>230</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>165</td>
<td>256</td>
<td>218</td>
</tr>
</tbody>
</table>

Note: Staff serving for more than a year are entitled to 7 consecutive days of parental leave in a calendar year, and 3 consecutive days for staff serving for less than a year.

DIVERSITY, EQUITY & INCLUSION

Management Approach:

At Top Glove, we embrace diversity, equity and inclusivity as we believe a diverse and respectful culture is the key to boosting staff morale, retaining talent and improving productivity. We are committed to providing equal opportunities in recruitment and career growth, and have zero tolerance for discrimination whether based on gender, ethnicity, nationality, cultural background, marital status, disabilities, political inclination, union membership, religion, sexual orientation or age.

Empowering Differently-Abled Employees

At Top Glove, we firmly believe in the power of diversity, equity and inclusion. Our unwavering commitment is to cultivate an environment where every team member can thrive, regardless of their abilities. We are honored to introduce you to one of our outstanding colleagues, Muhammad Aqif Ikhwan, who is proudly representing Malaysia in the upcoming 4th World Deaf Football Championships, taking place right here in the heart of Kuala Lumpur.

Aqif is not just a footballer; he’s a passionate Defender, and he’s gearing up for his match on 23 September 2023, under the stadium lights at 8:30 p.m. Even as Aqif embarks on this remarkable journey, which will keep him away for an extended period, we stand resolutely behind him. Aqif will return to a secure and stable position in our Company after this exciting tournament. We are proud to support him every step of the way, ensuring his dreams come true.

International Women’s Day

Top Glove is proud to be at the forefront of women’s empowerment in the workplace. Talent Development team has successfully rolled out a special podcast dedicated to this year’s International Women’s Day initiative. In this session, we explore and celebrate the remarkable achievements of women worldwide while addressing the pressing issues and challenges that continue to shape the pursuit of gender equality. The speakers from different background engaged with inspiring voices, share empowering stories, and foster a collective commitment to advancing the cause of gender equality in today’s world. With 215 staffs who have joined this podcast, this is one of the initiatives to spread awareness on gender equality at workplace.
Social

Festive Celebration of Inclusivity for Religion, Race, and Culture

At our workplace, we hold festive sessions that run in parallel with our women's empowerment and diversity celebrations. These events extend far beyond mere decorations and delightful cuisine; they serve as a genuine testament to the remarkable diversity within our team. These gatherings are more than just events on the calendar; they play a vital role in creating a space where authentic connections, empathy, and a deeper understanding of each other's unique backgrounds and traditions can thrive. As we come together to share stories, laughter, and cherished customs during these celebrations, we witness the tangible growth of bonds that run deeper. These connections nurture a profound understanding of each other's unique cultures and experiences.

Prevention of Harassment & Bullying

In FY2023, there were 4 harassment incidents reported and resolved. We respect and protect the affected employees throughout the investigation process, including obscuring them identify, to prevent retaliation at all times. Professional counselling services are also available to provide the support they needed to undergo the hard time. If the perpetrators are proven guilty upon investigation, stern disciplinary actions which include dismissal, will be taken. The decrease of harassment incidents reported were partially due to initiatives taken by Human Resources Department which include e-Learning module such as multilingual videos and infographics via Top Glove Worker Learning App that have been completed by over 24% to create awareness on zero tolerance of sexual harassment & bullying at workplace.

Our strategies in effectively preventing harassment also include:

1. Enhancement of our policies, which include:
   a. Prevention of Sexual Harassment
      In line with the Employment (Amendment) Act 2022, we have reviewed the definition of sexual harassment and added the categories of sexual harassment as well as general guidelines to prevent sexual harassment to raise awareness among employees.
   b. Grievance Procedures
      We have incorporated the role of worker’s representative in resolving grievances.

2. Periodically reviewing our policies

3. Training and awareness among employees (Manager, Executive and workers)

Training Categories

- Technical: 54%
- Soft Skills: 36%
- Core: 9%

Total training budget for FY2023: RM2,666,570
Total training hours achieved in FY2023: 117,571.57 Hours

Technical/Functional Training

At Top Glove, our Technical/Functional Training programmes are designed to equip our employees with the job-specific skills they need to excel in their daily tasks while adhering to our Company’s standards. These training initiatives have been seamlessly integrated into individual Key Performance Index assessments to enhance employee competency, raise awareness, and foster active participation. Furthermore, in addition to the aforementioned efforts, Top Glove has established partnerships with educational institutions to create and deliver collaborative training programmes for our employees. One notable collaboration is with the Department of Skill Development (JPK), through which Top Glove introduced the “Top Glove Technical Skills Development Programme.” This initiative was designed to provide our workforce with essential technical skills crucial in the manufacturing industry. The primary objective was to enhance the technical skills and capabilities of our employees, ensuring their continuous career growth and creating more opportunities. As of 2023, we are proud to announce that 30 graduates have successfully completed this programme. Moreover, we have also facilitated fully funded training for our staff, organised by the Selangor Technical Skill Development Centre (STDC), particularly benefiting our employees in PLC Programming training.
Power Up Elevate: Leadership Development Programme First Time Managers is a dynamic programme designed to equip newly promoted or aspiring managers with the essential skills and knowledge needed to excel in their leadership roles. This intensive training initiative was tailored to address the unique challenges and responsibilities that come with stepping into a management position for the first time. Through a comprehensive curriculum and hands-on learning experiences, participants gain the confidence and competence to lead teams effectively, make informed decisions, and drive success within the organisation. With comprehensive modules and coaching sessions included, this programme has benefitted 49 newly promoted Assistant Managers and they have been committed to complete this programme to upskill themselves.

Top Glove Annual Leadership, TGALS

TGALS is a yearly event that aims to ignite a fighting spirit, inspire unity and spark innovation in order to birth strategies and solutions from both senior and young leaders which will propel Top Glove to its next level of glory. This event exemplifies our unwavering commitment to embracing individuals of all ages and harnessing the collective potential of diverse generations. This year’s summit, themed “Driving Excellence through People & Culture,” aligns with our commitment to growth in year 2023 as Top Glove focuses on talent and people excellence. We firmly believe in our workforce’s crucial role in our success, and this summit aims to harness their skills while fostering a culture of excellence.

Performance Management System

In FY2022, we undertook a comprehensive revamp of our Performance Management System (“PMS”), introducing a complete training programme consisting of 5 modules. Throughout the entire performance review period, the process starts with a goal setting conversation, where employees and superiors establish performance objectives for the new financial year. The system provides an avenue for continuous performance updates and enables superior to track team members’ achievements, as well engage in performance coaching conversations to provide guidance and support. This includes two 360° performance reviews, one during the mid-year review and another at year-end review, where employees are encouraged to provide feedback for their circle of influence, including managers, peers, and direct reports. To ensure fair ratings, superior will then appraise their subordinates’ overall performance and determine the performance rating, followed by calibration sessions conducted with department and factory heads to avoid any elements of bias or favouritism. Additionally, ESG metrics is integrated into 40% of the Management’s KPI. This integration ensures a holistic approach to measuring and managing performance, and it’s communicated during the goal-setting discussions between superiors and employees.

PMS E-LEARNING REFRESHER

- **Overview of PMS & Stretched Goal Setting**
  - 40 mins e-learning hours
  - Learn to Implement the Performance Management System effectively, set relevant KPIs that are aligned with both business goals and individual growth by using balanced scorecards.

- **Performance Coaching**
  - 20 mins e-learning hours
  - Learn effective performance conversations, differentiate mentoring, counselling and coaching and apply the ACS coaching model.

- **Coaching For Development**
  - 15 mins e-learning hours
  - Discover the purpose of coaching, learn to support career advancement and develop skill for performance conversations and coaching.

