

GLOBAL TESTING CORPORATION LIMITED  
120 ROBINSON ROAD, #08-01 SINGAPORE 068913

# SUSTAINABILITY REPORT

## 2019



Contents

**ABOUT THE REPORT** ..... 2

    CONTACT US..... 3

**ABOUT US** ..... 4

    OUR LONG-TERM VISION ..... 4

    SUSTAINABILITY STATEMENT ..... 4

**BOARD STATEMENT**..... 5

**SUSTAINABILITY APPROACH** ..... 6

    STAKEHOLDER ENGAGEMENT ..... 6

    MATERIALITY ASSESSMENT ..... 7

**CLIENT SATISFACTION** ..... 8

**WORKPLACE**..... 9

    OUR APPROACH ..... 9

    OCCUPATIONAL HEALTH AND SAFETY .....10

**EMPLOYEE DEVELOPMENT** .....11

    OUR APPROACH .....11

**GRI CONTENT INDEX**.....15

## ABOUT THE REPORT

The Sustainability Report ("SR") of Global Testing Corporation Limited ("GTCL" or the "Group") is prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core option, the international standard for sustainability reporting.

The "Core option" requires organisations to comply with all reporting requirements from *GRI 101: Foundation* and *GRI 102: General Disclosures*. For each material topic selected, the organisation should also comply with all reporting requirements from *GRI 103: Management Approach*, to report the management approach and the topic Boundary. Please refer to the GRI Content Index included at the end of this report for the relevant disclosures.

GTCL prepares the SR on an annual basis to provide a comprehensive and transparent overview of the initiatives and strategies undertaken to achieve the targets relating to sustainability. The Group seeks to disclose their environmental, social, and governance (ESG) performance against the issues considered most material to stakeholders.

This report covers the sustainability performance of our operations for the financial year ended 31 December 2019, unless otherwise stated.

The content of this report is defined by the four reporting principles established by GRI Standards: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Reporting Principles	Objective	Reference	Page
Stakeholder Inclusiveness	To ensure reasonable expectations and interests of stakeholders	Stakeholder Inclusiveness principle is implemented in determining the report context through the stakeholder engagement. It is referenced in the following sections: <ul style="list-style-type: none"><li>• <i>Stakeholder Engagement</i></li></ul>	Pg 6
Sustainability Context	To articulate the relationship between strategy and sustainability	Sustainability Context principle is implemented in determining report context which covered the ESG aspects. It is referenced in the following sections: <ul style="list-style-type: none"><li>• <i>Workplace</i></li><li>• <i>Employee Development</i></li></ul>	Pg 9 Pg 11
Materiality	To appropriately identify and prioritise material topics	Materiality Principle is implemented in determining the report context through a process of identification, prioritisation and validation with senior management. It is referenced in the following sections: <ul style="list-style-type: none"><li>• <i>Materiality Assessment</i></li></ul>	Pg 7
Completeness	To provide sufficient coverage of topics reflective of significant economic, environmental and social impacts	Completeness principle is implemented by examining specific and material topics to determine data availability and topic boundaries. It is referenced in the following sections: <ul style="list-style-type: none"><li>• <i>About the Report</i></li></ul>	Pg 2

Figure 1: Reporting Principles defined by 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 continually refine the coverage of our sustainability initiatives and the resulting report. For feedback or questions about this report, please contact GTCL.



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## **ABOUT US**

Established in 1998, GTCL is an independent testing services company in the Asia-Pacific region. The Group primarily provides testing services such as wafer sorting and final testing in the semiconductor industry, focusing on logic and mixed-signal semiconductors used in consumer electronics and communication devices.

The Group has also extended its testing capability and established its niche in the provision of wafer testing services to the automotive devices industry, which generally has the more stringent quality and technical requirements compared to other types of wafers.

As part of its testing services, the Group provides test program development, conversion and optimisation services, load board and probe card design, and leases its testers to its customers for trial and pilot testing purposes on an ad hoc basis. GTCL has been listed on the SGX Mainboard since 24 August 2005.

## **OUR LONG-TERM VISION**

To build a world-class semiconductor testing business that is both resilient and sustainable and capable of delivering long term benefits to all our stakeholders.

