



## Governance: Ethics, Integrity & Governance

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### CORPORATE GOVERNANCE

Corporate governance in the Company guides us on any formal decision and policy making exercises. Highest standards of governance mechanism enable the Board of Directors to perform a pivotal role for sound strategic planning and risk management of the Group's sustainable business operations.

Please find the details of our corporate governance practices in the Corporate Governance Overview Statement from pages 78 to 104 in the Integrated Annual Report 2022.

In FY2021, we introduced 40% of management incentives or remuneration pay linked to ESG metrics, starting from FY2022 performance, to ensure the management is accountable for the achievement of the Company's goals. To ensure there is a balance between the financial and non-financial measures, the Group implemented Balanced Scorecard for the organisation in FY2022. Balanced Scorecard is a strategic performance management tool that aligns the organisation's mission, vision, and strategies. It helps the organisation to set its strategic goals, define its strategic objectives, and develop KPIs/measurements that will help to monitor the delivery of the strategic objectives through well-defined initiatives and targets.

#### 40% of management incentives linked to ESG metrics:

Key performance area	Performance indicator	FY2022 Target	FY2022 Performance
1 Product Quality and Safety	Customer satisfaction index	Achieve 78% customer satisfaction rate	● ○ ○
2 Occupational Health & Safety	Occupational accident rate	Reduce Top Glove's occupational accident rate to 3.12 per 1,000 workers	○ ○ ●
3 Human Rights and Labour Practices	a. BSCI audits 'A' rating achievement rate	Achieve 100% of the BSCI audits with 'A' rating	● ○ ○
	b. Achievement rate of factories being audited against SMETA standard having not more than 10 non compliances per audit	Achieve 90% of SMETA audits with not more than 10 non compliance per audit	○ ○ ●
4 Reduce Carbon Emission	Scope 1 & 2 emission intensity reduction	The Group refined the carbon emission calculation to be aligned with GHG Protocol as reported under Physical Impacts on Climate Change section in page 23 in this report. However, the Group still considered this indicator in the Balanced Scorecard for FY2022.	
5 Talent Retention	a. Annual employee engagement survey	Achieve 75% employees involved in engagement survey	● ○ ○
	b. Succession pool cover ratio	Achieve 3 succession pool cover ratio	○ ○ ●

#### Legend: Performance Tracking

- ○ ● Ahead of target
- ● ○ Meet target
- ○ ○ Improvement required to achieve the target

As part of the commitment, the Sustainability Steering Group, which is chaired by our Managing Director and consists of all Heads of Departments, will review the progress quarterly to ensure strategies are being developed in a timely manner.

### Engagement Between Independent Directors and Executive Management

The Independent Directors' Committee (IDC) had their first meeting for FY2022 on 30 September 2021. The IDC shared their roles, functions and duties as Independent Directors (IDs) and on the progress of each Board Committee function that they chair respectively. The IDC brainstormed and deliberated the topics that were material to the Group such as shareholders' expectations during the Annual General Meeting, crisis management, outcome from Board Effectiveness Evaluation and succession planning for Board and Senior Management matters. Follow up meetings with Management will follow through to enable the IDC to provide insights and recommendations in the best interests of the Group.

The Board Committee Chairs had a meeting with TGGD Medical & Dental Clinic (TGGD), a partnership between Top Glove and Global Doctors, on 24 November 2021 to understand the support, initiatives and roles that TGGD rendered to the Group. Recommendations for a more integrated synergy between TGGD and the Group was brought up on handling and managing the safety and health issues as well as crafting a detailed Groupwide Health Policy.

On 29 July 2022, IDC had their second meeting during FY2022. In this meeting, the Group's current business challenges, human resources matter, business sustainability, role of the Board and the Project Management Office establishment were deliberated. Recommendations from the IDC were shared to the Board during the Board of Directors' Meeting held on 18 August 2022.

### Engagement Between Independent Directors and Worker Representatives

As part of our IDs' continuous engagement with workers, the IDs joined the Workers Virtual Mega Town Hall Session held on 7 and 8 April 2022. This platform provides workers the opportunity to share their grievances on which IDs would recommend to the Management further action for the welfare and well-being of workers. The IDs reminded workers to channel their grievances, opinions and suggestions to the right channel within the Company's platform instead of external parties. Workers were also advised to take good care of their own health while serving the Company so that they are fit and healthy for their family and friends at home.

