

CREATING VALUE THROUGH SOCIAL ENGAGEMENT



Management approach: We recognise the importance of social engagement and compliance as there is no business which can sustain without social involvement. As a caring corporate citizen, we are responsible for the social well-being of our employees, who are the backbone of the Company's achievements. We are committed to comply with the International Labour Organisation's best practices, respect for human rights through putting emphasis on occupational health and safety, a diverse workplace which champions equal treatment, talent management, security management as well as impact of our products towards society's or user's safety.



We are committed to ensure our employees, who are the backbone of the Group's success work in an inclusive, respectful, safe and healthy workplace.

Creating Value through Social Engagement

COMMITTED TO BEST LABOUR PRACTICES IN ACCORDANCE WITH INTERNATIONAL STANDARDS



Management approach: We are committed to fair labour practices in accordance with the international labour standards throughout our business operations and corporate activities. We recognise the importance of fair labour practices as it will improve employee morale and engagement.

Complying to best practices

As disclosed in all media and investor enquiries as well as our press statements, we have made improvements in various areas and will continue to comply with international best practices.

Detail of our robust labour practices are as below:

No.	Labour practice	Key aspects
1	 Implementation of Zero Cost Recruitment Policy since Jan 2019 + Remediation payment to foreign workers	<ul style="list-style-type: none"> • Top Glove bears all recruitment-related fees for our foreign workers who joined from January 2019 onwards. • The policy also stipulates that Top Glove will conduct pre-departure orientations and interviews at the source country, post-arrival orientations in Malaysia, as well as monthly interviews with workers towards ensuring they have not paid any hidden fees to recruitment agents. • Workers who have been made to pay recruitment fees to agents in their source country will be reimbursed. • Workers also sign a Letter of Undertaking committing that they must not pay recruitment fees during the recruitment process. • On 10th Aug 2020, Top Glove made the first remediation payment to foreign workers who joined prior to the implementation of the Zero Cost Recruitment Policy. • We are committed to make remediation payment of RM136 million to more than 11,000 workers for 12 months from August 2020 to July 2021. • The appointed independent consultant has verified our implementation of Zero Cost Recruitment Policy and that remediation payment has commenced.
2	 Absolutely no forced or excessive overtime (OT) by workers	<ul style="list-style-type: none"> • Our workers do not perform excessive OT and are given rest days in line with Malaysian labour law, which is 104 hours OT per month and 1 rest day per week respectively. • OT is solely performed on a voluntary basis. Workers are only allowed to perform OT if they have not exceeded the daily maximum allowable working hours. • Strict monitoring via digital tools with regards to rest days and overtime hours clocked was implemented, to ensure full compliance with labour law.
3	 Decent accommodation and facilities for workers	<ul style="list-style-type: none"> • Decent accommodation with proper facilities and sufficient spacing is provided to all workers. • Our workers' accommodation is fitted with cooking facilities. Cooking is allowed at all hostels, except for 1 hostel where there is no centralised kitchen. At this particular hostel, a 24-hour canteen which offers 2 types of native cooking is operational for the convenience of its workers. • In addition, this hostel provides various amenities including a barber shop, prayer halls, mini market, Automatic Teller Machines (ATM), laundromat, money transmission operators and recreational areas.
4	 Continuous compliance with Malaysian labour authorities on payment of wages	<ul style="list-style-type: none"> • Top Glove pays its workers in accordance with Malaysian labour law on wages, which is a basic monthly salary of RM1,200 per month. However, the worker's take-home pay is more than RM1,600 per month. Workers' wages are always paid in a timely manner and salaries are never withheld. • In addition, the company in June 2020 made an ex-gratia payment to its workers in appreciation of their contributions during the COVID-19 pandemic. • The appointed independent consultant has verified that the Group is in compliance with local laws and regulations on payment of wages.

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<p>5</p>  <p>Workers have full custody of their passports</p>	<ul style="list-style-type: none"> • Implementation of Passport Safekeeping Policy to raise awareness among workers on passport safekeeping. • We provide workers the option to keep their passport in a personal locker (with key) at their respective hostel rooms, or keep their passport in a passport locker (with key) at the factory office. • The appointed independent consultant has verified that workers have full custody of their passports.
<p>6</p>  <p>Freedom of association & collective bargaining</p>	<ul style="list-style-type: none"> • All employees have the right to form unions and conduct collective bargaining with the Company to negotiate on the employment entitlement. In FY2020, 1.14% of employees covered by collective bargaining agreements. • External auditors have verified that workers have freedom of association and collective bargaining rights.
<p>7</p>  <p>Freedom of movement</p>	<ul style="list-style-type: none"> • There is no restriction of movement at workplace as well as no curfew imposed at worker's hostels. • The appointed independent consultant has verified that workers have freedom of movement.
<p>8</p>  <p>No child labour</p>	<ul style="list-style-type: none"> • We comply with recruitment laws and regulations and do not recruit child labour. • The appointed independent consultant has verified there is no child labour.

