

**TOP GLOVE**

TOP QUALITY, TOP EFFICIENCY

**SUSTAINABILITY  
REPORT  
2023**

## TOP GLOVE CORPORATION BHD

Incorporated in Malaysia [Registration No.: 199801018294 (474423-X)]

A Public Company Listed on the Main Market of Bursa Malaysia and Main Board of Singapore Exchange

FINANCIAL YEAR ENDED

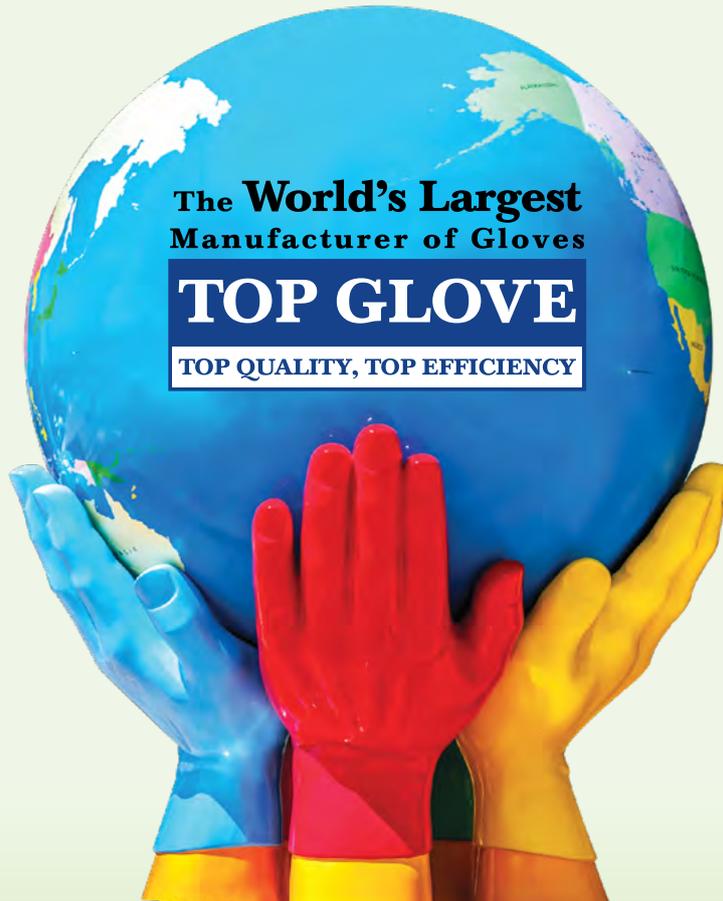
**31 AUGUST 2023**

# TOGETHER, HEALTHIER, STRONGER

SCAN FOR  
INTEGRATED ANNUAL  
REPORT 2023



SCAN FOR  
SUSTAINABILITY  
REPORT 2023



# Basis of This Report

## SCOPE AND BOUNDARY REPORTING

### Financial and non-financial reporting

This document stands as our official Sustainability Report. Within its pages, we explore our non-financial performance, dissect opportunities, evaluate risks, and scrutinise outcomes associated to all stakeholders who influence over our value generation. Our reporting predominantly centres on disclosures at the group level, unless otherwise specified. Notably, there have been no substantial alterations to our organisational framework, ownership, or supply chain throughout the reporting year.

## REGULATORY CONTEXT AND REPORTING FRAMEWORKS

This Sustainability Report adopts both local and global standards, which include:

- International Integrated Reporting Council (IIRC) Framework
- Framework and Sustainability Accounting Standards Board (SASB)
- United Nations Sustainable Development Goals (SDGs)
- Ten Principles of the UN Global Compact (UNGC)
- Greenhouse Gas (GHG) Protocol
- Malaysian Code on Corporate Governance (MCCG)
- Global Reporting Initiative (GRI) Standards: Core Option
- Bursa Malaysia Sustainability Reporting Guidelines 3<sup>rd</sup> Edition
- Bursa Malaysia Corporate Governance Guide 4<sup>th</sup> Edition
- Task Force on Climate-related Financial Disclosures (TCFD) Framework
- International Financial Reporting Standards (IFRSs) by ISSB
- Sustainability rating criteria by index rating providers such as FTSE Russell ESG Ratings, Morgan Stanley Capital International (MSCI) ESG Ratings, S&P Global Corporate Sustainability Assessment (CSA) and Bloomberg Gender Equality Index (GEI)
- Sustainability Policy Transparency Toolkit (SPOTT)
- Climate Disclosure Project (CDP)
- EcoVadis

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements concerning our business. While we believe these statements are reasonable, they inherently involve risks and uncertainties, however we shall fervently work towards the results and developments outlined in the said statement. Forward-looking statements are valid only as of the date of this report, and we do not undertake any obligation to update or revise them, except as required by law. It is essential for investors to exercise caution and not place undue reliance on these forward-looking statements, given that actual results may differ materially from what is projected due to factors beyond our control.

## EXTERNAL ASSURANCE

This report follows governance rules and procedures to ensure accurate reporting of all financial and non-financial data. The accuracy and reliability of this report have been confirmed through an assessment conducted by SIRIM QAS International Sdn Bhd. Their assurance standard encompasses an evaluation of Top Glove's sustainability reporting practices, performance, and a comprehensive review of the underlying assumptions and processes that support the Sustainability Report. The independent assurance statement from SIRIM QAS International Sdn Bhd can be found on pages 87 to 89.

## ACCESSING THE REPORT

This report is exclusively available in digital format. To view it, please visit our Company's website at <http://www.topglove.com/sustainability>. If you have any comments or suggestions regarding our Environmental, Social, and Governance disclosures and performance, please reach out to us via email at [sustainability@topglove.com.my](mailto:sustainability@topglove.com.my).

### Navigating through the Sustainability Report 2023

Informs where to find more information online.



“As we navigate the ever-changing post-pandemic business landscape, our commitment to sustainability stands strong, supported by our notable achievements.”

Our teams' dedication to sustainability has resulted in a much improved Environmental, Social & Governance (“ESG”) scoring, a testament to our alignment of actions with commitments.

While challenges are bound to come our way, our dedication, resilience, and innovative spirit are the driving force that will see us through. Together, we set forth on a journey towards a more sustainable and prosperous future. As we move forward, we urge our employees, partners, and stakeholders to continue championing sustainability, not only within our organisation but far beyond it. Our collective creativity and innovation are our greatest assets and will be instrumental in taking our sustainability initiatives to new heights.

To all our internal and external stakeholders, we say “thank you”. We appreciate your trust in Top Glove and are grateful for your involvement in our quest for a more sustainable and prosperous future.

**Lim Cheong Guan**  
Managing Director

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SECTION 1 CREATING SUSTAINABLE VALUE



## 2023 Sustainability Highlights

### Top Index Recognition

Secured the fifth consecutive year on the prestigious Dow Jones Sustainability Indices (DJSI) in 2023, ranked in the **Top 3% in the Healthcare Equipment and Supplies Industry**, and **recognised in S&P Global's annual Sustainability Yearbook 2023 as an 'Industry Mover'**.

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

### The Sustainability Yearbook - 2023 Rankings

- Industry Mover
  - Sustainability Yearbook Member
- Top Glove Corporation Bhd.



**Second consecutive year of inclusion in the Bloomberg Gender Equality Index (GEI).**



FTSE4Good

**Maintained FTSE4Good 4-Star rating in 2023**, signifying Top Glove's position in the **Top 25% of ESG ratings among PLCs in the FBM Emas Index**, as assessed by FTSE Russell.

**Top 13% in the FTSE Russell ESG Ratings among companies in the Healthcare Sector**, marking a notable improvement from our previous position in Top 16%.

### Membership Associations



Network  
Malaysia & Brunei

**UN Global Compact Network Malaysia & Brunei (UNGCMYB)** member to raise SDG Ambition together.

### CEO Action Network (CAN)

towards shaping future ready and ESG-integrated business models and ecosystems.



### Supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

in September 2023.



## Overview of Sustainability



### SUSTAINABILITY GOVERNANCE

#### Board Sustainability Committee

The Board Sustainability Committee's ("BSC") mandate and role descriptions, as outlined in the BSC Terms of Reference, encompasses its responsibilities for managing sustainability-related risks and opportunities throughout the organisation. The Committee ensures the Board stays updated on all ESG matters as they emerge and the mitigation actions underway. In keeping abreast on the dynamic sustainability landscape, the Committee recommends to the Board of Directors their continued upskilling and understanding of sustainability through participation in training programmes, and conferences organised by regulatory bodies, government bodies and NGOs. These programmes encompass events like the Validation Meeting for the National Baseline Assessment on Business and Human Rights, Sustainability Governance and Reporting, ESG Designation Programmes, and more. The committee also ensures that Programmes considerations are carefully integrated into the organisation's strategy, key transaction decisions, and risk management processes. While the Board is ultimately responsible for reviewing and deliberating the Group's targets and monitoring progress

towards those targets, the BSC enables this process by serving to bridge the communication with Management, overseen by the Sustainability Steering Group ("SSG"). In the event of significant updates, the SSG promptly escalates the matters to the Committee.

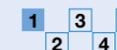
#### Sustainability Steering Group

The SSG, led by the Managing Director, comprises the Heads of various departments i.e. Group Engineering, HQ Safety, Corporate Secretary, HQ Regulatory Affairs, HQ IETS, Group HR, Group Procurement, Risk Management, Top Glove Foundation, Marketing and IT. This diverse team collaboratively drives sustainability strategies and targets within the organisation through bi-monthly meetings. Our SSG is responsible for monitoring sustainability metrics, following established principles. We adopt a multifaceted approach to address sustainability risks, incorporating Enterprise Risk Management adherence to a clearly defined Sustainability Policy, alignment with national and global frameworks, and the application of relevant sustainability and ISO certifications. This comprehensive strategy enables us to efficiently manage and mitigate risks while steadfastly upholding our commitment to sustainability.





SECTION 1 CREATING SUSTAINABLE VALUE



# Stakeholder Engagement

# Stakeholder Engagement

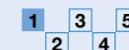
We are committed to actively involve our stakeholders through various channels, addressing their concerns, and meeting their expectations. This approach allows us to align our key priorities with the broader interests of the economy, society, and the environment. The outcomes of these engagements not only help us identify emerging market trends but also anticipate challenges. Consequently, we can adjust our sustainability strategy and business activities to harmonise with the evolving needs and expectations of all stakeholders.

### HOW ARE OUR STAKEHOLDERS CONNECTED?



STAKEHOLDERS	ENGAGEMENT CHANNELS AND FREQUENCY	TOP 5 MATERIAL MATTERS CONCERNED	TOP GLOVE'S RESPONSE	VALUE CREATED FOR STAKEHOLDERS	CAPITAL
<p><b>Employees</b></p> <p>Employees are the vital force behind the Group's operations. Effective leadership is essential to navigate the Company and maintain its operations in pursuit of Top Glove's long-term objectives.</p>	<ul style="list-style-type: none"> <li><b>Weekly</b> Employee assembly</li> <li><b>Weekly</b> Engagement and announcement in Viva Engage Platform</li> <li><b>Bi annual</b> Performance appraisal review</li> <li><b>Annual</b> Employee satisfaction survey</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Recreational, training and empowerment activities</li> <li>Corporate events</li> <li>Newsletters</li> </ul>	<ol style="list-style-type: none"> <li>Labour Management Relations</li> <li>Product Quality &amp; Safety</li> <li>Environmental Compliance</li> <li>Human Rights</li> <li>Customer Experience</li> </ol>	<ol style="list-style-type: none"> <li>Independent social compliance audit</li> <li>Townhall session for employees</li> <li>Employee engagement survey</li> <li>Employee accommodation upgraded according to standards</li> <li>Product quality &amp; safety, social and environment training</li> <li>Tightened quality control</li> </ol>	<ol style="list-style-type: none"> <li>Greater productivity</li> <li>Enhanced employer-employee</li> <li>Employee well-being improvement</li> </ol>	<ul style="list-style-type: none"> <li>Human</li> <li>Social &amp; Relationship</li> <li>Intellectual</li> </ul>
<p><b>Customers</b></p> <p>Our products ensure safe human protection globally. Fulfilling global customers' needs is our responsibility.</p>	<ul style="list-style-type: none"> <li><b>Annual</b> Business trips</li> <li><b>Annual</b> Tradeshows</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Meetings</li> <li>Social compliance audit</li> <li>Customer portal</li> </ul>	<ol style="list-style-type: none"> <li>Environmental Compliance</li> <li>Supply Chain Management</li> <li>Product Quality &amp; Safety</li> <li>Customer Experience</li> <li>Human Rights</li> </ol>	<ol style="list-style-type: none"> <li>Environmentally friendly practices in manufacturing processes</li> <li>Traceability taskforce</li> <li>Product pre-inspection before delivery to customer</li> <li>Customer satisfaction survey</li> <li>Quality testing from finished product</li> <li>Independent social compliance audit, BSCI &amp; SMETA</li> </ol>	<ol style="list-style-type: none"> <li>Enhanced customer relationship</li> <li>Increased brand relevance globally</li> <li>Customer satisfaction</li> <li>Business permits and product license renewal</li> </ol>	<ul style="list-style-type: none"> <li>Financial</li> <li>Social &amp; Relationship</li> </ul>
<p><b>Shareholders/Investors, Analysts/Bankers</b></p> <p>Shareholders and investors invest in the Group's business and we are compelled to deliver financial performance and strategic decisions for future prospect.</p>	<ul style="list-style-type: none"> <li><b>Quarterly</b> Analyst briefing</li> <li><b>Annual</b> Feedback forms</li> <li><b>Annual</b> General meetings</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Analyst/fund managers/investor meetings</li> <li>Roadshows and conferences</li> <li>Social media platform</li> </ul>	<p><b>Shareholders</b></p> <ol style="list-style-type: none"> <li>Environmental Compliance</li> <li>Supply Chain Management</li> <li>Product Quality &amp; Safety</li> <li>Customer Experience</li> <li>Human Rights</li> </ol> <p><b>Investors, Analysts/Bankers</b></p> <ol style="list-style-type: none"> <li>Labour Management Relations</li> <li>Ethics, Integrity &amp; Governance</li> <li>Environmental Compliance</li> <li>Human Rights</li> <li>Supply Chain Management</li> </ol>	<ol style="list-style-type: none"> <li>R&amp;D and innovation</li> <li>Automation and digitalisation investment</li> <li>ISO 37001 Anti-Bribery Management System certification</li> <li>Natural rubber traceability</li> <li>Updated corporate website</li> </ol>	<ol style="list-style-type: none"> <li>Retained investors' confidence</li> <li>Transparency in corporate governance reporting and practices</li> <li>Wider product range</li> <li>Consistent product quality and lower production cost</li> </ol>	<ul style="list-style-type: none"> <li>Financial</li> <li>Human</li> <li>Social &amp; Relationship</li> <li>Intellectual</li> <li>Manufactured</li> </ul>
<p><b>Suppliers</b></p> <p>Suppliers are essential for sourcing materials and services critical to our production and customer deliveries. We prioritise close and positive relationships with them.</p>	<ul style="list-style-type: none"> <li><b>Annual</b> Audit and site visit</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Meetings and dialogue sessions</li> <li>Electronic procurement network</li> <li>Trainings</li> </ul>	<ol style="list-style-type: none"> <li>Environmental Compliance</li> <li>Ethics, Integrity &amp; Governance</li> <li>Product Quality &amp; Safety</li> <li>Labour Management Relations</li> <li>Supply Chain Management</li> </ol>	<ol style="list-style-type: none"> <li>Environmentally and responsible handling, store, use and dispose of materials</li> <li>Business Partners' Code of Conduct</li> <li>Quality testing from finished product</li> <li>Supplier assessment/audit</li> </ol>	<ol style="list-style-type: none"> <li>Sustainable sourcing</li> <li>Business reputation and integrity assurance</li> <li>Enhanced supplier relationship</li> </ol>	<ul style="list-style-type: none"> <li>Manufactured</li> <li>Intellectual</li> <li>Financial</li> </ul>

SECTION 1 CREATING SUSTAINABLE VALUE



## Stakeholder Engagement

## Stakeholder Engagement

STAKEHOLDERS	ENGAGEMENT CHANNELS AND FREQUENCY	TOP 5 MATERIAL MATTERS CONCERNED	TOP GLOVE'S RESPONSE	VALUE CREATED FOR STAKEHOLDERS	CAPITAL
<p><b>Governments/Regulators</b></p> <p>Governmental bodies regulate our day-to-day business activities. We are committed to adhering to all relevant local, national, and international laws and regulations.</p>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Formal meetings</li> </ul>	<ol style="list-style-type: none"> <li>Environmental Compliance</li> <li>Human Rights</li> <li>Labour Management Relations</li> <li>Waste &amp; Effluent</li> <li>Ethics, Integrity &amp; Governance</li> </ol>	<ol style="list-style-type: none"> <li>Compliance to Environmental Quality Act, 1974</li> <li>ISO 14001 Environmental Management System certification</li> <li>Compliance to Department of Environment's (DOE) standards</li> <li>Steering committee for Human Rights and social compliance audit</li> <li>ISO 37001 Anti-Bribery Management System</li> </ol>	<ol style="list-style-type: none"> <li>Sustainable sourcing</li> <li>Business reputation and integrity assurance</li> <li>Business permits and product license renewal</li> <li>Compliance to governmental regulations</li> </ol>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> <li>Natural</li> <li>Intellectual</li> </ul>
<p><b>Local Communities</b></p> <p>We acknowledge that our activities may impact neighbouring communities. Our commitment is to address their concerns and contribute positively to the community's well-being.</p>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Engagement with local councils and residence associations</li> <li>Community support programmes</li> </ul>	<ol style="list-style-type: none"> <li>Waste &amp; Effluent</li> <li>Environmental Compliance</li> <li>Occupational Health &amp; Safety</li> <li>Human Rights</li> <li>Physical Impacts of Climate Change</li> </ol>	<ol style="list-style-type: none"> <li>Compliance to Department of Environment's (DOE) standards</li> <li>Direct and indirect emission monitoring</li> <li>Independent audits on social compliance</li> <li>Top Glove Global Doctors (TGGD) Medical &amp; Dental Clinic is open to local communities</li> </ol>	<ol style="list-style-type: none"> <li>Enhanced relationship with local communities</li> <li>Safer and cleaner living environment for the local communities</li> <li>Harmonious community</li> </ol>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> <li>Natural</li> </ul>
<p><b>Non-Governmental Organisations</b></p> <p>Non-Governmental Organisations (NGOs) offer valuable insights into our social and environmental initiatives. They also serve as a crucial link connecting us with other stakeholders.</p>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Formal/casual meetings</li> <li>Campaigns</li> <li>Collaborations</li> </ul>	<ol style="list-style-type: none"> <li>Environmental Compliance</li> <li>Human Rights</li> <li>Labour Management Relations</li> <li>Ethics, Integrity &amp; Governance</li> <li>Waste &amp; Effluent</li> </ol>	<ol style="list-style-type: none"> <li>ISO 14001 Environmental Management System certification</li> <li>Independent audits on social compliance</li> <li>ISO 37001 Anti-Bribery Management System certification</li> <li>Compliance to Department of Environment's (DOE) standards</li> </ol>	<ol style="list-style-type: none"> <li>Enhanced relationship with NGOs</li> <li>Enhanced reputation of the Company among the general public</li> </ol>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> <li>Intellectual</li> </ul>
<p><b>Media</b></p> <p>The media has great influence over the public perception of the Group. Positive or negative media reporting may respectively boost or damage the Group's reputation.</p>	<ul style="list-style-type: none"> <li><b>Quarterly</b> Financial results briefings</li> </ul> <p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Interviews</li> <li>Media inquiries</li> </ul>	<ol style="list-style-type: none"> <li>Labour Management Relations</li> <li>Human Rights</li> <li>Environmental Compliance</li> <li>Ethics, Integrity &amp; Governance</li> <li>Physical Impacts of Climate Change</li> </ol>	<ol style="list-style-type: none"> <li>Independent audits on social compliance</li> <li>Adherence to Environmental Quality Act, 1974</li> <li>ISO 37001 Anti-Bribery Management System</li> <li>FY2025 Sustainability Roadmap Blueprint</li> </ol>	<ol style="list-style-type: none"> <li>Improved reputation and brand relevance</li> <li>Transparency in providing information to all pertinent stakeholders</li> </ol>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> </ul>
<p><b>Industry Associations</b></p> <p>Different associations offer unique market perspectives. Meaningful engagement and partnerships with them have the potential to enhance the Group's long-term growth prospects.</p>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Formal meetings</li> </ul>	<ol style="list-style-type: none"> <li>Human Rights</li> <li>Product Quality &amp; Safety</li> <li>Ethics, Integrity &amp; Governance</li> <li>Labour Management Relations</li> <li>Environmental Compliance</li> </ol>	<ol style="list-style-type: none"> <li>Independent audits on social compliance</li> <li>Innovation through R&amp;D</li> <li>Investment in automation and digitalisation</li> <li>Whistleblowing channel</li> <li>ISO 14001 Environmental Management System certification</li> </ol>	<ol style="list-style-type: none"> <li>Continuous support from industry peers</li> <li>Informational updates about the industry</li> <li>Stronger relationship with our peers</li> <li>Industry peers assured of business integrity and sustainability</li> </ol>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> <li>Intellectual</li> </ul>

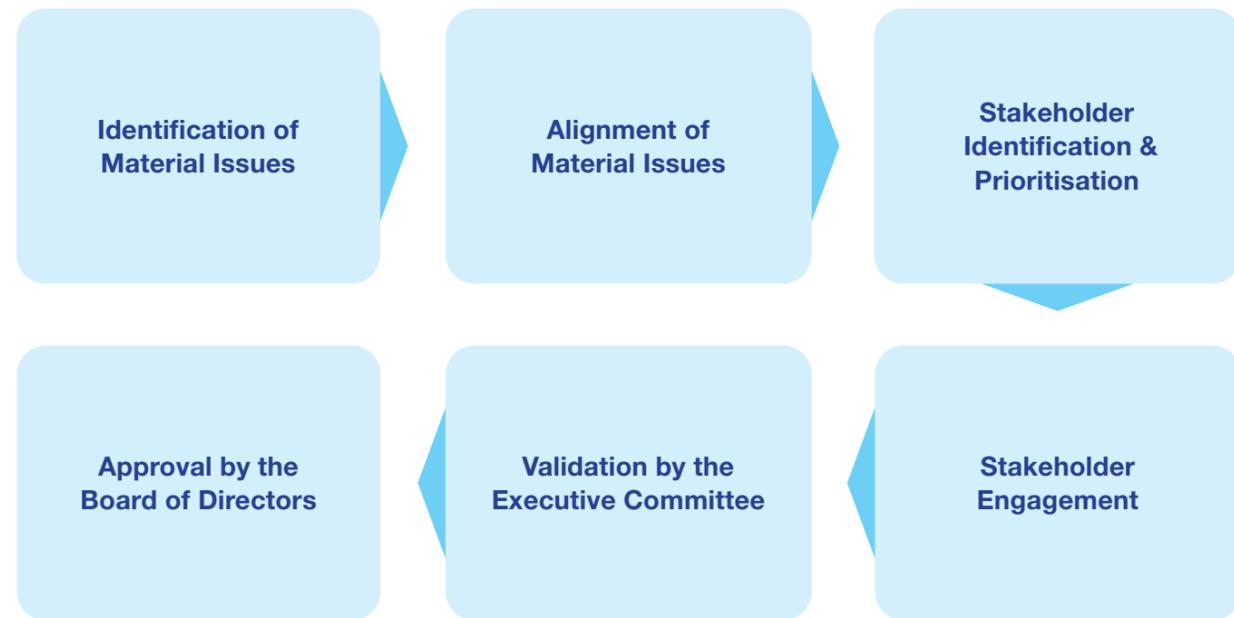
# Material Matters

Top Glove conducts a comprehensive materiality assessment at least once every four years and minor assessment every two years.

## Materiality Methodology

In July 2022, we conducted a minor materiality assessment<sup>1</sup>, building on the formal and comprehensive assessment performed in FY2021. This additional assessment was prompted by the ongoing transition phase the glove industry is navigating post-pandemic. For minor materiality assessment, we identified 17 material matters crucial to our operations and sustainability initiatives.

<sup>1</sup> For additional details regarding our FY2022 materiality assessment and matrix, kindly consult the Top Glove's Sustainability Report for FY2022.



