Dear Fellow Stakeholders,

Sustainability has always been at the heart of our business, enabling us to create value and enrich the lives of our multiple stakeholders. And as Environmental, Social and Governance (ESG) considerations grow in their importance, so do the standards we hold ourselves to.

As the world’s largest manufacturer of gloves, we are cognisant our activities can potentially impact the environment and surrounding community, and aim to do so positively. As a corporate citizen and industry leader, we aspire to be a force for good through robust sustainability stewardship, while ensuring our company, people and partners grow together healthily.

It is with great pleasure that we present our maiden integrated Sustainability Policy, articulating our steadfast commitment to upholding best practices in the areas of Environmental, Social, Governance and Traceability, in alignment with the United Nations Sustainable Development Goals (SDGs). This Policy will serve as a guide to ethical and responsible sourcing and procurement activity, setting forth the behaviour expected of Top Glove, as well as our suppliers and business partners. Crystallising all we have been doing thus far and our future aspirations, this will steer us forward on our meaningful sustainability journey as we work hand in glove with our business partners towards fully achieving the commitments outlined in this Policy by 31 December 2025.

While we are pleased at the commendable progress made thus far, we recognise this is a journey on which we can never say we have truly arrived, as standards and requirements are constantly evolving. This is why we continue to evolve alongside, always ready to learn and improve on what we do and how we do it. One thing which will not change however, is our steadfast commitment to always do right by our stakeholders, and to continue to do well by doing good.

Tan Sri Dr Lim Wee Chai
Executive Chairman
15 June 2022
INTRODUCTION

Established in 1991 and headquartered in Malaysia, Top Glove is the world’s largest manufacturer of gloves. The Company has manufacturing operations in Malaysia, Thailand, Vietnam and China. It also has marketing offices in these countries as well as the USA, Germany and Brazil and exports to about 2,000 customers in 195 countries worldwide. Top Glove offers a comprehensive product range, which now includes a non glove segment comprising condoms, face masks, dental dams, exercise bands, personal care and household products, fulfilling demand in both the healthcare and non healthcare segment.
SCOPE OF POLICY

The Sustainability Policy elaborates on the sustainability commitment undertaken by Top Glove and applies to Top Glove Corporation Bhd, its subsidiaries and joint ventures. All of our business partners including agents, contractors, suppliers and vendors are required to comply with this Policy.

This Policy serves as a guide to ethical and responsible sourcing and procurement activity. It sets forth the behaviour expected of Top Glove, its suppliers and business partners in relation to ethical decisions on sourcing and procurement.
COMMITMENT STATEMENT

Top Glove is committed to ensuring safe human protection globally. This is realised by focusing on three strategic themes namely Environmental, Social and Governance which are supported by five sustainability goals as shown in Diagram 1. These important aspects are incorporated not only in its daily operations but also in its decision making processes.

As a responsible corporate citizen, Top Glove is committed to ensuring compliance with applicable local, national and international laws on human rights, labour, land use, the environment and governance. We also commit to implementing international best practices where legal frameworks are not yet in place.

GOVERNANCE STATEMENT

This Sustainability Policy is a matter reserved for the Board of Directors (Board) as the ultimate governing body of the Company, supported by the Board Sustainability Committee (BSC) which reviews the adoption and effectiveness of the Policy. The Managing Director, who chairs the management of Sustainability Steering Group, is responsible for overseeing the implementation, compliance, monitoring and evaluation of the Policy.
STRATEGIC THEME 1
ENVIRONMENTAL: TACKLING CLIMATE CHANGE AND RESTORING NATURE

1.1 No Deforestation
1.2 Protection of Peatlands
1.3 Protection of Biodiversity
1.4 No Open Burning
1.5 Water and Soil Management
1.6 Chemical Management
1.7 Reducing Energy Usage and Greenhouse Gas (GHG) Emissions
1.8 Waste Management and Recycling
1.1 NO DEFORESTATION

Top Glove adheres strictly to a No Deforestation policy by applying the High Carbon Stock Approach (“HCSA”) methodology, as well as any associated social requirements and implementation guidance and not clearing high carbon stock forests as defined in the HCSA. Sourcing natural rubber in a way that does not contribute to deforestation[^1] or degrade High Conservation Values (HCVs). Integrated HCV and High Carbon Stock (HCS) assessments are conducted before any new development, to determine where natural ecosystems should be protected and low carbon stock areas which have no demonstrable HCV; and where Free, Prior and Informed Consent (FPIC) has been obtained from rights holders are the minimum requirement for eligible planting areas.

Natural rubber from areas deforested or where HCVs have been degraded after the cut off date of 1 April 2019 is considered to be non conforming with this Policy.

[^1] Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation. This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests. Severe degradation [scenario (iii) in the definition] constitutes deforestation even if the land is not subsequently used for a non-forest land use. Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.
1.2 PROTECTION OF PEATLANDS

No development of natural rubber plantations or sourcing of rubber from peatlands, regardless of depth.

1.3 PROTECTION OF BIODIVERSITY

Protecting biodiversity and wildlife, including rare, threatened, endangered and critically endangered species from poaching, over hunting and habitat loss in areas of the company and supporting wildlife protection activities in areas of influence.

1.4 NO OPEN BURNING

Strictly adhere to a No Open Burning Policy in all new and existing operations.
Top Glove is committed to protection of water quality, preventing water contamination from agricultural and industrial chemicals, and to optimise and/or reduce water usage in operations where possible.

In addition, protecting soil quality, preventing erosion, nutrient degradation, subsidence and contamination.
1.6 CHEMICAL MANAGEMENT

Top Glove strictly observes the following:

a. Compliance with international, national, regional, local laws and regulations (including, but not limited to, management methods, usage restrictions and reporting requirements) concerning chemical substance in the country and region in which there are operations.

b. Provision of products and services that are free from chemical substances prohibited by national, regional, local laws and regulations.

c. Ensuring the risks of polluting water resources with natural or artificial chemical products and residues are adequately managed.

d. Ensuring its employees use suitable personal protective equipment (PPE) and that authorised chemical products are used appropriately including in transportation, storage, concentration and manipulation.
1.7 REDUCING ENERGY USAGE AND GREENHOUSE GAS (GHG) EMISSIONS

Continually develop energy reduction plans, explore and implement eco friendly technologies or meet internationally recognised standards for energy usage such as ISO 50001.

Progressively reduce GHG emissions at existing operations with the target to achieve Net Zero Carbon and minimise GHG emissions from new operations.

1.8 WASTE MANAGEMENT AND RECYCLING

Improve resource efficiency and minimise waste in the development, production and delivery of products and services through proper waste management practices such as 5Rs (Refuse, Reduce, Reuse, Repair and Recycle) programs.
STRATEGIC THEME 2

SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN

2.1 Respect and Support Internationally Recognised Human Rights
2.2 No Child Labour
2.3 No Forced Labour
2.4 Freedom of Association and Collective Bargaining
2.5 Equal Employment Opportunities and Diversity
2.6 No Abuse Practices, Harassment and Violence or Undue Disciplinary Procedures

2.7 Legal and Decent Working Hours
2.8 Employment Contracts
2.9 Minimum Wage and Fair Benefits
2.10 Accommodation to Employees
2.11 Safe and Healthy Workplaces
2.12 Respect for the Rights of Indigenous Peoples and Local Communities
2.1 RESPECT AND SUPPORT INTERNATIONALLY RECOGNISED HUMAN RIGHTS

Top Glove strictly observes the following:

a. Respects and upholds the rights of all employees\(^2\) with the International Labour Organisation’s fundamental conventions and the Guiding Principles on Business and Human Rights (UNGP) by the United Nations as guidance.

b. Recognises the inherent dignity of an individual and supports the Universal Declaration of Human Rights by the United Nations, including prohibiting retaliation against the Human Rights Defenders (“HRD”) in accordance to the United Nations Declaration on HRD.

c. Ensures compliance with local, national and ratified international laws and that international best practices are adopted where legal frameworks are not yet in place.

\(^2\) Employees include men and women, migrants, transmigrants, contract workers, casual workers and employees from all levels of the organisation.
2.2 NO CHILD LABOUR

a. Prohibition of child labour and respect for child rights.

b. Remedial actions with appropriate follow up actions shall be employed if any child labour case is uncovered to protect the welfare of the child. This includes access to comprehensive health and social protection measures and education opportunities relevant to their age and development.
2.3 NO FORCED LABOUR

a. Zero tolerance for forced labour, which includes modern slavery; human trafficking; forced, bonded, indentured or involuntary prison labour. Victims, if any, will be provided with assistance to seek appropriate victim centered rehabilitation services and access to social protection.

b. Prohibition on any deductions from any part of employees' wages and withholding any property, identification cards, passports or other travel documents unless provided for by law.

c. Ensuring ethical recruitment including implementation of Zero Cost Recruitment Policy such that prohibits the imposition or collection by its contractors, of any non mandated/illegal fees, commissions and/or levies from its employees. The services of non compliant contractors will be terminated, if found to be doing so. Affected employees, if any, will be given assistance to recover the unlawful fees/commissions/levies paid.

d. Ensuring there are no restrictions on employees' freedom of movement.
2.4 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

a. Recognise and respect employees’ rights to freedom of association, collective bargaining, and to form and join trade unions of their choice.

b. Trade unions have access to Top Glove’s operations, and Top Glove will not interfere with the organising of activities of employees, employee representatives or representatives of trade unions. Employees representatives are not discriminated against and have access to carry out their representative functions in the workplace.
2.5 EQUAL EMPLOYMENT OPPORTUNITIES AND DIVERSITY

a. Harassment and unlawful discrimination including in terms of race, ethnicity, caste, nationality, religion, disability, gender, sexual orientation, family background, union membership, political affiliation, gender identity, marital status and age are not tolerated at any stage of employment.

b. Respect for diversity and provision of a working environment free from discrimination, harassment and abuse, as outlined in our HR Manual on Diversity, Equality and Inclusion Policy.

c. Ensure equal opportunities in the workplace and equal pay for equal work that in compliance with local laws. All decisions relating to hiring, remuneration, access to training, promotion, termination or retirement will be made based on business needs, job requirements and individual qualifications.

d. Reproductive rights in line with the country’s laws shall be respected.
2.6 NO ABUSE PRACTICES, HARASSMENT AND VIOLENCE OR UNDUE DISCIPLINARY PROCEDURES

a. Prohibition on any form of corporal punishment, harassment and abuse.

b. Applicable disciplinary procedures must be clearly communicated to all employees.

c. Grievance and investigation processes shall be in place.

2.7 LEGAL AND DECENT WORKING HOURS

a. Ensure that working hours are legally compliant and are compensated in accordance with national legislation including overtime hours (which are on a voluntary basis) and that employees have at least one rest day each week.

b. Records of working hours and wages for all employees shall be maintained.
2.8 EMPLOYMENT CONTRACTS

a. Ensure that employees are given in writing, in a language that they understand, a description of their duties, information on working hours, rate of pay, leave, and any other terms and conditions of employment.

b. The above document shall be signed by both employer and employee.

2.9 MINIMUM WAGE AND FAIR BENEFITS

Ensure all employees are paid a wage equal to or exceeding local minimum wage and are covered for work related illness and injuries. Fair benefits are given to employees, without discrimination as to nationality, social origin, religion, language, gender, culture and/or any other status.

2.10 ACCOMMODATION TO EMPLOYEES

In cases where accommodation is provided to its employees, they are required to comply with applicable accommodation laws and regulations including access to safe drinking water and electricity.
2.11 SAFE AND HEALTHY WORKPLACES

a. Ensure its employees are in a safe environment and protected from hazards of the job.

b. Provide (PPE) as appropriate to the work being performed free of cost and shall also be replaced if damaged.

c. Provide regular training and information in the national language (or any other method that foreign employees can understand) on occupational health and safety practices and policies.

d. Prohibit highly toxic, bio accumulative and persistent pesticides. This includes chemicals listed by the following:
   i. World Health Organisation Class 1A or 1B, Stockholm or Rotterdam Conventions; and
   ii. Paraquat.

e. Disclose to the employees the ingredients and any associated health risks of any pesticides and fertilisers used, if applicable.

f. Adopt good housekeeping programs and ensure the workplace is clean and orderly.

g. Employ a hazard recognition program to detect unsafe acts, unsafe conditions or hazards at workplace.

h. Implement risk assessment programs for all work activities, mitigate and control all risks identified.