## **SUSTAINABILITY STATEMENT**

GTCL recognises the importance of sustainability to long-term business strategy and success. This implies careful management of risks and opportunities and the coordination of economic, environmental, and social demands on a robust governance framework. The Company will continue to identify best practices that can be applied to improve operations and move towards sustainability goals while achieving excellence in business performance.

GTCL is pleased to present a sustainability report on the Company's efforts for FY2019, which will be published through SGXNet.

## **BOARD STATEMENT**

Dear Stakeholders,

As the Board of Directors ("Board") of GTCL, we are pleased to present our sustainability report for 2019.

To bear the fruits of long-term success, we firmly believe that is essential for us to incorporate sustainability in our business strategy. Sustainability is of significant importance to our Company and we are steadfast in our commitment to developing a corporate culture that values sustainable business practices and considering sustainability factors when conducting day-to-day operations. We are also committed to protecting and enhancing our stakeholders' interests, by incorporating their perspectives and concerns in responsible economic, environmental, and social (EES) business management. We build trusted relationships with our stakeholders through regular and planned dialogues.

By setting a clear tone from the top, we are confident that we can play our part in environmental preservation, social inclusion, and achieving financial milestones. GTCL has and will continue to do so by setting goals that drive environmental stewardship and creating a safe working environment where our employees not just work, but can also thrive in. Our robust governance framework strives to maintain integrity, transparency, accountability, and discipline in all of our business activities.

Together with the Board's leadership, the management will continue to strengthen our performance by integrating material EES factors in our business operations. We seek to go even further to developing a more sustainable business for the better of our stakeholders and community.

On behalf of the Board of Directors, our management team and employees, we thank you for the opportunity you give us and for your confidence in GTCL, as we continue our efforts to build a better future for all of our stakeholders.

## SUSTAINABILITY APPROACH

### STAKEHOLDER ENGAGEMENT

Our stakeholders are essential to fuelling long-term and sustainable growth for the organisation. To satisfy our broad range of stakeholders, GTCL recognises the importance of cultivating our ESG factors consistently.

GTCL has regularly engaged with its stakeholders through various channels during the financial year. The Group believes that such two-way communication is paramount for stakeholders to be kept abreast of our sustainability initiatives, as well as to gather feedback and concerns. Currently, workshops, surveys, and external audits are carried out to assess our business operations better and ensure their compliance with rules and regulations. GTCL is confident that this approach will serve to align stakeholder concerns into operational, reporting, and organisational objectives.

Stakeholder Group	Mode of Engagement	Frequency
Customers	<ul style="list-style-type: none"><li>• Client Satisfaction Survey</li><li>• Face-to-face/Phone Meetings with Clients</li><li>• Company Website</li></ul>	<ul style="list-style-type: none"><li>• Annually</li><li>• Regular</li><li>• Regular</li></ul>
Employees	<ul style="list-style-type: none"><li>• Employee Training Sessions</li><li>• Annual Performance Appraisal System</li><li>• Company News via Company Newsletter or Intranet</li></ul>	<ul style="list-style-type: none"><li>• Ad Hoc</li><li>• Annually</li><li>• Regular</li></ul>
Investors and Shareholders	<ul style="list-style-type: none"><li>• Annual General Meeting</li><li>• Quarterly Results and Announcements</li><li>• Company Website</li><li>• Annual Report</li></ul>	<ul style="list-style-type: none"><li>• Annually</li><li>• Quarterly</li><li>• Ad Hoc</li><li>• Annually</li></ul>
Contractors and Suppliers	<ul style="list-style-type: none"><li>• Supplier Feedback/Evaluation Form</li><li>• Face-to-face/Phone Meetings with Contractors and Suppliers</li></ul>	<ul style="list-style-type: none"><li>• Ad Hoc</li><li>• Regular</li></ul>
Government and Regulators	<ul style="list-style-type: none"><li>• SGX Announcements</li><li>• Annual Reports</li></ul>	<ul style="list-style-type: none"><li>• Ad Hoc</li><li>• Annually</li></ul>

*Figure 2: Modes of Stakeholder Engagement*



## MATERIALITY ASSESSMENT

GTCL had conducted its third materiality assessment to identify the ESG topics material to the Group and its stakeholders in 2019. Similar to the previous year, the materiality assessment was conducted with the help of an external consultant, and GTCL will continue to involve them in the coming year.

