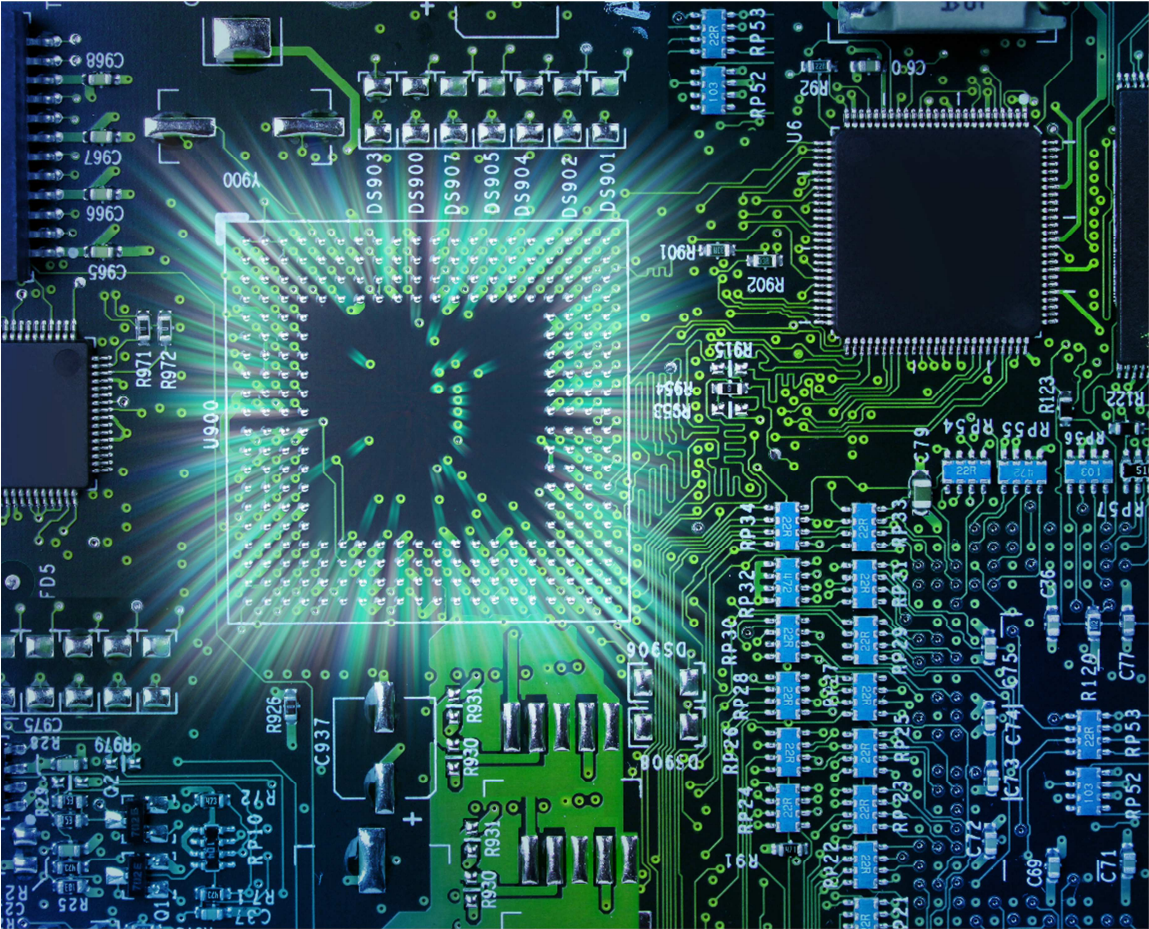





SUSTAINABILITY REPORT 2021



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ABOUT THE REPORT

The Sustainability Report ("SR") of Global Testing Corporation Limited ("GTCL" or the "Group") has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards: Core option. GTCL is required to comply with all GRI reporting requirements in *GRI 101: Foundation* and *GRI 102: General Disclosures*. All reporting requirements in *GRI 103: Management Approach* should also be observed for each selected material topic. For further information, please refer to the [GRI Content Index](#) in this report.

The report is prepared annually to provide an overview of GTCL's management and initiatives implemented to drive sustainability. The Group seeks to communicate its ESG performances with stakeholders through its environmental, social, and governance ("ESG") disclosure on each material ESG topic. This report delivers the sustainability performances of GTCL's business and operations for the financial year ended 31 December 2021 ("FY2021"), unless stated otherwise.