Detention Order by the U.S. Customs and Border Protection (CBP)

In July 2020, the U.S. Customs and Border Protection (CBP) placed a detention order on disposable gloves manufactured by Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd. We are committed to make remediation payment of RM136 million from August 2020 to July 2021, which covers more than 11,000 foreign workers, including those who have left the Company.

As at 3rd November 2020, we continue to actively engage with the U.S. CBP towards an expeditious revocation of the detention order (Withhold Release Order). This will enable us to continue delivering our gloves especially to first respondents, whose safety and lives are on the line during the COVID-19 pandemic.

Developments

15th Jul 2020

- The U.S. Customs and Border Protection (CBP) placed a detention order on disposable gloves manufactured by Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd.

30th Jul 2020

- Appointed an independent consultant and committed to commence remediation payment

10th Aug 2020

- Made first remediation payment of RM4.4 million in respect of the Company's migrant workers who joined prior to the implementation of its Zero Cost Recruitment Policy in January 2019. The total remediation fee to be paid was estimated at RM53 million.

28th Aug 2020

- The independent consultant appointed by Top Glove to verify labour practices at our manufacturing facilities and accommodation, completed the verification work.

7th Sept 2020

- Top Glove submitted independent auditor's report to U.S. CBP

6th Oct 2020

- Top Glove revised sum of remediation payment to RM136 million, in accordance with recommendations by the independent consultant, following the completion of the independent consultant's comprehensive verification work. All foreign workers are covered under the remediation payment.

Besides immediately addressing the relevant social compliance issues, we have established a Correction Action Plan (CAP) to ensure all labour practices are being implemented ethically in the long term.

Creating Value through Social Engagement

RESPECT FOR HUMAN RIGHTS



Management approach: As a business with diversified employees especially foreign workers, we are committed to respect and protect human rights. We adhere to the Human Rights & Ethical Conduct, which stipulates fair and ethical labour practices in accordance to Business Social Compliance Initiative (BSCI) Code of Conduct. The Human Rights & Ethical Conduct is not only applicable to our employees but also our supply chain such as suppliers, business partners and customers.

Human rights risks assessment & management

As the majority of our workforce comprises foreign workers who are recognised as a vulnerable group for human rights risk, we proactively identify related risks and manage them through our mitigation initiatives. The human rights issues include debt bondage, excessive overtime, passport retention and abusive living conditions which could occur at both our own operations and value chain (recruitment agents and suppliers).

We extend our human rights practices to our supply chain, to ensure no forced labour throughout our value chain. Social compliance is one of the evaluation criteria for all our new critical suppliers. The outcome of all the suppliers that were assessed based on social impact was positive. No potential negative social impacts were seen or identified. Staff welfare and amenities were well taken care of. Nonetheless, areas of improvement were duly relayed for better work environment.

Identification, assessment and mitigation of human rights risks at all our factories are as follow:

No.	Mitigation measures	Details
1	 <p>Due diligence on recruitment agents</p>	<p>Recruitment agents are strictly prohibited from collecting recruitment fees directly from workers at any stage as a condition for being hired.</p> <p>We have terminated 2 recruitment agents after our due diligence assessment and currently we are working with 11 recruitment agents from Malaysia and overseas.</p> <ol style="list-style-type: none"> Due diligence procedure <ul style="list-style-type: none"> Guided by the Group’s Recruitment System, we conduct due diligence on all our recruitment agents Potential recruitment agent shall be assessed on their background in relation to recruitment experiences, legal documentation, recruitment terms and cost, social performance and blacklisted record at source country immigration Responsible Business Alliance (RBA)/International Recruitment Integrity Scheme (IRIS) certification is an added advantage Prohibited to engage independent and unlicensed sub agent Approval of engagement of recruitment agents will be recommended by the Head of HR and approved by key management, ie: Managing Director and/or Chairman Qualified agents should: <ul style="list-style-type: none"> Attend Top Glove Social Compliance Initiatives (TGSCI) briefing Acknowledge and sign on Top Glove Business Partners’ Code of Conduct Undertake social performance assessment Present a transparent and clear recruitment cost breakdown All active recruitment agents are subject to annual surveillance checks to ensure adherence to TGSCI