Material Aspects	List of ESG Indicators	Aspect Boundary
Client Satisfaction	<b>102-43:</b> Approach to Stakeholder Engagement <b>102-44:</b> Key topics and concerns raised	Within Organisation
Occupational Health and Safety	<b>403-2:</b> Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related facilities	Within Organisation
Training and Education	<b>404-1:</b> Average hours of training per year per employee <b>404-3:</b> Percentage of employees receiving regular performance and career development reviews	Within Organisation

*Figure 3: List of ESG Indicators*



## CLIENT SATISFACTION

The Group sends out an annual customer satisfaction survey to our main customer lines, which comprise of probing and final testing. The annual survey conducted is aligned with the ISO program ISO9001 and IATF16949 standard of the Customer Satisfaction Survey Handling Procedure.

In 2019, our clients rated us with our overall rating of **"Good"** which met with their project outcomes and value added to their organisation throughout the reporting year. Thus, GTCL have fulfilled customer requirements and provided them with a quality experience.

In future, GTCL aims to receive an overall rating of **"Excellent"**, where more enhanced quality is delivered, which thoroughly satisfies the customers.

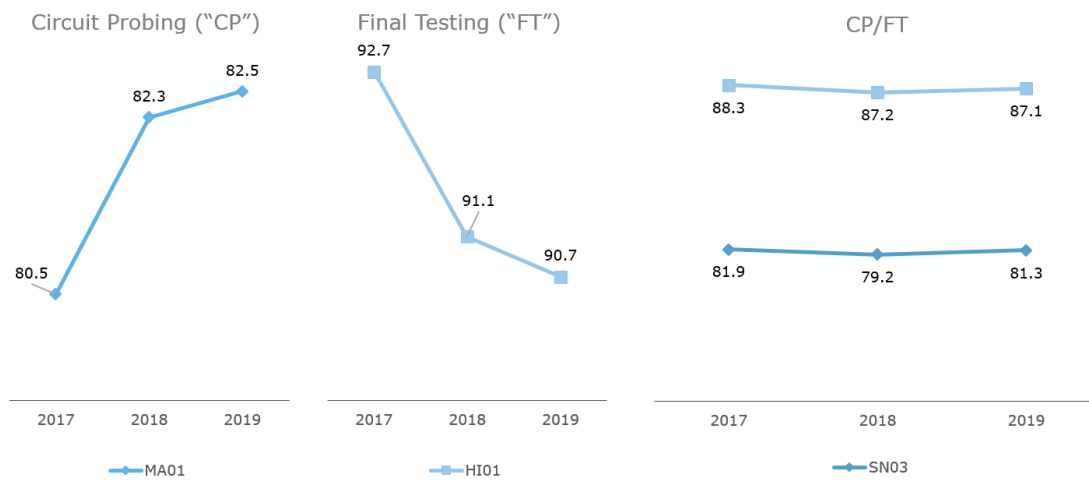


Figure 4: Client Satisfaction Survey Results for FY2019

CP	FT	CP/ FT	
MA01	HI01	SN03	ES02
●	●	●	●

● Excellent

● Good

Figure 5: FY2019 Client Satisfaction Survey Results Ratings

## WORKPLACE

### OUR APPROACH

GTCL strongly believes that its employees form a firm foundation for the Group's long-term success. The following efforts demonstrate GTCL's commitment to providing a safe and secure working environment, which also serves to enhance staff productivity and morale.

Why it matters	How it is managed	Evaluation of approach
<p>GTCL places utmost importance on the health and safety of employees, and considers workplace safety and health as a paramount factor in all operations.</p> <p>A safe and secure working environment also helps to enhance staff productivity and morale.</p>	<ul style="list-style-type: none"><li>• Mandatory Occupational Health and Safety (OHS) programme for new joiners</li><li>• Fire safety drills and response plans</li><li>• Establishment of Management Safety and Health Committee to ensure effective implementation of OHS policies</li><li>• In-house nurse stationed on-site to serve as emergency medical respondent and liaison with medical facilities</li></ul>	<ul style="list-style-type: none"><li>• Evaluated based on the number of warnings and penalties issued by the government</li><li>• Quarterly internal audit by Audit Safety and Health Committee</li></ul>

*Figure 6: GTCL's Approach to Occupational Health and Safety*

In 2019, no warnings and penalties were issued by the government. GTCL remains confident that our OHS standards within the organisation are of sterling standards.

