



Business Partners' Code of Conduct

Adopted by Board on 7 June 2024

1. INTRODUCTION

Top Glove Corporation Bhd (“**Top Glove**”) is wholly committed to managing its business and manufacturing its products in a sustainable manner, as we endeavour to serve our stakeholders in an ethical and responsible manner, while creating financial value for our shareholders. An important way in which Top Glove delivers on its commitment is through continual engagement and assessment of its Business Partners based on metrics, which include how they conserve and improve the natural environment; uplift employee socioeconomic wellbeing; and conduct business ethically and responsibly.

Therefore, the purpose of this Business Partners’ Code of Conduct (hereinafter referred to as “Code”) is to ensure that all participants across Top Glove’s supply chain understand our policies, practices, and minimum ethical expectations from our Business Partners. Top Glove requires its Business Partners to strictly comply with the standards outlined herein and the obligations under local laws. Top Glove will constantly monitor the compliance of its Business Partners to this Code. Non-adherence to these practices and standards on the part of a Business Partner will impact future business decisions with regard to the Business Partner concerned.

2. SCOPE OF CODE

This Code establishes non-negotiable requirements for the entire supply chain of Top Glove. It applies to all current and prospective contractors, vendors, manufacturers, sellers, distributors, service providers including employees, agents, and entities, providing goods and services to any operations of Top Glove, its subsidiaries and joint ventures involved in the production process, or the delivery of materials or components used in our products (referred to as “Business Partners”). Business Partners are responsible for informing and ensuring compliance with this Code among all parties in the supply chain with whom Top Glove does not have direct contact.

Top Glove will review this Code on a yearly basis and reserves the right to vary and improve it as needed. Any material changes will be communicated to the relevant Business Partners, where deemed necessary.

The contents of this Code align with the following current international conventions:

- a) International Labour Organization (ILO)
- b) 10 Principles of the UN Global Compact
- c) UN Declaration of Human Rights
- d) UN Guiding Principles

3. OBJECTIVE OF CODE

This Code is the foundation of our business relationships, guiding sourcing strategies and evaluations. We expect Business Partners to improve and develop strategies to meet these standards, with a reasonable, clearly defined timeline in an action plan. In the event of any non-compliance to this Code, a proof of remedial measures for each non-compliance must be provided.

In the event Top Glove finds that a Business Partner has failed to comply with this Code and is reluctant to take the necessary corrective actions within the agreed timeline, Top Glove reserves the right to terminate the business relationship. Major breaches of this Code will lead to an immediate termination of the business relationship.

4. REQUIREMENT FOR BUSINESS PARTNERS

This Code encompasses compliance with all applicable local, national, and international laws governing human rights, labour, land use, environmental protection, and governance, including regulations concerning chemical use and labelling.

a. Compliance with Laws and Regulations

Top Glove requires Business Partners to comply with the national laws in their respective countries. If any provisions in this Code conflict with their respective national laws, the national laws take precedence, and Top Glove must be notified immediately to determine the appropriate course of action. In the event the national laws are less stringent; Business Partners are expected to adhere to the higher standards outlined in this Code.

b. Record Keeping and Information Management

Transparency is also emphasised, with partners expected to provide traceability of materials along the upstream supply chain whenever possible upon request. Business Partners are required to uphold thorough and transparent documentations that shows their adherence to relevant laws and regulatory frameworks.

Particularly for partners involved in supplying materials or services related to medical devices, the maintenance of a Quality Management System (QMS) suitable for Top Glove's products and services is required. Certification by an accredited third-party certification body with the latest version of ISO certification or other authorised requirements is mandated, contingent upon the nature of the business and subject to Top Glove's specific requirements.

5. CODE OF CONDUCT

The Code is divided into three parts as follows:

5.1 ENVIRONMENTAL RESPONSIBILITY

Top Glove's Business Partners shall comply with all applicable environmental laws and regulations in the country of operation. Controls shall be in place to minimise environmental pollution and make continuous improvements in environmental compliance, promoting sustainable circular economy practices and contributing to global climate protection. In this regard we expect Business Partners to take climate protection appropriately into account in their own operations, for example by setting climate protection goals for themselves and achieving them.