Creating Value through Social Engagement

RESPECT FOR HUMAN RIGHTS

2



Social compliance audit

Various categories of social compliance audit conducted:

- Appointed independent third party consultant to audit our social compliance practices, who interviewed more than 1,100 of our workers
- Monthly internal audit conducted by HR Compliance Team
- Audit initiated by the Company or customers

The social compliance audits are based on the following international standards:

- Business Social Compliance Initiative (BSCI) by amfori
- Sedex Members Ethical Trade Audits (SMETA) by Sedex

In FY2020, 100% of our glove factories and our packaging material factory were audited on social compliance based on the above 2 standards.

Scope of audit:

- Labour practices
- Safety & Health
- Environmental
- Business ethics

The management of the company is subject to merits and demerits for compliance and non-compliance respectively.

Total BSCI & SMETA audits attended in FY2020: 33 (Lesser number of audit in FY2020 due to restriction by the COVID-19 pandemic)

Total announced audit:	27	Total audit initiated (paid) by customers:	7
Total semi-announced audit:	1	Total audit initiated (paid) by Top Glove:	26
Total unannounced audit:	5	Total audit initiated (jointly paid) by both customers and Top Glove:	0

Audit results:

We have closed 77% of the non-conformance raised based on SMETA standard

Audit finding & remedial action:

According to our latest audit finding report, issues such as working hours, rest day, overtime, passport retention have all been resolved.

3



Grievance Mechanism

A grievance SOP is in place which requires corrective action for issues raised to be taken within 5 days. Our reliable and anonymous grievance channels include:

- Centralised Worker Helpline
- Email
- Whatsapp
- Human Resources personnel
- Worker Representatives
- Grievance forms and boxes which are placed inside factory and hostel compound
- Independent Grievance Helplines (the helpline receivers of which are our third party auditors) are established for workers in their native languages for workers to raise grievances.
 - Established on 28th Sept 2020
 - As at the reporting date (23rd Oct 2020), the Helpline has received 486 calls, 475 of it are from resigned workers on remediation payment issue and 11 calls on other issues.
 - Out of the 11 calls, 3 issues closed, 7 in progress and 1 pending for worker's acceptance (opened)
- Every factory will have worker representatives from each nationality (including Malaysian) and gender who are elected by the workers. Once the worker representatives are appointed, HR will issue them letter of appointment for a 2-year tenure.
- Monthly meetings with worker representatives on the following areas of concern are held:
 - HR practices (attended by operation team and HR personnel)
 - Safety & health (attended by the Safety and Health Team)

FY2020 grievance-relation data:

- 84.8% satisfaction from our annual grievance mechanism satisfaction survey implementation, compared with 90% from the preceding year
- Number of cases raised: 994 cases
- Type of cases: Living condition (hostel), canteen, transportation, workplace condition
- Status of action: 99.3% (remediation action has been taken for 987 cases)

Creating Value through Social Engagement

RESPECT FOR HUMAN RIGHTS

<p>4</p>	 <p>Whistleblowing Policy and Procedure</p>	<p>The Top Glove Whistleblowing Policy and Procedure is publicly available on the Company’s website. It provides established channels through which our stakeholders may report or disclose genuine concerns about bribery and corruption, fraud, grievances, unethical behaviour, malpractices, illegal acts, policies and procedures malfunction or failure to comply with local and foreign bribery laws on the part of the company, of which they have become aware.</p> <p>All information provided by whistleblower will be taken seriously and treated confidentially in accordance with the law under the Whistleblower Protection Act 2010.</p> <p>In FY2020, we enhanced our Whistleblowing procedures by appointing an external service provider as case receiver. Service provider will act as the first hand case receiver and forward the anonymous complaint raised to 3 senior designated officers in the Whistleblowing Committee for the Company’s further investigation. This resource enables better transparency and improves efficiency in resolving concerns. It also provides the Company with meaningful feedback on areas for improvement.</p> <p>Whistleblowing channels:</p> <ul style="list-style-type: none"> • whistleblowing form • email • mail box <p>FY2020 whistleblowing-relation data:</p> <ul style="list-style-type: none"> • Number of cases raised: 2 cases • Type of cases: cases revolved around inadequacy of policy and procedures and conflict of interest <p>Status of action: Swift action has been taken to resolve the root causes and improve further by Whistleblowing Committee</p>
<p>5</p>	 <p>Employee awareness</p>	<p>To raise awareness among employees on labour rights and social compliance best practices, we conduct human rights training to employees. A total of 272 employees were trained with total 824 training hours.</p>
<p>6</p>	 <p>Town hall with suppliers</p>	<p>As disclosed in the Supply Chain sessions in this Report, we conduct town hall session with our suppliers to emphasise our stand on our robust labour practices. Site audits were conducted after the town hall sessions to assess and monitor human rights risks.</p>
<p>7</p>	 <p>Audit on critical suppliers</p>	<p>100% (279 in number) of our critical suppliers are screened through social compliance criteria. There was no supplier being identified to have significant actual and potential negative social impacts from the audit process during the reporting financial year.</p>
<p>8</p>	 <p>Social Compliance Committee (SSC)</p>	<p>The SSC, which consists of various departments was formed to implement, monitor and review the effectiveness of various measures on social compliance.</p>