The IDs also noted on the water shortages issue that occurred at the workers' hostels and recommended that the Management have standard practices such as ordering a water truck to be stationed at affected areas to ensure no water shortages for workers' convenience. The IDs also recommended for a crisis standard operating procedure for any emergency situation such as a flood or fire to ensure workers' safety and comfort are taken care of, in addition to the continuous improvements in workers' hostels and working conditions.





## Governance: Ethics, Integrity & Governance

### Risk Management

The risk management system in the Company is set up in accordance with ISO 31000:2018 - Risk Management Guideline. The Top Glove Enterprise Risk Management Framework is to provide Top Glove with the capability to align risk management with corporate strategies, business direction and sustainable development.

Guided by the Company's Enterprise Risk Management Framework, which is reviewed on frequent basis, we strive to maintain a sustainable balance between our risk appetite and business potential to achieve a competitive advantage. Please refer to the Statement On Risk Management And Internal Control from pages 105 to 108 in the Integrated Annual Report 2022 for more disclosure on our risk management practices.

Towards effectively providing insights into plans and strategies for sustainable business growth, we have conducted 4 sessions of Scenario Planning Workshop for Board & Management since FY2021. In the workshop, scenarios were developed based on global trends, impacts to business were identified and strategies developed to ensure alignment to impacts and the trends.

### Cyber Security & Data Privacy

In view of the trend towards digitalisation and access to network, IT systems and data are important to remain relevant to the market. Information security and cybersecurity is a continuous effort from all Top Glove employees. Identified issues were assessed based on the methodology provided by the Risk Management Department and escalated for onward action to solve and improve these issues.

In FY2021, we have formed an Internal Monitoring Centre (IMC) in which the designated team monitors dashboards and alerts the necessary team such as the Security Team, Network Team, or the Server Team for immediate action to be taken. This is done based on the existing thresholds.

#### Our Progress in Cyber Security:

1. Since FY2021, 100% of our IT infrastructure and information security management system have been certified with ISO 27001:2013 Information Security Management System
2. Multiple training activities
  - Monthly: send awareness email based on latest news and security related must know to all Top Glove staff
  - Quarterly: phishing simulations
  - Yearly: internal and external trainings for our employees
3. Invested RM2.1 million in FY2022 to enhance cyber security
4. Deployment of Privilege Access Management (PAM) Tool and Google Cloud Platform
5. Over the past 5 financial years, we achieved zero case in the following areas:
  - Information security breaches or other cybersecurity incidents
  - Information security breaches involving customers' personally identifiable information
  - Number of complaints related to breaches of customer privacy and loss of customer data
  - Fines/ penalties paid in relation to information security breaches or other cybersecurity incidents
  - Customers affected by Company's data breach

### Corporate Integrity

The Central Integrity Function was established in response to ISO 37001:2016 Anti Bribery Management System (ABMS) requirements and consists of the President of Top Glove Prevention and Anti-Corruption Committee (TGPAC) / Managing Director, Harmonized Integrated Management Representative (HIMR), Central Anti-Bribery Management Representative (Central ABMR) and Corporate Integrity. The Group, which is responsible for anti-corruption and anti-bribery related matters, is under the purview of Top Management and the Board Audit Committee.

In FY2020, we extended and expanded the Anti Bribery Management System (ABMS) scope and implementation to all our subsidiaries, following the ISO 37001:2016 certification at Factory 9 in Meru, the first manufacturing facility in Malaysia to be certified with the ABMS.

External and independent audits on the ISO 37001 ethical standards are performed annually in response to Section 17A ("Corporate Liability Provision") and Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act). In FY2022, Top Glove's commitment towards ethical standards remained firm as the Group certified 3 additional entities under its wing of ISO 37001:2016.