- **Performance Appraisal Dialogue**
  - 90 mins e-learning hours
  - Discover the importance of conducting appraisals, and learn skills for effective preparation, execution and follow up. Enhance feedback, goals setting and professional growth.

- **Performance Rating Calibration & Effective Communication Post Calibration Process**
  - 60 mins e-learning hours
  - Master performance calibration and communication. Learn the process and techniques for handling and communicating final performance ratings to employees.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

1,820 job opportunities provided in FY2023
### Recruitment Data

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total new recruits (number)</td>
<td>9,720</td>
<td>6,378</td>
<td>1,820</td>
</tr>
<tr>
<td><strong>Breakdown by age group (percentage, %)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 30</td>
<td>88</td>
<td>87</td>
<td>62</td>
</tr>
<tr>
<td>30 to 50</td>
<td>11</td>
<td>12</td>
<td>36</td>
</tr>
<tr>
<td>Above 50</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

*Only referencing data based on the administration staff

<table>
<thead>
<tr>
<th>Breakdown by gender (percentage, %)</th>
<th>Female</th>
<th>Male</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>38</td>
<td>62</td>
<td>50</td>
</tr>
<tr>
<td>2022</td>
<td>41</td>
<td>59</td>
<td>50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by locality (based in Malaysia, percentage, %)</th>
<th>Local</th>
<th>Non-local</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>85</td>
<td>15</td>
<td>72</td>
</tr>
<tr>
<td>2022</td>
<td>93</td>
<td>2</td>
<td>95</td>
</tr>
<tr>
<td>2023</td>
<td>94</td>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Data cover all staff including trainee.

### Turnover Data

#### Staff Turnover

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover rate</td>
<td>18.50%</td>
<td>31.21%</td>
<td>64.33%</td>
</tr>
<tr>
<td>Manufacturing industry turnover rate (based on calendar year)</td>
<td>15.50%</td>
<td>12.00%</td>
<td>28.60%</td>
</tr>
</tbody>
</table>

*Only referencing data based on the administration staff

<table>
<thead>
<tr>
<th>Breakdown by age group (percentage, %)</th>
<th>Below 30</th>
<th>30 to 50</th>
<th>Above 50</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>80.50%</td>
<td>15.00%</td>
<td>0.50%</td>
<td>67.41%</td>
</tr>
<tr>
<td>2022</td>
<td>79.60%</td>
<td>18.90%</td>
<td>1.50%</td>
<td>68.80%</td>
</tr>
<tr>
<td>2023</td>
<td>79.20%</td>
<td>18.40%</td>
<td>2.40%</td>
<td>68.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by locality (based in Malaysia, percentage, %)</th>
<th>Local</th>
<th>Non-local</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>90.30%</td>
<td>9.70%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2022</td>
<td>99.90%</td>
<td>0.10%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2023</td>
<td>99.70%</td>
<td>0.30%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Worker Turnover

<table>
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<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover rate</td>
<td>26.47%</td>
<td>46.02%</td>
<td>60.67%</td>
</tr>
<tr>
<td>Manufacturing industry turnover rate (based on calendar year)</td>
<td>24.36%</td>
<td>12.96%</td>
<td>28.30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by age group (percentage, %)</th>
<th>Below 30</th>
<th>30 to 50</th>
<th>Above 50</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>77.13%</td>
<td>22.87%</td>
<td>0.57%</td>
<td>52.87%</td>
</tr>
<tr>
<td>2022</td>
<td>71.73%</td>
<td>27.81%</td>
<td>0.67%</td>
<td>45.99%</td>
</tr>
<tr>
<td>2023</td>
<td>71.73%</td>
<td>27.81%</td>
<td>0.67%</td>
<td>45.99%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by locality (based in Malaysia, percentage, %)</th>
<th>Local</th>
<th>Non-local</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>70.01%</td>
<td>29.99%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2022</td>
<td>59.62%</td>
<td>40.38%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2023</td>
<td>59.62%</td>
<td>40.38%</td>
<td>0.30%</td>
</tr>
</tbody>
</table>
### Social

#### Gender Diversity

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee breakdown by gender (in numbers)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>7,030</td>
<td>5,940</td>
<td>3,145</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>31%</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td>Male</td>
<td>15,711</td>
<td>13,066</td>
<td>8,068</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>69%</td>
<td>69%</td>
<td>72%</td>
</tr>
<tr>
<td><strong>Leadership positions (managers &amp; above) held (in numbers)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>229</td>
<td>211</td>
<td>208</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>52%</td>
<td>50%</td>
<td>52%</td>
</tr>
<tr>
<td>Male</td>
<td>212</td>
<td>210</td>
<td>193</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>48%</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td><strong>Board of Directors' gender diversity (in numbers)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>42%</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>Male</td>
<td>7</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Percentage, %</td>
<td>58%</td>
<td>64%</td>
<td>58%</td>
</tr>
</tbody>
</table>

#### Training Hour Data

<table>
<thead>
<tr>
<th>Total Training Hours</th>
<th>2022</th>
<th>2023 to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower</td>
<td>430,760.36</td>
<td>239,687.30</td>
</tr>
<tr>
<td>Junior</td>
<td>76,216.12</td>
<td>33,943.20</td>
</tr>
<tr>
<td>Middle</td>
<td>150,184.94</td>
<td>59,380.65</td>
</tr>
<tr>
<td>Upper</td>
<td>38,146.74</td>
<td>21,976.85</td>
</tr>
<tr>
<td>Senior</td>
<td>3,405.15</td>
<td>2,175.68</td>
</tr>
<tr>
<td>Executive</td>
<td>185.02</td>
<td>95.19</td>
</tr>
</tbody>
</table>

#### Training Details Per Employee

<table>
<thead>
<tr>
<th>2022</th>
<th>2023 to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average training hours</td>
<td>55.49 hours</td>
</tr>
<tr>
<td>Average days of training</td>
<td>7.93 days</td>
</tr>
<tr>
<td>Average training hours (female employee)</td>
<td>63.10 hours</td>
</tr>
<tr>
<td>Average training hours (male employee)</td>
<td>48.34 hours</td>
</tr>
</tbody>
</table>

#### Effectiveness of training (percentage of training has met its objective)

- 94% in 2022
- 93% in 2023

#### Employee Engagement Survey

In FY2023, we conducted anonymous employee engagement survey in-house as a continuous effort to improve internal processes and promote inclusivity.

**a) Staff survey**

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of total employees covered</td>
<td>79%</td>
<td>73%</td>
<td>81%</td>
</tr>
<tr>
<td>Survey results with Above Average Satisfaction</td>
<td>49%</td>
<td>73%</td>
<td>75%</td>
</tr>
</tbody>
</table>

**b) Worker survey**

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of total employees covered</td>
<td>85%</td>
<td>70%</td>
<td>97%</td>
</tr>
<tr>
<td>Survey results with Above Average Satisfaction</td>
<td>88%</td>
<td>88%</td>
<td>82%</td>
</tr>
</tbody>
</table>

During the employee survey, four key aspects are assessed, including job satisfaction, happiness, work-life balance, and other relevant metrics.

Note: All data is reported to the nearest integer.
Social

HIGHLIGHTS


As of FY2023, a total of RM32 million was contributed to various charitable endeavours.

Employees collectively volunteered 10,524 hours in FY2023.

RM635,517 was invested to support social causes initiated by Top Glove Foundation (TGF).

GOAL 3: IMPROVING COMMUNITY LIVELIHOOD

Management Approach:
The safety of our employees, premises including hostels and assets is very important to the Company. Top Glove is one of the companies in Malaysia that has its own Auxiliary Police and internal security that take care of the safety and security of employees and premises.

In FY2023, a total of 127 Auxiliary Police and 83 of in-house security have been assigned to guard Top Glove premises including Top Glove Tower (headquarters), hostels and all factories in Malaysia. To develop, maintain and put in place a quality security management system, Top Glove has been certified by SIRIM for ISO 18788:2015 since FY2019 and expanded the scope of certification to cover factories located outside the Klang area.

Our Security Tagline
Our commitment is keeping you safe, your safety and security is our priority.
Social

Security Management Initiatives in FY2023

Crime Prevention Talk by Polis DiRaja Malaysia (PDRM)

To enhance the awareness of Top Glove’s staff about crime and crime prevention in the vicinity/precincts of Top Glove and their homes. Additionally, creating a safe environment and monitoring suspicious criminal behaviour.

Drug Free in the Workplace

Provide information about the dangers of drug abuse to the general public and create awareness among employees.

Health Fair & Talk on Cigarettes and Liquor Will Kill You

To educate staff and workers about the short-term and long-term effects of smoking and alcohol consumption. Also, to promote a smoking and alcohol-free lifestyle for a long and healthy life.
COMMUNITY ENGAGEMENT

Management Approach:
We are committed to creating positive and long-term community impacts for a sustainable future, especially for the generations to come. The Top Glove Foundation ("TGF") is the Company’s main charity arm for community support and outreach initiatives, which focuses on community development, education support and environmental conservation.

Community Development
We support the communities in need through various projects such as philanthropic giving, food aid and internship opportunities. In FY2023, we contributed RM635,517 million in donations to more than 3,500 needy families, schools and charity organisations. TGF is the dedicated team responsible for organising charitable engagement activities. To encourage employee participation in community engagement, we have incorporated Community Engagement Hours (CEH) as a requirement in employee Key Performance Indicators (KPIs).

“Give Them Wings” CSR Programme by Harley Davidson
TGF supported the SuperKids Ride & Fly initiative which provides a once-in-a-lifetime experience of riding a Harley Davidson and soaring above Kuala Lumpur to 122 children from impoverished backgrounds on 14 January 2023.

59 volunteer hours contributed
10 staff volunteers
Total contribution for refreshment: RM4,355.50

Humanitarian Volunteer for Turkey & Syria Earthquake
In response to the Turkey and Syria earthquake, TGF had extended a helping hand to volunteer at the headquarter of Royal Malaysian Air Force and Special Malaysia Disaster Assistance and Rescue Team (SMART) on 18 and 19 Feb 2023. We had successfully sorted out and loaded 80 tonnes of donated goods into trucks, containers and aircrafts, also to clear and deliver all received goods from the headquarter to National Disaster Management Agency (NADMA).

140 volunteer hours contributed
29 staff volunteers

Healthy Ageing Programme
The World Health Organisation (WHO) defines “healthy ageing” as “the process of developing and maintaining the functional ability that enables wellbeing in older age”.

As Malaysia is set to become an aged nation, with 15% of the population aged above 60 years old by 2030, TGF is doing its part to advocate the concept of healthy ageing. To this end, TGF collaborated with Pusat Kesihatan Daerah Klang (PKD) to kickstart the monthly “Program Kesehatan Warga Emas” with Klinik Kesihatan Pandamaran in March 2022. This programme was subsequently expanded to include Klinik Kesihatan Meru in October 2022. The programme promotes healthy ageing through a variety of health talks related to ageing, physical exercise sessions for the elderly and monthly health screenings, as well as fun interactive and cognitive activities. Each senior citizen is also given a bag of fresh fruit and healthy refreshments.

To date, we have more than 300 active members participating in the monthly physical and virtual get-togethers.

67 volunteer hours contributed
17 staff volunteers
Total contribution for refreshment: RM850.50

Preventing Community Frailty Programme
Following the success of the Healthy Ageing Programme, the Selangor Health Department has come in as a partner for our new programme, the “Preventing Community Frailty Programme”, which involves medical screening activities, health talks, exercises that monitor the ageing analytics and physiotherapy, specifically for senior citizens.

The programme involves 12 Klinik Kesihatan and Pusat Jagaan Warga Emas Komuniti in the Klang District, benefitting some 2,000 senior citizens by monitoring their ageing statistics, re-evaluating and re-examining to ascertain effectiveness and medical impacts. This data is then referenced as predictive analytics for Ministry of Health Malaysia to implement relevant and impactful programmes to address the ageing population reality.

246 volunteer hours contributed
33 staff volunteers
Total contribution for refreshment: RM3,909.40
Community Engagement

Blood Donation Campaigns

TGF supported Top Glove Global Doctors (TGGD) blood donation campaign for University Malaya Medical Centre (UMMC), which was aimed at urgently building up UMMC’s blood supply reserves ahead of the long Hari Raya holiday. The events took place from 17 January 2023 to 20 January 2023 and 18 April 2023 to 20 April 2023 at Top Glove Tower’s Healthy Event Hall.

On 17 and 18 Aug 2023, TGF also supported TGGD and UMMC in organising the 1st public Blood Donation Programme at Setia City Mall, Setia Alam.

With the backing of our management, we have pledged to organise 3 in-house blood donation campaigns per year to support UMMC and HTAR.

- 518 volunteer hours contributed
- 403 staff volunteers
- Total bags of blood received: 524 bags including public

Chinese New Year 2023 Grocery Contributions to Welfare Homes

TGF organised grocery contributions to welfare homes during the Chinese New Year festive period in March 2023, going beyond standard grocery items by properly identifying the needs of the beneficiaries first. Our contributions worth more than RM25,000 benefitted a total of 437 residents including children, teenagers, differently abled adults and the elderly, residing in 12 homes across Klang, Banting, Nilai, Lukut, Ipo, Kulim and Kota Bharu.

- 426 volunteer hours contributed
- 92 staff volunteers
- Total contribution: RM27,552.10

Hari Raya Bubur Lambuk “Cook with Love” 2023 Programme

TGF organised our annual Hari Raya Bubur Lambuk “Cook with Love” programme with Ketua Kampung Meru, MPKK Meru and Tok Penghulu on 29 March 2023. Our 174 staff volunteers prepared four huge pots, successfully achieving our target of over 2,000 packs of Bubur Lambuk. With the help from the MPKK Meru committee, we distributed these packs to Klinik Kesihatan Meru, Balai Polis, Balai Bomba, mosques, suraus and also the local community from old folks’ homes, differently abled homes and orphanage homes.

Meanwhile, some of our Ipoh and Lukut based colleagues collaborated with nearby mosques to cook and distribute over 1,200 packs of Bubur Lambuk to local communities. Our other outstation factories from Banting, Nilai and Kulim also conducted Hari Raya CSR Programmes by contributing groceries to welfare homes.

- 459 volunteer hours contributed
- 174 staff volunteers
- Total contribution: RM11,006.20

Deepavali Grocery Bundles for Underprivileged Families

For Deepavali, we contributed 1,000 grocery bundles to underprivileged Indian families through a collaboration with Mariamman Indian Temple (Men), Sri Balathandayuthapani Temple (Kapar) and Persatuan Kebajikan Thirumular Malaysia (PTKM). While recipients from Men and Kapar collected their bundles from the temples, PKTM distributed the grocery bundles to 500 impoverished families throughout Malaysia.

With the support of 87 staff volunteers including our outstation colleagues from Banting, Lukut and Kulim also conducted Hari Raya CSR Programmes by contributing groceries to welfare homes.

- 209 volunteer hours contributed
- 87 staff volunteers
- Total contribution: RM43,654.00
COMMUNITY ENGAGEMENT

“Put A Smile on A Child” Christmas 2022 Programme
TGF’s Christmas 2022 CSR Programme, “Put A Smile on A Child”, was organised for two orphanage homes, Persatuan Rumah Kebajikan Rita, Kapar and House of Love (Persatuan Rumah Anak Yatim Berkat Kash), Taman Botanic, Klang. Like our previous year’s ‘Wishing Tree’ CSR programme, it involved the residents writing down their desired items for Christmas, which Top Glovers would then purchase for the residents accordingly.

