



Materiality Assessment Guideline

INTRODUCTION

Materiality Assessment is the process of identifying and assessing potential environmental, social and governance (ESG) issues that impact the business and stakeholders. It is designed to understand the relative importance of specific ESG issues to the organisations and stakeholders. The material issues are identified based on the industry and global trends as well as business factors, which include mega trends and global risks in the short, medium and long term.

Materiality Assessment Guideline (hereinafter referred to as “Guideline”) outlines the materiality process, frequency to conduct a materiality assessment and the depth of each materiality assessment.

SCOPE OF POLICY

- a. “Stakeholder” means a person with an interest or concern in Top Glove’s operations.
- b. “Material issue” means an economic, environmental, social or governance issue on which a company has an impact, or may be impacted by.
- c. Top Glove reserves its right to vary and improve this Guideline from time to time.

MATERIALITY ASSESSMENT GUIDELINE

The following outlines the materiality assessment approach adopted by Top Glove:

1. Materiality Process

a. Identification of Material Issues

- i. Local, regional and global comparative analysis
- ii. Desktop research on industry trends
- iii. Reference to the Sustainability Accounts Standards Board (SASB)
- iv. Identification of mega trends
- v. Identification of short, medium and long term global risks

b. Alignment of Material Issues

- i. Bursa disclosure requirements
- ii. Global Reporting Initiative (GRI)
- iii. Identification of mega trends
- iv. Identification of short, medium and long term global risks

c. Stakeholder Identification & Prioritisation

Stakeholders were identified and prioritised based on influence, proximity and urgency.

- i. Employee
- ii. Customer
- iii. Regulator
- iv. Media
- v. Shareholder
- vi. Supplier
- vii. Investor, analyst & banker
- viii. Non-governmental organisation (NGO)
- ix. Local community

d. Stakeholder Engagement

Identified stakeholders will be engaged via online surveys and/or phone interviews.

e. Focus Group

A focus group discussion will be conducted with the Board Sustainability Committee to discuss the resulting Materiality Matrix.

f. Validation by C-suites and Key Senior Management

The Materiality Matrix will be reviewed and validated by the C-suited and key senior management of the Company.

g. Approval by the Board of Directors

The Materiality Matrix will be presented and approved by the Board of Director.

2. Frequency and Depth of Materiality Assessment

a. Major materiality assessment every 4 years

Formal and comprehensive assessment conducted by independent third-party with a minimum of 10,000 sample size and an expected response rate of 30% to 40%.

b. Minor materiality assessment with a two year interval in between major assessments

High-level refreshed assessment conducted by Sustainability Steering Group with a minimum of 10,000 sample size and an expected response rate of 10% to 20%.