GTCL follows the guidance outlined in the four Reporting Principles of the GRI Standards to enrich this year's SR content:

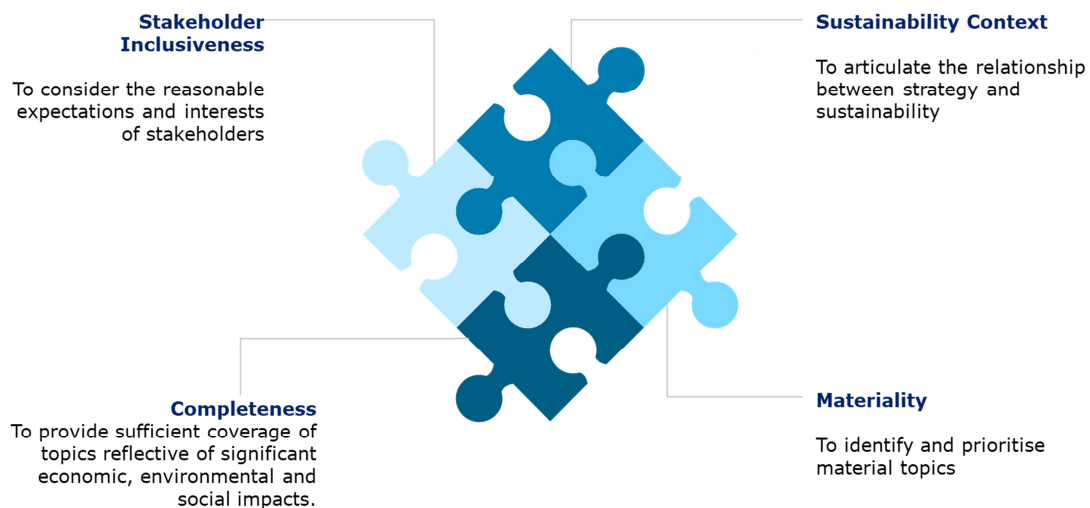


Figure 1: Four Reporting Principles as defined by the GRI Standards

GTCL has not sought external independent assurance during this financial reporting period and will consider doing so as sustainability reporting efforts mature.

CONTACT US

GTCL seeks to continuously improve its ESG performances and disclosures. Please contact us so that we may address any concerns and feedback in regards to the subject matters.



120 Robinson Road #08-01, Singapore 068913

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ABOUT US

Established 1988, GTCL is an independent testing services company in the Asia-Pacific region. It has been listed on the Singapore Exchange ("**SGX**") Mainboard since 24 August 2005.

The Group offers testing services ranging from wafer sorting to final testing for the semiconductor industry, with a focus on logic and mixed-signal semiconductors used in consumer electronics and communication devices, and having enhanced its wafer testing capability and services to serve the automotive devices industry a few years ago, which has more stringent quality and technical requirements to comply with, as compared to other types of wafers.

Other testing services we provide, are test programme development, conversion and optimisation services, load board and probe card design. Our testers are leased to customers on an ad hoc basis for trial and pilot testing services. The Group creates a positive outlook on the industry for its high satisfactory yield rate through the delivery of innovative solutions to customers. GTCL reaffirms its commitment to exercise prudence and communicate our sustainability performance to create stakeholders' value.

In the mindset of getting things right the first time, GTCL strives to demonstrate our outstanding and quality work to our customers.

OUR LONG TERM VISION

TO BE A FIRST-RATE SEMICONDUCTOR TESTING BUSINESS THAT IS SUSTAINABLE AND CAPABLE OF DELIVERING LONG TERM BENEFITS TO ALL OUR STAKEHOLDERS.

Figure 2: GTCL's Long-term Vision

BOARD STATEMENT

Dear Esteemed Stakeholders,

We, the Board of Directors (the "**Board**") of GTCL, are pleased to present our sustainability report for FY2021, which will be published through SGXNet.

GTCL understands that sustainability has become the main element in our business operation and business strategy. Embedding the sustainability approach in our business operation aims to reduce the negative impacts to both environmental and social aspects. We are fully committed to driving changes to advance our sustainable journey with the objective of developing sustainable business for the future.

Identifying and engaging with our group of stakeholders is one of our approaches to understanding and gauging feedback on how our business operation might have an impact and on which areas we can improve further in our sustainability journey. We build lasting relationships with our stakeholders by initiating regular dialogues.

GTCL will continually improve its sustainability performance as we recognise the impact of sustainability to business strategy and success in the long run. In meeting the 3Ps – the people, planet, and prosperity, risks and opportunities must be exceptionally in place and effective in addressing its material risks and will be effectively addressed to drive positive impacts through our governance foundation that focuses on four major pillars – Integrity, Accountability, Discipline and Transparency. Apart from accomplishing financial milestones, we attend to environmental, health and safety matters, as well as talent training and development by establishing a strong and clear commitment from the top. GTCL's dedication to customer satisfaction, environmental, health and safety management, as well as fostering safe working conditions for employees to thrive in are evident as we continue to align goals towards that direction.