The visits to the homes were complete with gift giving, a mini concert of Christmas carols performed by Top Glove’s in-house band, The Rubberito, and games with the children. TGF also provided the homes with groceries, daily essential items and 10 units of refurbished laptops under the EduShare programme.

Our outstation factories from Nilai, Lukut, Ipoh and Banting also distributed groceries and additional healthy snacks for the Welfare Homes in their respective areas. Indeed, our “Put A Smile on A Child” Programme was a success, having made 200 children much happier.

- 283 volunteer hours contributed
- 135 staff volunteers
- Total contribution: RM5,670.15

Lend A Hand: Groceries Distribution
TGF donated basic grocery essentials to 4 needy families facing medical and financial challenges in Kapar for a period of 6 months effective from July 2023 to December 2023.

- 251 volunteer hours contributed
- 57 staff volunteers
- Total contribution: RM9,570.15

Bakul Rahmah Distribution
In April 2023, TGF supported a total of 150 Bakul Rahmah to Masjid Ay-Syarif Meru and Kampung Budiman for the distribution to the impoverished families based in Meru/Klang.

- 21 volunteer hours contributed
- 5 staff volunteers
- Total contribution: RM12,538.80

COMMUNITY ENGAGEMENT

EduShare Programme: Donating Refurbished Laptops for Academic Purposes
This programme, which is part of TGF’s ongoing efforts to connect communities with digital technology, entails repairing and reformating older but serviceable laptops, which are then donated to orphanages, as well as underserved students and communities.

To ensure the hardware achieves its objectives and is utilised effectively, we also expanded our support to include a computer literacy programme, so as to better equip the beneficiaries. These teaching and learning programmes are conducted by Top Glove’s IT staff volunteers, for students ranging between the ages of 10 to 17 years old.

- 251 volunteer hours contributed
- 57 staff volunteers
- Total contribution: 64 units of laptops for FY2023

EDUCATION SUPPORT

“Spread Your Love” Financial Aid Programme
TGF donated RM30,000 supporting 60 pax impoverished primary students from 3 schools in Perak, namely SJK(C) Lahat, SJK(C) Simpang Jalong and SJK(C) Lasah on 9 February 2023.

- 21 volunteer hours contributed
- 5 staff volunteers
- Total contribution: RM12,538.80
Mangrove Nursery & Planting Project

Since the year 2020, TGF and Top Glove staff volunteers have supported Sijangkang Mangrove Recreational Park (SMRP) in conserving the mangrove landscape by potting propagules and small mangrove sprouts. To prevent animals such as monkeys from the surrounding living habitats from destroying the young plants, we built three nurseries to keep the plants safe during the growing process and nurtured over 3,450 young mangrove plants.

To sustain the park’s role as a recreational and educational hub, TGF has contributed to the development of a nearby ‘Team Building’ course, enhancing its appeal to younger visitors. Furthermore, the organisation has also undertaken enhancements such as painting rest area amenities, including toilets, tables, and chairs, to enrich the visitor experience.

On 2 September 2023, 63 dedicated Top Glove volunteers, including senior management members, coming together to plant 300 mangrove propagules, or young mangrove plants at Taman Rekreasi Paya Bakau Sijangkang.

- 347 volunteer hours contributed
- 63 staff volunteers
- Total contribution: RM14,000

Enviromental Conservation

Fruit Tree Planting Event at Taman Botani Negara Shah Alam

TGF and the Marketing Department planted a total of 320 mango, coconut and soursop trees, transforming the landscape into a vibrant orchard. Not only that, we also took steps to ensure their protection by installing protective fencing.

- 374 volunteer hours contributed
- 78 staff volunteers
- Total contribution: RM42,086.20

Fabric Recycling Project

Top Glove is the first corporate partner for Australian Textile Manufacturing Malaysia (ATMM), for its fabric recycling project. Since April 2022, Top Glove has run a weekly collection of the Company’s used uniforms, as well as used/unwanted clothing and fabric materials (such as curtains, bedsheets, towels, shoes, bags and toys) from its employees. These materials are then upcycled, downcycled and recycled to give them a second chance of usage, while helping to conserve the environment. Meanwhile, donated clothing which is still in good condition is kept for donation to welfare homes. To date, we have collected more than 5 tonnes of fabric, prevented almost 8,000 kg CO₂eq emissions and saved 25,000 T-shirts from being disposed in landfills.

- 683 volunteer hours contributed
- 179 staff volunteers

Upcycling, Downcycling and Recycling (UDR) Programme

TGF continued to heighten awareness of the importance of UDR among Top Glove employees, across Klang factories in Malaysia as well as our corporate office in Setia Alam, Top Glove Tower.

- 431 volunteer hours contributed
- 180 staff volunteers
- Total weight of recyclables: 29,148 kg

Weekly Gotong Royong Activities with Local Communities

Through regular gotong royong activities, we come together as a community to work towards a healthier environment.

- 2,828 volunteer hours contributed
- 735 staff volunteers
- Total weight of waste collected: 2,194 kg

In FY2023, Top Glove contributed RM23.9 million income tax towards nation building as part as sustainable economic growth.
GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT

GOAL 4:
STRENGTHENING GOOD CORPORATE & RESPONSIBLE BUSINESS CULTURE

Promoting our core values of Business Ethics: Honesty, Integrity & Transparency, Top Glove’s steadfast reputation is deeply rooted. From their very first day at work, we instill these principles in all employees, understanding that securing stakeholders’ trust is essential for our business’s future. Within the Group, we remain resolute in upholding good ethics and compliance to ensure robust corporate governance.

HIGHLIGHTS

- RM2.1 million was put into enhancing our cybersecurity system
- ISO 27001:2013 certification for Information Security Management Systems
- Maintain a clean record with zero cases security breaches
- 40% of Management’s KPI linked to ESG metrics

ETHICS, INTEGRITY & GOVERNANCE

Management Approach:
Top Glove demonstrates highest standards of corporate governance, which is a cornerstone in building a foundation of credibility and integrity for our stakeholders. We strive to implement comprehensive risk management, demonstrate good boardroom practices, instil culture of anti-bribery, anti-corruption, ethics & conduct.

Sustainability Governance Structure

- BOARD OF DIRECTORS
- BOARD SUSTAINABILITY COMMITTEE
- SUSTAINABILITY DEPARTMENT

Sustainability Steering Group consists of all Head of Departments

- Environment including Climate Change
- Human Rights and Labour Practices
- Corporate Governance
- Stakeholder Engagement including Supply Chain Management
- Community Involvement and Development

CREATING SUSTAINABLE VALUE
ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE
SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN
GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT
OTHER INFORMATION
Sustainability Grievance Channel

In July 2022, Top Glove implemented the Grievance Handling Protocol subsequent to the rollout of Top Glove’s Sustainability Policy. This Policy was introduced to engage both internal and external stakeholders, providing them a platform to express concerns pertaining to sustainability issues within our operational framework and across the entirety of our supply chain. The Grievance Handling Protocol has been formulated to ensure efficient management of grievances, with the goal of overseeing and enforcing adherence to Top Glove’s Sustainability Policy and Business Partners’ Code of Conduct. This protocol encompasses a detailed procedure that facilitates the resolution of grievances by establishing a connection between business operations and grievance resolutions. It becomes applicable once grievances are assessed and confirmed as breaches to our policies. As of now, we have not received any reported cases through this channel. Nonetheless, we are committed to raising awareness about this grievance channel and actively working on enhancing its interface to make it more user-friendly and accessible for reporting.

Corporate Governance

Upholding the highest standards of governance empowers our Board of Directors to play a pivotal role in strategic planning and risk management, thereby ensuring the sustainable operations of the Group. For a comprehensive understanding of our corporate governance practices, please refer to the Corporate Governance Overview Statement on pages 68 to 78 in the Integrated Annual Report 2023.

In FY2021, we introduced a groundbreaking measure by linking ESG metrics to 40% of the Management’s KPI, effective from FY2022 performance management. This step was taken to ensure that our management is held accountable for the accomplishment of the Company's objectives. To strike a harmonious balance between financial and non-financial measures, the Group adopted the Balanced Scorecard in FY2022. This strategic performance management tool aligns our mission, vision, and strategies, aiding in defining goals, strategic objectives, and well-defined initiatives and targets through a set of KPIs/measurements.

Cybersecurity & Data Privacy

We are continuously strengthening our cybersecurity in line with the fast-evolving nature of cyber-attacks as the threat landscape for cybersecurity continues to change. In FY2023, we invested a total of RM2.1 million to further strengthen our cybersecurity systems as part of our continued efforts to improve cybersecurity that includes endpoint, server, and network security system. Information that is private and confidential is extremely important to us. The Personal Data Protection Act of 2010 (PDPA), which requires all workers to treat client personal and sensitive information with the proper level of confidentiality, serves as the Group’s governing and guiding law. Our working relationships with third parties are similarly confidential, and they are required to read, comprehend, and acknowledge a Non-Disclosure Agreement (NDA) wherever confidential matters are being discussed or is involved.

As a part of our integrated approach to data security, we strive to ensure that all Top Gomers are accustomed with our Cybersecurity Policy, which outlines each employee’s roles and responsibilities for ensuring appropriate and ethical use of our email system and preserving the confidentiality of all customer and company data. All service agreements with third parties include a standard personal data clause as an additional security safeguard. We provide learning materials with pertinent information on cybersecurity and how cyber dangers could appear in employees’ daily tasks in an effort to raise awareness among our people. Monthly emails and recurring learning modules serve as reminders to all staff to stay vigilant about current cybersecurity threats and occurrences. Employees are encouraged to report on any abnormalities identified.

Our IT department conducted simulations in FY2022 and FY2023 to increase employees’ daily tasks in an effort to raise awareness among our people. Monthly emails and recurring learning modules serve as reminders to all staff to stay vigilant about current cybersecurity threats and occurrences. Employees are encouraged to report on any abnormalities identified.

Our IT department conducted simulations in FY2022 and FY2023 to increase employees’ daily tasks in an effort to raise awareness among our people. Monthly emails and recurring learning modules serve as reminders to all staff to stay vigilant about current cybersecurity threats and occurrences. Employees are encouraged to report on any abnormalities identified.
Corporate Integrity
In response to the ISO 37001:2016 Anti-Bribery Management System ("ABMS") requirements, Integrity Functions were established and have been further specified the parameters of its scope in 2023 into Corporate & Operation. At Corporate level, it is overseen by Corporate Integrity Function (CIF) while Operation Level by Factory Integrity Function (FIF). CIF focuses on 2 major areas: Enforcement & Implementation, and Awareness & Promotion of ethics and integrity initiatives to all employees, while FIF, mainly focuses on Enforcement & Implementation. The Group, which is responsible for anti-bribery and anti-corruption related matters, is under the purview of Top Management, Board Audit Committee and Board Risk & Investment Committee.

In FY2020, we extended and expanded the ABMS scope and implementation to all our subsidiaries, following the ISO 37001:2016 certification at Factory 9 in Meru, the first private manufacturer in Malaysia certified with the ABMS. External and independent audit on the ISO 37001 ethical standards was performed annually in response to Section 17A ("Corporate Liability Provision") and Guidelines on Adequate Procedures of T.R.U.S.T Principles. In FY2022, additional 3 entities were added in the ABMS group scheme bringing the total number of ABMS-certified entities to eight. This expansion reflects our ongoing commitment to continually enhance the implementation of our W.H.I.T.E. Integrity Culture and is reflected in Top Glove’s core values, business principles, and policies, which prioritises ethics and anti-corruption. W.H.I.T.E is an abbreviation for Top Glove’s 5 Wells, Honesty, Integrity, Transparency, and, lastly, Educate.

To align with our FY2023 goals, we aim to certify one more entity in FY2023. Nevertheless, in FY2023, which is our third cycle of certification, we have maintained our existing 8 ABMS certified entities without any additional certification.

Corruption Risk Assessment
Corruption risk assessment is intended to enable the organisation to form a solid foundation for its management system and a basis of the organisation’s efforts to combat corruption. From this assessment, it will require risk owners to establish appropriate processes, systems, and controls to mitigate the corruption risks that exposed to the organisation.

Corruption risk assessment shall cover process activities which include but not limited to the following:

- Opportunities for corruption and fraud activities
- Financial transaction that may disquise corrupt payments
- Business activities that pose a higher corruption risk
- Non-compliance of external parties
- Relationships with third parties in the supply chain

In order to ensure corruption risk assessed comprehensively, we had established procedures with corruption process mapping and risk key areas as guidance which governed by our ERM. To effectively address the issues of bribery and corruption, areas that are vulnerable to corruption have implemented proactive internal Anti-Bribery and Anti-Corruption ("ABAC") control measures proportionally to their specific risks. The effectiveness of corruption risk control measures is persistently monitored in preventing the risk exposure of offences as contained in the Malaysian Anti-Corruption Commissions ("MACC") Act 2009, affecting not only the reputation and integrity of companies, but also society as a whole.

Since FY2021, 100% of Top Glove Corporation Bhd, covering 28 departments located in Malaysia were assessed for risks related to corruption and continue to extend to factories in Malaysia and Thailand. Moving into FY2023, we aim to strengthen our corruption risk assessment by reviewing and enhancing the methodology of risk assessment as well as through digitalisation. Our first risk software for operational risk management was introduced and launched for pilot programme in December 2022 with series of training and workshops were conducted to all relevant employees.

Charitable Donations and Sponsorship
When making charitable donation or sponsorship, we ensure all of the documents below are checked to prevent the donation or sponsorship are used as a disguised form of bribery.

Stakeholders Due Diligence & Commitment
Background checks are conducted on our stakeholders prior to any business dealings. Various external platforms, including MACC official portal, are utilised to check for financial information and any history of bribery or corruption. Furthermore, anti-corruption is one of the audit criteria used to assess our suppliers and this requirement is communicated to our suppliers. We require our stakeholders to uphold the highest standards of integrity and ethical conduct at all times. The enhanced version of our ABAC e-Handbook that covers ethical topics such as facilitation payments, money laundering, political donations and involvement, and anti-trust is published on the website for public view. This is in line with our commitment to sound and sustainable business practices.

In addition, our stakeholders are required to obliged to the following commitment.

<table>
<thead>
<tr>
<th>Job Category</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>14</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Upper Management</td>
<td>152</td>
<td>416</td>
<td>461</td>
</tr>
<tr>
<td>Middle Management</td>
<td>639</td>
<td>2,417</td>
<td>1,086</td>
</tr>
<tr>
<td>Junior Management</td>
<td>356</td>
<td>1,330</td>
<td>646</td>
</tr>
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</table>

Anti-Bribery and Anti-Corruption Data:

<table>
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<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of corruption and bribery cases</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Political contribution made, RM</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facilitation payments made, RM</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Money laundering</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Insider trading occurrence</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fines imposed in relation to corruption, bribery &amp; anti-competitive business practices</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Governance Training
Number of staff that have received training on governance job grade:

Anti-Bribery and Anti-Corruption Commitments:

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Anti-Bribery, Anti-Corruption &amp; Ethics’s Commitments</th>
</tr>
</thead>
</table>
| Suppliers & business associates who have financial dealings with Top Glove | - Letter of Enforcement of Corporate Culture (LECC)  
- Business Partners’ Code of Conduct |
| Customers | - Letter of Enforcement of Corporate Culture and Business  
- Ethics on The Issue of Bribery and Corruption (LECCBC) |
| All external parties | - Letter of Enforcement of No Gifts Policy (LENGP) |
| Employees | - Employee Code of Conduct  
- Ikrar Bebas Rasuah (IBR)  
- Letter of Enforcement of Corporate Culture (LECC) during onboarding of new staff |
| Board of Directors | - Directors’ Code of Conduct & Ethics  
- Ikrar Bebas Rasuah (IBR) |

Governance

SUSTAINABILITY ROADMAP FY2022 TO FY2025
8 entities retained ISO 37001:2016 certification of Anti-Bribery Management System

GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT
BUSINESS ETHICS & INTEGRITY INITIATIVES: W.H.I.T.E. INTEGRITY CULTURE

In a bid to continue Top Glove’s anti-corruption initiatives for FY2023, we have introduced and are actively promoting the ethics and integrity programme within our workforce and value chain. This is in line with our commitment to comply with the Corporate Liability Provision S17A, which was enforced on 1 June 2020. The programmes include:

a. W.H.I.T.E. Integrity Culture slide
b. Ethics & Integrity Training
  - Awareness of W.H.I.T.E. Integrity Culture
  - In-Depth of ISO 37001 ABMS covering each clause of the standard.
  - Ethics and Integrity Programme
  - Ethics & Integrity Leader's Corner Video of Top Management.

d. W.H.I.T.E. Integrity Culture Promotion via Social Media.
  - Ethics & Integrity Social Media Posting
  - W.H.I.T.E. Integrity Culture Promotion via Social Media.
  - Ethics & Integrity posting via social media also places emphasis on ethical behaviours at workplace.

Through the ethics and integrity programme, Top Glove’s employees are equipped with anti-bribery and anti-corruption knowledge towards a corruption-free Company. The programme and trainings covered a wide range of anti-bribery and anti-corruption scope such as facilitation payments, money laundering, political donations and involvement, and antitrust and many more as is listed in our e-handbook.

Ethics and Integrity Programme

- a. W.H.I.T.E. Integrity Culture slide
- b. Ethics & Integrity Training
  - Awareness of W.H.I.T.E. Integrity Culture
  - In-Depth of ISO 37001 ABMS covering each clause of the standard.
  - Ethics and Integrity Programme
  - Ethics & Integrity Leader’s Corner Video of Top Management.
- d. W.H.I.T.E. Integrity Culture Promotion via Social Media.
  - Ethics & Integrity Social Media Posting
  - W.H.I.T.E. Integrity Culture Promotion via Social Media.
  - Ethics & Integrity posting via social media also places emphasis on ethical behaviours at workplace.

Whistleblowing

Top Glove enacted its Whistleblowing Policy and Procedures (“WBPP”) in 2019. This guideline was intended to provide a reinforced mechanism within the Company, allowing individuals to report misconduct confidentially. The WBPP provides a precise definition of “improper conduct” while remaining sufficiently broad to encompass any actions that may negatively affect stakeholders or expose them to potential risks. Top Glove collaborated with an external, impartial whistleblowing service provider in FY2020 to further assure transparency and protection. This third-party expert is responsible for receiving reports of whistleblowing, protecting the whistleblower’s anonymity, and then transmitting these reports to the Whistleblowing Committee for in-depth review. To ensure transparency and keep the whistleblower informed of the investigation’s progress, all outcomes are communicated through this independent entity, which protects the whistleblower’s anonymity at every stage.

Top Glove’s WBPP is a testament to the Whistleblowing Committee’s dedication to ensuring business practices remain anchored in the principles of honesty, integrity, and transparency. The WBPP reinforces the Committee’s pledge to handle whistleblowing incidents with sincerity and good faith, striving to negate any conflicts of interest during investigations. It’s paramount to Top Glove that information provided by the whistleblower is handled with the highest regard for its sensitivity. To this end, every precaution is taken to maintain confidentiality in strict adherence to the Whistleblower Protection Act 2010.

Top Glove systematically delineates whistleblower occurrences and their subsequent resolutions during quarterly Board Audit Committee Meetings to foster an environment of trust and responsibility. In FY2023, Top Glove meticulously addressed a quartet of documented whistleblower instances. Each matter was attentively handled, culminating in decisive resolutions and prudent actions. For the specific case of the bribery incident, Top Glove promptly alerted the pertinent external authorities, ensuring transparent and responsible action on our part. This responsiveness underscores Top Glove’s unwavering commitment to the pinnacle of ethical business conduct.

As a Company with value centred culture, Top Glove has established the Employee Code of Conduct which sets out the underlying values, commitment, dedication, diligence and professionalism contributing towards the social and environmental growth of the surroundings in which the Company operates. All employees are required to acknowledge the Employee Code of Conduct upon joining the Company and to act in accordance with the policies detailed in the Employee Code of Conduct which is reviewed periodically should the necessity arise.

In FY2023, there has been 11 cases involving breach of the Employee Code of Conduct which involved cheating on attendance, overtime claim and alteration of medical certification. These employees were required to explain their actions for the Company’s further investigation. Appropriate disciplinary action includes but not limited to issuance of reminder letter, warning letter, suspension letter, acceptance of resignation on employee’s voluntary resignation or dismissal will be taken against the perpetrators depending on the severity of the case in the event they are proven guilty upon the conclusion of the investigation.

Regular trainings related to the Whistleblowing Policy and Procedure, as well as the Employee Code of Conduct, were conducted throughout the year to ensure compliance. The Corporate Responsibility Committee (CRC) was responsible for the implementation of these trainings, and feedback was obtained to improve the effectiveness of these initiatives.
As the world’s foremost glove manufacturer, Top Glove holds significant sway over the supply chain. Our goal is to set an example for our suppliers and business partners, inspiring them to embrace sustainability. We are committed to establishing a sustainable value chain by consistently involving our business partners in promoting sustainable practices and delivering an exceptional customer experience that goes above and beyond expectations.

**GOAL 5: EMERGING AS A TRUSTED COMPANY WITH A SUSTAINABLE VALUE CHAIN**

**PRODUCT QUALITY & SAFETY**

Management Approach:
We are committed to manufacturing products which meet the highest quality and safety standards. As a global healthcare product manufacturer who has customers in 195 countries, we adhere to a stringent quality assurance process, ensuring we comply with each country’s requirements.

Top Glove recognises that innovation and advancements in processes and technology are fundamental to our business and are the cornerstones of our pursuit of quality excellence. To remain competitive in the global market, we consider continuous improvement to be indispensable. Our objective is to ensure that all new glove and non-glove factories are certified with QMS or HACCP within 8 to 10 months, achieving a 100% certification rate.
GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT

SECTION 4

Governance

Our key strategies for enhancing the quality and safety of our products encompass the following:

Investing in Research & Development (R&D), digitalisation and automation

At the forefront of R&D and innovation in the glove industry, we place the utmost importance on product quality and safety. Our commitment to excellence in this regard is driven by a deep understanding of the critical role gloves play in various industries, including healthcare, manufacturing, and food services. Here, we provide a comprehensive overview of how we prioritise and ensure the highest standards of quality and safety in our glove development processes.

Material Selection

Our journey towards quality and safety starts with the careful selection of materials. We rigorously assess and choose materials that meet or exceed industry standards for durability, flexibility, and comfort. This process includes evaluating factors such as latex or synthetic compositions, thickness, and texture to ensure the optimal balance between protection and user comfort.

Innovative Design and Engineering

Innovation is at the core of our glove development process. Our team of experts continuously explores novel designs and engineering solutions to enhance glove performance. This includes ergonomic designs to reduce hand fatigue, specialised textures for improved grip, and advanced coatings for additional protection.

Rigorous Testing Protocols

We subject our glove prototypes to a battery of rigorous tests to evaluate their performance under real-world conditions. These tests encompass mechanical stress, chemical resistance, barrier properties, and microbiological safety. Any potential weaknesses are identified and addressed before production begins.

Continuous Improvement

We embrace a culture of continuous improvement. Regular feedback from healthcare professionals, industrial workers, and other end-users is invaluable in our quest to enhance product quality and safety. We listen to their needs and concerns and use this feedback to refine our glove designs and manufacturing processes.

Sustainability and Eco-Friendly Practices

Quality and safety also extend to the environmental impact of our products. We are committed to sustainable sourcing, reducing waste, and minimising our carbon footprint throughout the glove lifecycle.

Implementation of ISO 9001 Quality Management System (QMS) and ISO 13485 QMS – Medical Devices

As in the year 2023, 100% of our existing certifications programmes has maintained and continuously implemented with ISO 9001 and ISO 13485, QMS at all our operating factories. Other than ISO 9001 and ISO 13485, Top Glove has also been certified with HACCP, GMP and BRC certifications which intended to promote the highest standards of food safety compliance of our products.

Top Glove Quality & Worker Supervision ("TGQWS")

Local workers resignation rate has been gradually increasing year by year. Therefore, a supervisory development programme, TGQWS has been created for all supervisors who directly supervise local workers among their reporting line. This programme enhances the supervision skills of the participants.

Enhancing skills and knowledge of employee

Marketing training on product

Our R&D department has provided comprehensive training to our marketing team, resulting in an enhanced ability to educate both existing customers and potential clients about our product quality and offerings.

Compliance with product labelling regulations

- On 6 September 2021, we published the Top Glove’s Advertising and Product Representation Principles and trained the relevant personnel on the core advertising principles and unacceptable general claims
- 100% of our significant products are covered by and assessed for product labelling compliance
- In FY2022, we have zero incidents of non-compliance with regulations concerning:
  - Product advertising and labeling
  - Marketing communications, including advertising, promotions and sponsorship

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Number of product recalls</th>
<th>Number of regulatory agencies inspection</th>
<th>Number of Form 483 Observations and FDA Warning Letters received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2021</td>
<td>FY2022</td>
<td>FY2023</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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</table>

Being a leader in the glove industry, Top Glove shall only deliver high-quality products surpassing customers’ expectations.

These 3 can ONLY be achieved by certifying our factories with relevant management systems which are aligned with the International Organisation for Standardisation (ISO) that can satisfy our customers’ demands. As in year 2023, Top Glove has been certified with various certifications such as:

1. ISO 9001 and ISO 13485, Quality Management System
2. ISO 14001, Environmental Management System
3. ISO 45001, Occupational, Health and Safety Management System
4. ISO 37001, Anti-Bribery Management System
5. ISO 50001, Energy Management System
6. ISO 18788, Security Operations Management System
7. ISO 27001, Information Security Management System
8. ISO 41001, Facility Management System
9. BRCGS for Consumer Products Personal Care and Household, Issue 4
10. FSC, HALAL, GMP, HACCP, MDSAP and other

Top Glove journey towards international certifications started in 1999 in which Quality Management System for Medical Device (ISO 13485) was first achieved in Klang factories. The goal is to ensure our factories produce good quality and safe products in accordance with the stated regulations that extended to our internal suppliers as well. Top Glove always positive and seek for better improvement in every aspect including the importance of third parties audit to establish a good rapport on operational activities which complies with requirements and best practices globally.

Forest Stewardship Council Training which was conducted physically on 30 August 2023.

Sustainability Report 2023
Governance

SUPPLY CHAIN MANAGEMENT

Management Approach:
Ensuring sustainability practices at our own operations is not sufficient as value chain has a significant impact on business sustainability. Guided by the Top Glove’s Sustainability Policy and revised Business Partners’ Code of Conduct, we share our sustainability values with our business partners, to ensure a sustainable business relationship and business operation in all the key important areas, including human rights, environmental compliance, business ethics etc.

We are committed to ethical sourcing and responsible consumption to ensure the products manufactured by us are sustainable products. Our strategy in ensuring sustainable supply chain management include traceability and supplier assessments on ESG metrics, in which Forest Stewardship Council (FSC) is one of the options.

Traceability

With the enforcement of EU Deforestation-free Regulations (“EUDR”), Top Glove is committed to ensure that our product complies with the EUDR. The regulation prohibits the import of products that have been linked to deforestation or forest degradation. This includes natural rubber, which is a major driver of deforestation in Southeast Asia. Department of Statistics Malaysia highlighted the production of NR in February 2023 of deforestation in Southeast Asia. Department of Statistics Malaysia was mainly contributed by smallholders’ sector (87.3%) as compared to estates sector (12.7%).

In efforts to promote transparency in our supply chain management, Top Glove aims to achieve 70% traceability to plantations of natural rubber sourcing by FY2025. The regulation will require companies to conduct due diligence on their supply chains to ensure that they are not sourcing products from areas that have been deforested or degraded. The regulation is expected to have a significant impact on the natural rubber industry, as it will force companies to find more sustainable ways to source their rubber.

In FY2023, recent adjustments have been made within the traceability committee, resulting in the appointment of a new traceability lead to ensure seamless continuity and expertise in Top Glove’s traceability efforts. April 2022, the Traceability Committee was established. This committee is comprised of dedicated team members from the Regulatory Affairs, Concentrated Latex Plant teams and Sourcing & Procurement.

Rubber plantation Site verification & Data Plotting for our concentrated latex processing plant in Thailand:

Top Glove has established a supplier mapping system for our concentrated latex processing plant in Thailand, which encompasses five tiers of suppliers. Each tier plays a specific role in our supply chain, ensuring a reliable and sustainable source of latex.

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Supplier Assessment

In FY2023, supplier assessment was conducted through virtual evaluations, onsite and self-evaluation. We continue the assessment using a supplier audit checklist to address the ESG concerns in the supply chain. The checklist has been incorporated into the SAP Ariba system, in which the assessment and documents will be stored digitally in the system and save time to distribute the checklist.

Supply Chain Data

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing critical tier 1 supplier assessed (based on all active existing critical tier 1 supplier)</td>
<td>66 out of 66</td>
<td>100%</td>
</tr>
<tr>
<td>New critical tier 1 supplier assessed (based on all new critical tier 1 supplier)</td>
<td>8 out of 8</td>
<td>100%</td>
</tr>
<tr>
<td>Existing critical tier 1 suppliers assessed</td>
<td>66 out of 239</td>
<td>27.6%</td>
</tr>
<tr>
<td>Number of self-audits conducted</td>
<td>49 out of 49</td>
<td>100%</td>
</tr>
<tr>
<td>Number of site audits conducted</td>
<td>25 out of 25</td>
<td>100%</td>
</tr>
<tr>
<td>New critical tier 1 supplier that were screened using social and environmental criteria</td>
<td>8 out of 8</td>
<td>100%</td>
</tr>
<tr>
<td>Critical tier 1 suppliers assessed for social and environmental impacts</td>
<td>New: 8 out of 8</td>
<td>New: 100%</td>
</tr>
<tr>
<td>Existing: 66 out of 66</td>
<td>Existing: 100%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Suppliers are to be graded according to Audit Rating Guide and corrective actions are taken for continual improvement.

45% of all active suppliers are within Grade A & B. The supplier ESG assessment confirms the absence of significant environmental and major social non-compliance issues. Improvement request forms (IRFs) have been generated for each finding from the respective suppliers to initiate the necessary grade improvements.
GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT

SECTION 4

Governance

Local suppliers

Top Glove’s local procurement has increased by 1% compared to FY2022, accounting 77% of our suppliers in Malaysia. This demonstrates our ongoing commitment to supporting local businesses and communities, thereby contributing significantly to the economic well-being of the region, generating job opportunities, and stimulating economic growth while strengthening our local supply chain.

Breakdown of procurement budget spent and the proportion of local suppliers, categorised by country:

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of procurement budget spent (%)</th>
<th>Percentage of local suppliers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>52.4</td>
<td>77.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>36.2</td>
<td>17.0</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Other</td>
<td>11.2</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Annual Supplier Training and Engagement

For several years now, Top Glove has been diligently organising webinars and workshops with a core mission: to increase awareness about our company’s policies, practices, and expectations. These engaging sessions are designed to equip our audience with a comprehensive understanding of our sustainability initiatives and commitments. Through these webinars, we aim to educate and empower our stakeholders, fostering a collective responsibility towards sustainable practices and standards.

This year, we organised a pivotal dialogue session with one of our raw material suppliers. There were three total speakers: two from Synthomer and one from Top Glove’s Sustainability Department. The session brought together 32 suppliers and 296 staff members, with participants joining both virtually via Zoom and in person at Top Glove Tower. This collaborative event served as a testament to our commitment to open communication, partnership, and our ongoing efforts to strengthen relationships with our valued suppliers. We anticipate an increasing number of participants next year, reflecting our optimism about strengthening our collaborative efforts with our suppliers.

The topics covered in this session are not limited to the following:

i. Sustainability Policy
ii. Environmental best practice to reduce GHG emissions
iii. Grievance Channels
iv. Human Rights Policies and Labour Standards
v. Governance Policies

Topics Covered in this Session

Customer Experience

Ethical marketing practices

Top Glove endorses ethical business practices and establishes the Sales & Marketing Code of Conduct in 2021, which covers principles of sales, marketing, and advertising. The Sales & Marketing Code of Conduct ensures our employees always exhibit a level of ethical behaviour that exceeds legal requirements. In the past 4 financial years, there were no legal actions or fines related to anti-competitive behaviour and violations of antitrust and monopoly legislation.

Customer Satisfaction Survey

Our customer satisfaction survey focuses on four key areas for customers: price competitiveness, product quality, delivery and services. From the survey results, we conducted an analysis to identify areas for improvement. Customer satisfaction scores improved from 73.8% in FY2022 to 74.22% in FY2023 with our target of 80%. Overall, customers are satisfied with Top Glove in various aspects, especially services/responsiveness and shipping document management, Top Glove scored Above Average. Additionally, 91% of respondents commented that they would recommend Top Glove to others with a slight improvement of 3% compared to FY2022.

Among our active customers, 19% of the respondents answered the customer satisfaction survey, slightly reduced compared with FY2022 with 22% response rate. For more accurate results, we also focused on the top 100 customers, and we achieved 49 out of 110 top customers response rate from there.

We scored the lowest for price competitiveness, mainly due to the high production costs for Malaysian glove makers relative to China and Thailand, especially raw material and energy costs. Top Glove is working aggressively to reduce the production costs by optimising resources and consolidating production lines. In order to better serve our customers, the marketing team has summarised all customers’ feedback and put forward a few solutions to address customer concerns.
Independent External Assurance Statement

SIRIM QAS INTERNATIONAL SDN BHD
INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Top Glove Corporation Bhd (hereafter referred to as Top Glove) to perform an independent verification and provide assurance of Top Glove Sustainability Report 2023. The main objective of the verification process is to provide assurance to Top Glove and its stakeholders on the accuracy and reliability of the information as presented in this report. The verification by SIRIM QAS International applied to all sustainability performance information (subject matter) within the assurance scope which is included in Top Glove Sustainability Report 2023.

The management of Top Glove was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this report is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of Top Glove Sustainability Report and the Integrated Annual Report 2023.

The assurance engagement was designed to provide limited assurance in reference to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization’s ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of Top Glove Sustainability Report and its overall presentation against respective frameworks such as UN-SDGs, GRI Standards requirement, and other relevant frameworks. The assurance process involves verification of applicable subject matter. Details provided in Appendix 1 of this statement.

The verification was carried out by SIRIM QAS International in October 2023, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Report includes a detailed assessment of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims.

Enhancements in 2023

In 2023, Top Glove re-validated their materiality assessment and revised the material matters to better align its strategic approach taking into consideration internal and external factors commonly addressed in similar industries. The framework comprises of 16 material matters, which are presented through three sections, Environmental, Social and Governance with detailed topics as tabulated in Appendix 1 of this assurance statement, which has been reviewed accordingly. The recent addition of material matter, the GHG emissions, was presented in a more transparent manner with the scope and boundaries clearly included in this year report, inclusion of one more emissions component in Scope 3 reporting and last but not least, the use of updated grid emissions factor, established by our national body.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Top Glove’s Integrated Annual Report 2023.
- The corporate office at Top Glove Tower at Setia Alam, Selangor was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Top Glove’s operations and assets; and,
- The verification team did not verify any contractor or third-party data.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO 17021-1:2015 and ISO 17025:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Top Glove relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Report was subsequently reviewed and revised by Top Glove. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International’s opinion:

- The level of data accuracy included in Top Glove Sustainability Report 2023 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Report provides a reasonable and balanced presentation of the sustainability performance of Top Glove Corporation Berhad.

List of Assessors.

1) Ms. Aernida Abdul Kadir : Team Leader
2) Ms. Kamini Soriarmoothy : Team Member
3) Ms. Suzalina Kamaralariffin : Team Member

Statement Prepared by: Statement Approved by:

AERNIDA BINTI ABDUL KADIR
Team Leader Management System Certification Department SIRIM QAS International Sdn. Bhd.
Date: 6 November 2023

MOHD HAMIM BIN IMAM MUSTAIN
Senior General Manager Management System Certification Department SIRIM QAS International Sdn. Bhd.
Date: 6 November 2023

Note 1:
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (6 November 2023).
Independent External Assurance Statement

<table>
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<th>Appendix</th>
<th>The topics and subject matters covered in this assessment is tabulated below:</th>
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<td>Classification of Data</td>
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<td>Sustainable Highlights</td>
<td>HIGH</td>
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<td>Sustainability Strategy</td>
<td></td>
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<td>Stakeholder Engagement</td>
<td></td>
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<tr>
<td>Sustainability Assessment 2023</td>
<td></td>
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<tr>
<td>Environmental Highlights</td>
<td></td>
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<tr>
<td>Physical Impacts of Climate Change</td>
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<tr>
<td>Energy Management</td>
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<td>Environmental Compliance</td>
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<td>Water Resource Management</td>
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<tr>
<td>Waste and Effluent Management</td>
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<td>Sustainable Product Management</td>
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<tr>
<td>Biodiversity and Conservation</td>
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<td>Social: To Be a People Centric Corporate Citizen</td>
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<tr>
<td>Occupational Health &amp; Safety</td>
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<td>Human Rights &amp; Labour Standard</td>
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<td>Governance: To Create Long Term Value Through Ethical Business Practices and Continuous Stakeholders’ Engagement</td>
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<tr>
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<td></td>
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<tr>
<td>Ethics, Integrity &amp; Governance</td>
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<tr>
<td>Product Quality &amp; Safety</td>
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<tr>
<td>Supply Chain Management</td>
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<tr>
<td>Customer Experience</td>
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</table>

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval data. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (6 November 2023).

Note 2: The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization’s performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3: Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

HIGH – Data and information reviewed has been confirmed with the data owners. The source of the data origin was provided during the assessment.

MEDIUM – Data and information reviewed has been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifier during the conduct of the assessment.

LOW – Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED – Data and information was not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

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<td>IAR23 (page 50)</td>
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Exports to 195 countries worldwide

- 48 factories
- 788 production lines
- 10,700 employees
- 95 billion gloves per annum

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