## OCCUPATIONAL HEALTH AND SAFETY

In 2019, there were zero occupational diseases contracted and throughout the year, six work-related injuries were reported.

The figure below shows the injury rate, occupational disease rate, absentee rate and lost day rate across the years.

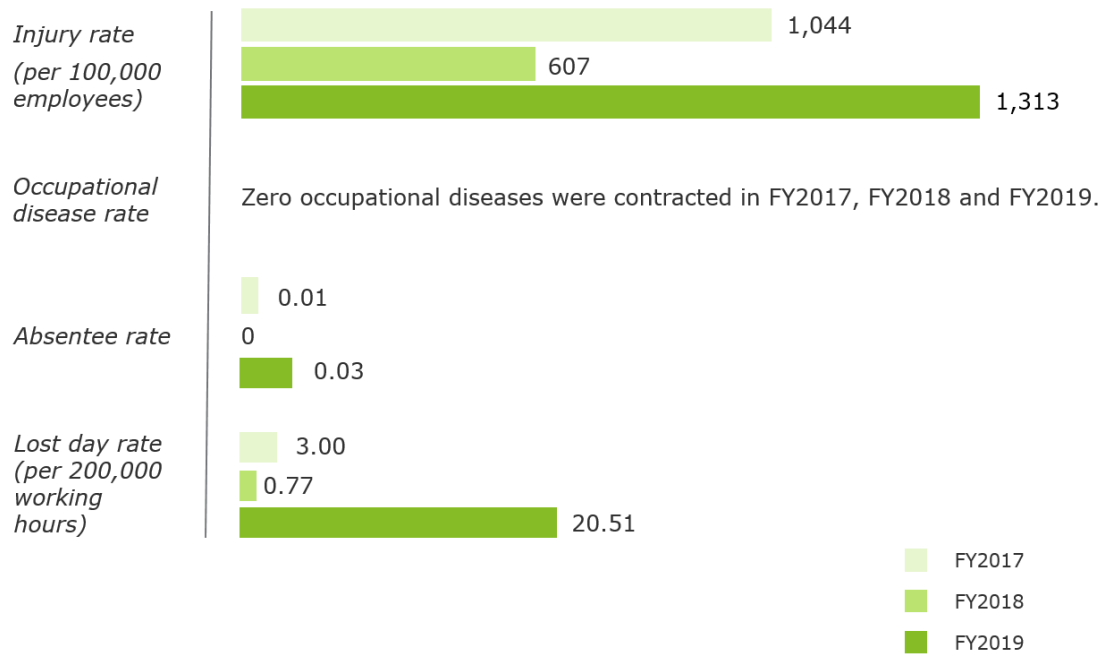


Figure 7: Occupational Health and Safety Performance Statistics across the years

The overall injury rate is reported to be 1,313 per 100,000 employees and affected employees have all returned to work as per usual after their medical leave. The figures below show the full breakdown of GTCL's occupational health and safety performance statistics for the assessment year.

Number of Work Related Injuries	
Male	Female
2	4

Per Total Man-Hours in a Year	Per 200,000 Working Hours
Absentee Rate	Lost Day Rate
0.03	20.51

Per 100,000 Employed Persons	
Injury Rate	Occupational Disease Rate
1,313	0

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

GTCL strives to continuously monitor and improve the performance and safety standards of the workplace environment.

EMPLOYEE DEVELOPMENT

OUR APPROACH

Every employee at GTCL wields skills and knowledge that are essential to the sustained growth of the business. The Group is devoted to providing each employee with ample opportunities for training and development to improve their skill set in the face of changing circumstances.

Why it matters	How it is managed	Evaluation of approach
Employees are crucial to the maintenance of a high-performing team. Training and education equips employees with the skills and knowledge needed to carry out operations safely and effectively. Such programmes also serve to boost their capabilities and competencies in the workplace.	<ul style="list-style-type: none"><li>• Adherence to ISO QP18-01 Employee Training Procedure, to develop a comprehensive training framework</li><li>• Periodic internal trainings and necessary tests to assess the competency of employees after attending trainings</li><li>• External technical trainings relating to areas of engineering, tax and management, with certification issued thereafter</li><li>• Regular performance evaluations carried out for all employees</li></ul>	GTCL regularly reviews related government regulations for changes, and update its training approaches when necessary. The revised policies are submitted to the local governments for approval. To review the approach for performance evaluations, GTCL regularly compares its approaches with the appraisal systems of other companies in the vicinity.