Figure 3: GTCL's Governance Framework

Under the Board's strong leadership and guidance, the management will continue to strengthen the performance by integrating material ESG factors into our business strategy and operations. We seek to develop a more sustainable business in the interest of our stakeholders and the community.

We would like to extend our heartfelt gratitude to you for your continued faith in us, as we enhance our efforts to build a better future for all of our stakeholders.

SUSTAINABILITY APPROACH

STAKEHOLDER ENGAGEMENT

Stakeholders, to GTCL, are the top priority. Forging stronger communication and relationships between us and stakeholders are paramount for the long-term sustainable growth of GTCL's business. The Group identified its key stakeholders which include customers, employees, investors, shareholders, contractors, suppliers, government and regulators.

Aiming at aligning stakeholder concerns into its operational, reporting and organisational objectives, the Group engaged with its stakeholders in FY2021 through an array of channels to communicate our sustainability initiatives, as well as keeping us in tune to feedback and expectations from them. Channels include workshops, surveys and external audits are regularly arranged to assess GTCL's business operations, ensuring its compliance with relevant rules and regulations.

Stakeholder Group	Mode of Engagement	Frequency			
		Ad Hoc	Regular	Semi-annual	Annually
Customers	Meetings with clients		✓		
	Company website		✓		
	Client satisfaction survey				✓
Employees	Employee training sessions		✓		
	Company newsletter/ Intranet		✓		
	Annual Performance Appraisal System				✓
Investors and Shareholders	Company website	✓			
	Semi-annual results and announcements			✓	
	Annual general meeting				✓
	Annual report				✓
Contractors and Suppliers	Supplier feedback and evaluation form	✓			
	Meetings with contractors and suppliers		✓		
Government and Regulators	SGX announcements	✓			
	Annual report				✓

Figure 4: GTCL's Stakeholder Engagement Plan

MATERIALITY ASSESSMENT

Since 2017, GTCL has conducted its materiality assessment with aid from a third-party consultant to identify the ESG topics material to its business and relevant stakeholders. This year, we continue to engage an independent consultant to review our ESG topics. Result same as last year, all material ESG topics in FY2020 remained relevant in FY2021 upon the endorsement by management. Based on our understanding on stakeholders' expectation, below shows the list of ESG indicators for GTCL to address in this report:




Material Aspect	ESG Indicators	Aspect Boundary	Chapter
Customer Satisfaction 	102-43: Approach to stakeholder engagement 102-44: Key topics and concerns raised	Outside Organisation	Customer Satisfaction
Occupational Health and Safety 	403-1: Occupational health and safety management system 403-2: Hazard identification, risk assessment, and incident investigation 403-3: Occupational health services 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9: Work-related injuries	Within Organisation	Environmental, Health and Safety Management
Training and Education 	404-1: Average of training hours per year per employee 404-3: Percentage of employees receiving regular performance and career development reviews	Within Organisation	Human Capital Development

Figure 5: List of ESG Indicators

CUSTOMER SATISFACTION

OUR APPROACH

With our pride, the quality excellence is GTCL's first priority and only. We are committed to provide excellent quality of circuit probing and final testing service to our customers. Our commitment of quality assurance deliverables is based on three key principles: 'Continuous improvement', 'Compliance with quality standards' and 'Exceed customers expectation'. Our Quality Policy clearly delivers our focus on quality management to our business partners and all employees. GTCL are certified with accredited standard including ISO 90001:2005 Quality Management Systems and IATF16949 standard of the Customer Satisfaction Survey Handling Procedures.

GTCL has a highly qualified and experienced management and support team to deliver shorter turnaround time and ultimately produce high and stable yield. To guarantee that customers get our quality products and services, we equipped our employees with quality control concepts and methods by providing the necessary competencies training courses and authorised skill certification programs.

GTCL conducts its annual customer satisfaction survey to measure and assesses its degree of which customers' expectations have been fulfilled. Coupled with customer satisfaction survey are the real-time tester status monitoring system and 24-hours engineer customer support to ensure our customers satisfaction.

FY2021 CUSTOMER SATISFACTION PERFORMANCE

In 2021, we continuously maintaining our performance at rating of "Good". In particular, our customer service support in shipment handling performs beyond our customers' expectations. Other feedback on our delivery achievement, quality, support, data transfer and price are reviewed in our management review meeting to seek improvement areas followed by action plans.

Moving ahead, GTCL aims to achieve an overall rating of "Excellent", where we deliver enhanced quality that provides higher satisfaction to the customers.