For FY2023, we took the important step of conducting a materiality validation, which has been thoroughly reviewed and received approval from our Board of Directors. This validation process considered a range of internal and external factors, including:

- 1) External and internal stakeholder expectation
- 2) Peer assessment
- 3) Global mega trends and global risk
- 4) External ESG ratings requirement



**Materiality Assessment Guideline**  
Scan the QR Code to view Materiality Assessment Guideline

<https://www.topglove.com/downloadgovernance/policies/57/materiality-assessment-guideline>

After conducting a thorough review and validation process, we have identified 16 material issues that are integral to our operations. This refined list now excludes Infectious Diseases and Indirect Economic Impacts as material topics. Furthermore, we have recognised Greenhouse Gases (“GHG”) Emissions as a vital component of our material matters for FY2023. GHG emissions are a crucial focus area for our sustainability efforts, reflecting our commitment to addressing environmental concerns and reducing our carbon footprint.

# Material Matters



**PHYSICAL IMPACTS OF CLIMATE CHANGE**

<p><b>Affected Stakeholders</b> Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators</p> <p><b>Approach, Initiatives and Metrics</b> Read more on pages 19 to 24</p>	<p><b>Related UN SDGs</b></p>
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**GREENHOUSE GASES (GHG) EMISSIONS**

<p><b>Affected Stakeholders</b> Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators</p> <p><b>Approach, Initiatives and Metrics</b> Read more on page 25</p>	<p><b>Related UN SDGs</b></p>
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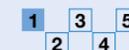
**ENERGY CONSUMPTION**

<p><b>Affected Stakeholders</b> Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators</p> <p><b>Approach, Initiatives and Metrics</b> Read more on pages 26 to 27</p>	<p><b>Related UN SDGs</b></p>
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**ENVIRONMENTAL COMPLIANCE**

<p><b>Affected Stakeholders</b> Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators, Local Communities, NGOs</p> <p><b>Approach, Initiatives and Metrics</b> Read more on page 28</p>	<p><b>Related UN SDGs</b></p>
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SECTION 1 CREATING SUSTAINABLE VALUE



Material Matters

Material Matters

**WATER MANAGEMENT**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers, Local Communities

**Approach, Initiatives and Metrics**  
Read more on pages 29 to 30

**Related UN SDGs**  





**WASTE & EFFLUENT**

**Affected Stakeholders**  
Governments/Regulators, Local Communities, NGOs

**Approach, Initiatives and Metrics**  
Read more on pages 31 to 35

**Related UN SDGs**  





**OCCUPATIONAL HEALTH & SAFETY**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators

**Approach, Initiatives and Metrics**  
Read more on pages 40 to 44

**Related UN SDGs**  




**HUMAN RIGHTS**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Governments/Regulators, Local Communities, NGOs

**Approach, Initiatives and Metrics**  
Read more on pages 45 to 49

**Related UN SDGs**  





**LABOUR MANAGEMENT RELATIONS**

**Affected Stakeholders**  
Employees, Shareholders/Investors, Suppliers, Governments/Regulators, NGOs

**Approach, Initiatives and Metrics**  
Read more on pages 45 to 49

**Related UN SDGs**  




**DIVERSITY, EQUITY & INCLUSION**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers, Local Communities

**Approach, Initiatives and Metrics**  
Read more on pages 50 to 58

**Related UN SDGs**  



**SECURITY MANAGEMENT**

**Affected Stakeholders**  
Employees, Local Communities

**Approach, Initiatives and Metrics**  
Read more on pages 60 to 62

**Related UN SDGs**  



**LOCAL COMMUNITIES**

**Affected Stakeholders**  
Employees, Local Communities, NGOs

**Approach, Initiatives and Metrics**  
Read more on pages 63 to 70

**Related UN SDGs**  






**ETHICS, INTEGRITY & GOVERNANCE**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers, Governments/Regulators, NGOs

**Approach, Initiatives and Metrics**  
Read more on pages 71 to 78

**Related UN SDGs**  





**PRODUCT QUALITY & SAFETY**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers

**Approach, Initiatives and Metrics**  
Read more on pages 80 to 82

**Related UN SDGs**  



**SUPPLY CHAIN MANAGEMENT**

**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors, Suppliers

**Approach, Initiatives and Metrics**  
Read more on pages 83 to 85

**Related UN SDGs**  




**CUSTOMER EXPERIENCE**

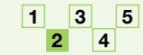
**Affected Stakeholders**  
Employees, Customers, Shareholders/Investors

**Approach, Initiatives and Metrics**  
Read more on page 86

**Related UN SDGs**  




SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



# Environmental: To Tackle Climate Change and Restore Nature

## Environmental

### HIGHLIGHTS

**5.68 GWh** green electricity being utilised



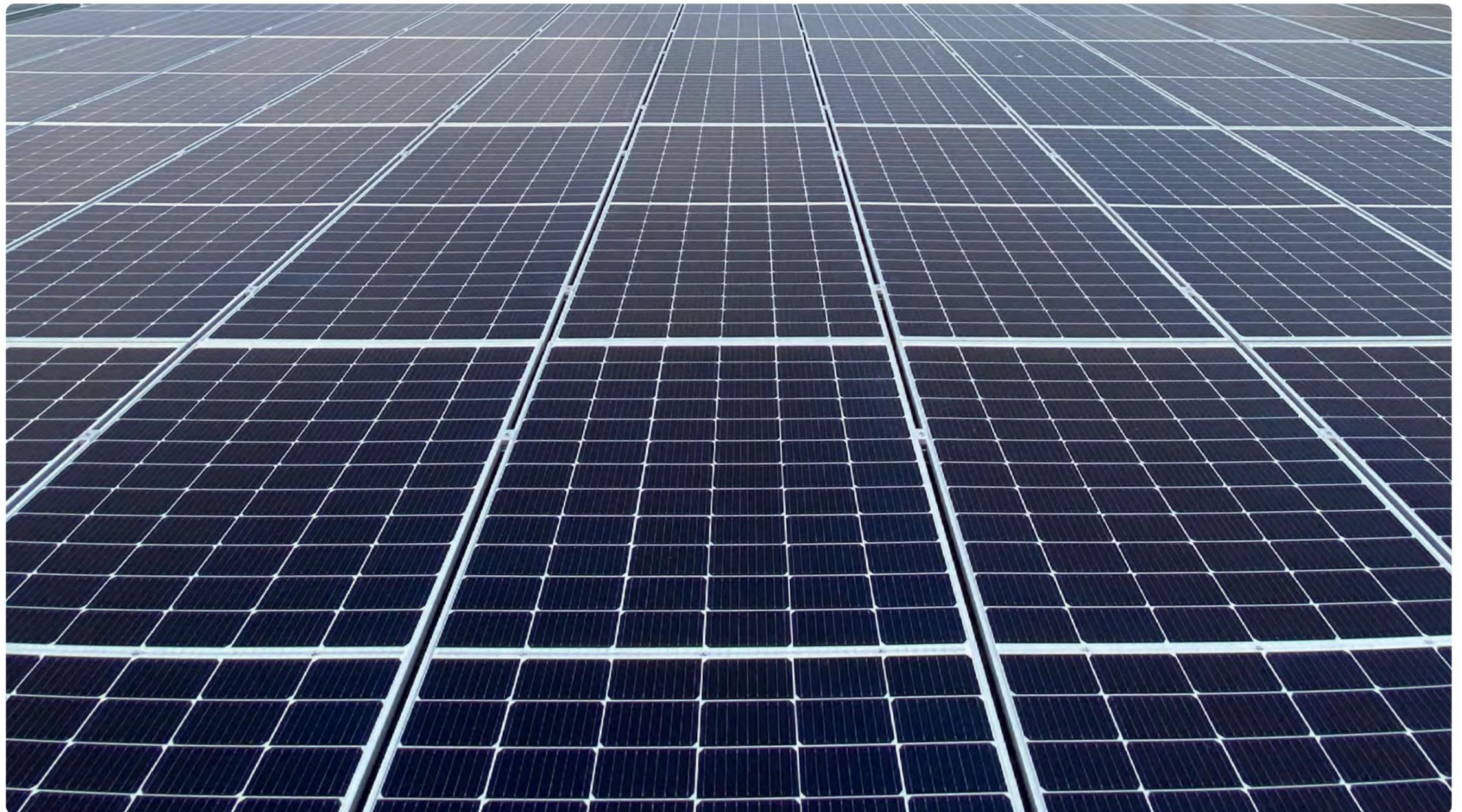
Solid waste reduction by **70%**



Municipal **water reduction** by **22%**



Planted **2,150 mangrove trees** to support biodiversity conservation



### GOAL 1: TRANSITIONING INTO A NET ZERO CARBON BUSINESS



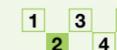
### PHYSICAL IMPACTS OF CLIMATE CHANGE

#### Management Approach:

We are mindful of the economic, environmental and social issues that may arise due to physical impacts of climate change. Accordingly, we strictly manage our emissions from business operations and are prudent with resource consumption.

Top Glove acknowledges the growing significance of climate-related risks and opportunities in relation to our business and the environment. We are committed to reducing the adverse environmental effects of our operations and supply chain while capitalising on the potential benefits.

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Environmental

CLIMATE RISK GOVERNANCE

On Sustainability governance, the Board is supported by the Board Sustainability Committee (“BSC”) which was established in March 2019 to strategically integrate sustainability across key aspects of Top Glove’s business. The BSC comprises of four independent directors and is chaired by Ms. Sharmila Sekarajasekaran, Senior Independent Director. The BSC supervises Top Glove’s sustainability risk and strategy, including climate-related risk and opportunities, and initiatives for climate mitigation and adaptation. The BSC also oversees the establishment of targets and monitors progress towards these targets. Regular updates on climate-related risks as well as opportunities are provided through structured reporting by the BSC during our quarterly Board meetings. These updates cover emerging climate trends, regulatory changes, and strategic adjustments. The Board assesses the necessary skills for climate-oriented strategies through evaluating current skills, predicting future needs, capacity building, consulting industry associations, and aligning leadership.

The BSC is supported by the Sustainability Steering Group (“SSG”) which is led by our Managing Director and consists of members of all Head of Departments across the Company. Collaborative efforts are undertaken with group departments to ensure climate-related factors are integrated seamlessly into their operations. Through bimonthly meetings, the SSG brainstorms on climate risk matters, executes mitigation and strategies. Top Glove employs a systematic framework to identify, assess, and mitigate sustainability risk including climate-related risks. This entails regular risk assessments that evaluate potential risks across operational, financial, and reputational aspects. Moreover, controls are established to monitor and manage GHG emissions, energy consumption, and resource utilisation. Guided by established principles, management takes on climate-related risks through a combination of methods, including the implementation of Enterprise Risk Management (“ERM”), Task Force on Climate-related Financial Disclosures (“TCFD”), International Financial Reporting Standards (“IFRSs”) S2, and emerging regulations.

Climate Risk Strategy

We conducted a comprehensive assessment of the climate-related risks and opportunities that could reasonably impact our Company’s prospects. As part of this evaluation, we employed scenario analysis to envision potential climate scenarios and their potential effects on our operations. We have categorised the identified climate-related risks into two main types: physical risks and transition risks. Following the guidelines of the TCFD and the Intergovernmental Panel on Climate Change (“IPCC”), we undertook a comprehensive climate change scenario assessment in FY2023.

This assessment, conducted using both quantitative and qualitative methods, aimed to identify, evaluate, and manage climate-related risks and opportunities for Top Glove. Our scenarios are based on the Representative Concentration Pathways (“RCPs”) outlined by the IPCC, specifically aligning with the RCP2.6 and RCP8.5 pathways. Climate-related risks and opportunities assessment are focused on two different and intentionally extreme scenarios over short, medium and long-time horizons to provide contrast between potential futures. The established methodology in ERM Framework is also integrated when evaluating the climate scenario analysis to ensure effective and comprehensive climate-related risk management approach.

Risk Management

The Group’s ERM Framework is set up in accordance with ISO 31000:2018 Risk Management Guideline where risks arising from the business and manufacturing operations are continuously identified. A systematic risk management is conducted through qualitative and quantitative analysis to identify the risk possibility and the impact severity as enclosed in the ERM Framework. Transition and physical climate risk are one of the risk assessment areas integrated in the Group’s ERM Framework. Risk Management regularly coordinates with risk owners from all business units across operating countries to identify, assess, and mitigate climate-related risks, following the methodology outlined in the ERM Framework.

The Group is committed to promote risk management culture across the Company where such initiatives have been conducted throughout FY2023:



Risk management training has been conducted by our in-house Risk Management department with 98% passing rate in post-test indicating training effectiveness. Additionally, newsletters focused on risk issues and risk awareness have been circulated to enhance employee awareness and promote vigilance. The newsletters are intended to communicate important risk-related information, share best practices and provide insights on emerging risks and their potential impact on our organisation. By keeping employees informed and engaged, we aim to foster a risk-awareness culture and empower everyone to contribute to the identification, assessment and mitigation of risk.



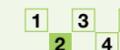
Manufacturing risk owners from each factory are consistently engaged in the review and highlighting in any arising operation risks on a weekly and monthly basis. Monthly Group Departmental and Managerial meetings provide a valuable arena for operational and business owners to collaboratively address these risks, benefiting from input and insights from senior management. Meanwhile, the Monday sharing sessions are conducted on a weekly basis where leaders can share their knowledge and insights on a wide range of topics including risk culture. These sessions aim to enlighten and inspire employees, fostering a culture of continuous learning and personal development. Emerging business-related risks such as sales and pricing matters are deliberated on a weekly basis.

Climate-related Risk and Opportunities

Climate-related Risk: Physical Risk  
Climate scenario aligning with RCP8.5 Limited climate action leading to global warming of 4 degrees Celsius above pre-industrial levels by 2100

Risk Type	Financial Impacts	Time horizons	Strategies				
<p><b>Acute and chronic</b></p> <p>High temperatures leading to frequent drought. This drought has resulted in an <b>emerging risk</b> of increased water scarcity.</p> <table border="1"> <tr> <td>Likelihood</td> <td>Likely</td> </tr> <tr> <td>Magnitude</td> <td>Low</td> </tr> </table>	Likelihood	Likely	Magnitude	Low	<ul style="list-style-type: none"> <li>Reduced revenue from disruption to production output (e.g. transport difficulties, supply chain interruption, low sales)</li> <li>Increased operating costs (e.g. negative impact on workforce such as absenteeism, safety and health)</li> <li>Increased operating cost (increase cost for industrial water use and potential conflicts over limited water usage)</li> </ul>	Long-term	<ul style="list-style-type: none"> <li>Ensuring monthly maintenance on the in-house Water Treatment Plant for continuous supply.</li> <li>Establishment of 2 proprietary water treatment plants, strategically providing reverse osmosis water to manufacturing facilities located in Klang. This achievement was realised at a cost of RM89.8k. <b>(more details see page 29)</b></li> <li>Sustaining rainwater harvesting projects within manufacturing facilities.</li> <li>Sustaining Integrated Industrial Effluent Treatment System (IETS) to increase water recycling efforts within Top Glove’s production operations.</li> </ul>
Likelihood	Likely						
Magnitude	Low						

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Environmental

**Climate-related Risk: Physical Risk (continued)**  
 Climate scenario aligning with RCP8.5 Limited climate action leading to global warming of 4 degrees Celsius above preindustrial levels by 2100

Risk Type	Financial Impacts	Time horizons	Strategies				
<p><b>Acute and chronic</b></p> <p>High temperatures cause heavy and prolonged rain which causes severe area flooding in the area where the manufacturing facility is located.</p> <table border="1"> <tr> <td>Likelihood</td> <td>Likely</td> </tr> <tr> <td>Magnitude</td> <td>Medium</td> </tr> </table>	Likelihood	Likely	Magnitude	Medium	<ul style="list-style-type: none"> <li>Reduced revenue from disruption in operation plant that is located at flood risk area. (e.g. transport difficulties, supply chain interruption, low output lead to low sales) <i>Estimated quantitative financial impact: RM96k per incident per factory</i></li> <li>Increased operating cost (e.g. damages to facilities, negatives impact on workforce)</li> <li>Elevated insurance premium (e.g. assets located in 'high risk' locations)</li> </ul>	Short-term to Long-term	<ul style="list-style-type: none"> <li>Implemented a variety of flood mitigation initiatives aimed at improving drainage and water flow systems in the vicinity of our Klang factories and neighbouring residential areas. <i>Total investment cost in FY2023: RM22k</i></li> </ul>
Likelihood	Likely						
Magnitude	Medium						

**Climate-related Risk: Transition Risk**  
 Climate scenario aligning with RCP2.6 Aligns with the goals of the Paris Agreement and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5 degrees Celsius carbon budget

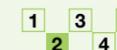
Risk Type	Financial Impacts	Time horizons	Strategies				
<p><b>Policy and Legal</b></p> <ul style="list-style-type: none"> <li>Enhanced emission reporting obligations</li> <li>Mandates on and regulation of existing products and services e.g. EUDR</li> <li>Emerging regulations on carbon-pricing mechanism e.g. Carbon Border Adjustment Mechanism (CBAM)</li> </ul> <table border="1"> <tr> <td>Likelihood</td> <td>Likely</td> </tr> <tr> <td>Magnitude</td> <td>Medium</td> </tr> </table>	Likelihood	Likely	Magnitude	Medium	<ul style="list-style-type: none"> <li>Increased operating costs (e.g. heightened compliance costs, elevated insurance premiums)</li> <li>Incurring losses, impairment of assets, and premature retirement of current assets due to policy shifts</li> <li>Increased costs resulting from fines/sanction</li> <li>Reduced revenue due to diminished product and demand due to shifting market perceptions</li> <li>Elevated expenses due to the implementation of carbon taxes by the exporting nation</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>Performed regular monthly assessments to ensure compliance with Scheduled Waste and Industrial Effluent Treatment System (IETS) regulation</li> <li>Engaged proactively in workshops, training programmes, webinars, and skill-building activities facilitated by environmental entities such as the Environment Institute of Malaysia (EIMAS) and Climate Change Governance (CCG), among others</li> </ul>
Likelihood	Likely						
Magnitude	Medium						

**Climate-related Risk: Transition Risk (continued)**  
 Climate scenario aligning with RCP2.6 Aligns with the goals of the Paris Agreement and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5 degrees Celsius carbon budget

Risk Type	Financial Impacts	Time horizons	Strategies
		Medium-term	<ul style="list-style-type: none"> <li>Attaining relevant sustainability ISO certifications such 14001 and 50001 for manufacturing plant to ensure alignment with the Environmental and Energy Management System</li> <li>Instituting a centralized storage system for scheduled waste, enhancing oversight to ensure compliance</li> <li>A dedicated Traceability Task Force at Top Glove is actively developing an in-house supply chain traceability system to align with EUDR</li> </ul>
		Long-term	<ul style="list-style-type: none"> <li>Published medium decarbonization strategy for scope 1 &amp; 2 emissions</li> <li>Transition into renewable electricity through solar <b>(more details see page 27)</b> <i>Investment involved: Power Purchase Agreement with Shizen Malaysia Sdn Bhd for 20 years</i></li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Incurring losses, impairment of assets, and premature retirement of current assets due to policy shifts</li> <li>Increased costs resulting from capital investments in technology development and R&amp;D expenditures</li> </ul>	Medium-term to Long-term	<ul style="list-style-type: none"> <li>Establishment of Top Glove's Digitalisation and Automation team, entrusted with driving initiatives aligned with the Industry 4.0 Framework as a strategic response</li> <li>Exploring projects focused on minimising carbon emissions, including projects like the Combined Heat and Power (CHP) system</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>Lowered product demand due to changing consumer preferences</li> <li>Changed in revenue composition, resulting in decreased revenues</li> <li>Abrupted and unexpected shifts in energy costs</li> <li>Financial adjustment due to assets adjustment (e.g. fossil fuel reserves, land valuations, and securities)</li> </ul>	Medium-term to Long-term	<ul style="list-style-type: none"> <li>Manufacturing biodegradable gloves as an environmentally friendly alternative</li> <li>Process of developing Top Glove's own nitrile plan to secure our own raw material</li> <li>Leveraging our FSC-certified printing subsidiary, Eastern Press, to enhance sustainability in the packaging of inners and cartons <b>(more details see page 36)</b></li> </ul>
<ul style="list-style-type: none"> <li>Customer Preferences Change: Risk of customers preferring eco-friendly products, affecting demand</li> <li>Market Signal Uncertainty: Risk from unclear trends, making strategy adjustments difficult</li> </ul>			



SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Environmental

**Climate-related Risk: Transition Risk (continued)**  
 Climate scenario aligning with RCP2.6 Aligns with the goals of the Paris Agreement and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5 degrees Celsius carbon budget

Risk Type	Financial Impacts	Time horizons	Strategies
<b>Reputation</b> <ul style="list-style-type: none"> <li>Increased stakeholders concern or negative stakeholder feedback</li> </ul>	<ul style="list-style-type: none"> <li>Reduced revenue from decreased demand for products (e.g. negative reputation due to poor climate practices)</li> <li>Reduced revenue from negative workforce impacts (e.g. A tarnished reputation can affect employee attraction and retention, leading to workforce challenges and potential disruptions)</li> </ul>	Short-term to Medium-term	<ul style="list-style-type: none"> <li>Consistently keep internal stakeholders informed about initiatives driven by the Top Glove SSG, led by the Managing Director and composed of all Department Heads. The group convenes bi-monthly to ensure the progress of ESG targets</li> <li>Align product development and innovation with sustainability trends and customer preference</li> </ul>

Short-term: 0 to 3 years,  
 Medium-term: 3 to 5 years  
 Long-term: >5 years

**Climate-related Opportunities (Physical & Transition Risks)**

Opportunity Type	Financial Impacts	Time horizons	Strategies
<b>Resource Efficiency</b>	<ul style="list-style-type: none"> <li>Reduced operating costs (e.g. through efficiency gains and cost reductions)</li> <li>Increased revenues due to lower operating cost</li> <li>Increased value of fixed assets (e.g. highly rated energy-efficient buildings)</li> <li>Benefits to workforce management and planning (e.g. improved health and safety, employee satisfaction) resulting in lower costs</li> </ul> <p>Total cost savings in FY2023: RM1.5 million                      Total revenue in FY2023: RM170k</p>	Short-term	<ul style="list-style-type: none"> <li>Evaluate business travel practices to optimise transportation efficiency</li> <li>Initiate recycling programmes, like Fabric Recycling, where materials are upcycled and repurposed to create cleaning cloths and bags, aligning with the circular economy principles</li> </ul>
		Medium-term	<ul style="list-style-type: none"> <li>Enhanced water supply stability through various sustainable surface water extraction projects (more details see page 29)</li> <li>Increased water efficiency at manufacturing facilities and reduced water resources intake through recycling (more details see page 29)</li> <li>Upcycling the waste to reusable material as to reduce landfill disposal and include other projects such as former reglazing projects, rubber reclaim (more details see page 32)</li> </ul>

**Climate-related Opportunities (Physical & Transition Risks) (continued)**

Opportunity Type	Financial Impacts	Time horizons	Strategies
		Short-term	<ul style="list-style-type: none"> <li>Building with higher resources and energy efficiency. Top Glove Head Office in Malaysia obtained Green Building Index</li> </ul>
<b>Energy Source</b>	<ul style="list-style-type: none"> <li>Reduced electricity cost through low emission energy sources such as solar power</li> </ul> <p>Total cost savings in FY2023: RM3.43 million worth of electricity saved</p>	Long-term	<ul style="list-style-type: none"> <li>Transition of electricity used in manufacturing facilities to renewable energy (more details see page 27)</li> </ul>
<b>Products</b>	<ul style="list-style-type: none"> <li>Boosted revenue by meeting growing demand for eco-friendly and low-emission products</li> <li>Elevated revenue by diversifying business through the creation of new products through R&amp;D and innovation</li> <li>Enhanced competitive positioning to align with evolving consumer preferences and resulting in increased earnings</li> </ul>	Medium-term	<ul style="list-style-type: none"> <li>Ongoing innovation in R&amp;D for biodegradable and eco-friendly glove products has been ongoing since 2019</li> <li>The R&amp;D Department, comprising 161 members is focused on innovating and creating low carbon products</li> </ul>
<b>Markets</b>	<ul style="list-style-type: none"> <li>Increased revenues through access to new and emerging markets</li> </ul>		

Short-term: 0 to 3 years,  
 Medium-term: 3 to 5 years  
 Long-term: >5 years

**Climate-related Metrics and Targets**

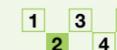
Top Glove has employed a diverse range of metrics to assess both existing and prospective impacts. The essential performance indicators, used to gauge the advancement of strategy implementation, are complemented by metrics aimed at tracking significant risks. These indicators are informed by our TCFD risk assessment, contributing to the establishment of metrics and targets aligned with the Top Glove's Sustainability Blueprint.