## Governance: Ethics, Integrity & Governance

### SUSTAINABILITY ROADMAP FY2022 TO FY2025

#### Anti-Bribery Management System Certification Target:

Certify **3** entities or achieve **53%** (8 out of 15 entities)

**Performance:** Certified **3** entities or achieved **53%** (8 out of 15 entities)

**Progress:** **On track**

Since FY2021, 100% of Top Glove Corporation Bhd, covering 28 departments located in Malaysia were assessed for risks related to corruption. In FY2022, we started to extend the corruption risk assessment to factories in Malaysia and Thailand to progressively reduce, mitigate and prevent potential risk.

We require our stakeholders to abide and affirm their commitment to integrity towards sound and sustainable business practices, in order to demonstrate the highest standards of corporate integrity. We also enhanced the Anti-Bribery & Anti-Corruption (ABAC) eHandbook to cover additional topics such as Facilitation Payment, Money Laundering, Political Donations & Involvement and Antitrust.

When making charitable donations or sponsorships, we ensure either 1 or more of the documents below are checked to prevent the donation or sponsorship from being used as a disguised form of bribery:



Our stakeholders are required to undertake the following commitments. Anti-corruption is one of the audit criteria we cover during supplier assessments and this requirement is communicated to our suppliers via our Sustainability Webinar.

Stakeholders	Anti-bribery & anti-corruption & ethics commitment
<b>Suppliers &amp; business associates who have financial dealings with Top Glove</b>	<ul style="list-style-type: none"> <li>• To sign the Letter of Enforcement of Corporate Culture (LECC) on a half yearly basis</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• To sign the Letter of Enforcement of Corporate Culture and Business Ethics on The Issue of Bribery and Corruption (LECCBC)</li> </ul>
<b>All external parties</b>	<ul style="list-style-type: none"> <li>• To adhere the Letter of Enforcement of No Gifts Policy</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• To sign the Employee Code of Conduct</li> <li>• To sign the Letter of Enforcement of Corporate Culture (LECC) on a half yearly basis</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• To adhere to the Directors' Code of Conduct &amp; Ethics</li> </ul>



## Governance: Ethics, Integrity & Governance

Number of staffs who have received training on anti-corruption by job grade

Job Category	FY2021	FY2022
Executive Management	6	6
Senior Management	14	24
Upper Management	152	416
Middle Management	639	2,417
Junior Management	356	1,330

### Anti-Corruption and Anti-Bribery Data:

Financial Year	FY2019	FY2020	FY2021	FY2022
No. of corruption and bribery cases	1	0	0	0
Political contributions made	0	0	0	0
Facilitation payments made	0	0	0	0
Fines imposed in relation to corruption, bribery & anti-competitive business practices	0	0	0	0



**Top Glove's anti-corruption and anti-bribery commitment**

Scan the QR code to view Top Glove's anti-corruption and anti-bribery commitment

<https://www.topglove.com/corporate-integrity/>

### W.H.I.T.E. Integrity Culture

In FY2022, we continue our advocacy on the W.H.I.T.E. (5 **H**ealthy **W**ells, **H**onesty, **I**ntegrity, **T**ransparency and **E**ducate) Integrity Culture among our workforce and value chain as part of our commitment to comply with the Corporate Liability Provision S17A that was enforced on 1 June 2020. In FY2022, we maintained our effort to inculcate W.H.I.T.E. Integrity Culture within the Group through:

- a W.H.I.T.E. Integrity Culture slide
- b W.H.I.T.E. Integrity training
- c Electronic Corruption Free Pledge/ *Ikrar Bebas Rasuah* (eIBR)
- d Top Glove Integrity Alert
- e Top Glove Sustainability Webinar FY2022 for Suppliers & Contractors



## Governance: Ethics, Integrity & Governance

### Whistleblowing

Top Glove has established its Whistleblowing Policy & Procedures (WBPP) to address whistleblowing cases. Investigations into the reported cases are conducted by the Whistleblowing Committee and all investigated cases are reported to the Board Audit Committee (BAC). The identity of the whistleblower is protected by using an external independent whistleblowing provider, which removes any identifying information from the report; ensuring that the Whistleblowing Committee only receives details of the complaint. The outcome of the investigation into the case is communicated via a channel provided by the external independent whistleblowing provider which also updates the whistleblower.