OCCUPATIONAL HEALTH AND SAFETY (OHS)



Management approach: Employees health and safety remains the Company's foremost priority. Poor OHS performance has a direct negative impact on labour costs through lower productivity. Lower performance not only poses a threat to our reputation and staff morale but also results in increased operation costs in the form of fines and other contingent liabilities. The Group's health and safety initiatives are helmed by the Corporate Health unit and Safety unit respectively. The Corporate Health unit aims to improve employees' physical and mental health, focusing on nutrition advice and BMI management, meanwhile the Safety unit focuses to prevent and reduce occupational safety risks, especially in our operation.

During the COVID-19 pandemic, while we are delivering our life-saving gloves to customers globally, we ensure the safety and health of our employees is well taken care of.

Scan for
Top Glove's
COVID-19
Preventive
Measures
Video



For our initiatives in this area, please visit <https://www.topglove.com/covid-19-preventive-measures/>

Health is Wealth

As a health-centric Company, we invest in managing and improving employees' health to prevent employees from falling sick, thereby maintaining productivity. Top Glove's aim is to ensure all its employees are always at their optimum health and fitness physically, mentally and financially, and able to contribute positively. Top Glove has established several in-house healthcare and wellness systems, including an ambulatory medical center, fitness center, and full-time Corporate Wellness team which offers various progressive and innovative wellness programs.

TOP GLOVE WELLNESS TEAM CONSISTS OF 42 FULL TIME STAFF AS AT 20TH OCT 2020:

13 wellness professionals

under Corporate Health Unit

- 8 nutritionists
- 2 dietitians
- 1 naturopathy wellness consultant
- 1 food services executive
- 1 health admin executive

26 medical professionals

under TGGD Unit

- 6 contract medical doctors
- 4 permanent medical doctors
- 4 medical assistants
- 3 nurses
- 3 clinic admin
- 2 paramedics
- 1 dentist
- 1 radiographer
- 1 mental health counselor
- 1 assistant pharmacist

3 fitness professionals

under Top Healthy Fitness (Gymnasium)

- 1 fitness trainer
- 2 fitness assistants

Average of **1.9 days of sick leave** per employee in FY2020

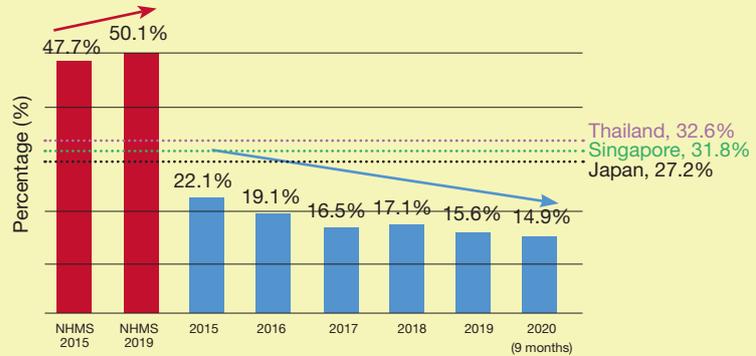
Average of **0.16 days of hospitalisation leave** per employee in FY2020

Creating Value through Social Engagement

OCCUPATIONAL HEALTH AND SAFETY (OHS)

5-Year Comparison: Malaysians versus Top Glove Staff in Overweight and Obese category (BMI >25.0 kh/m²)

As at September 2020, Top Glove staff is 70.3% lower in overweight and obese category as compared to NHMS 2019.