5.1.1 Land Protection

- a. For natural rubber plantations, no new land development is permissible in areas classified as follows:
 - I. High Carbon Stock ("HCS") as defined in HCS Approach ("HCSA")¹
 - II. Primary forests, or any area required to maintain or enhance one or more High Conservation Values² ("HCVs")
 - III. Peatlands, regardless of depth
- ¹ <http://highcarbonstock.org/>
² <https://www.hcvnetwork.org/about-hcvf/the-six-high-conservation-values>
- b. Business Partners must conduct Integrated HCV and High Carbon Stock (HCS) assessments before any new land development for natural rubber plantation.
 - c. Ensure the protection of biodiversity and wildlife, encompassing rare, threatened, endangered, and critically endangered species of flora and fauna.
 - d. Establish a No Open Burning and No Deforestation commitment in all new and existing operations.

5.1.2 Energy, Emissions & Waste

- a. As part of our Code, Business Partners are required to monitor and progressively reduce greenhouse gas emissions in existing operations, while also minimising emissions from new operations.
- b. Continuous monitoring of energy usage and advocacy for the adoption of renewable energy sources whenever feasible are essential components of this commitment.
- c. Business partners must ensure that all wastewater and solid waste generated are monitored, controlled, and treated in accordance with relevant legal regulations prior to discharge or disposal. Adherence to all applicable laws and regulations concerning air, water, land, and noise pollution is required.
- d. Additionally, prioritising the protection of water and soil quality is imperative, with the implementation of measures aimed at preventing contamination and degradation from agricultural and industrial chemicals, erosion, nutrient degradation, subsidence, and other forms of pollution.
- e. Business Partners are expected to enhance resource efficiency and minimise waste through the implementation of effective waste management practices, including the adoption of 5Rs programmes (Refuse, Reduce, Repair, Reuse, and Recycle).

5.1.3 Water

- a. In recognition of the scarcity of water, Business Partners shall monitor water usage and minimise it to mitigate the total volume consumed.
- b. Additionally, recycling and proper treatment practices are recommended to ensure sustainable water management.

5.1.4 Chemicals

Top Glove's Business Partners must ensure that the products and services they provide are free from chemical substances prohibited by national, regional, and local laws and regulations. This includes, but is not limited to, substances such as:

a. Restricted Chemicals/ Materials

- i. Restricted Chemicals/Materials refer to any materials prohibited by relevant authorities due to health, safety, or environmental concerns during processing or in finished goods.
- ii. Top Glove is committed to ensuring that all materials, packaging, components, and chemical compositions of products conform to customer requirements and comply with REACH standards based on different countries' requirements and guidelines.
- iii. In the event there is an updated REACH Substance Very High Concern (SVHC) candidate list or new chemicals requirement concerns on the part of the customer, Business Partners are required to provide relevant information, document or declaration upon request.
- iv. Top Glove requires Business Partners to undertake steps to identify whether restricted materials are contained in the products they provide to Top Glove.
- v. Additionally, Business Partners must inform Top Glove if any restricted materials are present in the products and take necessary measures to ensure compliance with relevant regulations and standards.

b. Toxic Chemicals

- i. Avoid the use of toxic substances that negatively impact the environment, or minimise their usage if there are no viable alternatives.
- ii. Ensure that any toxic chemicals used are managed properly to prevent harm to humans and the environment.
- iii. Comply with local or national laws and regulations regarding the management of these chemicals, ensuring adherence to proper procedures.

5.1.5 Conflict Minerals

- a. Top Glove Business Partners must adhere to the Conflict Minerals Regulation, which concerns the trade of tin, tantalum, tungsten, and gold that may fund armed conflict or forced labour.
- b. We require high standards of social, environmental, and human rights practices. Managing compliance with the Conflict Minerals Regulation is part of our corporate responsibility. Thus, Top Glove requires that Business Partners undertake steps to identify whether Conflict Minerals are contained in the products or services they provide.
- c. If any conflict minerals are used in or to produce a Top Glove product or service, they must be responsibly sourced, and proof of origin must be provided.
- d. At the same time, the Business Partners should take reasonable steps to minimise the use of conflict minerals in products/services that are supplied to Top Glove.

5.2 HUMAN RIGHTS & LABOUR STANDARDS

Top Glove expects ALL Business Partners to respect and uphold the rights of every individual in alignment with international standards. This includes adhering to the fundamental conventions of the International Labour Organisation (ILO) and following the guidance provided by the United Nations Guiding Principles on Business and Human Rights (UNGP BHR).

Furthermore, Top Glove emphasises the recognition of the inherent dignity of every individual. It requires all employees and Business Partners to support the Universal Declaration of Human Rights by the United Nations. This entails prohibiting any form of retaliation against Human Rights Defenders (HRDs) in accordance with the United Nations Declaration on HRDs.