Top Glove's whistleblowing mechanism provides official channels through which our stakeholders may report or disclose genuine concerns about potential or actual incidents of bribery & corruption, fraud, grievances, unethical behaviour, malpractice, illegal acts, policies & procedures malfunction or failure to comply with local & foreign bribery laws on the part of the company. All information provided by the whistleblower will be treated with utmost importance and confidentiality in accordance with the law under the Whistleblower Protection Act 2010.

In the event of suspected corruption or bribery, the Whistleblowing Committee chaired by the Whistleblowing Committee Chairman will process the case, conduct investigations, respond and report to the Board accordingly. Whistleblowing cases are investigated by the Managing Director, Head of Internal Audit and the Chairman of the Board Audit Committee, who function as case receivers. Case Receivers and Case Masters are included in the system to uphold our Business Ethics: Honesty, Integrity and Transparency and reduce the possibility of conflicts of interest arising during any investigation.

The Case Receiver's role is to receive and communicate with any whistleblower via the external independent whistleblowing provider while the Case Master's function is to review the details of the case and approve the investigation made by the committee. All cases are treated with the utmost confidentiality and only the cases are investigated, not the whistleblower. All whistleblowing cases are reported quarterly during the Board Audit Committee meeting.

In FY2022, a total of 5 whistleblowing incidents were reported and resolved. The cases were determined to have been handled professionally and with the required action being taken.

Category	Number of cases
Bribery / Corruption	0
Fraud	0
Grievances / misconduct	4
Others (on policy & procedures)	1



**Whistleblowing**

Scan the QR code to view our Whistleblowing page

<https://www.topglove.com/whistle-blowing>



Top Glove's Directors, senior management and corporate consultant at the Company's Board Away Day held in May 2022.

**Governance:**  
**Ethics, Integrity & Governance**  
**Product Quality & Safety**

**Ethics & Conduct**

Upon joining the Company, all employees are required to acknowledge the Employee Code of Conduct and adhere to the do's & don'ts in the Conduct.

In FY2022, 31 cases of breaching the Employee Code of Conduct were reported. The misconduct involved cheating on attendance, overtime claims, alteration of medical certification and false previous criminal/ legal records declaration during employment. These employees were required to explain their actions for the Company's further investigation. Appropriate disciplinary action will be taken against the perpetrators if proven guilty.

The Code of Conduct is reviewed periodically when there is a need. The action taken for non-compliance with the Code of Conduct includes issuance of warning letters, acceptance of staff's voluntary resignation, dismissal etc. depending on the severity of the case.

To further strengthen the awareness, we regularly conduct trainings related to Top Glove Corporate Values R.I.V.E.R. (Respect, Integrity, Value, Empowerment & Relationship) and W.H.I.T.E. Integrity Culture, which accumulated more than 11,000 training hours in FY2022, as well as incorporate ethics and integrity topics in the daily Seng Mok Test.

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



Top Glove's position as the world's largest manufacturer of gloves has the potential to impact the supply chain. We aim to be the role model of our suppliers and business partners for them to embrace sustainability. We are committed to create a sustainable value chain by continually engaging our business partners to support sustainability practices and providing customer experience that exceeds expectations.

Capital	Material Issues	Initiatives	Value Created
<ul style="list-style-type: none"> <li>Natural</li> <li>Human</li> <li>Social &amp; Relationship</li> <li>Manufactured</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality &amp; Safety</li> <li>Supply Chain Management</li> <li>Customer Experience</li> </ul>	<ul style="list-style-type: none"> <li>Conformance to international standards</li> <li>Traceability</li> <li>Customer centric culture</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable value chain</li> <li>Customer satisfaction</li> </ul>

**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.

**Governance:**  
**Product Quality & Safety**

Top Glove sees innovation and breakthroughs in processes and technology as the backbone of our business to achieve quality excellence. Continuous improvement is essential for us to stay competitive in the global market. Key strategies in improving our product quality & safety include the following:

- a. Investing in Research & Development (R&D) and technological advancement**
  - i. Please refer to pages 36 to 42 in Letter to Stakeholders and Management Discussion & Analysis section in the Integrated Annual Report 2022 for details.
- b. Implementation of ISO 9001 Quality Management System (QMS)**
  - i. As a health care product manufacturer, we are committed to produce high quality gloves and non-glove products that protect the lives we touch.
  - ii. In FY2022, we certified 6 factories with ISO 9001 and achieved ISO 9001 certification for 100% of our glove and non-glove factories.
- c. Enhancing skills and knowledge of employee**
  - i. A supervisory development program, Top Glove Quality & Worker Supervision (TGQWS) was created for supervisors who directly supervise local workers in their reporting line towards enhancing their supervisory skills.
  - ii. In FY2022, product safety training was conducted with a participation rate of 70% from our employees.
- d. Suppliers training on product quality**
  - i. Product quality is a key agenda in our engagement session with suppliers during the inaugural Top Glove Sustainability Webinar: Suppliers & Contractors which was held in September, November and December 2021.
- e. Compliance with product labelling regulations**
  - i. In FY2022, there were no incidents of non compliances with regulations concerning product labelling or marketing communications (including advertising and promotions) for our in-house brands.
  - ii. On 6 September 2021, we published the Top Glove Advertising and Product Representation Principles and trained the relevant personnel on the core advertising principles and unacceptable general claims.
  - iii. 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 information and labelling
    - Marketing communications, including advertising, promotions and sponsorship

Financial Year	FY2019	FY2020	FY2021	FY2022
Number of product recalls	0	0	0	0
Number of regulatory agencies inspection	0	0	0	0
Number of Form 483 Observations and FDA Warning Letters received	0	0	0	0

**SUSTAINABILITY ROADMAP FY2022 TO FY2025**

**Quality Management System Certification FY2022 Target:**

Certified **6** factories or achieve **100%** (43 out of 43 factories )

**Performance:** Certified **6** factories or achieved **100%** (43 out of 43 factories)

**Progress: On track**



## Governance: Supply Chain Management

### 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 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 launch of our Sustainability Policy, Top Glove is committed to No Deforestation and Protection of Peat and Respect for Human Rights which is applicable to own operations and all business partners including those for natural rubber sourcing. 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. As published by Department of Statistics Malaysia in July 2022, contribution of natural rubber production in Malaysia was mainly from small holders sector (88.5%) as compared to estates sector (11.5%). It is indeed very challenging and complex for the natural rubber supply chain; however, Top Glove believes that it is equally important for us to initiate this effort in order to ensure a sustainable supply chain.

In April 2022, a Traceability Committee led by the Chief Sustainability Officer and consisting of members from Sourcing & Procurement Department, Regulatory Affairs System & Conformance Department and Latex Concentration Plant was established. The main objective of this Committee was to build traceability governance within the organisation. This Committee reports to Sustainability Steering Group which is chaired by the Managing Director. In the beginning, the Committee met weekly to define the traceability scope, map the supply chain and develop the Traceability Template which will be used for data collation from natural rubber suppliers. The traceability template was then piloted at our latex concentration plants in Thailand from June 2022 to August 2022.

#### Engagement with natural rubber suppliers in Thailand:

Top Glove has two latex concentration plants in Thailand for which the first tier latex suppliers are mapped in accordance to four categories namely corporative, company, individual and smallholders. 'Individual' here refers to an individual who registered under his/her name with a commercial registration certificate whereas smallholders are those with own rubber estates. In Thailand, there is Rubber Authority of Thailand (RAOT) which is the central organization to be responsible

for and supervise the administration and management of the whole system of natural rubber producers in an integrated basis; include providing support and assistance in respect of academic matters, finance, production, processing, marketing, business operations and other related operations in order to improve income levels and quality of life. As RAOT is a well-established organisation, our traceability effort started with the engagement and pilot test of traceability template with RAOT. For both plants in Thailand, RAOT comprised a significant portion of the latex supply. With the feedback provided by RAOT, we then revised the traceability template to ensure that it was practical and implementable.

#### Moving forward

Following the pilot test in Thailand, we will develop a similar traceability template for the glove manufacturing plants in Malaysia. We will initiate the monitoring of our suppliers on land clearance activity and fire hotspot through satellite imaging using readily available platforms such as Global Forest Watch Pro. Our traceability efforts will not be able to move forward without the cooperation and support from our suppliers. Hence, it is in the planning to conduct Suppliers Workshop and more engagement sessions will be initiated to share with our suppliers on the main objective and importance of this traceability project.

#### SUSTAINABILITY ROADMAP FY2022 TO FY2025

##### Traceability FY2022 Target:

Map **1<sup>st</sup> tier suppliers** of our latex concentration plants

**Performance:** Mapped **1<sup>st</sup> tier suppliers** for our latex concentration plants and developed traceability template for data collation

**Progress: On track**

#### Collaboration with Suppliers to Foster Sustainable Value Chain

In FY2022, our Research & Development (R&D) Department has initiated collaboration with a nitrile 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.

#### Supplier Assessment

We have resumed physical supplier assessments and continue to allow virtual assessments and self-assessments in FY2022. In early of FY2022, we enhanced our existing supplier audit checklist to address ESG concerns in the supply chain. The improved checklist has been incorporated into the SAP Ariba system which the assessment and documents will be stored digitally in the system to save time in distributing the checklist to involved suppliers.

#### SUSTAINABILITY ROADMAP FY2022 TO FY2025

##### Supplier Assessment FY2022 Target:

Conduct supplier audit for a total of **70%** active critical suppliers (new and existing) on ESG metrics

**Performance:** Conducted supplier audit for a total of **93%** (267 out of 286) active critical suppliers on ESG metrics

**Progress: On track**

#### Supply Chain Data:

Type of supplier	Absolute number of suppliers	Share of total procurement spent (%)
Total tier 1 suppliers	4,090	100%
Critical tier 1 suppliers	336	60%

Note: Critical supplier is defined as the supplier who has direct or significant impact to product quality i.e.

1. Natural rubber latex
2. Nitrile / Other synthetic latex
3. Direct chemical only (exclude indirect chemical and lab test chemical)
4. Former
5. Face mask raw material
6. Packaging material
7. Sterilisation

#### Percentage of procurement budget spent on local suppliers by country:

Country	Percentage (%)
Malaysia	51.6
Thailand	36.7
Vietnam	0.5
Others	11.2

#### Percentage of local suppliers by country:

Country	Percentage (%)
Malaysia	76
Thailand	16
Vietnam	3
Others	5



## Governance: Supply Chain Management

### Supplier Assessment Data:

Category	Number	Percentage
Existing critical tier 1 supplier assessed (based on all active existing critical tier 1 supplier)	224 out of 231	97%
New critical tier 1 supplier assessed (based on all new critical tier 1 supplier)	43 out of 55	78%
Existing tier 1 suppliers assessed (based on all tier 1 supplier)	224 out of 4,090	5%
Number of self audits conducted	184 out of 286	64%
Number of site audits conducted	102 out of 286	36%
New critical tier 1 supplier that were screened using social & environmental criteria	43 out of 55	78%
Critical tier 1 suppliers assessed for social & environmental impacts	new: 43 out of 55 existing: 224 out of 231	new: 78% existing: 97%

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

No supplier was identified to have significant actual and potential negative environmental and social impacts and improvements were agreed upon as a result of assessments conducted.



Group photo of Top Glove internal auditors and suppliers during the supplier audit in FY2022.

## Governance: Supply Chain Management

### Top Glove Sustainability Webinar FY2022 for Suppliers & Contractors

In order to enhance awareness of suppliers and contractors on sustainability, we have conducted 3 Sustainability Webinars in FY2022 which we extended to our employees to attend as well, to reach out to the community. The webinar aims to educate the audience on sustainable and responsible material production and consumption. The webinars covered 73.5% of our total critical suppliers and 57.3% of total procurement spending. Suppliers from all categories are covered in the webinars such as packaging material suppliers, manpower agents, chemical suppliers, latex suppliers, canteen operators and more.