Please refer to the specified section of this report, which pertains specifically to our **GHG Emissions, Energy Consumption, Water Resource Management, Waste & Effluent Management, and Sustainable Product Management**. Metrics and targets in each of this section correspond to each of the mitigation strategies outlined in our TCFD.

At Top Glove, ESG metrics linked to 40% of the Management's KPI, highlighting our commitment to sustainability. One of the five key performance areas is carbon reduction intensity, a vital part of our climate risk mitigation strategy, ensuring our leaders actively contribute to environmental goal.



SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

GHG EMISSIONS

Management Approach:

As a critical component of our production operations, our objective is to minimise carbon emissions as part of our contribution to addressing climate change.

Our carbon emission calculation for this year is within the operational boundary now encompasses all glove factories in Malaysia, Thailand, and Vietnam. The emission factors used for the calculation are sourced from recognised organisations like the Intergovernmental Panel on Climate Change (IPCC) and other relevant sources that pertain to our operations. As part of our commitment to environmental sustainability, we have set a clear and ambitious goal to significantly reduce our GHG emissions.

Improvement of GHG Inventory

We have made improvements to our GHG inventory, specifically in the following areas:

Scope 2: We have updated this scope with the latest emission factors for transparency. This ensures that our reporting accurately reflects our emissions related to purchased electricity.

Scope 3: We have enhanced our Scope 3 reporting by addition of our downstream leased assets, in addition to the existing three categories.

Below are the emission data for FY2023;

Financial Year	CO <sub>2</sub> eq Emission (tonne)			
	2021	2022	2023	
Scope 1	Natural Gas	770,049	583,896	268,076
	Diesel & Petrol	N/A	3,172	1,761
	Fleet Vehicles	N/A	1,862	1,582
	Coal	20,538	16,941	2,064
	<b>Total (Scope 1)</b>	<b>790,587</b>	<b>605,871</b>	<b>273,483</b>
Scope 2	Electricity (Glove Manufacturing Entities) <sup>1</sup>	343,425	276,203	139,665
	Electricity (Non-Glove Manufacturing Entities) <sup>2</sup>	14,624	16,364	12,738
	<b>Total (Scope 2)</b>	<b>328,801</b>	<b>292,567</b>	<b>152,403</b>
<b>Scope 1 &amp; 2 Total</b>	<b>1,148,636</b>	<b>898,438</b>	<b>425,886</b>	
<b>Intensity (tonne/1,000 pcs gloves)</b>				
<i>* Only include Glove Manufacturing Entities</i>	<b>0.0176</b>	<b>0.0204</b>	<b>0.0207</b>	
<b>Variance (over year)</b>	<b>5.83</b>	<b>16.14</b>	<b>1.38</b>	
Scope 3	Waste Generated in Operations <sup>3</sup>	N/A	4,594	1,469
	Business Travels <sup>4</sup>	0.21	339	410
	Employee Commuting <sup>5</sup>	N/A	14,983	3,057
	Downstream Leased Assets	N/A	N/A	1,097
	<b>Total (Scope 3)</b>	<b>0</b>	<b>19,916</b>	<b>6,033</b>
<b>Total (Scope 1, 2 &amp; 3)</b>	<b>1,148,636</b>	<b>918,354</b>	<b>431,919</b>	

Note: Historical data should not change, but we always revise historical figures if data quality or science has improved. Data collection is using operational approach for organisational boundary.

<sup>1</sup> Data covers all glove manufacturing factories except for Factory 15 China.  
<sup>2</sup> Data covers all non-glove manufacturing entities except for the owned hostel.  
<sup>3</sup> Data covers all types of scheduled wastes only.  
<sup>4</sup> Data covers all type of vehicles except for trains.  
<sup>5</sup> Data coverage for staff commuting is 40% and 100% for workers.  
<sup>\*</sup> Top Glove utilises the location-based method for calculating its Scope 2 emissions, with electricity sourced from Tenaga Nasional Berhad. Carbon emissions associated with purchased electricity (Scope 2) are determined using emission factors obtained from Suruhanjaya Tenaga Malaysia, specifically the Grid Emission Factor (GEF) for the years 2017-2019.  
<sup>\*</sup> Others emission factors used in this accounting is sourced from DEFRA 2022.

Environmental

Carbon emission in energy unit		GWh
Scope 1	Natural Gas	1,489.394
	Diesel & Petrol	6.522
	Fleet Vehicles	6.591
	Coal	6.070
Scope 2	Electricity (Glove Manufacturing Entities)	179.057
	Electricity (Non-Glove Manufacturing Entities)	16.330
Scope 3	Downstream Leased Assets	1.406
<b>Total carbon emission (GWh)</b>		<b>1,705.37</b>

Absolute Carbon Emissions Reduction Performance

In FY2023, carbon emissions reduced to 486,435 tonnes, representing a significant 53% decrease compared to the baseline year of FY2022. However, when evaluating the relative carbon emissions in relation to the volume of gloves produced, we observed an increase level of 0.0207 tonnes of CO<sub>2</sub> emitted per 1,000 gloves manufactured.

While there is reduction in absolute emission, we acknowledge that comparing intensity emissions to glove volume has become challenging due to the dynamic business landscape, which has led to changes in production output. Despite these challenges, our commitment to sustainability remains unwavering. We are actively pursuing opportunities to optimise our carbon footprint and enhance our environmental performance.

ENERGY MANAGEMENT

Management Approach:

As one of the key resources used in our production, we aim to reduce the consumption of non-renewable energy, replacing it with clean or renewable energy.

Top Glove has recognised the importance of effective energy management in response to the growing need for sustainable practices. In line with this commitment, we have adopted our Energy Policy, which outlines our approach to optimising energy usage, reducing our environmental impact and climate change. This Policy operates alongside our broader Sustainability Policy, demonstrating our comprehensive approach to sustainability. By mandating adherence to ISO 50001:2018 standards, we exemplify our unwavering commitment to upholding the highest standards in energy management practices. In FY2023, we retained our existing factory certifications, as no new factories were certified in response to dynamic changes in our business operations.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

Retained **3 factories** certification with **ISO 50001:2018** for Energy Management System



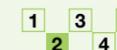
Scan the QR code to view our Energy Policy

[https://www.topglove.com/storage/sustainability-policies/March2022/\(Latest\)%20Apx-02%20L%20GM%20Energy%20Policy%201.1%20\(1\)%20\(2\)%20\(1\).pdf](https://www.topglove.com/storage/sustainability-policies/March2022/(Latest)%20Apx-02%20L%20GM%20Energy%20Policy%201.1%20(1)%20(2)%20(1).pdf)

We actively manage our energy consumption by closely monitoring the absolute consumption and intensity of electricity. To facilitate this, we have implemented a Smart Energy Monitoring System (SEMS) at our selected factories. SEMS enables real-time monitoring of energy usage, allowing us to promptly identify any wastage and rectify abnormal energy consumption.

We evaluate the energy consumption of our production equipment, systems, electrical motors/pumps, compressors, and suppliers associated with Significant Energy Utilities (SEU). To ensure alignment with our practices, our internal team conducts energy audits on respective factories which allow us to assess energy usage, identify areas for improvement, and implement energy-saving measures. In addition to audits, the Energy Management team conducted training for employees on the environmental, Energy Policies, best practices and guidelines.

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



## Environmental

## Environmental

In terms of demand response, we monitor and manage our electricity consumption by shifting non-essential operations to non-peak hours. This practice supports grid reliability and reduces emissions during periods of high electricity demand.

In addition, we consider energy performance as an additional criterion for the selection of purchased items and vendors, wherever applicable. We maintain regular engagement with our suppliers and vendors, emphasising our commitment to ISO 50001 Energy Management System (EnMS) compliance. We expect our suppliers to adhere to the same standards, and we actively encourage them to provide us with Energy Star-rated electrical appliances.

Since we installed our first solar panel, we have been on track to shift electricity source at our plants to renewable energy sources.

### Solar Power System Investment

Year	Green Energy Utilised for Glove Manufacturing (GWh)
FY2021	1.66
FY2022	5.75
<b>FY2023</b>	<b>5.68</b>

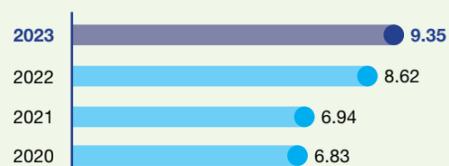
### SUSTAINABILITY ROADMAP FY2022 TO FY2025

**Avoided 4,430 tonnes of CO<sub>2</sub> eq**

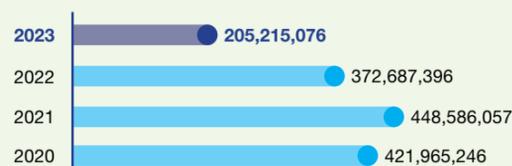
The PPA (Power Purchase Agreement) between Top Glove and Shizen Malaysia in 2022 has allowed Top Glove to expand its total capacity from 5.34 MWp to 7.74 MWp in FY2023. As a result, we anticipate approximately 4,430 tonnes of CO<sub>2</sub> eq emissions avoided annually. To put this into perspective, it is equivalent to planting approximately 203,491 trees.

### Energy Data

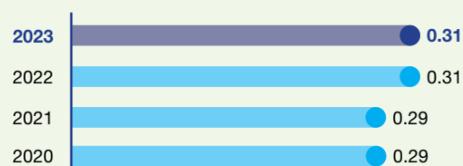
#### ELECTRICITY CONSUMPTION INTENSITY (KWh/1,000 PCS GLOVES)



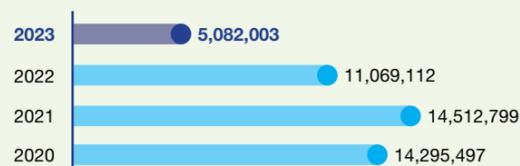
#### ABSOLUTE ELECTRICITY CONSUMPTION KWh



#### NATURAL GAS CONSUMPTION INTENSITY (MMBTU/1,000 PCS GLOVES)



#### ABSOLUTE NATURAL GAS CONSUMPTION MMBTU



Note: Coverage of energy data included all manufacturing plants and offices in Malaysia, Thailand, Vietnam.

Electricity consumption intensity increased from the previous year due to lower output resulting from changes in business dynamics. In contrast, natural gas consumption has remained stable, reflecting the ongoing efficiency projects despite the inconsistency in output.

### ENVIRONMENTAL COMPLIANCE

#### Management Approach:

Guided by the Company's Sustainability Policy, Environmental Policy and Environmental Management System standards, we manage environmental compliance at Group level through board governance and compliance to best regulatory practices.

The Company's dedication is evident in its systematic integration of sustainable environmental practices across all business operations, aimed at mitigating any adverse environmental impacts. Top Glove has successfully certified an additional 5 factories, bringing the total number of certified factories to 23 in accordance with ISO 14001:2015 standards. This achievement falls slightly below our committed target of certifying an additional 8 operating factories by FY2023, primarily resulting from changes in business dynamics.

### SUSTAINABILITY ROADMAP FY2022 TO FY2025

**23 factories** certified with **ISO 14001:2018** for Environmental Management System

Top Glove demonstrates its commitment as a responsible corporate citizen by prioritising adherence to local, national, and international environmental and climate regulations. As of FY2023, the Company proudly maintains a record of zero fines (RM0 amount) or instances of non-compliance concerning air, water and land pollution or any violations of environmental regulations mandated by the Department of Environment (DOE) or other pertinent environmental acts.



Scan the QR code to view our Environmental Policy

[https://www.topglove.com/storage/sustainability-environments/November2022/Environmental%20policy%20\(English\)%20Website%20\(1\).pdf](https://www.topglove.com/storage/sustainability-environments/November2022/Environmental%20policy%20(English)%20Website%20(1).pdf)

### WATER RESOURCE MANAGEMENT

#### Management Approach:

We address water scarcity as a global concern and we are committed to manage our water resources with a holistic water management. We are dedicated to reduce water consumption inside our operations. We track and analyse data to plan initiatives effectively that benefit to all.

As part of our commitment to sustainable water management, we are actively working towards reducing our reliance on municipal water supply. We have implemented a comprehensive water management plan that includes upgrading our water treatment plant, enhancing our rainwater harvesting system, improving in-house water recycling facilities, and implementing strict monitoring measures to prevent water wastage. Our goal is to safeguard freshwater accessibility for the well-being of humanity. We have surpassed our goal of reducing municipal water consumption by 22%, achieving a rate of 0.1796 m<sup>3</sup>/1,000 pieces of gloves in FY2023. This commitment reflects our dedication to responsible water management and our proactive efforts to promote sustainable practices within our operations.

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE

1 3 5  
2 4



Environmental

Environmental

The data presented in this section encompasses all our Malaysia glove factories, reflecting our collective efforts to prioritise responsible water usage and conservation.

Water Management

WATER TREATMENT PLANT (REVERSE OSMOSIS, ULTRAFILTRATION, WASTEWATER RECLAMATION)

**Purpose**  
The surface water and rainwater harvested is utilised for production and housekeeping purpose.

**Beneficiary factories**  
All Klang factories

**Investment Cost**  
RM89,893

ON SITE DETENTION (OSD) TANKS

**Purpose**  
Installing on-site detention (OSD) tanks for surface water recycling can reduce drain water volume during heavy rain, enhance water security, and provide diversified water sources for factories, mitigating flood risks and overflow to surrounding land. Water collected in OSD tank will be treated and channeled to factories and stored in rainwater tank for production and housekeeping purposes.

**Beneficiary factories**  
F4AW and F14AW

**Investment Cost**  
RM188,580

IN-HOUSE WATER RECYCLING FACILITIES

**Purpose**  
Our factories are equipped with a water recycling system that allows us to reuse the treated effluent for housekeeping purposes.

**Beneficiary factories**  
All factories

**Cost Saving**  
RM7,683,038

INSTALLATION OF FILTERS AT PRE-LEACHING TANK

**Purpose**  
By installing filters in the pre-leaching tank, we are able to conserve water resources by prolonging the usage of water and reducing the overall water consumption.

**Beneficiary factories**  
All factories

**Investment Cost**  
RM414,584

RAINWATER HARVESTING

**Purpose**  
We utilise harvested rainwater for housekeeping and operational purposes. Our rainwater harvesting system, which includes tanks to retain rainwater, is designed to reduce reliance on municipal water.

**Beneficiary factories**  
All factories

**Cost Saving**  
RM819,088

Water Data

Financial Year	FY2020	FY2021	FY2022	FY2023
Water withdrawal intensity (m <sup>3</sup> /1,000 pcs gloves)	0.280	0.290	0.362	0.397
Municipal water withdrawal intensity (m <sup>3</sup> /1,000 pcs gloves)	N/A	0.230	0.222	0.180
Water consumption intensity <sup>1</sup> (m <sup>3</sup> /1,000 pcs gloves)	N/A	0.043	0.078	0.049
Water withdrawal at Headquarter, Top Glove Tower (m <sup>3</sup> )	35,436	34,913	34,340	36,913
Grand total of Top Glove Tower users (including tenants)	1,843	1,125	1,073	861
Water withdrawal intensity (m <sup>3</sup> /occupant)	19	31	32	43
<b>Total water reclaims<sup>2</sup> (m<sup>3</sup>)</b>	<b>2,431,382</b>	<b>1,427,565</b>	<b>2,889,093</b>	<b>2,686,377</b>
Water treatment plant (from 2 water treatment plants)	1,129,229	891,616	2,352,395	2,377,621
Industrial effluent treatment system (IETS)	1,302,153	535,949	536,698	308,756
<b>Source of water withdrawal<sup>^</sup> (Total, m<sup>3</sup>)</b>	<b>18,456,616</b>	<b>18,182,568</b>	<b>16,282,460</b>	<b>8,405,774</b>
Municipal	12,498,389	14,081,233	9,689,639	3,561,405
Pond water	3,305,478	2,386,019	3,400,150	1,871,598
Rainwater	221,366	287,751	303,578	286,394
Reclaim water	2,431,382	1,427,565	2,889,093	2,686,377

<sup>1</sup> Water consumption is determined by taking the overall withdrawal and subtracting the total discharge.  
<sup>2</sup> Water reclaim: Water recycling and reusing water within facilities.  
<sup>^</sup> Water withdrawal is the water extracted to supply facilities.

Baseline Water Stress ("BWS")

The BWS analysis conducted using the World Resources Institute (WRI) database indicates that the operating factories of Top Glove are classified under low BWS, with a level of less than 1. The BWS layer, developed as part of WRI's Aqueduct Water Risk Atlas, measures the ratio of total water withdrawals relative to the annual available renewable surface water supplies. This classification suggests that the water stress in the areas where Top Glove operates its factories is relatively low, indicating a lower level of competition and pressure on water resources. We continue to maintain regular monitoring and ongoing assessments of water stress as they are crucial to ensure the sustainability of water resources and adapt to any changes in water availability or demand.

Baseline Water Stress According to Country of Operating Factories

Location	Water Risk Index	Indication
Malaysia	0.33 - 0.66	Low-Medium Risk
Thailand	0.33 - 0.66	
China	< 0.33	

Note: The data is based on all districts where Top Glove's factories are operating in each country.

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE

1 3 5  
2 4



Environmental

Environmental

WASTE & EFFLUENT MANAGEMENT

Management Approach:

We do not subscribe to the attitude of "harm today, balm tomorrow". We manage our waste and effluent in compliance with laws and regulations and are also committed to reduce waste generation through operational eco-efficiency.

Top Glove fully endorses the waste management hierarchy and remains dedicated to implementing its principles in daily operations. Our commitment lies in embracing the 5R principles of waste management. We actively focus on preventing wastages, **reducing** waste generation, promoting the **reuse** of waste to maximise its value, facilitating the **recycling** of waste for a second life, **recovering** waste as valuable energy resources, and ensuring the **responsible** disposal of waste.

Waste Management

Engaged with Department of Environment ("DOE") licensed collector

In our commitment to responsible waste management, we actively engage with licensed waste collectors authorised by the DOE. These licensed collectors adhere to stringent environmental regulations and standards, ensuring that our waste is handled and disposed of responsibly. By partnering with DOE-licensed collectors, we prioritise compliance and environmental responsibility throughout our waste management processes.

Site audit on licensed scheduled waste collectors

To ensure the responsible handling of our waste, we conduct site audits on our licensed scheduled waste collectors. These audits encompass a comprehensive assessment of their facilities, equipment, and waste management procedures. By regularly evaluating our waste partners, we verify their compliance with environmental regulations and our sustainability standards, mitigating potential environmental risks.

Research and Development (R&D)

Continuous improvement in waste management practices is essential to our sustainability efforts. Therefore, we invest in R&D initiatives aimed at finding innovative solutions to reduce waste generation, improve recycling rates, and minimise the environmental impact of our waste streams. In FY2023, one of our collaborations with a supplier involves converting scheduled waste into bricks.

Monitoring Reporting

We maintain a consistent waste monitoring and reporting system to track and analyse our waste generation and disposal practices. This system allows us to assess our waste reduction efforts, identify areas for improvement, and measure progress towards our sustainability goals. Regular reports are generated to provide transparency and accountability to stakeholders, showcasing our commitment to sustainable waste management.

Training & Education

We believe in the importance of fostering a culture of sustainability throughout our organisation. To achieve this, we provide training and education programmes to our employees and stakeholders. These programmes raise awareness about the importance of responsible waste management, highlight best practices, and promote waste reduction strategies, all of which contribute to reducing the environmental impact. By equipping our team with the knowledge and skills to make sustainable choices, we ensure that waste management is integrated into our daily operations.

Operational Resource Optimisation and Waste Reduction Initiatives

Digitalisation to move for less paper

As part of our commitment to responsible consumption, Top Glove diligently monitors the quantities of paper and virgin plastic stretch film utilised in our operations. This represents a significant stride toward our overarching objective of transforming into a paperless and plastic-free company. In FY2023, we successfully reduced paper usage by 80.8%, surpassing our target of a 40% reduction (37,800 kg) for the year.

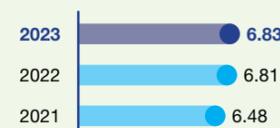
SUSTAINABILITY ROADMAP FY2022 TO FY2025

80.8% reduction of paper usage in FY2023

Material Consumption

We initiated material consumption monitoring several years ago as part of our commitment to responsible consumption.

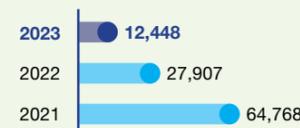
LATEX CONSUMPTION (KG/1,000 PCS OF GLOVES)



NITRILE CONSUMPTION (KG/1,000 PCS OF GLOVES)



PAPER USED (KG)



Note: The consumption of raw material is dependent on glove weight requested by customer.

Circular Economy Activities

R&D is at the core of our business sustainability. We promote the adoption of circular economy principles to effectively manage waste generated during glove production. Notably, common waste materials like tainted formers and used rubber are subjected to recycling or upcycling processes to derive added value. The tainted formers undergo a reglazing process to eliminate surface contaminants and subsequently reintegrated into the production cycle. Similarly, nitrile waste is processed and transformed into new products such as rubber compounds, coaster, insulation mats, mousepads, shoe outsoles and more, thereby extending the lifecycle and enhancing the sustainability of these materials.



Recycling and Upcycling of Waste

<b>Former Recycled</b>	<ul style="list-style-type: none"> <li>Approximately 93,899 formers were reglazed and reused</li> <li>Cost savings from waste disposal: RM125,700 in FY2023</li> <li>Cost savings from former reglazing exercise: RM398,100 in FY2023</li> </ul>
<b>Rubber Reclaimed</b>	<ul style="list-style-type: none"> <li>Rubber Reclaimed Project estimated to reduce CO<sub>2</sub> eq emissions by 103.3 tonnes, by preventing 35,089 kg of nitrile waste being incinerated in FY2023</li> <li>Estimated landfill mitigation: 70.2 m<sup>3</sup></li> <li>Production of the following from torn nitrile gloves:                             <ul style="list-style-type: none"> <li>6,150 kg of rubber compound</li> <li>2,556 pcs of rubber coaster</li> <li>847 pcs of rubber mousepad</li> <li>520 pairs of shoe outsole</li> <li>95 pcs of rubber mats</li> <li>50 pcs of electrical insulation mats</li> </ul> </li> <li>Revenue: RM148,800</li> <li>Cost savings: RM71,000</li> </ul>

SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Environmental

Achievement Awards in Prime Minister's Hibiscus Award 2021/2022



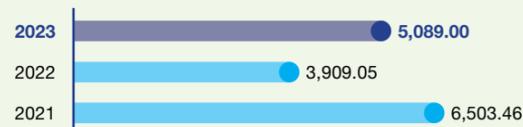
We are delighted to share that Top Glove has achieved highly commendable success at the Prime Minister's Hibiscus Awards 2021/2022, receiving a total of three awards. Notably, Top Glove's Factory 9 has been honored with the Notable Achievement Awards in Environmental Performance, underscoring our commitment to a greener future. Furthermore, Factory 30 has achieved the remarkable feat of winning the Gold Winner title in the Special Project Award, along with the Notable Achievement Awards. These accolades serve as a testament to our dedication to environmental protection and sustainable development. We also extend our appreciation to our stakeholders for their trust and support. Together, we strive for a brighter and more sustainable tomorrow.

Scheduled Waste Data

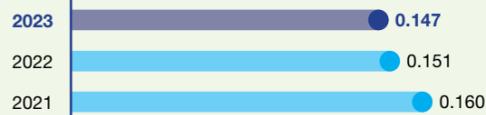
SCHEDULED WASTE GENERATED (TONNES)



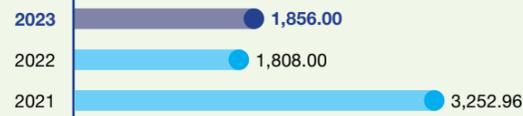
TOTAL SCHEDULED WASTE REUSED/ RECYCLED/ OTHER RECOVERY PROCESS (TONNES)



SCHEDULED WASTE INTENSITY (KG/1,000 PCS GLOVES)

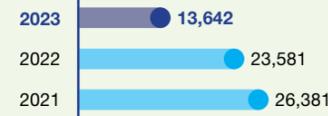


TOTAL SCHEDULED WASTE DISPOSAL THROUGH INCINERATION (WITH OR WITHOUT ENERGY RECOVERY), LANDFILLING, OTHER DISPOSAL OPERATIONS (TONNES)

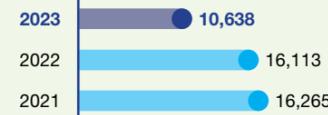


Solid Waste Data

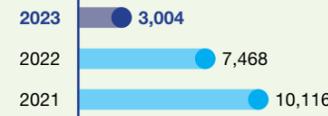
TOTAL SOLID WASTE GENERATED (TONNES)



TOTAL SOLID WASTE REUSED/ RECYCLED/ OTHER RECOVERY PROCESS (TONNES)



TOTAL SOLID WASTE DISPOSED THROUGH INCINERATION (WITH OR WITHOUT ENERGY RECOVERY), LANDFILLING, OTHER DISPOSAL OPERATIONS (TONNES)



Aligning with FY2025 goals, we have achieved targets in FY2023.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

Reduced 7% of scheduled waste intensity

Diverted 73% of scheduled waste from licensed landfill

Water, Land and Air Pollution Control

Effluent Treatment

Effluent management is a vital aspect of our commitment to environmental sustainability. We have implemented comprehensive effluent treatment processes to ensure that any effluent generated during our operations is treated to meet regulatory standards. Our treatment facilities are designed to remove harmful pollutants, ensuring that only treated, safe effluent is discharged into the environment.