Figure 9: GTCL's Approach to Training and Education

TRAINING AND EDUCATION

GTCL remains deeply committed to diversity and inclusion, with a strong emphasis placed on ensuring accessibility to training for all employees, irrespective of gender or job profile. In 2019, GTCL maintained a balanced profile of employees across both genders.

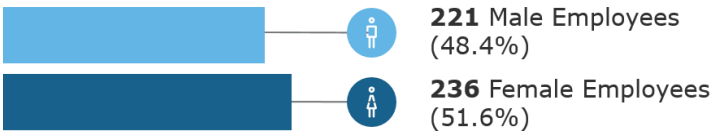


Figure 10: GTCL's Employee Gender Profile

GTCL's employees contribute significantly to the long-term success of business performance and culture. As such, constant and comprehensive development of their performance capabilities is essential. In 2019, all employees attended trainings as part of their overall learning and development to improve their performance capabilities. Thus, 20,541 training hours were dedicated to training for all employees. The figure below captures the trend for the average number of training hours per employee, over the years.

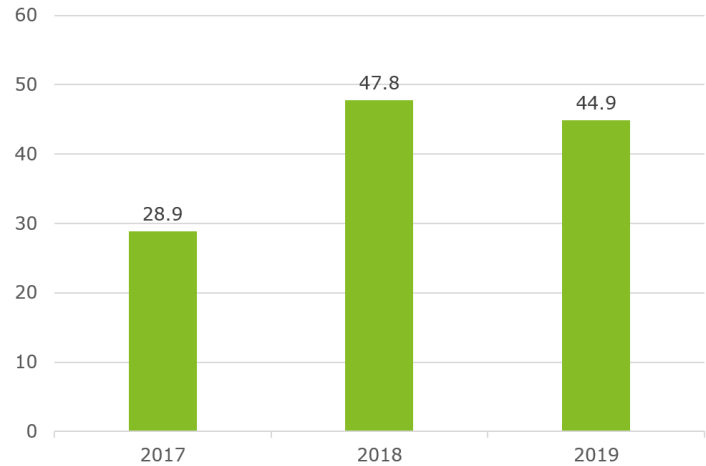


Figure 11: Average Training Hours per Employee across the years

The figure below provides a breakdown of the training hours by employee gender and category for FY2019.