5.2.1 Forced Labour and Human Trafficking

- a. Business Partners are to uphold a zero-tolerance policy towards forced labour, including modern slavery, human trafficking, forced, bonded, indentured, or involuntary prison labour.
- b. Any deductions from employees' wages are strictly prohibited, as well as withholding of property, identification cards, passports, or other travel documents, unless mandated by law.
- c. Additionally, Business Partners are to ensure that employees have unrestricted freedom of movement.

- d. Ethical recruitment practices are vital, and Business Partners shall implement a Zero Cost Recruitment Policy to prevent contractors from imposing or collecting any non-mandated or illegal fees, commissions, or levies from employees. If any such fees are found to be paid by the employee, they must be reimbursed immediately by contractors and the services of non-compliant contractors must be terminated upon discovery of such practices.

5.2.2 Prohibition of Child Labour

- a. Business Partners must prohibit child labour and respect children's rights.
- b. A child is defined as a person who has not completed their 15th year of age, or as defined by local law, with lower ages applying where stipulated by local regulations.
- c. Although not preferred, Business Partners may employ a Young Person [A Young Person is defined as a person who is not a Child but has not completed their 18th year of age, or as defined by local law, with lower ages applying where stipulated by local regulations] if the company abides by the terms as defined by the local law and ensures that the Young Person is protected from labour that is hazardous to their health, safety, or morals.
- d. Top Glove is committed to not hiring individuals under 18 years of age. Therefore, we do not permit Young Persons employed by Business Partners to be present on our premises.
- e. If a Child or Young Person under the employment of a Business Partner is found within Top Glove factory premises, they shall be removed to a safe and non-hazardous area and assigned a guardian until the Business Partner concerned arranges for their removal from Top Glove premises.
- f. Top Glove shall require the said Business Partner to take necessary action to address the issue by implementing a corrective and preventive action plan.

5.2.3 Collective Bargaining

- a. Business Partners must recognise and respect employees' rights to have freedom of association, collective bargaining, and to form and join trade unions of their choice.

5.2.4 Elimination of Discrimination and Harassment

Business Partners shall:

- a. Promote an inclusive work environment that values the diversity of all its employees.
- b. Refrain from discriminatory practices in the hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.
- c. Treat each employee with dignity and respect and shall not use corporal punishment, threats of violence or other forms of physical, sexual, psychological, or verbal harassment or abuse.
- d. Adhere to the country's laws regarding reproductive rights.

5.2.5 Working hours & Wages

Business Partners shall:

- a. Ensure that working hours comply with and are compensated in accordance to national legislation including overtime hours (which are on a voluntary basis), and that employees have at least one rest day each week.
- b. Maintain records of working hours and wages for all employees.
- c. Ensure that employees are given, in writing, in a language that they understand, a description of their duties, information on working hours, rate of pay, leave, and any other terms and conditions of employment. The aforementioned document shall be signed by both employer and employee.
- d. Ensure all employees are paid a wage equal to or exceeding the local minimum wage and are covered by insurance for work-related illness and injuries.

5.2.6 Health & Safety of Employees

- a. Top Glove's Business Partners shall comply with all applicable laws and regulations in the country of operation.
- b. Business Partners must ensure its employees work in a safe environment and are protected from foreseeable job-related hazards.
- c. They are required to provide personal protective equipment (PPE) as appropriate to the work being performed free of cost, which shall also be replaced if damaged.
- d. Business Partners must ensure that there are systems in place to assess, identify, prevent, and mitigate potential threats to the health and safety of workers.

- e. They are also required to create awareness amongst workers of their right and responsibility to exit the premises and/or stop work without seeking permission in the event of uncontrolled hazards and/or in dangerous situations.
- f. They must take all appropriate measures to ensure the stability and safety of the equipment being used, as well as protect employees against any foreseeable emergency.
- g. Prohibit highly toxic, bio-accumulative and persistent pesticides, including the following chemicals:
 - I. Chemicals listed by World Health Organization Class 1A or 1B, Stockholm or Rotterdam Conventions; and
 - II. Paraquat
- h. Business Partners are to respect the rights of indigenous peoples and local communities.
- i. They are required to conduct a process of free, prior and informed consent (FPIC) prior to any activities that may affect the rights of indigenous peoples/landowners and adhere to the outcomes of this process.
- j. In cases where accommodation is provided to employees, Business Partners must ensure it complies with applicable accommodation laws and regulations, including access to safe drinking water and electricity.

5.3 ETHICAL BUSINESS PRACTICES

5.3.1 Business Ethics

- a. Business Partners must conduct business in adherence to high ethical standards, adopting honesty, integrity, and transparency in business dealings.