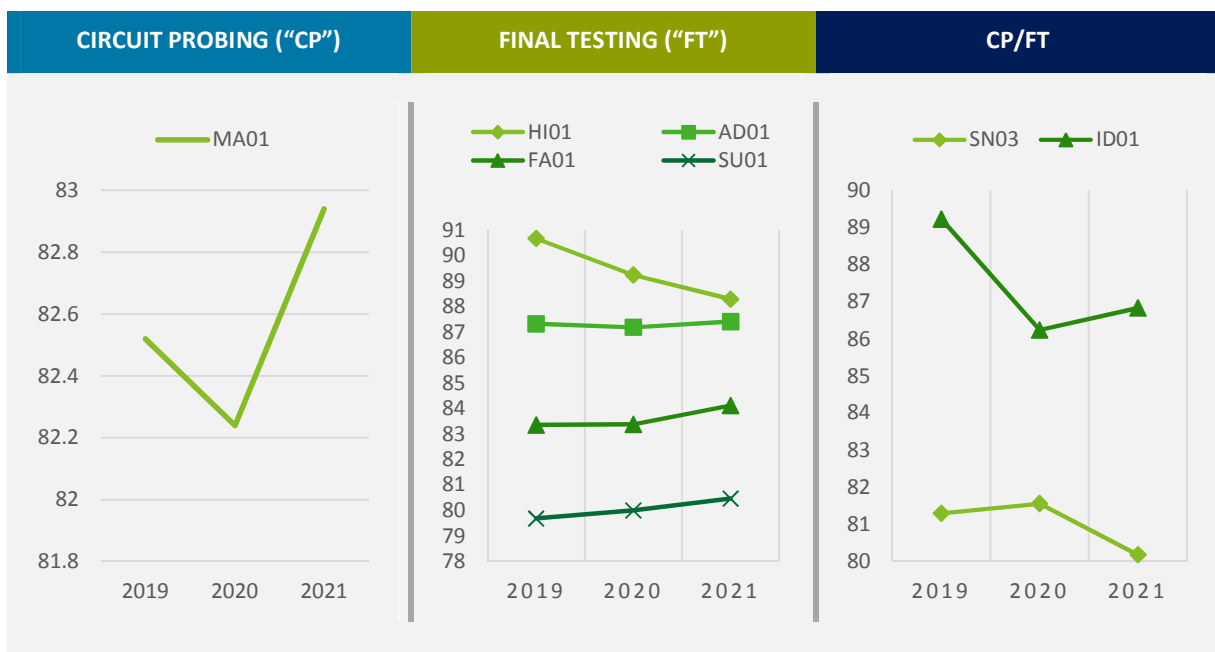


Figure 6: GTCL's Client Satisfaction Survey Results

ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT

OUR APPROACH

GTCL is committed to ensuring the protection of the environment, as well as occupational health and safety ("OHS") of all our employees. Our Environmental, Safety and Health ("ESH") Policy is in place complying with relevant laws and regulations at where we operate. Our ESH management systems are certified with various international standards namely ISO 45001:2018 Occupational Health and Safety Management Systems, OHSAS 18001:2007 Occupational Health and Safety, and ISO 14001:2015 Environmental Management Systems. We also gained a Green Partner Certification issued by one of our core customers – Sony. GTCL's management approach in OHS matters illustrated as below:

