

GOVERNANCE

QUARTERLY ENGAGEMENT INDEPENDENT DIRECTORS & WORKER REPRESENTATIVES

Focusing on the welfare and well-being of workers, the Independent Directors engage with workers quarterly to listen to the feedback and issues of workers so that they could offer assistance. The 1st Engagement Session between Top Glove's Independent Directors and Foreign Workers' Representatives with the presence of the management kick-started on 9 March 2021, with six workers representatives from two different nationalities i.e. Nepal & Bangladesh. Various workers related issues were discussed in every quarter engagement, which include accommodation, grievance procedures & complaints processes, awareness on workplace bullying & sexual harassment.

ENGAGEMENT BETWEEN INDEPENDENT DIRECTORS & WORKERS ON TG'S PIKAS PROGRAMME

The Top Glove Independent Directors "zoomed in" the morning on Thursday, 29th July 2021, to Top Glove's PIKAS programme, as part of their 3rd Engagement Session with Workers. During the session, they spoke with workers about how they were faring during this time, and about the vaccination process.

They also had a virtual tour of the PPVIN and spoke with two of the doctors on duty, who had praised Top Glove's PIKAS programme, citing the exemplary teamwork and collaboration between the doctors and Top Glove volunteers.

At the end of the virtual visit to the PIKAS programme, the directors expressed great satisfaction over the employees' vaccination programme and commended its progress.



GOVERNANCE



ISO 27001: 2013 CERTIFICATION

Top Glove has engaged with SIRIM (Malaysia's certification body) to obtain the ISO certification. The standard which has been covered is ISO 27001:2013 that emphasis on Information Security Management System. It specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the context of the organization. The training was conducted by SIRIM virtually to the IT staff due to the pandemic period and travel restrictions. IT developed the procedures & comply in order to align with the certification requirement such as physical & environmental security, information security, and access control. SIRIM conducted an audit virtually with the respective IT teams to ensure that the policies and practices adhere to the ISO 27001:2013 standard.

GOVERNANCE



MANAGEMENT INCENTIVE/ EXECUTIVE COMPENSATION LINKED TO ESG METRICS

Towards further ensuring that the Company's sustainability goals are advanced, Management is held accountable for the achievement of these goals, with executive compensation tied in with the managing of identified material Environmental, Social & Governance (ESG) issues.

To this end, 40% of their Key Performance Indicators (KPIs) are related to the Social & Environmental pillar and aligned with the Group's top 5 material issues. The ESG metrics used to determine executive compensation include:

No.	ESG Metric	Performance Indicator
1	Product quality & safety	Customer complaint rate
2	Occupational health & safety	Occupational accident rate
3	Talent retention	Top performing employee turnover rate
4	Labour management	Social compliance audit
5	Carbon emission (to be associated from FY2022 onwards)	Scope 1 & 2 emission intensity reduction

In FY2022, in tandem with the Group's commitment to address climate change issue aggressively, carbon emission reduction will be incorporated as a Group KPI and will also be associated with executive compensation.

Tax Principles & Strategy

Top Glove has outlined clear and sustainable tax strategies, articulating the following commitments:

- a. Compliance with the spirit as well as the letter of the tax laws and regulations in countries in which we operate
- b. Not to transfer value created to low tax jurisdictions
- c. Not to use tax structures without commercial substance
- d. Undertaking of transfer pricing using the arm's length principle
- e. Not to use secrecy jurisdictions or so-called "tax havens" for tax avoidance
- f. The tax policy to be approved and overseen by the Board of Directors

GOVERNANCE

MANAGEMENT SYSTEM & PRODUCT CERTIFICATION

As the world's largest manufacturer of gloves, 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 management system and product certification.

Below is the list of our applicable management system and product certification.

a. Management System Certification

No.	Type of Management System Certification	Year of Certified since
1	ISO 13485 Quality Management System for Medical Device	1999
2	HACCP Hazard Analysis Critical Control Point	2005
3	ISO 9001 Quality Management System	2005
4	ISO 14001 Environmental Management System	2012
5	ISO 37001 Anti Bribery Management System	2017
6	MDSAP Medical Device Single Audit Program	2018
7	ISO 18788 Security Operational Management System	2019
8	BRC British Retail Consortium	2019
9	ISO 27001 Information Security Management System	2020
10	FSC Forest Stewardship Council	2020
11	ISO 45001 Occupational & Health and Safety Management System	2021
12	ISO 22716 Good Manufacturing Practices for Cosmetics.	2021

GOVERNANCE

MANAGEMENT SYSTEM & PRODUCT CERTIFICATION (cont'd)

b. Product Certification

No.	Type of Product Certification
1	USA FDA 510K
2	Malaysia Rubber Board SMG Certificate
3	Malaysia JAKIM Halal Certificate
4	SGS UK EU MDD 93/42/EEC CE
5	SATRA EC Type Examination Certificate
6	Health Canada Medical Device License
7	Canada CGSB Certificate
8	Malaysia Medical Device Registration Certificate
9	China Registration Certificate for Medical Device, NMPA
10	Japan Registration Certificate of Foreign Medical Device Manufacturer
11	Russia Registration Certificate for a Medical Device
12	Saudi Arabia Medical Device Marketing Authorization

GOVERNANCE

EXTENSION AND EXPANSION OF ISO 37001: 2016 ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS)

Top Glove Corporation Bhd's Anti Bribery Management System (ABMS) ISO 37001: 2016 is audited by external auditor, SIRIM QAS International and the management devotedly extend and expand the ABMS scope and implementation to its subsidiaries since FY2020. The ISO 37001 audit is performed annually throughout 3 years of certificate validity audit involving all core departments from headquarters to factory level.

W.H.I.T.E. INTEGRITY ENHANCEMENT PROGRAM

W.H.I.T.E [5 Healthy Wells, Honesty, Integrity, Transparency and Educate] is one of the trademark introduced by the Top Management in its determination to combat bribery and corruption among its internal and external stakeholders. Started since 2019 by having awareness roadshow on MACC Corporate Liability Section 17A and anti-corruption initiatives covering Malaysian and Thailand factories, several programs are initiated under W.H.I.T.E's umbrella. The programs includes:

- a. W.H.I.T.E Integrity Roadshow
- b. W.H.I.T.E Integrity Day
- c. Special training for BOD
- d. Ikrar Bebas Rasuah [IBR]
- e. Wearing white shirt on every first Wednesday of the month
- f. Integrity survey
- g. Integrity briefing slide
- h. Training & awareness
- i. Town hall sessions with external stakeholders to include in the W.H.I.T.E Integrity Enhancement Program.