Topics covered in the webinar are:

<b>Environmental</b>	<ul style="list-style-type: none"> <li>Sustainable Procurement</li> <li>Packaging Materials Sustainability Journey</li> <li>Environmental Sustainability</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Forced Labour Indicators: Assessment and Remediation</li> <li>Community Project: Blind Masseurs Project &amp; Lend A Hand (LAH)</li> <li>Safety Awareness</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Ethics, Honesty, Integrity &amp; Transparency: Assessing Towards Promising Sustainable Future</li> <li>Quality Assurance System Sharing</li> <li>Stepping Up Governance in Cyber Security</li> <li>Supply Chain: Preserving Natural Resources &amp; Responsibility Towards Customer Demand</li> <li>Security Operation Management</li> </ul>



**Social Initiatives: Business Partners**  
Scan the QR code to view our social initiatives for business partners

<https://www.topglove.com/ESG-social>

### CUSTOMER EXPERIENCE

**Management Approach: We frequently engage with our customers to understand their needs, identify our shortfalls and new business opportunities. We define good customer satisfaction as not only entailing high quality and efficient low cost products, but also ethical business practices and robust protection of customers' data.**

### Ethical Marketing Practices

Top Glove endorses ethical business practices and established the Sales & Marketing Code of Conduct in FY2021, 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 anti-trust and monopoly legislation.



### Sales & Marketing Code of Conduct

Scan the QR code to view our Sales & Marketing Code of Conduct

[https://www.topglove.com/App\\_ClientFile/7ff8cb3f-fbf6-42e7-81da-6db6a0ab2ef4/Assets/pdf/Sales%20and%20Marketing%20Code%20of%20Conduct%20V20210801.pdf](https://www.topglove.com/App_ClientFile/7ff8cb3f-fbf6-42e7-81da-6db6a0ab2ef4/Assets/pdf/Sales%20and%20Marketing%20Code%20of%20Conduct%20V20210801.pdf)

### Year of Customer Centricity

In conjunction with the theme of the year, Year of Customer Centricity, the culture of customer centricity is extended to each and every employee in the Company, not only Sales and Marketing employees. In our own jobs we are all customers, just as we are all suppliers.

A variety of eLearning modules, training programmes and leadership summit were rolled out throughout the year to all employees to ensure the culture of customer centricity is embedded in our hearts to deliver quality products and service to achieve customer satisfaction.

Kindly refer to Infectious Diseases section at page 63 to view our initiatives to reconnect with our customers post-pandemic.

## Governance: Supply Chain Management

### 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 71% in FY2021 to 74% in FY2022. Overall, customers are satisfied with Top Glove in different aspects, especially services/responsiveness and shipping document management, where Top Glove scored Above Average.

Among our active customers, 22% of the respondents answered the customer satisfaction survey, which improved from 14% in FY2021. For more accurate results, we also focused on the top 100 customers, and we achieved a 46% response rate from them.

For Product Quality Expectation, there was a slight decrease in FY2022. The Production Department and Quality Assurance Department are working aggressively to ensure product quality meets specifications and customer expectations before releasing the shipment. The marketing research team will summarise all the customer feedback and propose a few solutions to address customer concerns.

Financial Year	FY2019	FY2020	FY2021	FY2022
Customer satisfaction (%)	74	72	71	74
Percentage of total customers responded (%)	19	19	14	22

### TOP GLOVE'S MANAGEMENT SYSTEM & PRODUCT CERTIFICATION JOURNEY

As a leader in the healthcare product manufacturing industry, Top Glove is committed to demonstrate our top quality, environmental and safety performance in order to drive continuous improvement across our manufacturing business. We uphold our commitment towards Environmental, Social and Governance aspects through certifying our factories with various ISO management system, regulatory and product certifications.

We started to certify our factories with ISO 13485 Quality Management System for Medical Device in year 1999. Over the years, we continued to obtain certifications for various management systems to sustain in the business. Top Glove always welcomes improvement and looks for opportunities to be better. Top Glove also acknowledges that it is important to have audits by third parties to ensure our operations have a good system in place and are complying with best practices.



## Continue Accelerating Our Sustainability Commitment



We view sustainable business practices as a strategic advantage. Accordingly, we strive to improve our business activities, influence our value chain and foster relationships as well as collaborations to accelerate our commitment in creating long term positive impacts to our stakeholders and the environment. By continuing to do well by doing good, we are able to move the needle to shape a better planet and a more sustainable society.

### FEEDBACK

We welcome enquiries, suggestions or feedback on our sustainability report or performance. Please write to our Board Sustainability Committee Chairman at [sustainability@topglove.com.my](mailto:sustainability@topglove.com.my).