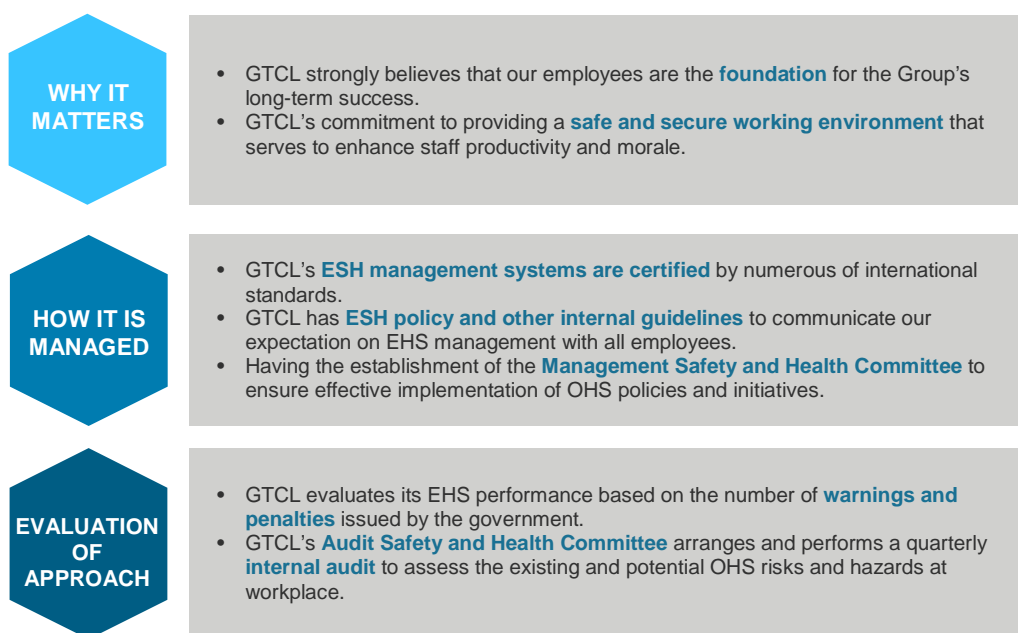


Figure 7: GTCL's Management Approach to Occupational Health and Safety

At working level, complementing our EHS management system is an Excellent Health Care Plan with annual free yearly health check-ups and consultations arranged for employees. Our employees are also covered by Labor insurance, national health insurance, and free group insurance. Our Human Resources Department, together with Industrial Safety Health Team, have also arranged internal and external training based on an annual training plan for all employees to understand relevant workplace hazards. New hires are mandate to attend OHS training and programme. Along with, safety reminders are issued to remind employees about the potential risks and protection measures in place. We also arrange regular fire alarm tests, fire and earthquake safety drills along with response plan.

When an incident occurs, employees should report to the OHS officer and supervisor to investigate its root cause, followed by drafting corrective action plans to prevent its reoccurrence. In-house nurses are also stationed on-site to serve as an emergency medical respondent and liaise with medical facilities when accident happens.

To ensure our business's long-term success, OHS-related policies, guidelines and practices are reviewed regularly in accordance with the international standards and environmental management systems requirements. With our continuous efforts, no warnings and penalties were issued by the government to the Group in FY2021.

FY2021 ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE

It is imperative to the Group that we actively track and improve efficiency and safety standards in the workplace. In 2021, there were no fatalities due to work-related injuries and no high-consequences work-related injury. However, there was an increase in recordable work-related injuries due to car accidents during travelling to or from the company. As part of its action plan to mitigate the hazards that have caused to high-consequence injuries, GTCL has taken propaganda and conduct half-year EHS event during the reporting year.

Moving along, GTCL will continue to go beyond compliance, through collaborating with external parties to implement our prevention plan in eliminating work-related hazards, as well as heighten awareness among employees about OHS.

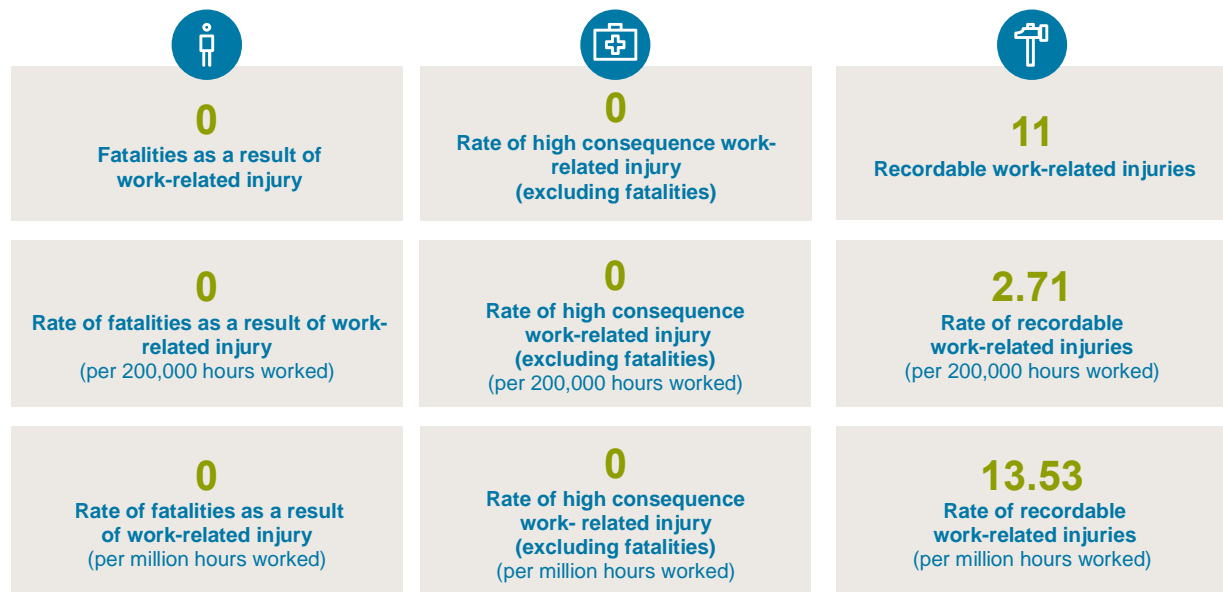


Figure 8: GTCL's FY2021 Occupational Health and Safety Performance Statistics

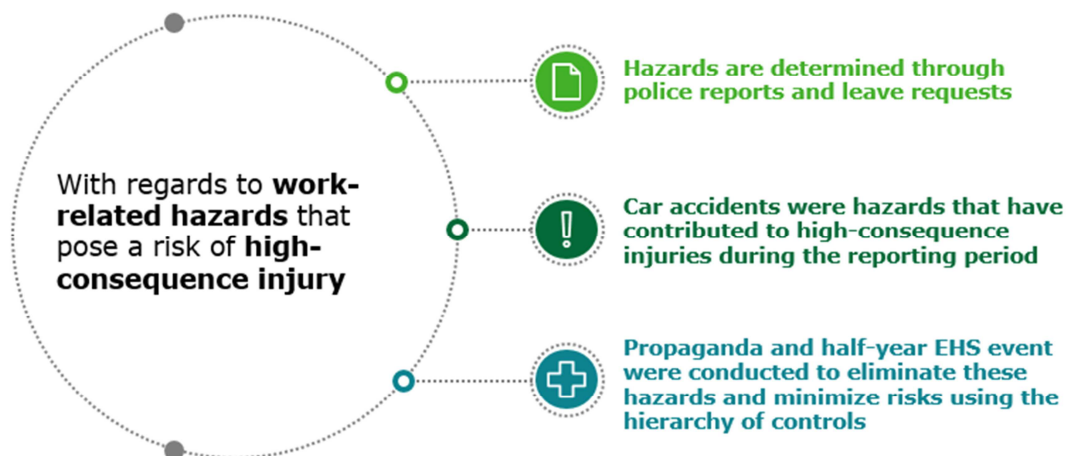


Figure 9: GTCL's Work-Related Hazards that Posed a Risk of High-Consequence Injury

HUMAN CAPITAL DEVELOPMENT

OUR APPROACH

AT GTCL, we believe talent is our backbone and greatest asset. We uphold our employees' rights by ensuring fair treatment, no discrimination, gender equity, diversity, and inclusion per stipulated in our Human Resource Management ("HRM") Policy. GTCL is committed to shaping a conducive working environment, offering attractive remuneration and benefits package, and encouraging work-life balance. Our Human Resources Department is responsible for attract, retain, and develop a talent pool within the Group.

To drive company success, we spare no efforts in human capital development. From production, quality control, research and development, sales, language training to general management, GTCL strives to cater to the needs of 'Employee Learning and Development', 'Organizational Growth' and 'Company Policy'.

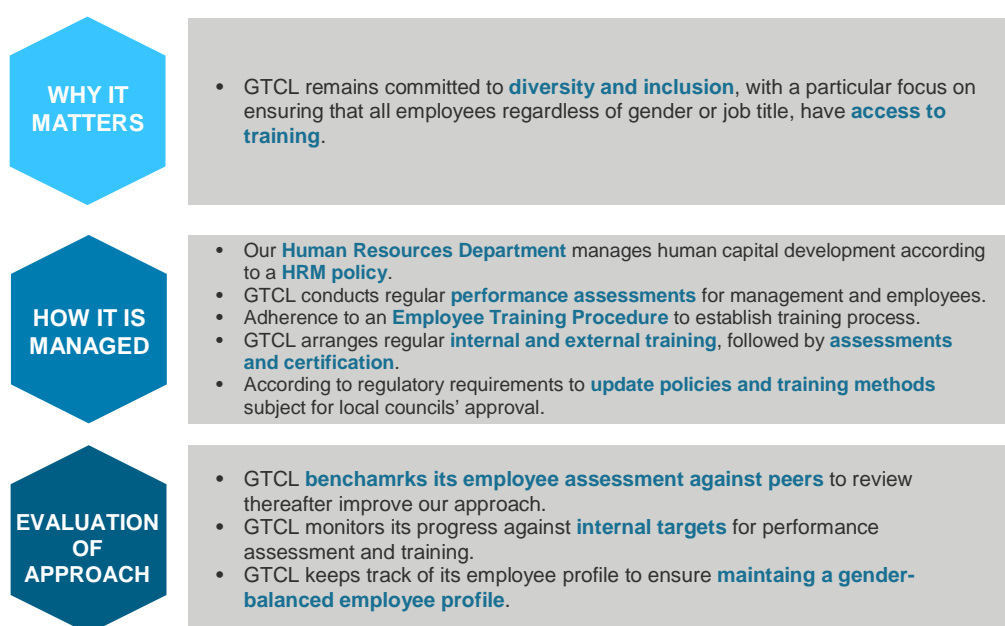


Figure 10: GTCL's Management Approach to Human Capital Development

In line with our management approach to human capital development, we conduct regular performance assessment for all employees. Both employees and their appraisers have been made aware of the performance assessment requirements. Such practice monitors their personal growth and enable us to identify competencies, skills and potential of each employee. We give all employees a fair and equal opportunity for career development and advancement through the promotion from within based on merit.

Aside, we conduct necessary career planning and training programs for all levels of employees under our education and training system. Our Employee Training Procedures are at hand to ensure we meet long-term development needs and build up skills for all employees to fulfil their role and improve work quality. The Group adopts three-pronged approach targeted at training, education, and development to design a group-wide annual training plan, as well as educational training programmes with reference to employees' work progress, the development of organizations and annual operating plans. We require employees to sign a Training Signature Form, thereby enabling us to track our annual training achievement rate against the training target to evaluate our progress in training and development.

This year, we tailored new employee orientation, functional training, management training and quality training for employees of different ranks and from different teams to meet organizational, departmental and individual training needs. Formative assessment to be conducted towards the end of a course, assisting employees to understand how they are getting on. We are confident that our employees can thrive in our workplace under the education and training system as illustrated below:



Figure 11: GTCL's Education and Training System

FY2021 HUMAN CAPITAL DEVELOPMENT PERFORMANCE

Promoting diversity and inclusion is one of core values in GTCL. We continuously remain committed to fostering our diversity and practice inclusiveness in our corporate culture as we believe that employees are our important asset to drive GTCL mission and vision. In FY2021, GTCL management team consist of 45 people, 41 of whom were men and 4 of whom were women. GTCL was able to retain a gender-balanced employee profile.

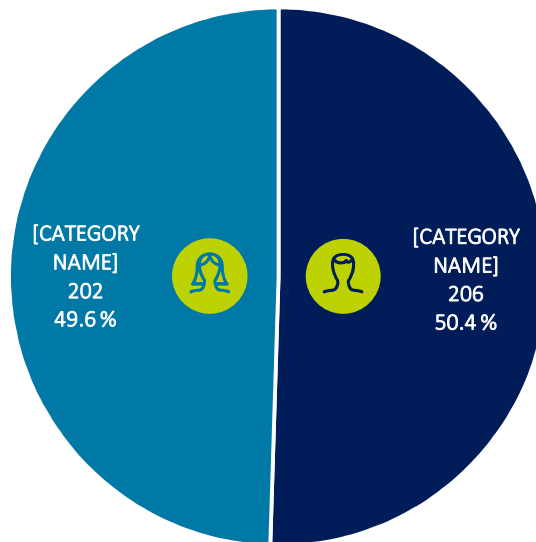


Figure 12: GTCL's Employee Gender Profile

In face of the sobering reality to live with COVID-19, we no longer afford to put capability building on hold. The Group believes that continuous and comprehensive assessment and development of employees' performance capabilities is essential in ensuring our business viability in long run.

For the performance review, 100% of our management and employees received their respective performance assessments and career development evaluations, which maintained our track record from previous year. To meet its strategic objectives, GTCL intends to continue providing regular performance assessment and career development evaluations for all management and employees as we progress into the coming year.

SUMMARY AND TARGETS FOR PERFORMANCE REVIEW		
 FY2020 TARGET	 FY2021 PERFORMANCE	 FY2021 TARGET
Maintain and continue to provide regular performance assessments and career development evaluations for all employees.	Achieved 100% regular performance assessments and career development evaluations for all employees, including both management and employees.	Maintain and continue to provide regular performance assessments and career development evaluations for all employees.

Figure 13: GTCL's Targets for Performance Review

In terms of training capacities, training we offered have equipped employees with the requisite expertise and industry-specific skills for improving their competency level. Meanwhile, we adapted and sought transformation of workplace learning during this time of social distancing, resulting in an increase of our average training hours per employees to almost double compared to previous year. We also achieved an average of 84.85% annual training achievement rate, indicating our effort on delivering educational training programmes and courses according to our annual training plan.

SUMMARY AND TARGETS FOR TRAINING CAPACITIES		
 FY2020 TARGET	 FY2021 PERFORMANCE	 FY2021 TARGET
To continue providing a range of training courses for employees to boost their technical knowledge and soft skill set.	Achieved an average of 43.70 training hours per employee.	Arrange a variety of educational training programmes and courses as indicated in the annual training plan and achieve an average of 95% annual training achievement rate

Figure 14: GTCL's Targets for Training Capacities

Figures below illustrate our improvement for the average training hours per employee spanned over time, as well as a breakdown of the training hours by employees' gender and job position for FY2021:

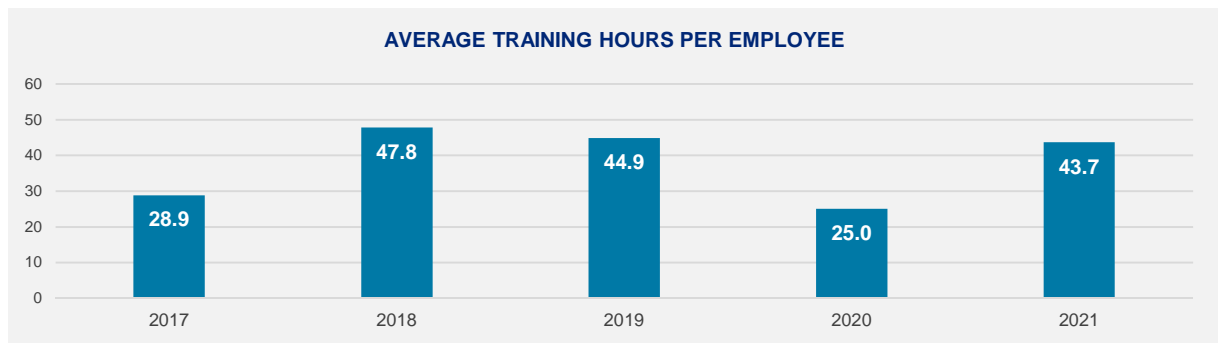


Figure 12: GTCL's Average Training Hours per Employee from 2017 to 2020

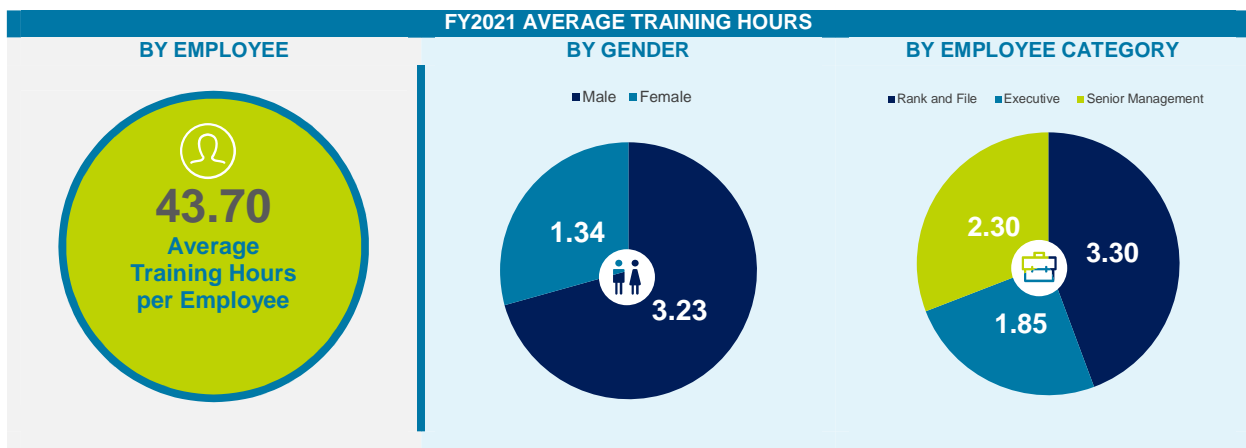


Figure 13: GTCL's Average Training Hours per Employee by Gender and Employment Category

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GRI Standard	Disclosure Title	Page Reference & Remarks
GRI 102: GENERAL DISCLOSURE 2016		
ORGANISATIONAL PROFILE		
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102-3	Location of headquarters	GTCL's Corporate Website
102-4	Location of operations	GTCL's Corporate Website
102-5	Ownership and legal form	GTCL's Corporate Website
102-6	Markets served	Pg 3
102-7	Scale of the organisation	GTCL's Corporate Website
102-8	Information on employees and other workers	Pg 10-12
102-9	Supply Chain	GTCL's Corporate Website
102-10	Significant changes to organisation and its supply chain	Not Applicable
102-11	Precautionary principle or approach	Pg 4
102-12	External Initiatives	GTCL's Corporate Website
102-13	Membership of associations	GTCL's Corporate Website
STRATEGY		
102-14	Statement from senior decision-maker	Pg 4
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Pg 4
GOVERNANCE		
102-18	Governance structure	2021 Annual Report: Corporate Governance Report
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Pg 5
102-41	Collective bargaining agreements	Not Applicable
102-42	Identifying and selecting stakeholders	Pg 5
102-43	Approach to stakeholder engagement	Pg 5
102-44	Key topics and concerns raised	Pg 5
REPORTING PRACTICE		
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102-47	List of material topics	Pg 6
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102-49	Changes in reporting	Not Applicable
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102-52	Reporting cycle	Pg 2
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GRI Standard	Disclosure Title	Page Reference & Remarks
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CUSTOMER SATISFACTION		
GRI 103: MANAGEMENT APPROACH 2016		
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103-2	The management approach and its components	Pg 7
103-3	Evaluation of the management approach	Pg 7
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: MANAGEMENT APPROACH 2016		
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103-2	The management approach and its components	Pg 8-9
103-3	Evaluation of the management approach	Pg 8-9
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
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403-3	Occupational health services	Pg 8
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403-5	Worker training on occupational health and safety	Pg 8
403-6	Promotion of worker health	Pg 8
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404-1	Average hours of training per year per employee	Pg 10-13
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