Monitoring and Compliance

We maintain strict monitoring protocols to assess the quality of our effluent continuously. Regular sampling and analysis are conducted to verify compliance with local, national, and international environmental regulations. By closely monitoring our effluent, we proactively identify any deviations from compliance and take corrective actions promptly to mitigate environmental impacts.

Awareness and Education

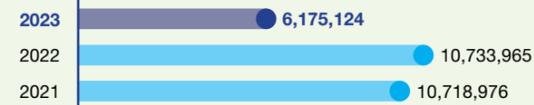
We understand the importance of creating awareness and educating our employees, stakeholders, and the community about the significance of effluent management for pollution control. Our awareness and education programmes aim to inform and engage individuals in responsible water use, effluent treatment, and pollution prevention. We believe that informed stakeholders are essential partners in our efforts to protect the environment.

Established Group Key Performance Indicators (KPIs)

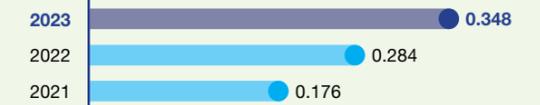
To measure the effectiveness of our effluent management efforts, we have established a set of Key Performance Indicators (KPIs) that align with our sustainability goals. These KPIs include metrics related to effluent quality, reduction in waste intensity, and compliance measures. Regularly tracking and reporting on these KPIs helps us gauge our progress and drive continuous improvement in our pollution control strategies.

Effluent Data

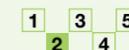
TOTAL WATER DISCHARGED (M³)



DISCHARGE INTENSITY (M³/1,000 PCS OF GLOVES)



SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Financial Year	2021	2022	2023
Water Quality: Environmental Quality (Industrial Effluent) Regulations 2009	Standard B for All Top Glove's Malaysia Factories except Factory 33 (Nilai) complies to Standard A		
Location of Final Discharge for Malaysia Factories	Meru factories: Sg. Kapar Kechil Banting, Selangor: Sg. Langat Lukut, Negeri Sembilan: Sg. Sendayan Nilai, Negeri Sembilan: Sg. Semenyih Kulim, Kedah: Lembangan Sg. Perai Kota Bharu, Kelantan: Sg. Raja Gali		

SUSTAINABLE PRODUCT MANAGEMENT

During the FY2023, R&D took significant strides in expanding our green product portfolio Biogreen™ as part of our commitment to addressing two critical global challenges: waste accumulation and climate change. To this end, we introduced two distinct product categories: The Biodegradable Series and the Renewable Series. These products are the result of our dedicated research aimed at developing gloves with a low carbon footprint by using renewable materials and minimising environmental impact.

Under the **Biodegradable Series**, we developed a range of gloves utilising environmentally friendly materials such as Nitrile Butadiene Rubber (NBR), Casting Polyethylene (CPE), and Thermoplastic Elastomer (TPE). These gloves are specifically designed to combat waste accumulation in active landfills through a process of anaerobic biodegradation facilitated by microbial activity. By employing this innovative approach, we aim to significantly reduce the environmental impact associated with glove disposal.

Our **Renewable Series** focuses on promoting the adoption of sustainable practices in glove production. This involves encouraging the use of renewable plant-based materials or responsible management of the forestry throughout the glove's lifecycle. By prioritising sustainability and carbon reduction, we aim to contribute to the mitigation of climate change.

Life Cycle Assessment

In addition to the Life Cycle Assessment ("LCA") conducted for our Biogreen™ Biodegradable Series and partial LCA for Plant-Based CPE Gloves, this year we are continuing our LCA efforts in line with ISO 14040 and ISO 14044 standards. We have recently taken a substantial stride in advancing our operations by instituting a specialised R&D Task Force dedicated to conducting LCA within our Top Glove's factories. Our comprehensive evaluation encompasses various facets of the product's life cycle, spanning from the selection of raw materials, the direct production process, and the distribution of goods, to the management of end-of-life considerations.

In alignment with our commitment to product risk management, this initiative places significant emphasis on the incorporation of sustainable and REACH-compliant materials to mitigate the presence of restricted substances in our products for the good sake on human health and environmental benefits. Its overarching objective is to bolster our internal capabilities and streamline the LCA process, thereby enabling us to more effectively address the criteria governing both product and process design.



Scan the QR code for more information about List of products in website

<https://www.topglove.com/products>

Biodegradable Series



Biogreen™ Biodegradable Nitrile Glove



Biogreen™ Biodegradable CPE Glove



Biogreen™ Biodegradable TPE Top Grip Glove

Renewable Series



Biogreen™ Plant-Based CPE Glove



Biogreen™ FSCTM Certified Latex Glove

R&D Open Innovation in Top Glove

Top Glove recognises the power of open innovation and actively cultivates long-term partnerships with external parties such as universities and research institutions. These collaborations have become instrumental in our R&D endeavours, propelling us towards cutting-edge advancements and social impact. Our engagement in extensive research collaborations spans across multiple domains, including new product development, process improvement, and wastewater treatment. The costs involved in R&D across multiple domains can be found in the TCFD and Water Management sections.

In the pursuit of operational excellence and sustainability, our collaborations in process improvement have yielded significant benefits. By partnering with universities and research institutions, we harness their expertise to optimise our manufacturing techniques, streamline processes, and enhance operational efficiency. This allows us to reduce waste generation, minimise resource consumption, and mitigate our environmental impact. Through our commitment to open innovation and collaboration, we actively contribute to social responsibility by implementing sustainable practices in our operations. Together with our external partners, we strive to create a more sustainable future, where glove manufacturing is synonymous with responsible and environmentally conscious practices.

Collaboration Partner

Our R&D Department has on going 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.

SUSTAINABLE PACKAGING MATERIALS

Management Approach:

Top Glove advocates ethical and responsible sourcing and procurement practices. The Company recognises that its supply chain has a significant impact on the well-being of the environment and is committed to minimising any adverse effects. This commitment reflects the Company's dedication to sustainable practices and its recognition of the importance of environmental stewardship.

We are committed to minimising the packaging needed for our products and ensuring responsible management of packaging. We are actively exploring alternative materials and recycled plastics to replace non-recyclable items. Our focus includes developing bottles made from recycled plastic materials and introducing refill packs for liquid detergent, aimed at reducing overall plastic consumption. However, our progress in transitioning to the use of recycled plastic bottles and refill packs currently stands at 0% due to shifts in the business landscape.

Environmental

Top Glove remains steadfast in its commitment to reduce plastic packaging usage and launched the 'Top Glove No Single Use Plastic Campaign' in May 2022, which continues until today. As part of our ongoing efforts, we have also actively investigated alternative materials to replace plastic containers provided by our canteen operators. These operators have transitioned to using washable and reusable containers for dine-in orders, while opting for paper or sugarcane materials for takeout orders. We further promote eco-conscious practices by encouraging our employees to bring their own food, fostering a culture of sustainability within our organisation.

Our in-house Packaging Material Plant is FSC certified. This certification signify our dedication to responsible sourcing practices and underscore our commitment to meeting recognised standards for environmental sustainability. Currently, approximately 98% of our packaging materials, in terms of quantity, are derived from recycled or recyclable sources. This demonstrates our commitment to reducing waste and minimising our environmental impact. Our objectives encompass several sustainability initiatives aimed at minimising our environmental impact. These collective efforts reflect our dedication to sustainable practices and responsible sourcing. Our efforts also extend to tracking the reduction of virgin plastic resin usage in stretch film. We are pleased to report an 19.2% reduction in plastic resin usage, bringing us close to our FY2023 target.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

86% inner boxes purchased is made with 100% recycled material or FSC paper

Maintain existing certification for packaging material factory for FSC

19.2% of reduction of virgin plastic resin

BIODIVERSITY & CONSERVATION

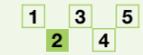
Management Approach:

We believe that the preservation of biodiversity is essential for maintaining the balance of ecosystems, protecting endangered species, and safeguarding the natural heritage of our planet. As part of our sustainability commitments, we work to identify, conserve, and restore biodiversity within our operations and the surrounding areas.

To effectively address biodiversity conservation, we engage in joint initiatives and community-based conservation projects that aim to protect and enhance biodiversity. As stated in our Sustainability Policy, our commitment to protecting biodiversity extends to the supply chain and is reflected in our Business Partners' Code of Conduct.



SECTION 2 ENVIRONMENTAL: TO TACKLE CLIMATE CHANGE AND RESTORE NATURE



Environmental

Environmental

Conservation Initiatives

Mangrove Nursery & Plantation



have the remarkable ability to store significant amounts of carbon over extended periods. By safeguarding and preserving mangroves, we actively contribute to the reduction of GHG emissions and support climate change mitigation efforts. Top Glove has built the first 3 nurseries, and as of FY2023, we have harvested a total of 3,450 mangrove propagules. We plan to propagate another 2,000 mangrove propagules by FY2025 to sustain the preservation of mangrove site.

In a collaborative effort, the Top Glove Foundation worked together with the Kampung Sijangkang communities to undertake a remarkable project. Their goal was to turn an illegal dumpsite into an educational park and enhance an existing mangrove plantation to establish a mangrove recreational park. Mangroves unique ecosystem, known as 'blue carbon' environments,

Tree Planting



Paulownia in Bangka

Top Glove has taken the initiative to plant trees on its 96.4-hectare land in Bangka and Belitung, Indonesia. From 2020 to the present, the land has accommodated 57,970 Paulownia trees and 45,318 Acacia trees, all of which were cultivated from seedlings grown in Top Glove's tissue culture lab established in 2019.

In addition to tree planting, Top Glove has expanded its conservation activities in FY2023. The Company has diversified its cultivation efforts to include other types of plants such as bananas and orchids. Through this plantation, Top Glove is not only contributing to the conservation of biodiversity but also making a positive impact on the environment. The extensive tree planting efforts have enabled the absorption of approximately 2,169 tonnes of carbon dioxide<sup>1</sup>.

<sup>1</sup> 1 trees absorbed approximately 21 kg of carbon dioxide annually



Acacia in Belitung

Planting location/year	2021	2022	2023
Bangka	24,642	27,101	2,126
Belitung	N/A	20,354	1,405

Cultivation type/year	2021	2022	2023
Paulownia	960,000	960,000	420,000
Orchids	N/A	N/A	200
Banana	N/A	90	N/A

Since FY2022, we have been offering internship opportunities to the local community in Indonesia, including high school and university students. In FY2023, the employment details are presented in the table below:

No.	Institution	Number of employees	Gender	Nationality
1	SMA Negeri 1 Kelapa	2	2 Male	Indonesians
2	SMA Negeri 1 Mendo Barat	4	2 Male, 2 Female	Indonesians
3	University Bangka Belitung	2	2 Male	Indonesians



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

**Social:**  
To Be A People Centric Corporate Citizen

HIGHLIGHTS

**Lost Time Injury Frequency Rate (LTIFR)**

reduction to **0.81**



**Zero fatality**

cases in FY2023



**14 factories achieved Grade A**

in DOSH OSHWA audit



**117,572**

**training hours** achieved in technical, soft skills and core trainings



**SMETA audited**

**factories** with an achievement rate of maintaining fewer than 10 non-compliances per audit.



**OCCUPATIONAL HEALTH & SAFETY**

**Management Approach:**

Investment in employees' health and safety is the best prevention of negative impacts such as health and safety risks and lowered productivity. At Top Glove, we recognise our responsibility in providing a safe and healthy workplace for our employees by enhancing the safety process within our operations, providing necessary technical and educational support in occupational safety and health as well as enhancing our healthcare initiatives.

**Health & Safety Governance**

In adherence to the Group's Occupational Safety & Health ("OSH") Policy, our Safety & Health Committee is more than 800 members. This committee is comprised of both management and employee representatives from diverse departments, entrusted with the responsibility of spearheading safety management initiatives and strategies for the entire organisation. The Head of Group Safety is a part of the Sustainability Steering Group, which reports to the Board Sustainability Committee.

**Health & Safety Management System**

We continue to uphold OSH best practices by maintaining ISO 45001: 2018 Occupational Health & Safety Management System certification at our operations. Initiated in FY2021, a total of 7 factories were certified with the ISO 45001:2018 as at FY2023 and we are working towards extending the ISO 45001:2018 certification to other factories by FY2025. The system is regularly audited both internally and externally and includes all employees and third-party providers who work on the Company premises. In FY2023, our target was to achieve certification for 2 additional factories under ISO 45001:2018. However, only one out of 2 factories were certified due to changes in number of operational factories.

**SUSTAINABILITY ROADMAP FY2022 TO FY2025**

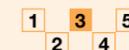
**7 factories** certified with **ISO 45001:2018**

Occupational Health & Safety Management

**GOAL 2: PROMOTING INCLUSIVITY & RESPECTING HUMAN RIGHTS**



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



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Safety Hazards: Risk Identification and Assessments

The OSH Policy highlight the creation of a proactive culture where all OSH's risks associated with its activities are adequately controlled by eliminating or reducing the risks to As Low As Reasonably Practicable (ALARP). Risk assessments are carried out whereby identified hazards and risks are examined, analysed and evaluated for improved control. Additionally, OSH awareness training have been conducted regularly to enhance the knowledge and skill of workers in order to prevent workplace injury/illness. The identification of hazards stands as a crucial step in ensuring the safety of our workplaces within the group. Our sites conduct comprehensive risk assessments, employing various methods in accordance with local laws and regulations. As a company, we classify our activities based on the level of risk involved and the availability of recognised methods to mitigate those risks effectively.

The following assessment monitoring systems are adopted:

Assessment Monitoring Systems

- a. Chemical Health Risk Assessment (CHRA)
- b. Noise Risk Assessment (NRA)
- c. Chemical Exposure Monitoring (CEM)
- d. Audiometric
- e. Local Exhaust Ventilation (LEV)
- f. Medical Surveillance
- g. Control of Industrial Major Accident Hazards (CIMAH) Assessment

Work-related hazards and risks for processes and projects are assessed via:

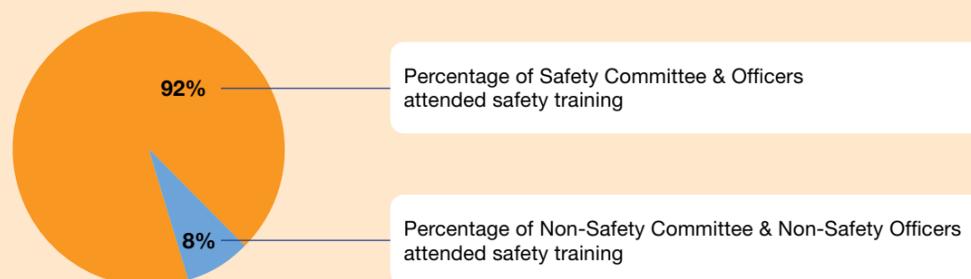
- a. Observation, interviews and implementation of Hazards Identification, Risk Assessment and Risk Control (HIRARC), the relevant trainings for which have been provided to employees.
- b. Monthly Corrective Action and Preventive Action (CAPA), through Safety and Health Committee meeting.
- c. Monitoring of Unsafe Acts and Unsafe Conditions (UAUC) through Top Glove Good Safe online reporting.

Work related hazards are addressed promptly through "Top Glove Good Safe" online reporting tool. This system aims to eliminate the occupational hazards from UAUC in workplace that can potentially lead to serious injuries/illness. The reported Good Safe will be routed to the rightful process owner for immediate action to be taken to close the UAUC raised. Through this participatory approach, a strong joint ownership will be developed to create positive safety and health workplace. The safety team conducts due diligence for new operations and projects as established in the Contractor Management procedure. Contractors are required to provide a HIRARC and undergo a review of their safety measures prior to commencing work. Safety requirements serve as the key selection criterion for new contractors.

Awareness and Trainings

We continuously conduct training to improve and enhance employees' safety awareness to prevent accident and incidents. Trainings include Work Instruction (WI) covering safety precautions which are provided to workers. Other training scopes include HIRARC, PPE, chemical spillage, machinery handling, Emergency Response Team, working at height, etc. In FY2023, 100% of our 11,213 employees, consisting of staff and workers, received training on health and safety standards.

TRAINING ON HEALTH AND SAFETY STANDARDS



Promoting a safety culture is crucial in ensuring the well-being of employees and preventing accidents in various environments. Here are other initiatives that we have undertaken to further promote safety culture:



Incident Reporting

Work related incidents are identified and assessed through incident reporting procedure. Typically, these incidents are investigated by involving relevant process owner and effective corrective measures are suggested for implementation. Corrective measures are determined by adopting the hierarchy of controls such as elimination, substitution, engineering controls, administrative controls and personal protective equipment (PPE). The implemented corrective measures are frequently upheld and supervised to prevent the recurrence of similar incidents.

Health & Safety Performance

We continue our mitigative efforts to keep our employees and contractors safe through the implementation of engineering control at operation process, regular safety training/briefing to employees and contractors, and enforcement of wearing proper PPEs among employees and contractors. We also continuously build organisational capability and operational controls that will act as a barrier to accidents being escalated to life changing or fatal outcome. Reflecting on our effort, over the past three consecutive years, we have recorded a progressively lower LTIFR on our employees. Furthermore, in FY2023, we recorded zero cases of contractor fatality as a result of improvement in our Permit to Work system and implementation of Contractor Safety Evaluation Programme.

We are currently on track to achieve our interim target for FY2023, which involves attaining an accident rate of 2.85 per 1,000 employees and ensuring that 100% of contractors meet the minimum score. This reflects our unwavering commitment to safety.

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



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Employee Safety Data

Financial Year	2021	2022	2023
Employee fatalities rate (percentage, %)	0.01	0	0
Number of employee fatality case	1	0	0
Percentage of employees covered for LTIFR (%)	100	100	100
Lost-Time Injury Frequency Rate (LTIFR) (number/a million hours worked)	0.92	0.86	0.81
Number and rate of high consequence work-related injuries (including fatalities)	Number: 71 Rate: 3.24	Number: 57 Rate: 2.99	Number: 32 Rate: 2.85

Industry Benchmark: According to the latest data available from the Department of Statistics Malaysia in 2021, the manufacturing accident rate stands at 3.20. <https://www.ilmia.gov.my/index.php/en/bda-noa>

Contractor Safety Data

Financial Year	2021	2022	2023
Contractor fatalities rate (percentage, %)	0	0	0
Number of contractor fatality case	2	0	0
Percentage of contractors covered for LTFIR (%)	N/A	100	100
Lost-Time Injury Frequency Rate (LTFIR) (number/a million hours worked)	N/A	0	0
Number and rate of high consequence work-related injuries (including fatalities)	N/A	Number: 0 Rate: 0	Number: 0 Rate: 0

Note: The percentage of contractors covered for LTIFR is only for construction contractors.

Occupational Safety and Health Workplace Assessment (OSHWA) is a regulatory audit conducted by the Department of Occupational Safety and Health (DOSH). Its primary goal is to enhance safety and health standards in the workplace. Remarkably, 14 Top Glove's facilities achieved a Grade A rating during this assessment.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

Accident Rate of **2.85**

Promoting Wellness

Towards looking after the mental and physical health of our employees, Top Glove provides comprehensive healthcare facilities and has multiple initiatives in place in the form of holistic wellness programmes.

WE CARE FOR THE HEALTH OF OUR EMPLOYEES

Top Glove has **29** Wellness Team Members as of 31 August 2023

**20** Medical Professionals & **2** Ambulances

- 6 Permanent Medical Doctors
- 3 Clinic Admins
- 1 Dentist
- 2 Paramedics
- 1 Mental Health Counsellor
- 1 Radiographer
- 3 Medical Assistants
- 1 Assistant Pharmacist
- 2 Nurses

**6** Wellness Professionals

- 3 Nutritionists
- 1 Counsellor
- 1 Dietitian
- 1 Health Admin Executive

**3** Fitness Professionals

- 1 Fitness Trainer
- 2 Fitness Assistants

Our key initiatives in promoting good physical and mental health:

Key Initiatives in Promoting Good Physical and Mental Health

1. Zero Harm on Mental Health Programme
2. Promoting 5 Healthy Wells Principle (Clean Well, Eat Well, Work Well, Exercise Well, Sleep Well)
3. Healthy Eating Active Lifestyle (H.E.A.L) Programme
4. Complimentary access to gymnasium facilities & sports subsidy
5. Monthly health talks, health workshops, e-health info for employees
6. Complimentary counselling services
7. Workers Health Protection Programme (WHPP)
8. Staff Health Management Programme (SHMP)

Top Glove continues to comply with the Foreign Worker's Medical Examination Screening (FOMEMA) for all foreign workers as required by the governments of Malaysia. New foreign workers will undergo FOMEMA every year for the first 3 years and subsequent alternate years until the foreign worker returns home.

FOMEMA includes screening for communicable disease such as HIV/AIDS, Tuberculosis and Malaria. A working permit is issued once the foreign worker is certified fit by FOMEMA. Failing which, the foreign worker will not be allowed to stay and work. Employers are required to repatriate the foreign worker as per Malaysia's regulations. With that, the Company is able to mitigate the spread of diseases. Top Glove offers a FOMEMA briefing as part of the new worker orientation module, ensuring that newcomers are equipped with the necessary exposure and knowledge before officially joining the Company.

Positive Psychology at Work

The importance of employee mental health in the workplace cannot be overstated as in today's fast-paced and demanding work environments, prioritising mental well-being is essential for both individuals and organisations. Top Glove has been very committed to dedicated and unwavering focus on providing training and resources related to mental health. This commitment reflects an organisation's determination to support the well-being of its employees by offering education and tools to enhance mental health awareness, understanding, and support within the workplace. We are dedicated to offering monthly mental health awareness training sessions throughout this year. These training sessions are facilitated by our in-house counsellor within the Group Human Resources department, who is also available to provide counselling sessions for any staff members in need of support. These trainings series have benefitted to 1,592 staff that have joined different training topics that we provided to them.



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



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HUMAN RIGHTS & LABOUR STANDARDS

Management Approach:

As a business with a global footprint and employees from diverse backgrounds including vulnerable groups such as foreign workers, we are committed to eradicating forced labour and creating an inclusive and respectful ecosystem, where fundamental rights are respected, and every employee is treated equally, leaving no one behind.

Human Rights Governance

Top Glove has diligently established a comprehensive framework for Business and Human Rights (“BHR”), with the finalisation process overseen by the Chairman’s Office. To ensure a thorough evaluation and mitigation of risks, Top Glove conducts Bow Tie Risk assessments on BHR. Several salient issues have been identified within the realm of human rights have emerged as central to our commitment to responsible business practices. These include our dedication to establishing an effective grievance mechanism for addressing harassment and bullying concerns, ensuring the safety and health of our workers, and diligently managing working hours and secure futures for our employees.

The BHR monthly meeting is chaired alternately by the CEO and the Managing Director. Heads of departments are required to attend the meeting as assigned. Daily responsibilities related to BHR issues are managed by the head of each respective department. BHR-related issues are promoted through Board Committees, including the Board Sustainability Committee (BSC), Board Risk and Integrity Committee (BRIC), Board Nomination and Remuneration Committee (BNRC) and Board Audit Committee (BAC).

Overarching Framework on Human Rights

In our unwavering commitment to upholding human rights, we strive to implement:



Policies on Human Rights Practices & Labour Standards

Our commitment to human rights is exemplified by our Human Rights Policies, which is aligned with global standards. Within our policies, we have thoughtfully defined the relevant requirements that guide our Company’s practices including the elimination of debt bondage, provision of fair working hours and days, protection of freedom of association, recognition of rights to collective bargaining, and a focus on occupational health and safety. Additionally, we uphold the prohibition of all forms of forced labour, bonded labour, modern slavery and child labour. We do not hire employees younger than 18 years old and have a verification process in place to identify and decline underaged candidates as outline in our Recruitment Policy.

Top Glove is actively enhancing its BHR Framework to include a broader range of areas. Top Glove’s Policies seamlessly interlink our existing rules and regulations centred around human rights. For example;

- Policies on Human Rights Practices & Labour Standards**
1. Human Rights & Ethical Conduct
  2. Employee Code of Conduct
  3. Occupational Safety & Health Policy
  4. Diversity, Equality and Inclusion Policy
  5. Prevention of Sexual Harassment Policy
  6. Prevention of Bullying Policy
  7. Grievance Procedure
  8. Sustainability Policy

In operations where, formal unions do not exist, all workers are covered under the Workers’ Welfare Committee, for which workers in every factory have the right to elect their representatives from each nationality and gender. Our subsidiary, Eastern Press Sdn Bhd. is covered by collective bargaining agreements, with the notice period for consultation and negotiation specified in collective agreements. In total, there are 40 union members who are covered under the union at Eastern Press Sdn Bhd.

The Company has effectively communicated its expectations to all stakeholders through the Business Partners’ Code of Conduct and Employee Code of Conduct. Business Partners’ Code of Conduct was distributed yearly to supply chain and customers, ensuring that they are fully aware of the Company’s standards and requirements. Employees are required to sign the Employee Code of Conduct. By doing so, the Company has established a framework for responsible and ethical practices throughout its stakeholders. Dialogue sessions and engagements with customers, investors, and suppliers include discussions about human rights, encompassing existing policies, initiatives and expectations. Our commitment to BHR is exemplified through various initiatives:

- Key Initiatives**
1. ESG Assessments on Critical Suppliers
  2. Internal Social Audits
  3. Compliance with Local Laws
  4. Independent Social Audits
  5. Audits requested by customers
  6. Workers’ Welfare Committee

We engage in a workers’ welfare committee, which is represented by workers’ representatives, to facilitate discussions that address topics related to their welfare, safety, health, and labour standards, in collaboration with the hostel and factory management. This inclusive approach underscores our commitment to the well-being and rights of all employees.

Human Rights Due Diligence

The integration of due diligence into our internal processes and social audit compliance, underscores our commitment to fulfilling our due diligence obligation. By leveraging existing practices, we ensure the early identification and assessment of potential human rights impacts through our internal social compliance procedures. As part of this commitment, we conduct annual internal site or virtual audits consists of human rights within our own operations and supply chain, allowing us to continually monitor and address any relevant issues proactively.

In FY2023, we conducted external and internal social compliance audits on SMETA, BSCI and Customer Code of Conduct to demonstrate our unchanging commitment to safeguard human rights of our employees. The due diligence process covers a range of areas, including forced labour, human trafficking, child labour, freedom of association/rights of collective bargaining, remuneration,

and discrimination. No violations of human rights were identified from the social compliance audit conducted.

External Social Audit Breakdown

Total number of announced audits	47
Total number of semi-announced audits	1
Total number of audits initiated and paid by customers	29
Total number of audits initiated and paid by Top Glove	18

Scan the QR code for more information about list of Policies

SUSTAINABILITY ROADMAP FY2022 TO FY2025  
1 factory audited passed BSCI (B)

With the implementation of SAP Ariba, we have established a robust supplier pre-screening process as a prerequisite for becoming a Top Glove supplier. Through this system, new suppliers/projects are required to complete a pre-screen assessment by providing relevant information about their operations. This data will then undergo a thorough analysis to identify potential human risks associated with each supplier. For suppliers who receive a grading below our established standards (grade D and E), suppliers are encouraged to improve their operations procedure by establishing necessary improvement in poor areas of the assessment.

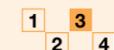
For existing supplier/projects, The Governance: Supplier Assessment section contains further details on supply chain assessment and audit. Relevant divisions will conduct a corrective action follow-up. This proactive approach is aimed at working collaboratively with our suppliers to address any deficiencies and implement necessary improvements to enhance their grading.

Zero Tolerance Statement in DEI Policy

We are committed to a strict zero tolerance policy against any form of discrimination, harassment, or bullying, including but not limited to sexual conduct, race, sex, disability, gender, age, sexual orientation, beliefs, and socio-economic background. Our priority is to foster an inclusive and respectful workplace where every employee feels safe and valued.



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

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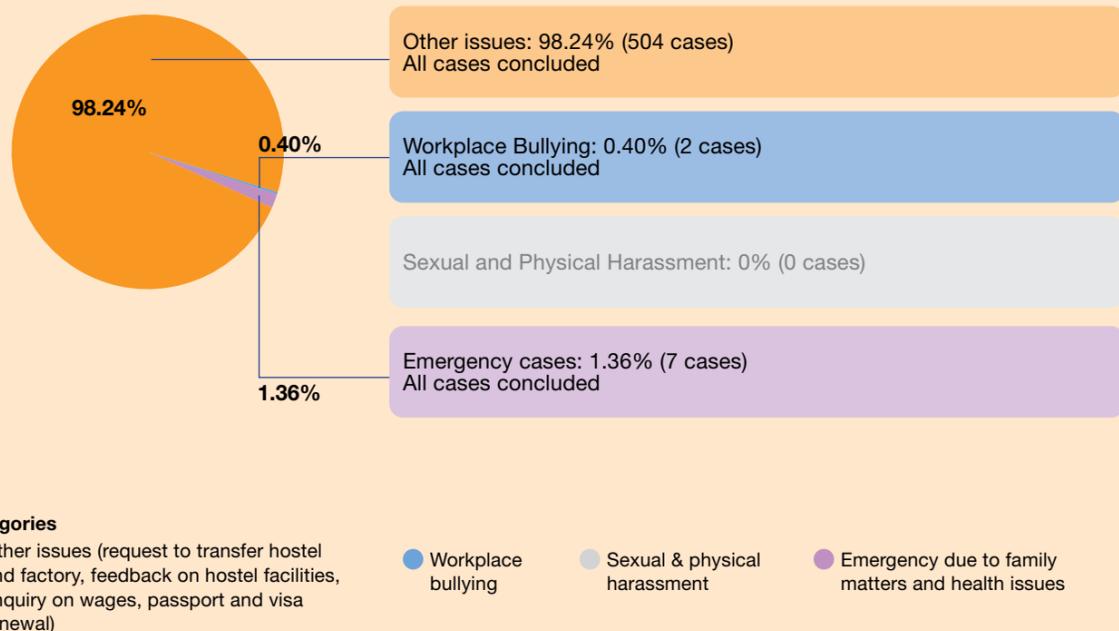
Access to Remedy: Grievance Channel

Our multiple grievance channels provide opportunities for our employees to raise grievance anonymously. The Company has set up various channels allowing workers to provide feedback through internal grievance channels and an externally managed complaints hotline. Our commitment lies in engaging stakeholders during the grievance process and taking necessary actions for resolution. We strongly encourage employees to voice any complaints or concerns they may have regarding unjust treatment, unfair practices, disrespect, harassment, or workplace health and safety issues.

- i. Whistleblowing channel. For our whistleblowing data disclosure, please refer to Whistleblowing section in page 78 this report.
- ii. Top Glove Counselling Lines for workers to report harassment and bullying incidents
- iii. Centralised workers' helpline
- iv. Email
- v. WhatsApp
- vi. Worker representatives from each nationality and gender
- vii. Human Resources representative at factory
- viii. HR Connect managed by Group Human Resource. We have digitalised the grievance channel by incorporating grievance feature into the employee mobile app.

INTERNAL HELPLINE MANAGED BY HR DEPARTMENT

In FY2023, total 513 cases received and all of the cases have been remedied.

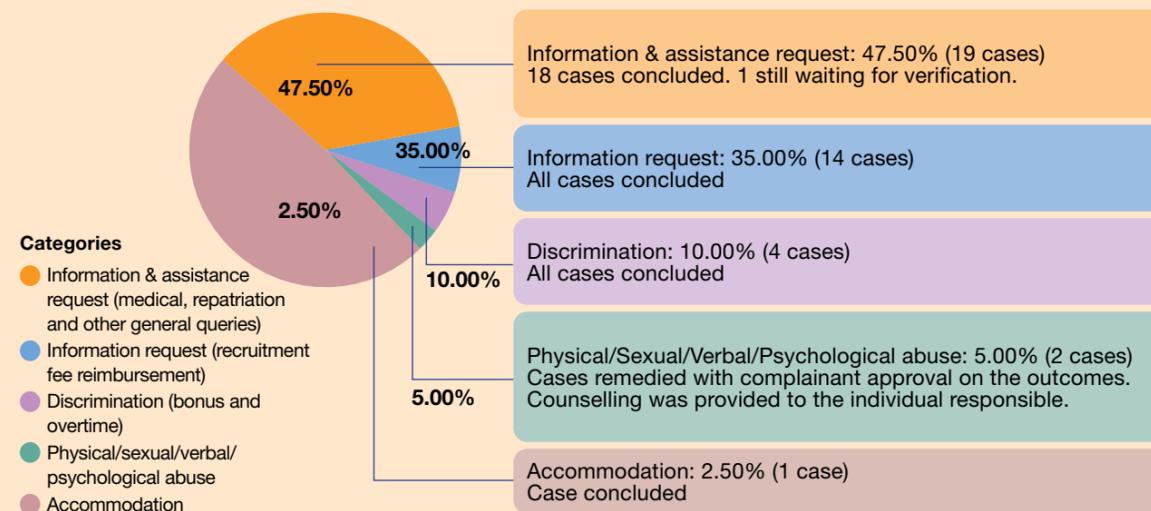


Note: Correction Action for Emergency cases. Top Glove provide emergency arrangement for workers to return to their home countries.

As outlined in our guidelines, when faced with an unsatisfactory remedy, the matter will be escalated to the Head of Group Human Resources for further action. It's worth noting that all reported cases have remedied and concluded at the level of the Head of Factory/Group of Department, Factory Human Resources, and Group Human Resources.

EXTERNAL HELPLINE BY IMPACTT

In FY2023, total 40 cases received and 39 of the cases have been resolved and closed with remaining 1 pending for verification on the action taken by the Company. In FY2023, the Impactt Helpline received calls in the following areas:



Top Glove Sustainability Grievance Channel

Top Glove launched its Sustainability Grievance Channel in early 2023, recognising stakeholders' critical role in identifying potential environmental, social, and economic impacts from our business activities. This channel fosters open dialogue, strengthens trust, and proactively addresses grievances. It explicitly covers human rights concerns, allowing stakeholders to raise issues on labour practices, health and safety, community engagement, and other areas with human rights implications. The channel ensures complete confidentiality and optional anonymity for external and internal stakeholders,

including local communities, NGOs, suppliers, contractors and employees, enabling them to freely raise concerns without fear of retaliation or negative consequences. We will work closely with stakeholders to understand the concerns, assess potential impacts, and develop effective solutions.

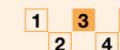
Reinforcing our Respect for Human Rights through Training

Over the past several years, we have provided the following training to reinforce our respect for human rights:

- a) Our internal trainers have conducted multiple in-house training for Head of departments and Human Resources Business Partners covering essential topics such as;
  - Business Social Compliance Initiative (BSCI)
  - SEDEX Members Ethical Trade Audit (SMETA)
  - the 11 International Labour Organisation (ILO) indicators of forced labour
- b) In FY2023, a total of 7,188 training hours on Human Rights Policies or procedures concerning aspects of human rights that are relevant to operations were conducted. Number of staffs trained in FY2023 is 599 staffs.
- c) Training sessions on human rights encompassing aspects relevant to the organisation's operations, have been conducted throughout the entire organisation, from top management to workers. Since 2019, HR has successfully educated over 6,051 workers on a wide range of Human Rights and Policies and practices.
- d) Social standard posters poster such as BSCI, ETI Base Code, ILO Forced Labour Indicators in workers native languages are displayed on notice boards at workers' hostel and factory.



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This year, a sustainability representative from our Company had the privilege of participating in a Multistakeholder Consultation for the National Baseline Assessment on Business and Human Rights in Kuala Lumpur. During this event, we had the opportunity to engage with various stakeholders, including NGOs, the ILO, and representatives from other corporate sectors. This engagement allowed us to hear valuable feedback and insights.



As a proud member of the UN Global Compact Malaysia & Brunei (UNGCMYB), our staff is actively dedicated to continuous learning through human rights-related training. We actively seek opportunities to share and learn best practices with other industries, fostering a deeper understanding of ethical practices and advancing our commitment to human rights.

EMPLOYEE BENEFITS

Employee Accommodation

Our accommodation fully complies with Act 446: Employees' Minimum Standards of Housing, Accommodations, and Amenities Act 1990. We have made sure that our workers have everything they need for a comfortable stay. Within the accommodation, we provide various amenities like a laundromat, canteen, mini market, and recreational facilities, making it convenient for our workers to meet their daily needs.

Work-Life Integration for Employee

To support employees in achieving work-life integration for maximal well-being, Top Glove has implemented a series of initiatives in FY2022, on top of the existing Flexible Working Hours Policy:

Work-Life Integration

1. Family Friendly Policies
2. Flexible Working Hours
3. Working from Home Policies
  - a) Working Parents/Pregnant Mother  
Working parents with children under the age of 12 years old or Pregnant Mothers. They are entitled to 30 days working from home arrangements.
  - b) Caregiver
    - Staffs are entitled to an aggregate 10 days of flexible work from home (WFH) arrangements in a calendar year as a form of caregiver support for staff who need to care for immediate family members such as parents, parents in-law, spouse, children, grandparents
    - Local workers may request to change shift (subject to operations scheduling and prior approval from superior)
4. Nursing Room
5. Parental Leave
6. Health Care

Parental Leave Data

Scope	Gender	2021	2022	2023
Total no. of employees that were entitled to parental leave	Female	4,478	3,684	1,150
	Male	5,698	4,503	1,351
Total no. of employee that took parental leave	Female	195	234	208
	Male	165	256	220
Total no. of employee that returned to work in the reporting period after the end of parental leave	Female	195	230	173
	Male	165	255	218

Note: Staff serving for more than a year are entitled to 7 consecutive days of parental leave in a calendar year, and 3 consecutive days for staff serving for less than a year.

DIVERSITY, EQUITY & INCLUSION

Management Approach:

At Top Glove, we embrace diversity, equity and inclusivity as we believe a diverse and respectful culture is the key to boosting staff morale, retaining talent and improving productivity. We are committed to providing equal opportunities in recruitment and career growth, and have zero tolerance for discrimination whether based on gender, ethnicity, nationality, cultural background, marital status, disabilities, political inclination, union membership, religion, sexual orientation or age.

Empowering Differently-Abled Employees



At Top Glove, we firmly believe in the power of diversity, equity and inclusion. Our unwavering commitment is to cultivate an environment where every team member can thrive, regardless of their abilities. We are thrilled to introduce you to one of our outstanding colleagues, Muhammad Aqif Ikhwan, who is proudly representing Malaysia in the upcoming 4<sup>th</sup> World Deaf Football Championships, taking place right here in the heart of Kuala Lumpur. Aqif is not just a footballer; he's a passionate Defender, and he's gearing up for his match on 23 September 2023, under the stadium lights at 8:30 p.m.. Even as Aqif embarks on this remarkable journey, which will keep him away for an extended period, we stand resolutely behind him. Aqif will return to a secure and stable position in our Company after this exciting tournament. We are proud to support him every step of the way, ensuring his dreams come true.

International Women's Day

Top Glove is proud to be at the forefront of women's empowerment in the workplace. Talent Development team has successfully rolled out a special podcast dedicated to this year's International Women's Day initiative. In this session, we explore and celebrate the remarkable achievements of women worldwide while addressing the pressing issues and challenges that continue to shape the pursuit of gender equality. The speakers from different background engaged with inspiring voices, share empowering stories, and foster a collective commitment to advancing the cause of gender equality in today's world. With 215 staffs who have joined this podcast, this is one of the initiatives to spread awareness on gender equality at workplace.



Women Empowerment Programme

The Empowerment Programme embodies the theme of 'Embrace Equity' by fostering a culture of inclusivity, fairness, and equal opportunities for all. This programme is open to other gender as well where a series of virtual trainings and e-Learning modules have garnered over 1,108 participations. With a commitment to inclusivity and accessibility, the programme has reached out to a diverse range of females and males, including participants from different races, religions, genders, ages, sexual orientations, disabilities and nationalities. By promoting equity in all aspects of its work, these initiatives create an environment where every woman can thrive and contribute to a more just and equitable society.



SUSTAINABILITY ROADMAP FY2022 TO FY2025

Achieved 52% female leadership in managerial position in FY2023

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



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**Festive Celebration of Inclusivity for Religion, Race, and Culture**

At our workplace, we hold festive sessions that run in parallel with our women's empowerment and diversity celebrations. These events extend far beyond mere decorations and delightful cuisine; they serve as a genuine testament to the remarkable diversity within our team.

These gatherings are more than just events on the calendar; they play a vital role in creating a space where authentic connections, empathy, and a deeper understanding of each other's unique backgrounds and traditions can thrive. As we come together to share stories, laughter, and cherished customs during these celebrations, we witness the tangible growth of bonds that run deeper. These connections nurture a profound sense of belonging and unity among our team, highlighting the strength that comes from our diverse perspectives and shared values.



**Prevention of Harassment & Bullying**

In FY2023, there were 4 harassment incidents reported and resolved. We respect and protect the affected employees throughout the investigation process, including obscuring their identity, to prevent retaliation at all times. Professional counselling services are also available to provide the support they needed to undergo the hard time. If the perpetrators are proven guilty upon investigation, stern disciplinary actions which include dismissal, will be taken. The decrease of harassment incidents reported were partially due to initiatives taken by Human Resources Department which include e-Learning module such as multilingual videos and infographics via Top Glove Worker Learning App that have been completed by over 24% to create awareness on zero tolerance of sexual harassment & bullying at workplace.

Our strategies in effectively preventing harassment also include:

1. **Enhancement of our policies, which include:**
  - a. **Prevention of Sexual Harassment**  
In line with the Employment (Amendment) Act 2022, we have reviewed the definition of sexual harassment and added the categories of sexual harassment as well as general guidelines to prevent sexual harassment to raise awareness among employees.
  - b. **Grievance Procedures**  
We have incorporated the role of worker's representative in resolving grievance.

2. **Periodically reviewing our policies**

3. **Training and awareness among employees (Manager, Executive and workers)**

**PEOPLE DEVELOPMENT**

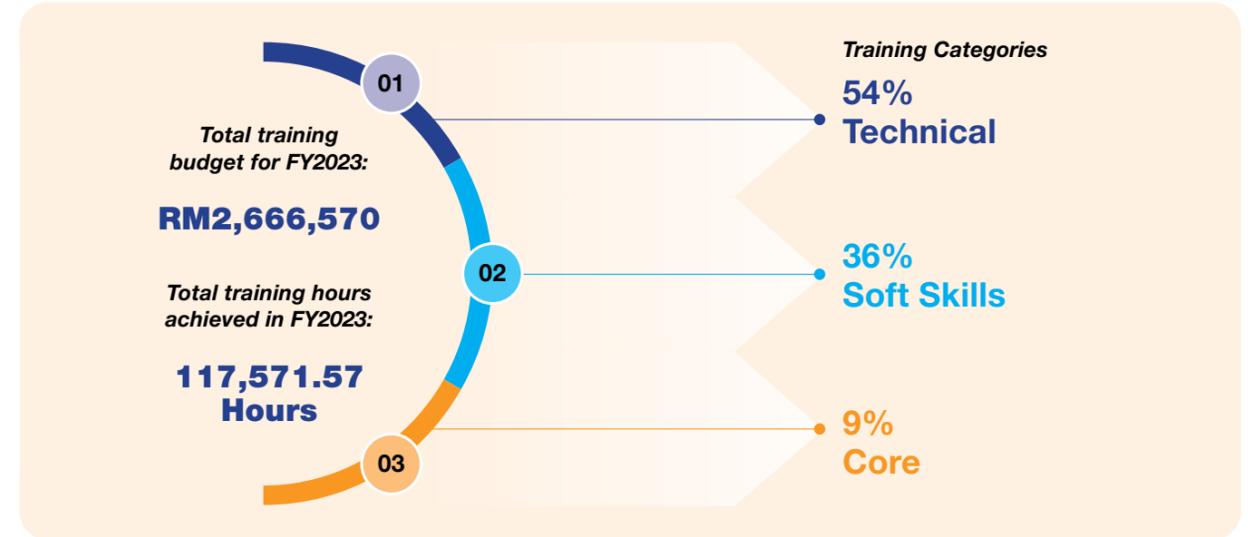
**Management Approach:**

*At Top Glove, learning and development form the cornerstone of our organisational culture. We believe that investing in the growth and professional development of our employees is not only crucial for their individual success but also for the overall success of our Company.*

We offer a wide range of learning opportunities, including training programmes, e-Learning's, coaching and mentoring, designed to enhance skills, expand knowledge, and foster a continuous learning mindset among our workforce. By prioritising learning and development, we empower our employees to stay ahead in their respective fields, adapt to changing market dynamics, and contribute to the ongoing success and innovation of our organisation.

Workers in Malaysia are also able to perform mobile-based learning through Top Glove Workers' Learning App (TGWLA) since 2019. Conjointly with classroom training, this mobile app has over 254 e-Learning module that caters a wide range of multilingual videos, articles and assessments to enhance and support learning ranging from technical, safety, soft skills and mental health topics.

**The breakdown of training overview for staff**



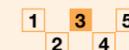
**Technical/Functional Training**



At Top Glove, our Technical/Functional Training programmes are designed to equip our employees with the job-specific skills they need to excel in their daily tasks while adhering to our Company's standards. These training initiatives have been seamlessly integrated into individual Key Performance Index assessments to enhance employee competency, raise awareness, and foster active participation. Furthermore, in addition to the aforementioned efforts, Top Glove has also established partnerships with educational institutions to create and deliver collaborative training programmes for our employees. One notable collaboration is with the Department of Skill Development (JPK), through which Top Glove introduced the "Top Glove Technical Skills Development Programme." This initiative was designed to provide our workforce with essential technical skills crucial in the manufacturing industry. The primary objective was to enhance the technical skills and capabilities of our employees, ensuring their continuous career growth and creating more opportunities. As of 2023, we are proud to announce that 30 graduates have successfully completed this programme. Moreover, we have also facilitated fully funded training for our staff, organised by the Selangor Technical Skill Development Centre (STDC), particularly benefiting our employees in PLC Programming training.



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



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Leadership Training



Power Up Elevate: Leadership Development Programme First Time Managers is a dynamic programme designed to equip newly promoted or aspiring managers with the essential skills and knowledge needed to excel in their leadership roles. This intensive training initiative was tailored to address the unique challenges and responsibilities that come with stepping into a management position for the first time. Through a comprehensive curriculum and hands-on learning experiences, participants gain the confidence and competence to lead teams effectively, make informed decisions, and drive success within the organisation. With comprehensive modules and coaching sessions included, this programme has benefitted 49 newly promoted Assistant Managers and they have been committed to complete this programme to upskill themselves.

Top Glove Annual Leadership, TGALS



TGALS is a yearly event that aims to ignite a fighting spirit, inspire unity and spark innovation in order to birth strategies and solutions from both senior and young leaders which will propel Top Glove to its next level of glory. This event exemplifies our unwavering commitment to embracing individuals of all ages and harnessing the collective potential of diverse generations. This year's summit, themed "Driving Excellence through People & Culture," aligns with our commitment to growth in year 2023 as Top Glove focuses on talent and people excellence. We firmly believe in our workforce's crucial role in our success, and this summit aims to harness their skills while fostering a culture of excellence.

Performance Management System

In FY2022, we undertook a comprehensive revamp of our Performance Management System ("PMS"), introducing a complete training programme consisting of 5 modules. Throughout the entire performance review period, the process starts with a goal setting conversation, where employees and superiors establish performance objectives for the new financial year. The system provides an avenue for continuous performance updates and enables superior to track team members' achievements, as well engage in performance coaching conversations to provide guidance and support. This includes two 360° performance reviews, one during the mid-year review and another at year-end review, where employees are encouraged to provide feedback for their circle of influence, including managers, peers, and direct reports. To ensure fair ratings, superior will then appraise their subordinates' overall performance and determine the performance rating, followed by calibration sessions conducted with department and factory heads to avoid any elements of bias or favouritism. Additionally, ESG metrics is integrated into 40% of the Management's KPI. This integration ensures a holistic approach to measuring and managing performance, and it's communicated during the goal-setting discussions between superiors and employees.