5.3.2 Anti-Corruption and Bribery

- a. Business Partners must refrain from participating in or tolerating any forms of corruption, bribery, extortion, embezzlement, commission or remuneration; and adhere to Top Glove's Anti-Bribery & Anti-Corruption Policy.
- b. They must act in compliance with anti-trust or competition laws and regulations concerning practices such as monopolisations, improper trade restrictions, cartels, bids, rigging, unfair business practices or abuse of dominant positions.
- c. They must also comply with all applicable local, national, and international laws and regulations which are in force within the country or state related to zero-tolerance for bribery and corruption.

5.3.3 Data Protection, Confidentiality, and Intellectual Property

- a. Business Partners shall implement appropriate security measures to protect data belonging to/associated with Top Glove against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure, or access, in particular when the processing of data involves the transmission or storage on or within a network.
- b. Business Partners shall keep confidential all information made available to them by Top Glove during the course of business and shall not disclose or divulge any such information to any third party.
- c. Business Partners shall not use the intellectual property of Top Glove in any unauthorised manner. Such intellectual property shall be the exclusive property of Top Glove.
- d. Business Partners shall implement appropriate measures to protect confidential information and intellectual property of Top Glove and shall not directly or indirectly engage in any activity to exploit or infringe the confidential information and intellectual property of Top Glove.
- e. Upon the expiration or termination of the business relationship, Business Partners shall not disclose, discuss, circulate, or misuse any confidential information and intellectual property of Top Glove with any third party.
- f. All confidential information obtained during the course of business is to be shredded or destroyed in an appropriate manner.

5.3.4 Whistleblowing or Grievance Channel

- a. Business Partners must commit to having in place a proper grievance mechanism and whistleblowing measures to allow employees to raise grievances or report wrongdoings in good faith without fear of reprisal and resolve complaints with reference to the UNGP BHR effectiveness criteria and the Top Glove Whistleblowing Procedure.

5.3.5 Traceability and Compliance in Upstream Processes

- a. Top Glove is dedicated to ensuring traceability in its supply chain until upstream processes as part of its compliance efforts, including adherence to the European Union Deforestation Regulation (EUDR). To achieve this, Top Glove collaborates closely with its Business Partners to map its supply chains.

- b. Business Partners are expected to provide traceability of materials along the supply chain until upstream whenever feasible, upon request. This traceability is vital for ensuring the integrity and sustainability of the supply chain.
- c. It is essential that Business Partners disclose all relevant information such as material characteristics, along with health and safety information pertaining to the supplied products. This transparency ensures that all materials used meet the required standards and contribute to the overall safety and sustainability of the supply chain.

6. COMPLIANCE & ASSESSMENT AUDIT

Business Partners shall take the commitments contained within this Code and the Policy seriously and continually engage with their suppliers, contractors, or trading partners to ensure compliance.

Top Glove understands that Business Partners may face difficulties in implementing some or all of the above stated requirements. Therefore, Top Glove aims to hold regular engagement sessions with its Business Partners to understand their concerns and help resolve the same, towards achieving compliance with this Code. Top Glove (or a 3rd party appointed by Top Glove) may carry out announced audits or visits to the Business Partners, their facilities and business practices to verify compliance with this Code and reserves the right to act as stipulated in the Top Glove Sustainability Policy Grievance Handling Protocol in the event chronic non-compliance with any aspect of the Code is found.

ACKNOWLEDGEMENT

As Top Glove’s Business Partner, we hereby acknowledge, agree and undertake the following: -

- 1. that my company, or any subsidiary, is committed to complying with the requirements stipulated in the Top Glove Business Partners’ Code of Conduct and [Top Glove Sustainability Policy](#).
- 2. that Top Glove or any 3rd party appointed by Top Glove may carry out audits or visits to our facilities to verify our compliance with the Code.
- 3. that we will effectively communicate the contents of the Code to our employees, agents, subcontractors, and suppliers to ensure all requirements are implemented accordingly.
- 4. that we will declare to the Top Glove personnel in charge, the existence of familial or close relationships, affiliations or associations with staff and/or management of Top Glove.
- 5. that we may raise my/our concerns through various communication channels including the Top Glove Whistleblowing Policy which provides for anonymous reporting and can be found on Top Glove website. <https://www.topglove.com/whistle-blowing>.

Management Representative:

Name of the Company:

Name of Authorised Signatory:

Designation:

Date:

Company Address & Stamp: