

CREATING VALUE THROUGH ECONOMIC ACTIVITIES



Management approach: As a global industry leader, we are committed to delivering a strong performance consistently, in order to continue creating value for our stakeholders especially our employees, investors, shareholders as well as the country's economy.



Upholding the principles of Honesty, Integrity and Transparency, Top Glove held the Ikrar Bebas Rasuah or Corruption Free Pledge with its board of directors following the conclusion of its first Fully Virtual EGM 18 August 2020. The pledge reflects Top Glove's ongoing commitment to continue to combat corruption on all fronts.



Our analysis on Top Glove's FY2020 financial performance and direction moving forward is clearly stated under the Management Discussion & Analysis from page 40 to 49 in this Integrated Annual Report.



To ensure sustainable economic performance, we adopt the highest standards of corporate governance and business ethics in our business dealings, including procurement practices in our value chain, while delivering top quality products and services to our customers. Details of our corporate governance practices can be found at the Corporate Governance Overview Statement from page 111 to 132 in this Integrated Annual Report.

Creating Value Through Economic Activities

ANTI-CORRUPTION AND ANTI-BRIBERY



Management approach: Corruption and bribery are economic crimes that have adverse impacts on the Company's intangible assets such as reputation, staff morale and business relationships. Anti-corruption is overseen by the Group's Managing Director, who is also the Chairman of the Top Glove Prevention and Anti-Corruption Committee (TGPAAC) and spearheads the Corporate Integrity Unit at Top Glove. Over the years, we have been guided by the Group's Anti-Corruption Policy and continuously enhance our anti-corruption practices and support the government's initiatives in combating corruption and bribery in business activities, such as compliance with the Corporate Liability Act as well as taking the initiative to be certified with ISO 37001: 2016 Anti Bribery Management System (ABMS).

Our approaches to embedding anti-corruption and anti-bribery practices within the Group:

ISO37001 ABMS Certification	Anti-Bribery & Anti-Corruption Policy	No Gift Policy
Corruption-Free Pledge (Ikrar Bebas Rasuah, IBR) by management and staff	Whistleblowing Policy  <i>Details can be found under the Respect for Human Rights section on page 102.</i>	Corruption risk management in supply chain
		Awareness events and programmes

Top Glove's zero tolerance for corruption is articulated in our Code of Conduct, Anti-Bribery and Anti-Corruption (ABAC) Policy, No Gift Policy and other governing documents which are applicable across all business units, including our suppliers and customers.

Zero tolerance towards corruption and bribery

Employees are expected to uphold the highest standards of integrity when doing business with external parties. To achieve this, anti-corruption talks, trainings and tests are conducted for employees frequently to raise awareness. All new employees will be briefed on our anti-corruption practices upon joining the Company.

The Company does not make any monetary contributions towards political campaigns, political organisations, lobbyists, lobbying organisations or other groups whose role is to influence political campaigns or public policy and legislation.

Our anti-corruption and anti-bribery practices are not only limited to employees, but also extended to our supply chain to further reduce corruption risk. We embarked on our anti-corruption journey for our supply chain way back in 2002, with the introduction of the Letter of Enforcement of Corporate Culture (LECC) for all suppliers, in which suppliers affirm their adherence to our practice of no-corruption. Corruption and bribery is part of the pre-qualification self-assessment criteria during the supplier selection process. Suppliers are required to acknowledge their adherence of the LECC half-yearly. In FY2020, all group departments under Top Glove Corporation Bhd also performed a corruption risk assessment.

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ANTI-CORRUPTION AND ANTI-BRIBERY

Top Glove's anti-corruption and anti-bribery journey

2002

- Introduction of Letter of Enforcement of Corporate Culture (LECC) to all suppliers, in which suppliers affirm their adherence to our no-corruption practice

2009

- Establishment of the Top Glove Prevention and Anti-Corruption Committee (TGPAC), led by the Group's Managing Director

2011

- First company to sign the Corporate Integrity Pledge and Anti-Corruption Principles for Corporations by the Malaysian government
- Launching of No Gift Policy Guidelines

2017

- Our Factory 9 in Meru, Klang was the first manufacturing facility in Malaysia to be certified with ISO 37001: 2016 Anti Bribery Management System (ABMS)

2018

- Management performed The Corruption-Free Pledge (better known as Ikrar Bebas Rasuah or IBR), an initiative introduced by the Malaysian Anti-Corruption Commission (MACC)
- Enhanced No Gift Policy with more procedures

2019

- IBR is taken by all employees
- Introduction of Letter of Enforcement of Corporate Culture & Business Ethics (LECCBC) to all customers
- Digitalise gift declaration under No Gift Policy

2020

- Launch of the Anti-Bribery and Anti-Corruption Handbook
- Compliance with the Corporate Liability Provision S17A

COMPLYING WITH THE MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC) CORPORATE LIABILITY PROVISION SECTION 17A

In FY2020, we continued to pursue our journey in anti-corruption and anti-bribery which MACC Adequate Procedures and ISO 37001:2016 ABMS has covered Top Glove Corporation Bhd in which we oblige to comply with Corporate Liability Provision S17A that was enforced in 1st June 2020.

With endorsement from the Board of Directors and Top Management, the Anti-Bribery and Anti-Corruption Management System was implemented to corporate and operational groups in Top Glove Corporation Bhd.

Our awareness initiatives to cater MACC Amendment Act 2018, Corporate Liability Provision S17A:

1. W.H.I.T.E. (5 Wells, Honesty, Integrity, Transparency, Educate) Integrity Roadshow which covered Top Glove Corporation Bhd's Malaysia and Thailand factories
2. Launching of Anti-Bribery and Anti-Corruption eBook (ABAC)
3. Awareness Talk on Section 17A of MACC Act 2009, Corporate Liability on Corruption for Board of Directors and senior management
4. Corruption Free Pledge (IBR) by Board of Directors and Senior Management
5. Malaysian Institute of Corporate Governance (MICG), MICG Debrief Session

Top Glove was ranked 11th out of 100 Malaysian public listed companies for Transparency in Corporate Reporting, an assessment by an independent party appointed by MICG.

No. of corruption cases

Financial year	FY2018	FY2019	FY2020
No. of cases	0	1	0

No corruption-related cases in FY2020:

✓ No fines imposed in relation to corruption, bribery, anti-competitive business practices

✓ Zero political contributions made

✓ Zero facilitation payments made



For detailed information about the Group's anti-corruption and anti-bribery practices, please visit to our corporate website: <https://www.topglove.com/corporate-integrity/>

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COMPLIANCE TO HIGHEST CORPORATE GOVERNANCE STANDARDS



Management approach: Top Glove fully complies with all corporate governance practices of all countries we operate in and strives to prevent all forms of illegal or wrongful acts in order to sustain our business in lawful and ethical manner. To ensure the Company is managed in the interests of stakeholders, we observe the highest standards of corporate governance and are committed to be in compliance with all related rules and regulations throughout our business activities. The Group's corporate governance practice can be found from page 111 to 132 of *Corporate Governance Overview Statement* in this Integrated Annual Report, which include our commitment on board leadership & effectiveness, ethical standards, Codes & Policy, audit & risk management etc.

The Company-wide risk management is overseen by the Board Risk Management Committee.

Besides, it is crucial that network access, IT systems and data is assured at all times. To manage information security risks in order to ensure business continuity, we enhance our IT system and raise awareness among employees to prevent IT system failures and major information security incidents.

Ethics & conduct

Highest standards of ethics and conduct is the foundation of business dealings in Top Glove. All employees and the Board of Directors adhere to the Employee's Code of Conduct and Director's Code of Conduct respectively. The Codes of Conduct cover all social and governance requirements such as anti-corruption, anti-discrimination, confidentiality of information etc. that every Director and employee must observe when acting for, or on behalf of Top Glove.

In August 2019, the Company has launched its new corporate values R.I.V.E.R. (Respect, Integrity, Value, Empowerment and Relationship) and instilled the values among employees via awareness training.

In FY2020, there were 8 cases of breaches against Code of Conduct. The misconduct involved cheating such as alteration of medical certification, forging of superior's signature on overtime form etc. These employees were required to explain their actions for the Company's further investigation.

Total of

108 sessions of R.I.V.E.R. awareness trainings were conducted from August 2019 to December 2019 at all Top Glove factories, including overseas factories

Data Privacy & Information Security

Investing in data science and analytics allows Top Glove to harness the potential of technology to deliver greater work efficiency, better quality products and services.

The information security is governed by the General Manager of the IT team, who oversees the cybersecurity

Invested more than RM2 million in cyber security enhancement in FY2020

strategy as well as leads the Company to be more advanced in its digitalisation journey.

Information security plays a vital role as this does not only help us to enhance our business efficiency, but also protects our internal and customers' data. Policies and procedures are implemented for all employees to raise awareness on information security:

- All employees are guided by the Group's Cyber Security Policy. The Policy states the Code of Conduct in IT resources usage and clear escalation process on step-by-step guidelines for suspicious information security matters
- Frequent awareness training to staff through email, regular tests and talks by IT experts to build employees' capabilities to recognise and deal with potential cybersecurity issues they may encounter in their work.

We have processes in place to prevent IT system interruptions and cyberattacks to ensure data protection from malware and malicious threats, business continuity and test the system on a yearly basis.

Zero incidences over the past 4 financial years in the following area:

- Information security breaches or other cybersecurity incidents
- Information security breaches involving customers' personally identifiable information
- Customers affected by Company's data breach
- Fine/ penalty paid in relation to information security breaches or other cybersecurity incident

Budgeted more than RM10 million in cyber security enhancement over the next 5 years