PMS E-LEARNING REFRESHER

- 

**Overview of PMS & Stretched Goal Setting**  
40 mins e-learning hours  
Learn to **Implement the Performance Management System** effectively, **set relevant KPIs** that are aligned with both business goals and individual growth by using **balanced scorecards**.
- 

**Performance Coaching**  
20 mins e-learning hours  
Learn **effective performance conversations**, differentiate **mentoring, counselling and coaching** and apply the **ACS coaching model**.
- 

**Coaching For Development**  
15 mins e-learning hours  
Discover the **purpose of coaching**, learn to **support career advancement** and develop **skill for performance conversations and coaching**.
- 

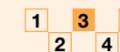
**Performance Appraisal Dialogue**  
90 mins e-learning hours  
Discover the **importance of conducting appraisals**, and learn skills for effective preparation, execution and follow up. **Enhance feedback, goals setting and professional growth**.
- 

**Performance Rating Calibration & Effective Communication Post Calibration Process**  
60 mins e-learning hours  
Master **performance calibration and communication**. Learn the process and techniques for handling and communicating **final performance ratings** to employees.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

1,820 job opportunities provided in FY2023

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

Recruitment Data

Scope	2021	2022	2023
Total new recruits (number)	9,720	6,378	1,820
<b>Breakdown by age group (percentage, %)</b>			
Below 30	88	87	62
30 to 50	11	12	36
Above 50	1	1	2
<b>Breakdown by gender (percentage, %)</b> <i>*Only referencing data based on the administration staff</i>			
Female	38	41	50
Male	62	59	50
<b>Breakdown by locality (based in Malaysia, percentage, %)</b>			
Local	85	93	94
Non-local	15	7	6

Note: Data cover all staff including trainee.

Turnover Data

Staff Turnover			
Scope	2021	2022	2023
Turnover rate	18.50%	31.21%	64.33%
Manufacturing industry turnover rate (based on calendar year)	15.50% (year 2020)	12.00% (year 2021)	28.60% (year 2022)
<b>Breakdown by age group (percentage, %)</b>			
Below 30	80.50%	79.60%	67.41%
30 to 50	18.50%	18.90%	28.80%
Above 50	0.90%	1.50%	3.79%
<b>Breakdown by locality (based in Malaysia, percentage, %)</b>			
Local	90.30%	99.90%	99.70%
Non-local	9.70%	0.10%	0.30%

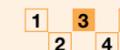
Worker Turnover			
Scope	2021	2022	2023
Turnover rate	26.47%	46.02%	60.67%
Manufacturing industry turnover rate (based on calendar year)	24.36% (year 2020)	12.96% (year 2021)	28.30% (year 2022)
<b>Breakdown by age group (percentage, %)</b>			
Below 30	77.13%	71.73%	52.87%
30 to 50	22.30%	27.61%	45.99%
Above 50	0.57%	0.67%	1.14%
<b>Breakdown by locality (based in Malaysia, percentage, %)</b>			
Local	70.01%	59.62%	31.09%
Non-local	29.99%	40.38%	68.91%

Our Diverse Workforce (in numbers)

Group	Category	2021	2022	2023
Total no. of employees		22,741	19,006	11,213
By Country (Nationality)	Malaysia	10,176	8,715	3,895
	Thailand	1,333	1,149	892
	China	234	95	21
	Vietnam	294	167	37
	Myanmar	827	661	193
	Indonesia	834	661	383
	Nepal	3,698	2,971	3,215
	Bangladesh	5,171	4,501	2,567
	Others	174	86	10
	By employment type	Permanent	21,532	18,006
Contract		391	430	1,641
Interns		818	570	48
By category	Lower management	15,915	13,616	8,001
	Junior management	2,617	2,079	1,086
	Middle management	3,523	3,059	1,544
	Upper management	603	631	503
	Senior management	69	69	64
	Executive management	14	7	15
By age group	Below 30	14,812	11,949	5,587
	30 - 50	7,525	6,728	5,355
	Above 50	404	329	271
By region (based on Malaysia)	Local	10,161	8,704	3,902
	Non-local	10,183	8,473	6,376
By ethnicity (Malaysia only)	Malay	6,720	5,929	2,648
	Chinese	1,765	1,607	724
	Indian	1,263	1,053	479
	Others	428	115	51



SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

Gender Diversity

Financial Year	2021	2022	2023
<b>Employee breakdown by gender (in numbers)</b>			
Female	7,030	5,940	3,145
Percentage, %	31%	31%	28%
Male	15,711	13,066	8,068
Percentage, %	69%	69%	72%
<b>Leadership positions (managers &amp; above) held (in numbers)</b>			
Female	229	211	208
Percentage, %	52%	50%	52%
Male	212	210	193
Percentage, %	48%	50%	48%
<b>Board of Directors' gender diversity (in numbers)</b>			
Female	5	5	5
Percentage, %	42%	36%	42%
Male	7	9	7
Percentage, %	58%	64%	58%

Number of staff with differing abilities  
**3**

Percentage of global staff with a disability  
**0.03%**

Percentage of female employees in top management positions  
**52%**

Percentage of female employees in a management position in the Marketing Department  
**78%**

The basic salary ratio for entry-level men to women  
 • Male employee ratio of entry level wage to minimum wage **1:1**  
 • Female employee ratio of entry level wage to minimum wage **1:1**

Training Hour Data

Total Training Hours		
Management category	2022	2023 to date
Lower	430,780.36	239,687.30
Junior	76,216.12	33,943.20
Middle	150,184.94	59,380.65
Upper	38,146.74	21,976.85
Senior	3,405.15	2,175.68
Executive	185.02	95.19
<b>Training Details Per Employee</b>		
	2022	2023 to date
Average training hours	55.49 hours	43.88 hours
Average days of training	7.93 days	5.48 days
Average training hours (female employee)	63.10 hours	48.75 hours
Average training hours (male employee)	48.34 hours	38.88 hours
<b>Effectiveness of training (percentage of training has met its objective)</b>	94%	93%

Employee Engagement Survey

In FY2023, we conducted an anonymous employee engagement survey in-house as a continuous effort to improve internal processes and promote inclusivity.

a) Staff survey

Scope	2021	2022	2023
Percentage of total employees covered	79%	73%	81%
Survey results with Above Average Satisfaction	49%	73%	75%

b) Worker survey

Scope	2021	2022	2023
Percentage of total employees covered	85%	70%	97%
Survey results with Above Average Satisfaction	88%	88%	82%

During the employee survey, four key aspects are assessed, including job satisfaction, happiness, work-life balance, and other relevant metrics.

Note: All data is reported to the nearest integer.

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

HIGHLIGHTS

Maintained certification of **ISO 18788:2015** for Private Security Management Systems



As of FY2023, a total of **RM32 million** was contributed to various charitable endeavours



Employees collectively volunteered **10,524 hours** in FY2023



**RM635,517** was invested to support social causes initiated by Top Glove Foundation (TGF)



**GOAL 3: IMPROVING COMMUNITY LIVELIHOOD**



**SECURITY MANAGEMENT**

**Management Approach:**

The safety of our employees, premises including hostels and assets is very important to the Company. Top Glove is one of the companies in Malaysia that has its own Auxiliary Police and internal security that take care of the safety and security of employees and premises.

In FY2023, a total of 127 Auxiliary Police and 83 of in-house security have been assigned to guard Top Glove premises including Top Glove Tower (headquarters), hostels and all factories in Malaysia. To develop, maintain and put in place a quality security management system, Top Glove has been certified by SIRIM for ISO 18788:2015 since FY2019 and expanded the scope of certification to cover factories located outside the Klang area.

**Our Security Tagline**

**Our commitment is keeping you safe, your safety and security is our priority**

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN

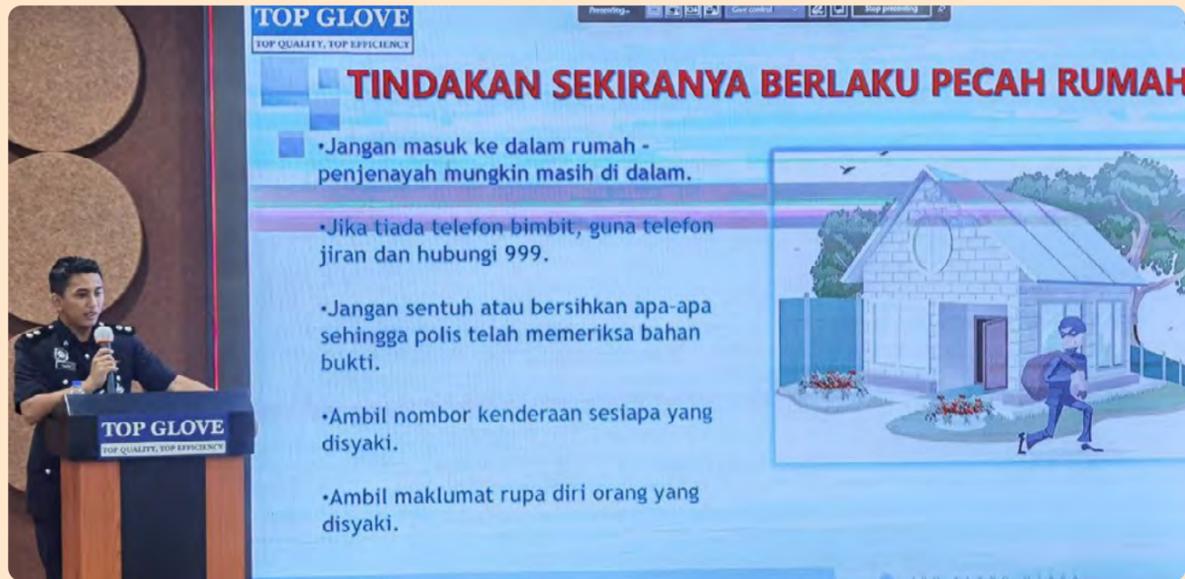


Social

Social

Security Management Initiatives in FY2023

Crime Prevention Talk by Polis DiRaja Malaysia (PDRM)



To enhance the awareness of Top Glove's staff about crime and crime prevention in the vicinity/premises of Top Glove and their homes. Additionally, creating a safe environment and monitoring suspicious criminal behaviour.

Drug Free in the Workplace



Provide information about the dangers of drug abuse to the general public and create awareness among employees.

Health Fair & Talk on Cigarettes and Liquor Will Kill You



To educate staff and workers about the short-term and long-term effects of smoking and alcohol consumption. Also, to promote a smoking and alcohol-free lifestyle for a long and healthy life.

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

COMMUNITY ENGAGEMENT

Management Approach:

We are committed to creating positive and long-term community impacts for a sustainable future, especially for the generations to come. The Top Glove Foundation ("TGF") is the Company's main charity arm for community support and outreach initiatives, which focuses on community development, education support and environmental conservation.

Community Development

We support the communities in need through various projects such as philanthropic giving, food aid and internship opportunities. In FY2023, we contributed RM635,517 million in donations to more than 3,500 needy families, schools and charity organisations. TGF is the dedicated team responsible for organising charitable engagement activities. To encourage employee participation in community engagement, we have incorporated Community Engagement Hours (CEH) as a requirement in employee Key Performance Indicators (KPIs).

COMMUNITY ENGAGEMENT



"Give Them Wings" CSR Programme by Harley Davidson

TGF supported the Superkids Ride & Fly initiative which provides a once-in-a-lifetime experience of riding a Harley Davidson and soaring above Kuala Lumpur to 122 children from impoverished backgrounds on 14 January 2023.

- 59 volunteer hours contributed
- 10 staff volunteers
- Total contribution for refreshment: RM4,355.50



Humanitarian Volunteer for Turkey & Syria Earthquake

In response to the Turkey and Syria earthquake, TGF had extended a helping hand to volunteer at the headquarter of Royal Malaysian Air Force and Special Malaysia Disaster Assistance and Rescue Team (SMART) on 18 and 19 Feb 2023. We had successfully sorted out and loaded 80 tonnes of donated goods into trucks, containers and aircrafts, also to clear and deliver all received goods from the headquarter to National Disaster Management Agency (NADMA).

- 140 volunteer hours contributed
- 29 staff volunteers

COMMUNITY ENGAGEMENT



Healthy Ageing Programme

The World Health Organisation (WHO) defines "healthy ageing" as "the process of developing and maintaining the functional ability that enables wellbeing in older age".

As Malaysia is set to become an aged nation, with 15% of the population aged above 60 years old by 2030, TGF is doing its part to advocate the concept of healthy ageing. To this end, TGF collaborated with Pusat Kesihatan Daerah Klang (PKD) to kickstart the monthly "Program Kesihatan Warga Emas" with Klinik Kesihatan Pandamaran in March 2022. This programme was subsequently expanded to include Klinik Kesihatan Meru in October 2022. The programme promotes healthy ageing through a variety of health talks related to ageing, physical exercise sessions for the elderly and monthly health screenings, as well as fun interactive and cognitive activities. Each senior citizen is also given a bag of fresh fruit and healthy refreshments.

To date, we have more than 300 active members participating in the monthly physical and virtual get-togethers.

- 67 volunteer hours contributed
- 17 staff volunteers
- Total contribution for refreshment: RM850.50



Preventing Community Frailty Programme

Following the success of the Healthy Ageing Programme, the Selangor Health Department has come in as a partner for our new programme, the "Preventing Community Frailty Programme", which involves medical screening activities, health talks, exercises that monitor the ageing analytics and physiotherapy, specifically for senior citizens.

The programme involves 12 Klinik Kesihatan and Pusat Jagaan Warga Emas Komuniti in the Klang District, benefitting some 2,000 senior citizens by monitoring their ageing statistics, re-evaluating and re-examining to ascertain effectiveness and medical impacts. This data is then referenced as predictive analytics for Ministry of Health Malaysia to implement relevant and impactful programmes to address the ageing population reality.

- 246 volunteer hours contributed
- 33 staff volunteers
- Total contribution for refreshment: RM3,909.40

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

COMMUNITY ENGAGEMENT



**Blood Donation Campaigns**

TGF supported Top Glove Global Doctors (TGGD) blood donation campaign for University Malaya Medical Centre (UMMC), which was aimed at urgently building up UMMC's blood supply reserves ahead of the long Hari Raya holiday. The events took place from 17 January 2023 to 20 January 2023 and 18 April 2023 to 20 April 2023 at Top Glove Tower's Healthy Event Hall.

On 17 and 18 Aug 2023, TGF also supported TGGD and UMMC in organising the 1<sup>st</sup> public Blood Donation Programme at Setia City Mall, Setia Alam.

With the backing of our management, we have pledged to organise 3 in-house blood donation campaigns per year to support UMMC and HTAR.

- 518 volunteer hours contributed
- 403 staff volunteers
- Total bags of blood received: 524 bags including public



**Chinese New Year 2023 Grocery Contributions to Welfare Homes**

TGF organised grocery contributions to welfare homes during the Chinese New Year festive period in March 2023, going beyond standard grocery items by properly identifying the needs of the beneficiaries first. Our contributions worth more than RM25,000 benefitted a total of 437 residents including children, teenagers, differently abled adults and the elderly, residing in 12 homes across Klang, Banting, Nilai, Lukut, Ipoh, Kulim and Kota Bharu.

- 426 volunteer hours contributed
- 92 staff volunteers
- Total contribution: RM27,552.10

COMMUNITY ENGAGEMENT



**Hari Raya Bubur Lambuk "Cook with Love" 2023 Programme**

TGF organised our annual Hari Raya Bubur Lambuk "Cook with Love" programme with Ketua Kampung Meru, MPKK Meru and Tok Penghulu on 29 March 2023. Our 174 staff volunteers prepared four huge pots, successfully achieving our target of over 2,000 packs of Bubur Lambuk. With the help from the MPKK Meru committee, we distributed these packs to Klinik Kesihatan Meru, Balai Polis, Balai Bomba, mosques, suraus and also the local community from old folks' homes, differently abled homes and orphanage homes.

Meanwhile, some of our Ipoh and Lukut based colleagues collaborated with nearby mosques to cook and distribute over 1,200 packs of Bubur Lambuk to local communities. Our other outstation factories from Banting, Nilai and Kulim also conducted Hari Raya CSR Programmes by contributing groceries to welfare homes.

- 459 volunteer hours contributed
- 174 staff volunteers
- Total contribution: RM11,006.20



**Deepavali Grocery Bundles for Underprivileged Families**

For Deepavali, we contributed 1,000 grocery bundles to underprivileged Indian families through a collaboration with Mariamman Indian Temple (Meru), Sri Balathandayuthapani Temple (Kapar) and Persatuan Kebajikan Thirumular Malaysia (PTKM). While recipients from Meru and Kapar collected their bundles from the temples, PTKM distributed the grocery bundles to 500 impoverished families throughout Malaysia.

With the support of 87 staff volunteers including our outstation colleagues from Banting, Lukut and Kulim, we contributed a total of RM44,000 worth of groceries, spreading Deepavali joy to about 1,080 families.

- 209 volunteer hours contributed
- 87 staff volunteers
- Total contribution: RM43,654.00

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

COMMUNITY ENGAGEMENT



**“Put A Smile on A Child” Christmas 2022 Programme**

TGF’s Christmas 2022 CSR Programme, “Put A Smile on A Child”, was organised for two orphanage homes, Persatuan Rumah Kebajikan Rita, Kapar and House of Love (Pertubuhan Rumah Anak Yatim Berkat Kasih), Taman Botanic, Klang. Like our previous year’s ‘Wishing Tree’ CSR programme, it involved the residents writing down their desired items for Christmas, which Top Glovers would then purchase for the residents accordingly.

The visits to the homes were complete with gift giving, a mini concert of Christmas carols performed by Top Glove’s in-house band, The Rubberito, and games with the children. TGF also provided the homes with groceries, daily essential items and 10 units of refurbished laptops under the EduShare programme.

Our outstation factories from Nilai, Lukut, Ipoh and Banting also distributed groceries and additional healthy snacks for the Welfare Homes in their respective areas. Indeed, our “Put A Smile on A Child” Programme was a success, having made 200 children much happier.

- 283 volunteer hours contributed
- 135 staff volunteers
- Total contribution: RM9,570.15



**Bakul Rahmah Distribution**

In April 2023, TGF supported a total of 150 Bakul Rahmah to Masjid Ay-Syarif Meru and Kampung Budiman for the distribution to the impoverished families based in Meru/Klang.

- 21 volunteer hours contributed
- 5 staff volunteers
- Total contribution: RM12,538.80

COMMUNITY ENGAGEMENT



**Lend A Hand: Groceries Distribution**

TGF donated basic grocery essentials to 4 needy families facing medical and financial challenges in Kapar for a period of 6 months effective from July 2023 to December 2023.

EDUCATION SUPPORT



**EduShare Programme: Donating Refurbished Laptops for Academic Purposes**

This programme, which is part of TGF’s ongoing efforts to connect communities with digital technology, entails repairing and reformatting older but serviceable laptops, which are then donated to orphanages, as well as underserved students and communities.

To ensure the hardware achieves its objectives and is utilised effectively, we also expanded our support to include a computer literacy programme, so as to better equip the beneficiaries. These teaching and learning programmes are conducted by Top Glove’s IT staff volunteers, for students ranging between the ages of 10 to 17 years old.

- 251 volunteer hours contributed
- 57 staff volunteers
- Total contribution: 64 units of laptops for FY2023



**“Spread Your Love” Financial Aid Programme**

TGF donated RM30,000 supporting 60 pax impoverished primary students from 3 schools in Perak, namely SJK(C) Lahat, SJK(C) Simpang Jalong and SJK(C) Lasah on 9 February 2023.

SECTION 3 SOCIAL: TO BE A PEOPLE CENTRIC CORPORATE CITIZEN



Social

Social

ENVIRONMENTAL CONSERVATION



**Fruit Tree Planting Event at Taman Botani Negara Shah Alam**

TGF and the Marketing Department planted a total of 320 mango, coconut and soursop trees, transforming the landscape into a vibrant orchard. Not only that, we also took steps to ensure their protection by installing protective fencing.

- 374 volunteer hours contributed
- 78 staff volunteers
- Total contribution: RM42,086.20



**Mangrove Nursery & Planting Project**

Since the year 2020, TGF and Top Glove staff volunteers have supported Sijangkang Magrove Recreational Park (SMRP) in conserving the mangrove landscape by potting propagules and small mangrove sprouts. To prevent animals such as monkeys from the surrounding living habitats from destroying the young plants, we built three nurseries to keep the plants safe during the growing process and nurtured over 3,450 young mangrove plants.

To sustain the park's role as a recreational and educational hub, TGF has contributed to the development of a nearby 'Team Building' course, enhancing its appeal to younger visitors. Furthermore, the organisation has also undertaken enhancements such as painting rest area amenities, including toilets, tables, and chairs, to enrich the visitor experience.

On 2 September 2023, 63 dedicated Top Glove volunteers, including senior management members, coming together to plant 300 mangrove propagules, or young mangrove plants at Taman Rekreasi Paya Bakau Sijangkang.

- 347 volunteer hours contributed
- 63 staff volunteers
- Total contribution: RM14,000

ENVIRONMENTAL CONSERVATION



**Fabric Recycling Project**

Top Glove is the first corporate partner for Australian Textile Manufacturing Malaysia (ATMM), for its fabric recycling project. Since April 2022, Top Glove has run a weekly collection of the Company's used uniforms, as well as used/unwanted clothing and fabric materials (such as curtains, bedsheets, towels, shoes, bags and toys) from its employees. These materials are then upcycled, downcycled and recycled to give them a second chance of usage, while helping to conserve the environment. Meanwhile, donated clothing which is still in good condition is kept for donation to welfare homes. To date, we have collected more than 5 tonnes of fabric, prevented almost 8,000 kg CO<sub>2</sub> eq emissions and saved 25,000 T-shirts from being disposed in landfills.

- 683 volunteer hours contributed
- 179 staff volunteers



**Upcycling, Downcycling and Recycling (UDR) Programme**

TGF continued to heighten awareness of the importance of UDR among Top Glove employees, across Klang factories in Malaysia as well as our corporate office in Setia Alam, Top Glove Tower.

- 431 volunteer hours contributed
- 180 staff volunteers
- Total weight of recyclables: 29,148 kg



**Weekly Gotong Royong Activities with Local Communities**

Through regular gotong royong activities, we come together as a community to work towards a healthier environment.

- 2,828 volunteer hours contributed
- 735 staff volunteers
- Total weight of waste collected: 2,194 kg

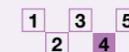
In FY2023, Top Glove contributed RM23.9 million income tax towards nation building as part as sustainable economic growth.



Note: The income tax data is reviewed solely by tax working group and is separate from SIRIM assurance process.

SECTION 4

GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



Governance

**Governance:**  
To Create Long-Term Value Through Ethical Business Practices and Continuous Stakeholder Engagement

HIGHLIGHTS

**RM2.1 million** was put into enhancing our cybersecurity system



**ISO 27001:2013** certification for Information Security Management Systems



Maintain a clean record with **zero cases** security breaches



**40%** of Management's KPI linked to ESG metrics



ETHICS, INTEGRITY & GOVERNANCE

**Management Approach:**

Top Glove demonstrates highest standards of corporate governance, which is a cornerstone in building a foundation of credibility and integrity for our stakeholders. We strive to implement comprehensive risk management, demonstrate good boardroom practises, instil culture of anti-bribery, anti-corruption, ethics & conducts.

Sustainability Governance Structure



**GOAL 4:**  
STRENGTHENING GOOD CORPORATE & RESPONSIBLE BUSINESS CULTURE



Promoting our core values of Business Ethics: Honesty, Integrity & Transparency, Top Glove's steadfast reputation is deeply rooted. From their very first day at work, we instill these principles in all employees, understanding that securing stakeholders' trust is essential for our business's future. Within the Group, we remain resolute in upholding good ethics and compliance to ensure robust corporate governance.

SECTION 4

GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



Governance

Governance

Sustainability Grievance Channel

In July 2022, Top Glove implemented the Grievance Handling Protocol subsequent to the rollout of Top Glove's Sustainability Policy. This Policy was introduced to engage both internal and external stakeholders, providing them a platform to express concerns pertaining to sustainability issues within our operational framework and across the entirety of our supply chain. The Grievance Handling Protocol has been formulated to ensure efficient management of grievances, with the goal of overseeing and enforcing adherence to Top Glove's Sustainability Policy and Business Partners' Code of Conduct. This protocol encompasses a detailed procedure that facilitates the resolution of grievances by establishing a connection between business operations and grievance resolutions. It becomes applicable once grievances are assessed and confirmed as breaches to our policies. As of now, we have not received any reported cases through this channel. Nonetheless, we are committed to raising awareness about this grievance channel and actively working on enhancing its interface to make it more user-friendly and accessible for reporting.



Scan the QR code for more information about sustainability grievance procedure

<https://grievance.topglove.com/#:~:text=Grievance%20Mechanism,-Communicate%20the%20Grievance&text=Public%20can%20raise%20grievances%20against,the%20legitimacy%20of%20grievance%20case>

Corporate Governance

Upholding the highest standards of governance empowers our Board of Directors to play a pivotal role in strategic planning and risk management, thereby ensuring the sustainable operations of the Group. For a comprehensive understanding of our corporate governance practices, please refer to the Corporate Governance Overview Statement on pages 68 to 78 in the Integrated Annual Report 2023.

In FY2021, we introduced a groundbreaking measure by linking ESG metrics to 40% of the Management's KPI, effective from FY2022 performance management. This step was taken to ensure that our management is held accountable for the accomplishment of the Company's objectives. To strike a harmonious balance between financial and non-financial measures, the Group adopted the Balanced Scorecard in FY2022. This strategic performance management tool aligns our mission, vision, and strategies, aiding in defining goals, strategic objectives, and well-defined initiatives and targets through a set of KPIs/measurements.

2023 Governance Highlights

- Adoption of Conflict of Interest Policy effective 2023
- Engagements between Non-Executive Directors and Management
- Annual Board Effectiveness Evaluation conducted internally, facilitated by the Company Secretary via online questionnaires
- Diverse gender and skills across Board of Directors, with 42% of female directors
- The Board has imposed ESG metrics linked to 40% of the Management's KPI
- Continuous implementation of Balanced Scorecard to align KPIs with business strategy at all levels

Engagement Between Non-Executive Directors and Management

The Non-Executive Directors' Committee ("NEDC") formerly known as Independent Directors' Committee ("IDC") had their first meeting for the financial year 2023 on 12 April 2023. The NEDC focused on the Company's investment strategies, portfolio management and reviewed the Company's Investment Guidelines while highlighting the importance of adherence to approved guidelines. The NEDC provide recommendations to strengthen the cash flow position and capital structure management of the Company. People and culture were also addressed in the NEDC meeting along with timelines and action plans to overcoming current business challenges.

The NEDC had their second meeting on 14 June 2023 during the financial year 2023. In this meeting, the NEDC went through the agendas of the upcoming Board of Directors meeting and discussed each agenda thoroughly to enable them to have a better view on the issues at hand and to drive better deliberations at the Board meeting. The NEDC also deliberated the importance of economic pillar, which formed the foundation of sustainability. It further agreed that the existing ESG Framework has covered the economic aspect in decision making processes.

On 27 July 2023, NEDC had their final meeting for financial year 2023. In this meeting, the outcomes of the Group's Brand Survey were reviewed and discussed with identified areas of focus, priorities and next steps. The NEDC was introduced to the Company's Path Innovators, the selected young leaders whom will be working with the NEDC to further enhance the Company's internal and external branding. The expectations of the NEDC on the Board Away Day was made known during the NEDC Meeting. Recommendations from the NEDC were shared to the Board during the Board of Directors' Meeting held on 18 August 2023. Follow up meetings with Management will follow through to enable the NEDC to provide insights and recommendations for the best interests of the Group.

Cyber Security & Data Privacy

We are continuously strengthening our cybersecurity in line with the fast-evolving nature of cyber-attacks as the threat landscape for cybersecurity continues to change. In FY2023, we invested a total of RM2.1 million to further strengthen our cybersecurity systems as part of our continued efforts to improve cybersecurity that includes endpoint, server, and network security system.

Information that is private and confidential is extremely important to us. The Personal Data Protection Act of 2010 (PDPA), which requires all workers to treat client personal and sensitive information with the proper level of confidentiality, serves as the Group's governing and guiding law. Our working relationships with third parties are similarly confidential, and they are required to read, comprehend, and acknowledge a Non-Disclosure Agreement (NDA) whenever confidential matters are being discussed or is involved.

As a part of our integrated approach to data security, we strive to ensure that all Top Glovers are accustomed with our Cybersecurity Policy, which outlines each employee's roles and responsibilities for ensuring appropriate and ethical use of our email system and preserving the confidentiality of all customer and company data. All service agreements with third parties include a standard personal data clause as an additional security safeguard. We provide learning materials with pertinent information on cybersecurity and how cyber dangers could appear in employees' daily tasks in an effort to raise awareness among our people. Monthly emails and recurring learning modules serve as reminders to all staff to stay vigilant about current cybersecurity threats and occurrences. Employees are encouraged to report on any abnormalities identified.

Our IT department conducted simulations in FY2022 and FY2023 to increase staff awareness of phishing dangers. Our highly skilled and committed IT team, who developed and implemented our strong cybersecurity and IT infrastructure, is the driving force behind our efforts. The Risk Management and Sustainability Committee regularly reviews the Group's risk profile and performance, including cybersecurity risks, to ensure adequate and appropriate measures are in place to mitigate such risks. Risk management is governed at the highest level by the Board of Directors.

Cybersecurity and Data Privacy Key Highlights in FY2023

- No incidents of client data loss, theft, or leakage were recorded
- RM2.2 million was put into enhancing our cybersecurity system
- Our staff have a greater understanding of IT security as part of our efforts to reduce the risk of cybersecurity breaches
- Since FY2021, our IT infrastructure and information security management system are certified with Information Security Management System ISO 27001:2013
- Multiple training activities are conducted on regular basis

ESG metrics linked to 40% of the Management's KPI

Key Performance Area	Performance indicator	Achievement for FY2023
1 Product Quality and Safety 2 Occupational Health and Safety 3 Human Rights and Labour Practices 4 Reduce Carbon Emission 5 Talent Retention	1 Customer satisfaction index	Kindly refer to page 86
	2 Occupational accident rate	Kindly refer to page 43
	3 <ul style="list-style-type: none"> <li>BSCI audits "A" rating achievement rate</li> <li>Achievement rate of factories being audited against SMETA standard having not more than 10 non-compliances per audit</li> </ul>	Kindly refer to page 46
	4 Scope 1 & 2 emission intensity reduction	Kindly refer to page 25
	5 <ul style="list-style-type: none"> <li>a. Annual employee engagement survey</li> <li>b. Succession pool cover ratio</li> </ul>	Kindly refer to page 58



## Governance

### Corporate Integrity

In response to the ISO 37001:2016 Anti-Bribery Management System (“ABMS”) requirements, Integrity Functions were established and have been further specified the parameters of its scope in 2023 into Corporate & Operation. At Corporate Level, it is overseen by Central Integrity Function (CIF) while Operation Level by Factory Integrity Function (FIF). CIF focuses on 2 major areas: Enforcement & Implementation, and Awareness & Promotion of ethics and integrity initiatives to all employees, while FIF, mainly focuses on Enforcement & implementation. The Group, which is responsible for anti-bribery and anti-corruption related matters, is under the purview of Top Management, Board Audit Committee and Board Risk & Investment Committee.

In FY2020, we extended and expanded the ABMS scope and implementation to all our subsidiaries, following the ISO 37001:2016 certification at Factory 9 in Meru, the first private manufacturer in Malaysia certified with the ABMS. External and independent audit on the ISO 37001 ethical standards was performed annually in response to Section 17A (“Corporate Liability Provision”) and Guidelines on Adequate Procedures of T.R.U.S.T. Principles. In FY2022, additional 3 entities were added in the ABMS group scheme bringing the total number of ABMS-certified entities to eight. This expansion reflects our ongoing commitment to continually enhance the implementation of our W.H.I.T.E. Integrity Culture and is reflected in Top Glove’s core values, business principles, and policies, which prioritises ethics and anti-corruption. W.H.I.T.E is an abbreviation for Top Glove’s 5 Wells, Honesty, Integrity, Transparency, and, lastly, Educate.

To align with our FY2025 goals, we aim to certify one more entity in FY2023. Nevertheless, in FY2023, which is our third cycle of certification, we have maintained our existing 8 ABMS certified entities without any additional certification.

#### SUSTAINABILITY ROADMAP FY2022 TO FY2025

**8 entities retained ISO 37001:2016** certification of Anti-Bribery Management System

### Corruption Risk Assessment

Corruption risk assessment is intended to enable the organisation to form a solid foundation for its management system and a basis of the organisation’s efforts to combat corruption. From this assessment, it will require risk owners to establish appropriate processes, systems, and controls to mitigate the corruption risks that exposed to the organisation.

Corruption risk assessment shall cover process activities which include but not limited to the following:

#### Corruption Risk Assessment

- Opportunities for corruption and fraud activities
- Financial transaction that may disguise corrupt payments
- Business activities that pose a higher corruption risk
- Non-compliance of external parties
- Relationships with third parties in the supply chain

In order to ensure corruption risk assessed comprehensively, we had established procedures with corruption process mapping and risk key areas as guidance which governed by our ERM. To effectively address the issues of bribery and corruption, areas that are vulnerable to corruption have implemented proactive internal Anti-Bribery and Anti-Corruption (“ABAC”) control measures proportionately to their specific risks. The effectiveness of corruption risk control measures is persistently monitored in preventing the risk exposure of offences as contained in the Malaysian Anti-Corruption

Commissions (“MACC”) Act 2009, affecting not only the reputation and integrity of companies, but also society as a whole.

Since FY2021, 100% of Top Glove Corporation Bhd, covering 28 departments located in Malaysia were assessed for risks related to corruption and continue to extend to factories in Malaysia and Thailand. Moving into FY2023, we aim to strengthen our corruption risk assessment by reviewing and enhancing the methodology of risk assessment as well as through digitalisation. Our first risk software for operational risk management was introduced and launched for pilot programme in December 2022 with series of training and workshops were conducted to all relevant employees.

### Charitable Donations and Sponsorship

When making charitable donation or sponsorship, we ensure all of the documents below are checked to prevent the donation or sponsorship are used as a disguised form of bribery:

#### Charitable Donations and Sponsorship

1. Registration under Ministry of Women, Family and Community Development (JKM)
2. Inland Revenue Board of Malaysia Section 44(6) Registration
3. Company Registration Form
4. Company profile
5. Relevant previous supporting records by Top Glove

### Stakeholders Due Diligence & Commitment

Background checks are conducted on our stakeholders prior to any business dealings. Various external platforms, including MACC official portal, are utilised to check for financial information and any history of bribery or corruption. Furthermore, anti-corruption is one of the audit criteria used to assess our suppliers and this requirement is communicated to our suppliers. We require our stakeholders to uphold the highest standards of integrity and ethical conduct at all times. The enhanced version of our ABAC e-Handbook that covers ethical topics such as facilitation payments, money laundering, political donations and involvement, and antitrust is published on the website for public view. This is in line with our commitment to sound and sustainable business practices. In addition, our stakeholders are required to obliged to the following commitment.

## Governance

### Stakeholders

### Anti-Bribery, Anti-Corruption & Ethic’s Commitments

<b>Suppliers &amp; business associates who have financial dealings with Top Glove</b>	<ul style="list-style-type: none"> <li>• Letter of Enforcement of Corporate Culture (LECC)</li> <li>• Business Partners’ Code of Conduct</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Letter of Enforcement of Corporate Culture and Business</li> <li>• Ethics on The Issue of Bribery and Corruption (LECCBC)</li> </ul>
<b>All external parties</b>	<ul style="list-style-type: none"> <li>• Letter of Enforcement of No Gifts Policy (LENGP)</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee Code of Conduct</li> <li>• Ikrar Bebas Rasuah (IBR)</li> <li>• Letter of Enforcement of Corporate Culture (LECC) during onboarding of new staff</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Directors’ Code of Conduct &amp; Ethics</li> <li>• Ikrar Bebas Rasuah (IBR)</li> </ul>

### Governance Training

Number of staff that have received training on governance job grade:

Job Category	FY2021	FY2022	FY2023
<b>Senior Management</b>	14	24	30
<b>Upper Management</b>	152	416	401
<b>Middle Management</b>	639	2,417	1,086
<b>Junior Management</b>	356	1,330	646

Anti-Bribery and Anti-Corruption Data:

Job Category	FY2021	FY2022	FY2023
<b>No. of corruption and bribery cases</b>	0	0	1
<b>Political contribution made, RM</b>	0	0	0
<b>Facilitation payments made, RM</b>	0	0	0
<b>Money laundering involvement</b>	0	0	0
<b>Insider trading occurrence</b>	0	0	0
<b>Fines imposed in relation to corruption, bribery &amp; anti-competitive business practices</b>	0	0	0



Scan the QR code for more information about Top Glove’s Anti-Bribery and Anti-Corruption Commitments

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

SECTION 4

GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



Governance

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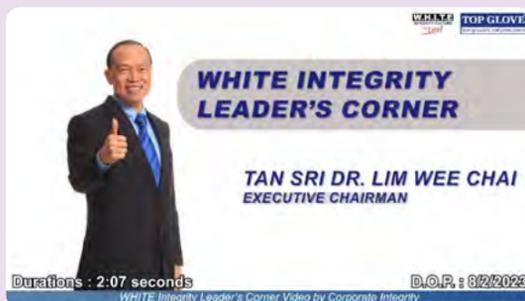
BUSINESS ETHICS & INTEGRITY INITIATIVES: W.H.I.T.E. INTEGRITY CULTURE

In a bid to continue Top Glove's anti-corruption initiatives for FY2023, we have introduced and are actively promoting the ethics and integrity programme within our workforce and value chain. This is in line with our commitment to comply with the Corporate Liability Provision S17A, which was enforced on 1 June 2020. The programmes include:

Ethics and Integrity Programme

- a. W.H.I.T.E. Integrity Culture slide
- b. Ethics & Integrity Training
  - Awareness of W.H.I.T.E. Integrity Culture covering ISO 37001 ABMS, Anti-Bribery & Anti-Corruption Policy, TG Gift Policy & Online Declaration, Whistleblowing Policy & Procedure and Document Control.
  - In-Depth of ISO 37001 ABMS covering each clause of the standard.
- c. W.H.I.T.E. Integrity Leader's Corner Video of Top Management.
- d. W.H.I.T.E. Integrity Culture Promotion via Social Media.
- e. Ethics & Integrity Social Media Posting.
- f. Corruption Free Pledge/ "Ikrar Bebas Rasuah" (IBR).
- g. Reminder Notification on W.H.I.T.E. Integrity Day.
- h. Participated in external discussion on bribery & corruption issues
  - Anti-Corruption Collective Action Roundtable by UN Global Compact Network Malaysia & Brunei (UNGCMYB)

Through the ethics and integrity programme, Top Glove's employees are equipped with anti-bribery and anti-corruption knowledge towards a corruption-free Company. The programme and trainings covered a wide range of anti-bribery and anti-corruption scope such as facilitation payments, money laundering, political donations and involvement, and antitrust and many more as in listed in our e-handbook.



W.H.I.T.E. Integrity Leader's Corner Videos of Top Management's message on Ethics & Integrity to Top Glove employees



Entering 7<sup>th</sup> year of annual assurance of Top Glove's Ethics & Integrity practices in accordance with ISO 37001:2016 ABMS by SIRIM QAS International



Participated in an external training by Malaysian Rubber Council (MRC): 1-day Anti-Bribery Management System training



Participated in an external discussion by UN Global Compact Network Malaysia & Brunei (UNGCMYB): Anti-Corruption Collective Action Roundtable

Ethics & Integrity posting via social media also places emphasis on ethical behaviours at workplace.

Communication and promotions of Top Glove employees of all levels in demonstrating their support for W.H.I.T.E. Integrity Culture by wearing white.

Whistleblowing

Top Glove enacted its Whistleblowing Policy and Procedures ("WBPP") in 2019. This guideline was intended to provide a reinforced mechanism within the Company, allowing individuals to report misconduct in confidentiality. The WBPP provides a precise definition of "improper conduct" while remaining sufficiently broad to encompass any actions that may negatively affect stakeholders or expose them to potential risks. Top Glove collaborated with an external, impartial whistleblowing service provider in FY2020 to further assure transparency and protection. This third-party expert is responsible for receiving reports of whistleblowing, protecting the whistleblower's anonymity, and then transmitting these reports to the Whistleblowing Committee for in-depth review. To ensure transparency and keep the whistleblower informed of the investigation's progress, all outcomes are communicated through this independent entity, which protects the whistleblower's anonymity at every stage.

Category	Number of cases FY2023
Bribery/Corruption	1
Fraud	0
Grievances/misconduct	1
Others (on policy & procedures)	2



Scan the QR code for more information about Whistleblowing Policy and Procedure

[https://www.topglove.com/App\\_ClientFile/7ff8cb3f-fbf6-42e7-81da-6db6a0ab2ef4/Assets/anti-corruption/Top\\_Glove\\_Whistleblowing\\_Policy\\_%20Procedure-01122020.pdf](https://www.topglove.com/App_ClientFile/7ff8cb3f-fbf6-42e7-81da-6db6a0ab2ef4/Assets/anti-corruption/Top_Glove_Whistleblowing_Policy_%20Procedure-01122020.pdf)

Business Ethics & Conduct

As a Company with value centred culture, Top Glove has established the Employee Code of Conduct which sets out the underlying values, commitment, dedication, diligence and professionalism contributing towards the social and environmental growth of the surroundings in which the Company operates. All employees are required to acknowledge the Employee Code of Conduct upon joining the Company and to act in accordance with the policies detailed in the Employee Code of Conduct which is reviewed periodically should the necessity arises.

In FY2023, there has been 11 cases involving breach of the Employee Code of Conduct which involved cheating on attendance, overtime claim and alteration of medical certification. These employees were required to explain their actions for the Company's further investigation. Appropriate disciplinary action includes but not limited to issuance of reminder letter, warning letter, suspension letter, acceptance of resignation on employee's voluntary resignation or dismissal will be taken against the perpetrators depending on the severity of the case in the event that they are proven guilty upon the conclusion of the investigation.

Regular trainings related to the Top Glove Corporate Value R.I.V.E.R. (Respect, Integrity, Value, Empowerment & Relationship) and W.H.I.T.E. Integrity Culture to improve awareness and solidify employees' knowledge on the Company's values.

Top Glove systematically delineates whistleblower occurrences and their subsequent resolutions during quarterly Board Audit Committee Meetings to foster an environment of trust and responsibility. In FY2023, Top Glove meticulously addressed a quartet of documented whistleblower instances. Each matter was attentively handled, culminating in decisive resolutions and prudent actions. For the specific case of the bribery incident, Top Glove promptly alerted the pertinent external authorities, ensuring transparent and responsible action on our part. This responsiveness underscores Top Glove's unwavering commitment to the pinnacle of ethical business conduct.

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GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



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HIGHLIGHTS

Active critical suppliers  
**100% audited**  
with ESG assessment



**Achieved 100% traceability**

of natural rubber sourced was traceable up to collecting point of own concentrated latex processing plant



**All operating plants certified** with QMS or HACCP



**Zero incidents**

of non-compliance with selected regulations and **zero product recall** cases



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



As the world's foremost glove manufacturer, Top Glove holds significant sway over the supply chain. Our goal is to set an example for our suppliers and business partners, inspiring them to embrace sustainability. We are committed to establishing a sustainable value chain by consistently involving our business partners in promoting sustainable practices and delivering an exceptional customer experience that goes above and beyond expectations.

PRODUCT QUALITY & SAFETY

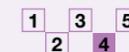
**Management Approach:**

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.

Top Glove recognises that innovation and advancements in processes and technology are fundamental to our business and are the cornerstones of our pursuit of quality excellence. To remain competitive in the global market, we consider continuous improvement to be indispensable. Our objective is to ensure that all new glove and non-glove factories are certified with QMS or HACCP within 8 to 10 months, achieving a 100% certification rate.

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GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



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Our key strategies for enhancing the quality and safety of our products encompass the following:

Investing in Research & Development (R&D), digitalisation and automation

At the forefront of R&D and innovation in the glove industry, we place the utmost importance on product quality and safety. Our commitment to excellence in this regard is driven by a deep understanding of the critical role gloves play in various industries, including healthcare, manufacturing, and food services. Here, we provide a comprehensive overview of how we prioritise and ensure the highest standards of quality and safety in our glove development processes.

Material Selection

Our journey towards quality and safety starts with the careful selection of materials. We rigorously assess and choose materials that meet or exceed industry standards for durability, flexibility, and comfort. This process includes evaluating factors such as latex or synthetic compositions, thickness, and texture to ensure the optimal balance between protection and user comfort.

Innovative Design and Engineering

Innovation is at the core of our glove development process. Our team of experts continuously explores novel designs and engineering solutions to enhance glove performance. This includes ergonomic designs to reduce hand fatigue, specialised textures for improved grip, and advanced coatings for additional protection.

Rigorous Testing Protocols

We subject our glove prototypes to a battery of rigorous tests to evaluate their performance under real-world conditions. These tests encompass mechanical stress, chemical resistance, barrier properties, and microbiological safety. Any potential weaknesses are identified and addressed before production begins.

Sustainability and Eco-Friendly Practices

Quality and safety also extend to the environmental impact of our products. We are committed to sustainable sourcing, reducing waste, and minimising our carbon footprint throughout the glove lifecycle.

Continuous Improvement

We embrace a culture of continuous improvement. Regular feedback from healthcare professionals, industrial workers, and other end-users is invaluable in our quest to enhance product quality and safety. We listen to their needs and concerns and use this feedback to refine our glove designs and manufacturing processes.

Implementation of ISO 9001 Quality Management System (QMS) and ISO 13485 QMS – Medical Devices

As in the year 2023, 100% of our existing certifications programmes has maintained and continuously implemented with ISO 9001 and ISO 13485, QMS at all our operating factories. Other than ISO 9001 and ISO 13485, Top Glove has also been certified with HACCP, GMP and BRC certifications which intended to promote the highest standards of food safety compliance of our products.

SUSTAINABILITY ROADMAP FY2022 TO FY2025

100% of operating plants certified with QMS or HACCP

Enhancing skills and knowledge of employee

Top Glove Quality & Worker Supervision (“TGQWS”)

Local workers resignation rate has been gradually increasing year by year. Therefore, a supervisory development programme, TGQWS has been created for all supervisors who directly supervise local workers among their reporting line. This programme enhances the supervision skills of the participants.

Marketer training on product

Our R&D department has provided comprehensive training to our marketing team, resulting in an enhanced ability to educate both existing customers and potential clients about our product quality and offerings.

Compliance with product labelling regulations

- On 6 September 2021, we published the Top Glove's Advertising and Product Representation Principles and trained the relevant personnel on the core advertising principles and unacceptable general claims
- 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	FY2021	FY2022	FY2023
Number of product recalls	0	0	0
Number of regulatory agencies inspection	0	0	0
Number of Form 483 Observations and FDA Warning Letters received	0	0	0

Being a leader in the glove industry, Top Glove shall only deliver high-quality products surpassing customers' expectations.

WE ENSURE:

- ONLY the best quality products reach our customer.
- ONLY the premier sales performance is given to our customer.
- ONLY the safest of safety aspects is practiced internally and externally.

These 3 can ONLY be achieved by certifying our factories with relevant management systems which are aligned with the International Organisation for Standardisation (ISO) that can satisfy our customers' demands. As in year 2023, Top Glove has been certified with various certifications such as:

- ISO 9001 and ISO 13485, Quality Management System
- ISO 14001, Environmental Management System
- ISO 45001, Occupational, Health and Safety Management System

- ISO 37001, Anti-Bribery Management System
- ISO 50001, Energy Management System
- ISO 18788, Security Operations Management System
- ISO 27001, Information Security Management System
- ISO 41001, Facility Management System
- BRCGS for Consumer Products Personal Care and Household, Issue 4
- FSC, HALAL, GMP, HACCP, MDSAP and other

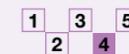
Top Glove journey towards international certifications started in 1999 in which Quality Management System for Medical Device (ISO 13485) was first achieved in Klang factories. The goal is to ensure our factories produce good quality and safe products in accordance with the stated regulations that extended to our internal suppliers as well. Top Glove always positive and seek for better improvement in every aspect including the importance of third parties audit to establish a good rapport on operational activities which complies with requirements and best practices globally.



Forest Stewardship Council Training which was conducted physically on 30 August 2023.

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GOVERNANCE: TO CREATE LONG-TERM VALUE THROUGH ETHICAL BUSINESS PRACTICES AND CONTINUOUS STAKEHOLDER ENGAGEMENT



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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's 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.

chains to ensure that they are not sourcing products from areas that have been deforested or degraded. The regulation is expected to have a significant impact on the natural rubber industry, as it will force companies to find more sustainable ways to source their rubber.