i. Conduct safety inspections and maintenance of machinery and workplace.
2.12 RESPECT FOR THE RIGHTS OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

a. Being mindful to always respect the rights of indigenous peoples and local communities (IP/LC) in conducting our business activities.

b. To carry out operations in alignment with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).

c. Conduct a process of Free, Prior and Informed Consent (FPIC) prior to any activities that may affect the rights of IP/LC, and adhere to the outcomes of this process.

d. Provide remediation to IP/LC where activities have infringed their rights.
STRATEGIC THEME 3

GOVERNANCE: CREATING LONG TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT

3.1 Business Integrity
3.2 Zero Tolerance for Bribery and Corruption
3.3 Zero Tolerance for Money Laundering
3.4 Protection of Personal Data and Proprietary Rights
3.5 Grievance Mechanism & Whistleblowing Procedure
3.1 BUSINESS INTEGRITY

Conduct business in accordance to high ethical standards; adopting honesty, integrity and transparency in business dealings.

3.2 ZERO TOLERANCE FOR BRIBERY AND CORRUPTION

a. Refrain from participating in or tolerating any forms of corruption, bribery, extortion or embezzlement.

b. Adhere to the Top Glove Anti Bribery & Anti Corruption Policy.
3.3 ZERO TOLERANCE FOR MONEY LAUNDERING

Comply with applicable national and/or international accounting and banking standards and processes, as well as laws with respect to money laundering, fraud and other illegal financial activities.

3.4 PROTECTION OF PERSONAL DATA AND PROPRIETARY RIGHTS

Implement appropriate safeguards to protect confidential information and/or intellectual property of business partners, as well as personal data and/or personal information including but not limited to individual’s privacy.
3.5 GRIEVANCE MECHANISM & WHISTLEBLOWING PROCEDURE

a. Commit to have proper grievance mechanism and whistleblowing measures to allow employees to raise grievances or report wrongdoings in good faith without fear of reprisal and resolve complaints in accordance with UN Guiding Principles on Business and Human Rights effectiveness criteria.

b. Top Glove has developed processes through its Grievance Procedure which includes providing hotlines to channel grievances and complaints for the transparent and responsible handling of these matters therefrom in consultation with such stakeholders.
4.0 TRACEABILITY

Top Glove aims to achieve **70%** traceability to plantations of natural rubber sourcing by FY 2025. We shall work closely with stakeholders especially suppliers, to map their supply chains and overlay them with maps of environmental and social risks zones. Such traceability provides a means to identify critical areas with high conservation value and high carbon stock as well as social issues and conflicts. The resulting map provides the basis for purchasing decisions by Top Glove and the development of action plans together with our suppliers and business partners whenever necessary.
Top Glove acknowledges that the implementation of this Policy and its effectiveness would require the support and cooperation of the entire Group and its business partners. We value constructive inputs and suggestions to further enhance the implementation of the commitments herein.

We will continually monitor and analyse the implementation process. We will review and reflect in the Policy any new developments which support our commitment towards upholding best practices in the areas of environment, social and good governance.
6.0 RISK BASED APPROACH AND CONTINUOUS IMPROVEMENT

Top Glove will work closely with our business partners, to develop a risk map of its supply chain. This risk mapping provides a means to identify critical areas with risk of environmental issues such as deforestation as well as social issues. The resulting maps will serve as a guide for purchasing decisions by the Group and the development of timebound action plans together with business partners whenever necessary. With this, we target to achieve the Commitments in this Policy in full by **31 December 2025**.

By FY 2025, Top Glove is also committed to setting a target year by which to achieve our Net Zero Carbon aspiration.
7.0 GRIEVANCE HANDLING PROTOCOL

Top Glove takes the commitments in this Policy (including its Business Partners Code of Conduct) seriously and will continue to engage with its stakeholders to ensure compliance. In cases of chronic non-compliance or serious violations by business partners, Top Glove will take appropriate action in accordance to the Top Glove Sustainability Policy Grievance Handling Protocol including but not limited to their removal from the Group’s supply chain.

8.0 MONITORING, EVALUATION & REPORTING

We believe that transparency and traceability are central to driving change throughout our supply chain and raising standards across the industry. Accordingly, we will report transparently on our progress at least once a year annually in the Integrated Annual Report, including improvements achieved and challenges encountered on our journey.

Top Glove reserves the right to vary and improve the Policy from time to time.