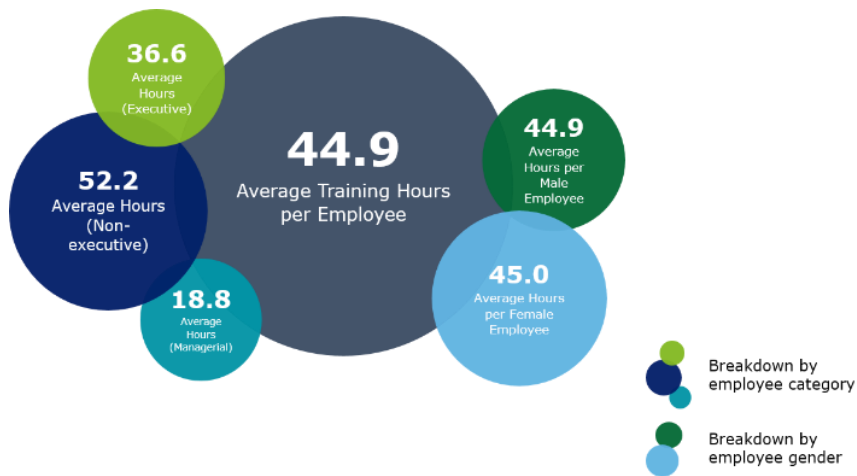


Figure 12: Average Training Hours by Employee Type in GTCL

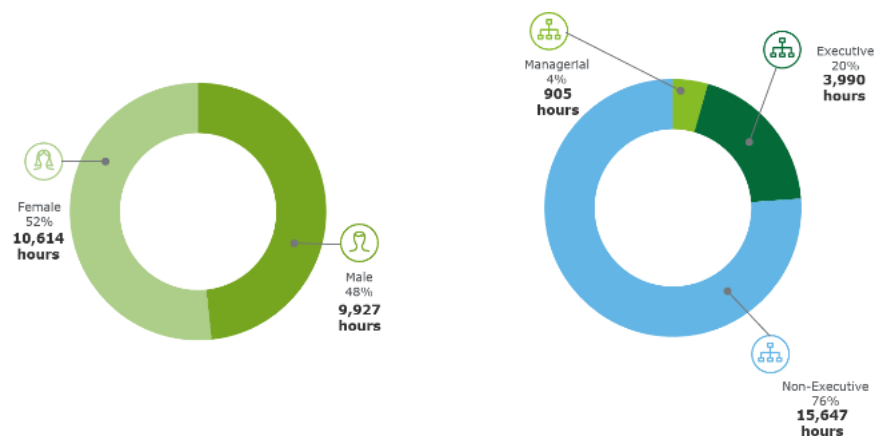


Figure 13: Total Training Hours by Gender and Management Level



Figure 14: Targeted Average Training Hours per Employee in FY2019 and FY2020

GTCL aims to maintain the average training hours in the future to continue to strive towards equipping its employees with the necessary knowledge and industry-specific skills, as well as elevate their competencies.

It is also important that all employees receive regular performance evaluations, to aid in their personal development, contribute to skills management and develop human capital within the organisation. This is especially so for management, which is entrusted with a significant amount of responsibility to oversee and manage the organisation. Performance appraisal criteria are made known to all employees and their appraisers.

In FY2019, the management team comprised of 48 people, out of which 42 were males and 6 were females. 100% of the total management received regular performance appraisal, which further helps the Company to achieve their strategic goals and objectives and also sets a clear sense of direction for the workforce.

In the following year, GTCL strives to continue to provide regular performance and career development evaluations for all employees.


Target set for FY2019	Status	Target for the following year
Regular performance and career development evaluations for 100% of management	 <p><b>Achieved</b></p> <p>Provided regular performance and career development evaluations for <b>all employees</b></p>	To provide regular performance and career development evaluations for all employees

Figure 15: Targeted number of regular performance and career development reviews provided in FY2019 and FY2020



## GRI CONTENT INDEX

GRI Standard 2016	Disclosure Title	Page Reference & Remarks
<b>GRI 102: GENERAL DISCLOSURE 2016</b>		
<b>ORGANISATIONAL PROFILE</b>		
102-1	Name of the organisation	Pg 4
102-2	Activities, brands, products and services	Pg 4
102-3	Location of headquarters	GTCL's Corporate Website
102-4	Location of operations	Pg 4
102-5	Ownership and legal form	Pg 4
102-6	Markets served	Pg 4
102-7	Scale of the organisation	GTCL's Corporate Website
102-8	Information on employees and other workers	Pg 9
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 5
102-12	External Initiatives	GTCL's Corporate Website
102-13	Membership of associations	GTCL's Corporate Website
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	Pg 5
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behaviour	Pg 5
<b>GOVERNANCE</b>		
102-18	Governance structure	2019 Annual Report: Corporate Governance Report
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	Pg 6
102-41	Collective bargaining agreements	Not Applicable
102-42	Identifying and selecting stakeholders	Pg 6
102-43	Approach to stakeholder engagement	Pg 6
102-44	Key topics and concerns raised	Pg 6
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	2019 Annual Report
102-46	Defining report content and topic Boundaries	Pg 7
102-47	List of material topics	Pg 7
102-48	Restatements of information	Not Applicable
102-49	Changes in reporting	Not Applicable
102-50	Reporting period	Pg 2
102-51	Date of most recent report	Sustainability Report FY2018
102-52	Reporting cycle	Pg 2
102-53	Contact point for questions regarding the report	Pg 3
102-54	Claims of reporting in accordance with the GRI Standards	Pg 2
102-55	GRI Content Index	Pg 15
102-56	External assurance	Pg 3

GRI Standard 2016	Disclosure Title	Page Reference & Remarks
GRI 103: MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its boundary	Occupational Health and Safety Pg 9  Training and Education Pg 11, 13  Customer Satisfaction Pg 8
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
MATERIAL TOPICS		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Pg 10
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Pg 12
404-3	Percentage of employees receiving regular performance and career development reviews	Pg 13
CUSTOMER SATISFACTION		
-	Customer service satisfaction survey result	Pg 8