Traceability

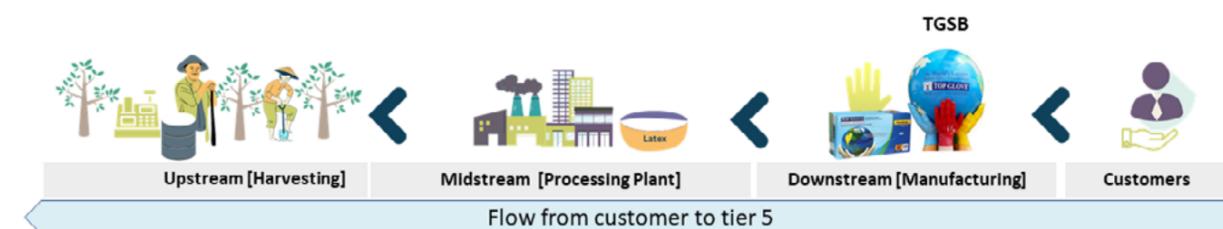
With the enforcement of EU Deforestation-free Regulations ("EUDR"), Top Glove is committed to ensure that our product complies with the EUDR. The regulation prohibits the import of products that have been linked to deforestation or forest degradation. This includes natural rubber, which is a major driver of deforestation in Southeast Asia. Department of Statistics Malaysia highlighted the production of NR in February 2023 for Malaysia was mainly contributed by smallholders' sector (87.3%) as compared to estates sector (12.7%).

In FY2023, recent adjustments have been made within the traceability committee, resulting in the appointment of a new traceability lead to ensure seamless continuity and expertise in Top Glove's traceability efforts. April 2022, the Traceability Committee was established. This committee is comprised of dedicated team members from the Regulatory Affairs, Concentrated Latex Plant teams and Sourcing & Procurement.

Rubber plantation Site verification & Data Plotting for our concentrated latex processing plant in Thailand:

Top Glove has established a supplier mapping system for our concentrated latex processing plant in Thailand, which encompasses five tiers of suppliers. Each tier plays a specific role in our supply chain, ensuring a reliable and sustainable source of latex.

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. The regulation will require companies to conduct due diligence on their supply



FY2023 Achievement

As part of this commitment, we have initiated the process of tracing natural rubber by mapping Tier 2 suppliers for our own concentrated plant and conducting a data collection pilot study and data plotting for Tier 2, Field Latex trader + Tier 3, Field Latex collecting point.

target for FY2023 has been achieved, this accomplishment reflects our commitment to enhancing traceability and sustainability within our supply chain through dedicated efforts and collaboration. As traceability is a complex study with multiple layers, Traceability Committee also has conducted several engagements, discussion and courtesy meetings with authority i.e., Malaysian Rubber Council (MRC), Malaysian Rubber Board (MRB), Rubber Authority of Thailand (RAOT); Certification body, Latex supplier and other industry to get their input on our current traceability related matter. As well as study relevant standard and requirement related to traceability.

In line with our sustainability objectives, we set a target to achieve "By 2023, 100% of natural rubber supplied to Top Glove's own concentrated latex processing plant, procured from smallholders, was traceable to the collecting point". This

Supplier Assessment

In FY2023, supplier assessment was conducted through virtual evaluations, onsite and self-evaluation. We continue the assessment using a supplier audit checklist to address the ESG concerns in the supply chain. The checklist has been incorporated into the SAP Ariba system, in which the assessment and documents will be stored digitally in the system and save time to distribute the checklist.

Supply Chain Data

Type of supplier	Absolute number of suppliers	Purchase of total procurement spent by (%)
Total tier 1 suppliers	3,016	100%
Critical tier 1 suppliers	239	61%

Supplier Assessment Data

Category	Number	Percentage
Existing critical tier 1 supplier assessed (based on all active existing critical tier 1 supplier)	66 out of 66	100%
New critical tier 1 supplier assessed (based on all new critical tier 1 supplier)	8 out of 8	100%
Existing critical tier 1 suppliers assessed	66 out of 239	27.6%
Number of self-audits conducted	49 out of 49	100%
Number of site audits conducted	25 out of 25	100%
New critical tier 1 supplier that were screened using social and environmental criteria	8 out of 8	100%
Critical tier 1 suppliers assessed for social and environmental impacts	New: 8 out of 8 Existing: 66 out of 66	New: 100% Existing: 100%

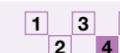
Note: Suppliers are to be graded according to Audit Rating Guide and corrective actions are taken for continual improvement.

45% of all active suppliers are within Grade A & B. The supplier ESG assessment confirms the absence of significant environmental and major social non-compliance issues. Improvement request forms (IRFs) have been generated for each finding from the respective suppliers to initiate the necessary grade improvements.



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Local suppliers

Top Glove's local procurement has increased by 1% compared to FY2022, accounting 77% of our suppliers in Malaysia. This demonstrates our ongoing commitment to supporting local businesses and communities, thereby contributing significantly to the economic well-being of the region, generating job opportunities, and stimulating economic growth while strengthening our local supply chain.

Breakdown of procurement budget spent and the proportion of local suppliers, categorised by country:

Country	Percentage of procurement budget spent (%)	Percentage of local suppliers (%)
Malaysia	52.4	77.0
Thailand	36.2	17.0
Vietnam	0.2	2.0
Other	11.2	4.0

Annual Supplier Training and Engagement

To improve engagement with our suppliers, we have initiated dialogue sessions with a selected business partner.

For several years now, Top Glove has been diligently organising webinars and workshops with a core mission: to increase awareness about our company's policies, practices, and expectations. These engaging sessions are designed to equip our audience with a comprehensive understanding of our sustainability initiatives and commitments. Through these webinars, we aim to educate and empower our stakeholders, fostering a collective responsibility towards sustainable practices and standards.



This year, we organised a pivotal dialogue session with one of our raw material suppliers. There were three total speakers: two from Synthomer and one from Top Glove's Sustainability Department. The session brought together 32 suppliers and 296 staff members, with participants joining both virtually via Zoom and in person at Top Glove Tower. This collaborative event served as a testament to our commitment to open communication, partnership, and our ongoing efforts to strengthen relationships with our valued suppliers. We anticipate an increasing number of participants next year, reflecting our optimism about strengthening our collaborative efforts with our suppliers.

The topics covered in this session are not limited to the following:

Topics Covered in this Session

- i. Sustainability Policy
- ii. Environmental best practice to reduce GHG emissions
- iii. Grievance Channels
- iv. Human Rights Policies and Labour Standards
- v. Governance Policies

CUSTOMER EXPERIENCE

Management Approach:

We frequently engage with our customers to understand their needs, identify our shortfalls and new win win 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 establishes 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 antitrust and monopoly legislation.



Scan the QR code for more information about Sales & Marketing Code of Conduct

<https://www.topglove.com/storage/sustainability-policies/March2023/Sales%20and%20Marketing%20Code%20of%20Conduct%20-%20V2%2021032023.pdf>

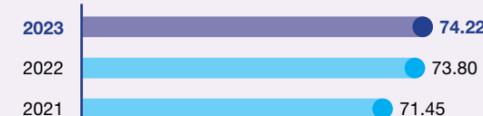
Customer Satisfaction Survey

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 73.8% in FY2022 to 74.22% in FY2023 with our target of 80%. Overall, customers are satisfied with Top Glove in various aspects, especially services/responsiveness and shipping document management, Top Glove scored Above Average. Additionally, 91% of respondents commented that they would recommend Top Glove to others with a slight improvement of 3% compared to FY2022.

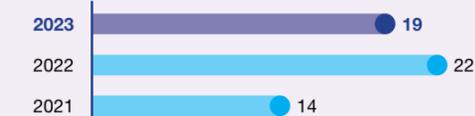
Among our active customers, 19% of the respondents answered the customer satisfaction survey, slightly reduced compared with FY2022 with 22% response rate. For more accurate results, we also focused on the top 100 customers, and we achieved 49 out of 100 top customers response rate from there.

We scored the lowest for price competitiveness, mainly due to the high production costs for Malaysian glove makers relative to China and Thailand, especially raw material and energy costs. Top Glove is working aggressively to reduce the production costs by optimising resources and consolidating production lines. In order to better serve our customers, the marketing team has summarised all customers' feedback and put forward a few solutions to address customer concerns.

CUSTOMER SATISFACTION (%)



PERCENTAGE OF TOTAL CUSTOMERS RESPONDED (%)



## Independent External Assurance Statement



### SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

#### To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Top Glove Corporation Bhd (hereafter referred to as Top Glove) to perform an independent verification and provide assurance of Top Glove Sustainability Report 2023. The main objective of the verification process is to provide assurance to Top Glove and its stakeholders on the accuracy and reliability of the information as presented in this report. The verification by SIRIM QAS International applied to all sustainability performance information (subject matter) within the assurance scope which is included in Top Glove Sustainability Report 2023.

The management of Top Glove was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this report is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of Top Glove Sustainability Report and the Integrated Annual Report 2023.

The assurance engagement was designed to provide limited assurance in reference to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of Top Glove Sustainability Report and its overall presentation against respective frameworks such as UN-SDGs, GRI Standards requirement, and other relevant frameworks. The assurance process involves verification of applicable subject matter. Details provided in Appendix 1 of this statement.

The verification was carried out by SIRIM QAS International in October 2023, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Report includes a detailed assessment of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims.

#### Enhancements in 2023

In 2023, Top Glove re-validated their materiality assessment and revised the material matters to better align its strategic approach taking into consideration internal and external factors commonly addressed in similar industries. The framework comprises of 16 material matters, which are presented through three sections, Environmental, Social and Governance with detailed topics as tabulated in Appendix 1 of this assurance statement, which has been reviewed accordingly. The recent addition of material matter, the GHG emissions, was presented in a more transparent manner with the scope and boundaries clearly included in this year report, inclusion of one more emissions component in Scope 3 reporting and last but not least, the use of updated grid emissions factor, established by our national body.

## Independent External Assurance Statement

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Top Glove's Integrated Annual Report 2023.
- The corporate office at Top Glove Tower at Setia Alam, Selangor was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Top Glove's operations and assets; and,
- The verification team did not verify any contractor or third-party data.

#### Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO 17021-1:2015 and ISO 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Top Glove relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Report was subsequently reviewed and revised by Top Glove. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Top Glove Sustainability Report 2023 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Report provides a reasonable and balanced presentation of the sustainability performance of Top Glove Corporation Berhad.

#### List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamoorthy	:	Team Member
3)	Ms. Suzalina Kamaralarifin	:	Team Member

Statement Prepared by:

Statement Approved by:

**AERNIDA BINTI ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 6 November 2023

**MOHD HAMIM BIN IMAM MUSTAIN**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 8 November 2023

Note 1:  
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (6 November 2023).

SECTION 5 OTHER INFORMATION

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### Independent External Assurance Statement

Appendix 1 The topics and subject matters covered in this assessment is tabulated below:		CLASSIFICATION OF DATA			
		HIGH	MEDIUM	LOW	UN SUBSTANTIATED
<b>Creating Sustainable Value</b>	2023 Sustainability Highlights				
	Sustainability Strategy				
	Stakeholder Engagement				
	Materiality Assessment 2023				
<b>Environmental: Tackling Climate Change and Restoring Nature</b>	2023 Environment Highlights				
	Physical Impacts of Climate Change				
	GHG Emission				
	Energy Management				
	Environmental Compliance				
	Water Resource Management				
	Waste and Effluent Management				
	Sustainable Product Management				
	Biodiversity and Conservation				
<b>Social: To Be a People Centric Corporate Citizen</b>	2023 Social Highlights				
	Occupational Health & Safety				
	Human Rights & Labour Standard				
	Diversity & Inclusion				
	People Development				
	Security Management				
<b>Governance: To Create Long Term Value Through Ethical Business Practices and Continuous Stakeholders' Engagement</b>	Community Engagement				
	2023 Governance Highlights				
	Ethics, Integrity & Governance				
	Product Quality & Safety				
	Supply Chain Management				
Customer Experience					

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (6 November 2023).

Note 2: The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3: Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.  
HIGH – Data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM – Data and information has been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifiers during the conduct of the assessment.

LOW – Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED – Data and information was not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

### GRI Content Index

GRI Standards	Disclosure Item	Page
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
2-1	Organisational details	IAR23 (pages 4, 6 to 7)
2-2	Entities included in the organisation's sustainability reporting	IAR23 (page 4)
2-3	Reporting period, frequency and contact point	IAR23 (Front cover, page 2, 225) SR23 (Front cover, page 1)
2-4	Restatements of information	SR23 (page 5)
2-5	External assurance	SR23 (pages 87 to 89)
2-6	Activities, value chain and other business relationships	IAR23 (pages 9 to 17) SR23 (pages 83 to 86)
2-7	Employees	SR23 (pages 49 to 58)
2-9	Governance structure and composition	IAR23 (pages 44 to 50) SR23 (pages 4, 40, 45, 72)
2-10	Nomination and selection of the highest governance body	IAR23 (page 61)
2-11	Chair of the highest governance body	IAR23 (page 44)
2-12	Role of the highest governance body in overseeing the management of impacts	IAR23 (pages 44 to 50)
2-13	Delegation of responsibility for managing impacts	IAR23 (page 52)
2-14	Role of the highest governance body in sustainability reporting	SR23 (pages 4, 72)
2-15	Conflicts of interest	IAR23 (page 50)
2-16	Communication of critical concerns	IAR23 (pages 68 to 70)
2-17	Collective knowledge of the highest governance body	IAR23 (page 51)
2-18	Evaluation of the performance of the highest governance body	IAR23 (pages 63 to 64)
2-19	Remuneration policies	IAR23 (page 62)
2-20	Process to determine remuneration	IAR23 (page 62)
2-22	Statement on sustainable development strategy	IAR23 (page 30) SR23 (page 5)
2-23	Policy commitments	SR23 (pages 26, 28, 45)
2-24	Embedding policy commitments	SR23 (pages 26, 28, 45)
2-25	Processes to remediate negative impacts	SR23 (pages 45 to 48)
2-26	Mechanisms for seeking advice and raising concerns	SR23 (pages 46 to 48, 73)
2-27	Compliance with laws and regulations	SR23 (pages 28, 45 to 46, 82)
2-28	Membership associations	SR23 (page 3)
2-29	Approach to stakeholder engagement	SR23 (pages 9 to 12)
2-30	Collective bargaining agreements	SR23 (page 46)
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-1	Process to determine material topics	SR23 (pages 13)
3-2	List of material topics	SR23 (pages 14 to 16)
3-3	Management of material topics	SR23 (pages 17 to 86)
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
201-1	Direct economic value generated and distributed	IAR23 (Inner front cover, page 1)
201-2	Financial implications and other risks and opportunities due to climate change	SR23 (pages 20 to 24)

SECTION 5 OTHER INFORMATION

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GRI Content Index

GRI Standards	Disclosure Item	Page
<b>GRI 201: MARKET PRESENCE 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SR23 (page 57)
202-2	Proportion of senior management hired from the local community	SR23 (page 56)
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>		
203-1	Infrastructure investments and services supported	SR23 (pages 20 to 24, 29, 43 to 44)
203-2	Significant indirect economic impacts	SR23 (pages 20 to 24, 36 to 38, 43 to 44)
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>		
204-1	Proportion of spending on local suppliers	SR23 (page 85)
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
205-1	Operations assessed for risks related to corruption	SR23 (page 75)
205-2	Communication and training about anti-corruption policies and procedures	SR23 (pages 76 to 77)
205-3	Confirmed incidents of corruption and actions taken	SR23 (page 78)
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>		
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	SR23 (page 86)
<b>GRI 207: TAX 2019</b>		
207-4	Country-by-country reporting	SR23 (page 70)
<b>GRI 301: MATERIALS 2016</b>		
301-1	Materials used by weight or volume	SR23 (page 32)
301-2	Recycled input materials used	SR23 (page 32)
301-3	Reclaimed products and their packaging materials	SR23 (page 36)
<b>GRI 302: ENERGY 2016</b>		
302-1	Energy consumption within the organisation	SR23 (pages 26 to 27)
302-3	Energy intensity	SR23 (pages 26 to 27)
302-4	Reduction of energy consumption	SR23 (pages 26 to 27)
302-5	Reductions in energy requirements of products and services	SR23 (pages 26 to 27)
<b>GRI 303: WATER &amp; EFFLUENTS 2018</b>		
303-1	Interactions with water as a shared resource	SR23 (pages 28 to 30)
303-2	Management of water discharge-related impacts	SR23 (pages 34 to 35)
303-3	Water withdrawal	SR23 (page 30)
303-4	Water discharge	SR23 (pages 34 to 35)
303-5	Water consumption	SR23 (page 30)
<b>GRI 304: BIODIVERSITY 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR23 (pages 37 to 38)
304-3	Habitats protected or restored	SR23 (pages 36 to 38)
<b>GRI 305: EMISSIONS 2016</b>		
305-1	Direct (Scope 1) GHG emissions	SR23 (page 25)
305-2	Energy indirect (Scope 2) GHG emissions	SR23 (page 25)
305-3	Other indirect (Scope 3) GHG emissions	SR23 (page 25)
305-4	GHG emissions intensity	SR23 (page 25)

GRI Content Index

GRI Standards	Disclosure Item	Page
<b>GRI 306: WASTE 2020</b>		
306-1	Waste generation and significant waste-related impacts	SR23 (pages 31 to 34)
306-2	Management of significant waste-related impacts	SR23 (pages 31 to 34)
306-3	Waste generated	SR23 (pages 33 to 34)
306-4	Waste diverted from disposal	SR23 (pages 33 to 34)
306-5	Waste directed to disposal	SR23 (pages 33 to 34)
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>		
308-1	New suppliers that were screened using environmental criteria	SR23 (page 84)
308-2	Negative environmental impacts in the supply chain and actions taken	SR23 (page 84)
<b>GRI 401: EMPLOYMENT 2016</b>		
401-1	New employee hires and employee turnover	SR23 (page 55)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR23 (pages 43 to 44, 49)
401-3	Parental leave	SR23 (page 49)
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS 2016</b>		
402-1	Minimum notice periods regarding operational changes	SR23 (page 46)
<b>GRI 403: OCCUPATIONAL HEALTH &amp; SAFETY 2018</b>		
403-1	Occupational health and safety management system	SR23 (pages 40 to 44)
403-2	Hazard identification, risk assessment, and incident investigation	SR23 (pages 41 to 42)
403-3	Occupational health services	SR23 (pages 40 to 44)
403-4	Worker participation, consultation, and communication on occupational health and safety	SR23 (pages 40 to 43)
403-5	Worker training on occupational health and safety	SR23 (pages 41 to 42)
403-6	Promotion of worker health	SR23 (pages 43 to 44)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR23 (pages 40 to 44)
403-8	Workers covered by an occupational health and safety management system	SR23 (pages 40 to 41)
403-9	Work-related injuries	SR23 (page 43)
403-10	Work-related ill health	SR23 (page 43)
<b>GRI 404: TRAINING &amp; EDUCATION 2016</b>		
404-1	Average hours of training per year per employee	SR23 (page 58)
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR23 (pages 52 to 53)
404-3	Percentage of employees receiving regular performance and career development reviews	SR23 (page 54)
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
405-1	Diversity of governance bodies and employees	SR23 (page 57)
405-2	Ratio of basic salary and remuneration of women to men	SR23 (page 57)
<b>GRI 406: NON-DISCRIMINATION 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	SR23 (pages 47 to 48, 51)
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR23 (page 46)
<b>GRI 408: CHILD LABOR 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labour	SR23 (pages 45 to 46)



## GRI Content Index

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<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>		
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<b>GRI 409: SECURITY PRACTICES 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	SR23 (page 48)
<b>GRI 413: LOCAL COMMUNITIES 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programmes	SR23 (pages 63 to 70)
413-2	Operations with significant actual and potential negative impacts on local communities	SR23 (pages 63 to 70)
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>		
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416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR23 (page 82)
<b>GRI 417: MARKETING AND LABELLING 2016</b>		
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417-2	Incidents of non-compliance concerning product and service information and labelling	SR23 (page 82)
417-3	Incidents of non-compliance concerning marketing communications	SR23 (page 82)
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HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	SR23 (page 82)
<b>ETHICAL MARKETING</b>		
HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	SR23 (page 86)
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	SR23 (page 82)
<b>PRODUCT DESIGN &amp; LIFECYCLE MANAGEMENT</b>		
HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	SR23 (pages 35 to 36)
<b>SUPPLY CHAIN MANAGEMENT</b>		
HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I supplier's facilities participating in third-party audit programmes for manufacturing and product quality	SR23 (pages 8, 84)
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	SR23 (page 83)
HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	IAR23 (pages 34 to 36)
<b>BUSINESS ETHICS</b>		
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	SR23 (page 78)

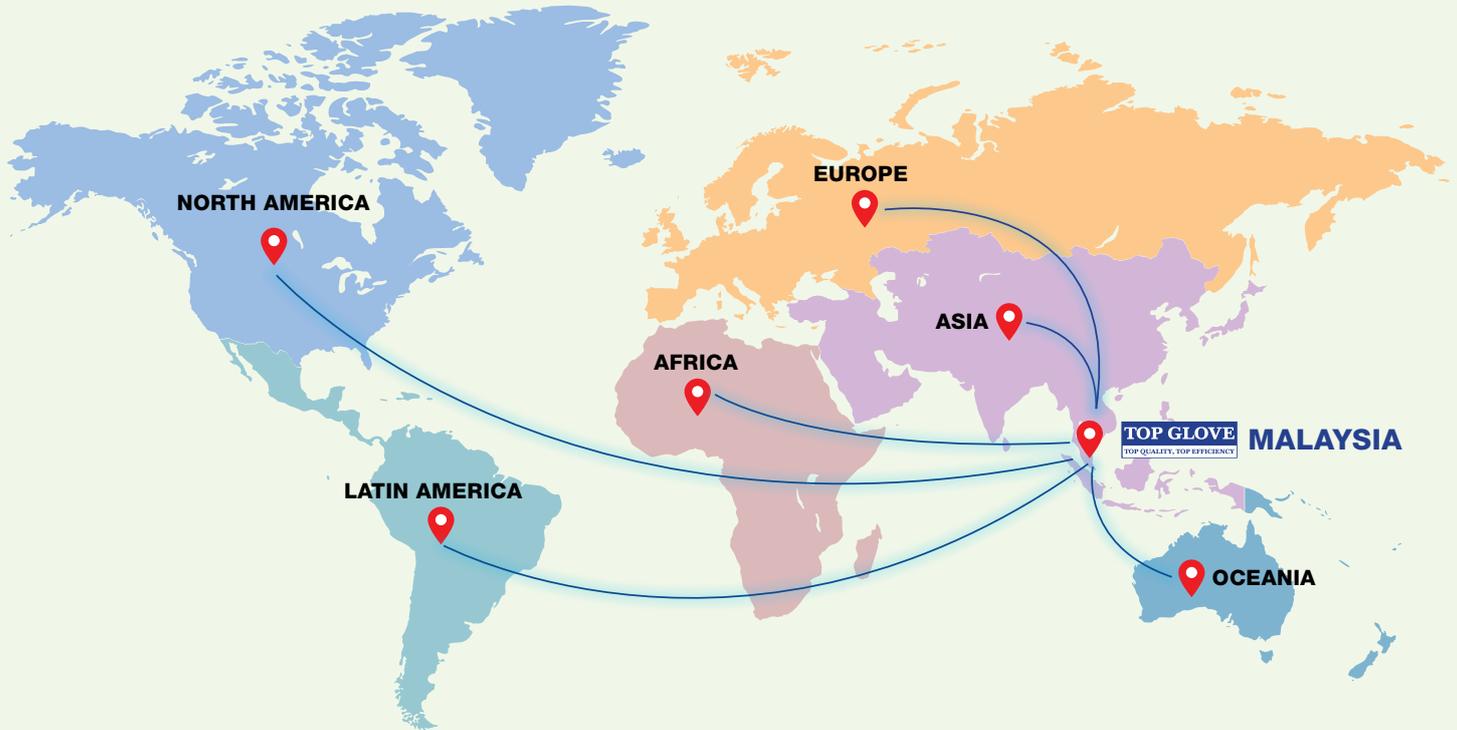
# TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

## SUSTAINABILITY REPORT 2023

### EXPORTS TO 195 COUNTRIES WORLDWIDE

FINANCIAL YEAR ENDED  
31 AUGUST 2023



### 48

FACTORIES



### 788

PRODUCTION LINES



### 10,700

EMPLOYEES



### 95 Billion

GLOVES PER ANNUM

**TOP GLOVE CORPORATION BHD**  
Registration No.: 199801018294 (474423-X)

Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam,  
Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia.

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