Remark:

1. Data is based on unpaired data to depict the overall population in Top Glove but paired data is used for year 2015, 2016 and 2017.
2. BMI Malaysia benchmark from National Health & Morbidity Survey (2015), (2019), other countries from WHO (2016).

In FY2020, we implemented a series of health initiatives which included the following:

- 8 Health talks on various topics
- 45 Health workshops on various topics
- 17 Wellness Funtastic Booth
- 8 BookDoc Activ Walking steps Challenges
- 3 batches of Mission Slim Possible weight management programme for overweight staff
- 3 batches of Gain It Right weight management programme for underweight staff
- Daily fitness classes (Yoga, Zumba, Piloxing etc)
- Weekly e-health info circulation
- 7 E-learning health modules

Safety as our foremost priority

The Group’s safety management and initiatives are led by the Safety Department and Committee and guided by the Top Glove Safety & Health Policy. The Safety Committee consists of 885 members from management, staff and worker representatives.

Throughout FY2020, 15 initiatives were carried out to raise safety awareness. These included various quizzes, safety talks, Safety Booths during the Company Birthday Lunches and 84 forklift safety training session.

Staff attended safety training (category)	Safety Committee & Officers	Non-Safety Committee & Non-Safety Officers
Percentage (%)	22	78

Zero employee and contractor fatalities over the past 4 financial years

Financial Year	FY 2017	FY 2018	FY 2019	FY 2020
Lost-Time Injury Frequency Rate (LTIFR) (number/million hours worked)	1.3	1.0	0.9	1.1
Percentage of employees covered for LTIFR (%)	100	100	100	100

Increase of LTIFR resulted from new factories and factories we acquired (previously known as Aspion)

Safety measures have been taken extensively throughout our business operations especially in our factories to ensure all employees are working in a safe environment. These include:

1. Conducting accident review meetings with PIC and sharing of Corrective Actions & Preventive Actions (CAPA) with other factories.
2. Machine safety improvement by conducting safety awareness training and site inspection to mitigate hazards relating to machines.
3. Digitalising the monitoring of unsafe acts and unsafe conditions via online TG Good Safe System.

None of our workers are involved in work activities which will lead to high risk of occupational disease.

Creating Value through Social Engagement

EMBRACING DIVERSITY



Management approach: Headquartered in Malaysia, a multiracial country as background, we are well adapted to a diverse and inclusive culture. Top Glove does not engage in discrimination based on gender, ethnicity, nationality, cultural background, marital status, disabilities, religion, sexual orientation, political inclination, age or union membership.

Embracing diversity and inclusivity

At Top Glove, opportunities for career advancement are based on meritocracy. Every Top Glover has an equal opportunity as long as they are capable of delivering results. We foster a diverse and inclusive workplace that values the contribution of all employees, attracts and grows the world's top talent. We have zero tolerance for discrimination, workplace bullying and harassment and are committed to creating a respectful workplace for everyone in the Company.

We respect people with differing abilities and recruited 18 staff with disabilities in FY2020.

In FY2020, a total of 23 harassment incidents were reported and resolved. Throughout the investigation process, we ensured that the affected employees' safety was well protected at all times, which includes concealing their identity. As a responsible employer, we constantly look for ways to go above and beyond in supporting the wellbeing of our employees. In line with our efforts, we have also proactively engaged with professional counselling service providers to assist our employees during these difficult times. At the same time, stern disciplinary actions, including dismissal, will be taken against the perpetrators if proven guilty upon investigation.

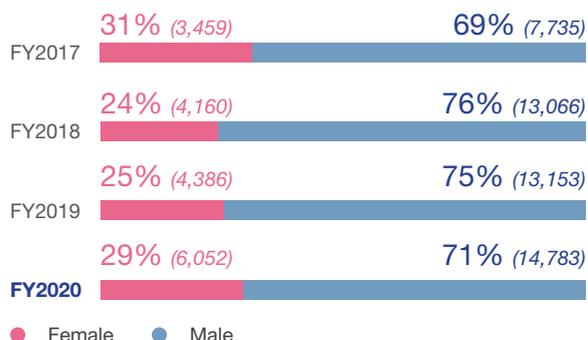
To bring down the number of cases, Top Glove also constantly rolls out initiatives to prevent and combat harassment, such as establishing several highly confidential grievance and whistleblowing mechanisms for reporting, regularly conducting prevention of harassment briefings and trainings for employees, as well as periodically reviewing and enhancing our Sexual Harassment Policy.

Gender diversity

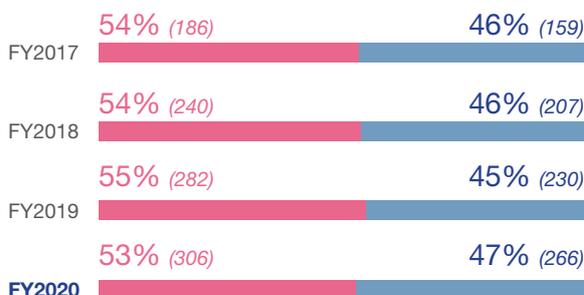
We recognise women's contributions in the workplace and are committed to achieve a gender balanced workforce. In FY2020, we closed the gap between female and male employees, where the percentage of females in our workforce increased compared with the preceding year.

- Female employees in top management position in FY2020 (Executive management & senior management): 41%
- Female employees in a management position in the Marketing Department: 72%
- Basic salary ratio of men to women: 1:1
- Male employee ratio of entry level wage to minimum wage: 1:1
- Female employee ratio of entry level wage to minimum wage: 1:1

Employees breakdown by gender (percentage & number)



Leadership position (managers & above) held (percentage & number)

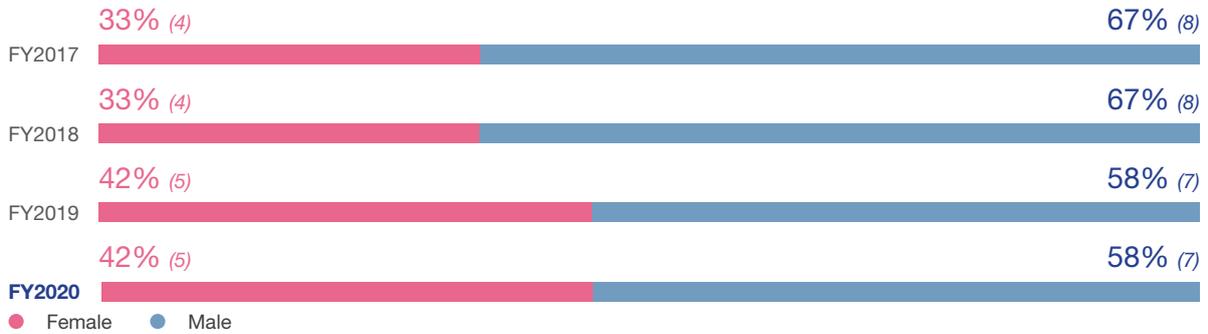


● Female ● Male

Creating Value through Social Engagement

EMBRACING DIVERSITY

Board of Directors' gender diversity
(percentage & number)



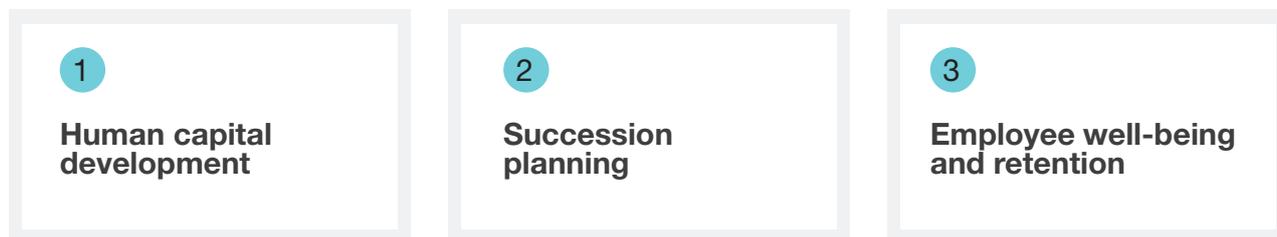
Employee demographic data:

No	Group	Category	FY2017	FY2018	FY2019	FY2020
1	Total no. of employees		11,194	17,226	17,539	20,835
2	By Country	Malaysia	2,162	3,600	4,380	7,590
		Thailand	787	924	953	409
		China	340	351	256	290
		Vietnam	313	165	95	164
		Myanmar	398	445	472	1,218
		Indonesia	222	139	542	939
		Nepal	4,866	5,968	4,779	4,555
		Bangladesh	1,656	5,095	5,677	5,447
		Others	450	539	385	223
3	By employment type	Permanent	2,728	4,879	5,588	19,750
		Contract	8,466	12,347	11,951	333
		Interns	512	548	1,029	752
4	By category	Lower management	8,634	13,813	13,340	15,441
		Junior management	991	1,289	1,497	2,047
		Middle management	1,224	1,671	2,190	2,775
		Upper management	299	398	453	506
		Senior management	36	47	53	52
		Executive management	10	8	6	14
5	By age group	Below 30	7,294	10,410	10,523	13,559
		30 - 50	3,688	6,399	6,665	6,888
		Above 50	212	417	351	388
6	By region (based on Malaysia)	Local	2,153	3,592	4,378	7,589
		Non-local	7,234	11,575	12,472	11,459
7	By ethnicity (Malaysia only)	Malay	1,158	N/A	2,741	4,837
		Chinese	645	N/A	958	1,569
		Indian	335	N/A	619	1,051
		Others	7,249	N/A	56	120

TALENT MANAGEMENT



Management approach: Talent management not only ensures that the Company has the appropriate skill sets to execute the business strategy, but also improves talent attraction and retention as well as employee motivation, ultimately resulting productivity and positive branding. We appreciate quality talents as we believe these talents are able to help level up the Company's performance. To ensure business continuity, we invest in talent management via several approaches below:



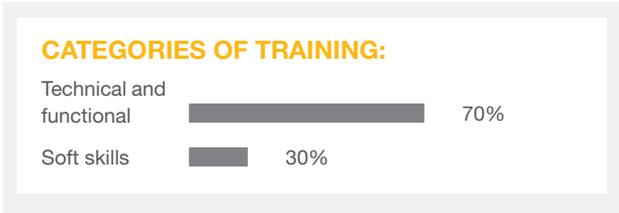
Human capital development

We believe continuous learning is the key for transformation. Keeping the employees' skills and knowledge up-to-date will definitely help to increase the Company's competitiveness in the industry. To achieve this, we provide various physical and virtual in-house and external trainings to our employees and set 45 training hours as part of their Key Performance Indicators (KPIs). Besides, we encourage staff to be involved in charity events as volunteers to give back to the society. As part of their KPIs, employees have to achieve 5 Community Engagement Hours (CEH) which they earn for volunteering in community programmes.

Training data in FY2020:

**Total training investment:
RM1.77 million**

Total of
**190,076.52 training hours
achieved**



TRAINING HOURS BY EMPLOYEE CATEGORIES:

Management category:	Hours:
Lower	0.17
Junior	44,857.45
Middle	119,721.80
Upper	22,853.07
Senior	2,437.09
Executive	206.94

- Average training hours per employee: 58.94 hours
- Average days of training per employee: 6.17 days
- Average training hours per female employee: 54.26 hours
- Average training hours per male employee: 44.19 hours
- Effectiveness of training (percentage of training has met its objective): 96.1%
- Total voluntary hours clocked in FY2020 by staff: 16,488 hours

Succession planning

Under the Group's Succession Planning Programme, we identified the number of Mission Critical Positions and Key Positions, as well as the number of successors for these 2 categories. Subsequently, we implemented a series of relevant succession training programmes for the successors. Currently our coverage ratio for Mission Critical Positions and Key Positions are at 2.87: 1 and 2.22:1 respectively.

Creating Value through Social Engagement

TALENT MANAGEMENT

Employee well-being and retention

In this competitive industry, talent retention remains challenging. The Company is committed to cultivate a young and dynamic working culture with attractive well-being packages to attract quality talents.

Recruitment and turnover

We recruit our talents via various platform such as Jobstreet, LinkedIn, Career and Campus Fair. Since the COVID-19 pandemic, we transformed our career fairs into virtual career fairs, thereby reducing the risks of exposure for both candidates and recruiters.

New Recruitment:

Financial Year	FY 2017	FY 2018	FY 2019	FY 2020
Total new recruits (number)	1,226	5,342	4,570	6,264
Breakdown by age group (percentage, %)				
Below 30	74	77	78	87
30 to 50	22	22	21	12
Above 50	4	1	1	1
Breakdown by gender (percentage, %)				
Female	53	16	33	40
Male	47	84	67	60
Breakdown by locality (based on Malaysia, percentage, %)				
Local	76	23	44	81
Non-local	24	77	56	19

641 TVET (Technical and Vocational Education and Training) students recruited in FY2020

277 internal replacements in FY2020

Employee Turnover:

Financial Year	FY2017	FY2018	FY2019	FY2020
Turnover rate	12.30%	17.73%	16.30%	18.60%
Manufacturing industry turnover rate (based on calendar year)	26.04% (year 2016)	17.76% (year 2017)	16.68% (year 2018)	15.78% (year 2019)
Breakdown by age group				
Below 30	76.45%	79.71%	74.51%	78.80%
30 to 50	22.10%	17.42%	20.78%	17.70%
Above 50	1.45%	2.86%	4.71%	3.40%
Breakdown by locality (based on Malaysia)				
Local	93.12%	97.14%	86.53%	89.78%
Non-local	6.88%	2.86%	13.47%	10.22%

Creating Value through Social Engagement

TALENT MANAGEMENT

Transparent communication culture

As our recruitment direction is focusing on recruiting creative and innovative young talents, it is crucial to have an open-minded culture to attract and retain quality talents. At Top Glove, we embrace open communication regardless of position in the Company. Everyone is encouraged to speak up, to provide feedback and comments, in confidence and without fear of retaliation.

Employee engagement survey is a crucial tool for developing policies to attract, retain and develop the best talents. It is essential for us to collect and measure feedback from employees, who are significant stakeholders and the backbone of the Company's success. We conduct annual employee survey to identify areas for improvement from the employees' perspective. In FY2020, the survey results showed 75.23% of employees are satisfied with the Company, while the key shortfall is in the areas of facilities, healthcare benefits, recognition, reward system and workload. We have put more focus on these areas in the coming financial year and plan to conduct a feasibility study on improving healthcare benefits and recognition initiatives.

Employee Engagement Survey	FY2017	FY2018	FY2019	FY2020
Survey results with Above Average Satisfaction	47.67%	58.79%	70.83%	75.23%
Percentage of total employees covered	90%	90%	90%	90%

To ensure effective management of employee performance, we conduct mid-year reviews and annual appraisals for all staff, as well as multi-dimensional performance appraisal such as 360-degree feedback where they review their subordinates, peers and superiors. 13% of staff are involved in 360-degree feedback.

Work-life balance

The Company provides benefits to recognise and appreciate employees' contribution and commitment. All full time employees are entitled to medical benefits, insurance coverage, various categories of annual leave and stock ownership such as share grants and Employee Share Option Scheme (ESOS). In FY2020, the Company implemented flexi-working hours, giving more room for work-life balance enabling employees to set their own working schedule. These also enable the Company to retain talents.

Parental leave (maternity and paternity leave)

Scope	Gender	FY2020 (number)
Total no. of employees that were entitled to parental leave	Female	3,906
	Male	3,683
Total no. of employees that took parental leave	Female	151
	Male	134
Total no. of employees that returned to work in the reporting period after parental leave ended	Female	151
	Male	134

Creating Value through Social Engagement

SECURITY MANAGEMENT



Management approach: At Top Glove, security management encompasses the security of our people and premises including factories and hostels. We are also one of few Malaysian companies with our own ancillary police.

Security

We have a pool of 82 ancillary police to keep our employees and premises safe. These ancillary police patrol our HQ, factories and hostels areas in Klang, Malaysia. All ancillary police are trained by the Royal Malaysia Police’s *Latihan Dalam Perkhidmatan* on the standard procedures, do’s and don’ts, as well as human rights knowledge.

In FY2020, we leveraged technology and launched a mobile app namely TG ResQ which employees may use to make crime related reports to our ancillary police.

PRODUCT SERVICES RESPONSIBILITY



Management approach: As a manufacturer of personal protective equipment (PPE), we export our gloves to 195 countries globally and adhere to a stringent quality assurance process to ensure we comply with each country’s requirements in terms of labelling and product quality.

In FY2020, there were no incidents of non-compliance with regulations concerning product labeling or marketing communications for our in-house brands.

Financial year	FY2017	FY2018	FY2019	FY2020
No. of product recalls	0	0	0	0
No. of regulatory agency inspections	0	0	0	0
Number of Form 483 Observations and FDA Warning Letters received	0	0	0	0

FORGING AHEAD WITH SUSTAINABILITY

Though sustainability has been embedded widely throughout the Group’s operations as well as our supply chain, we will not be content with our present achievements and seek to mark more milestones on our sustainability journey, creating more positive impacts and value for our stakeholders. We are committed to continuously make meaningful contributions across all the pillars of EES.

Scan for TG Sustainability Video



Link for TG Sustainability Video: https://www.youtube.com/watch?v=XHVbo2aMBK1&t&ab_channel=TopGlove