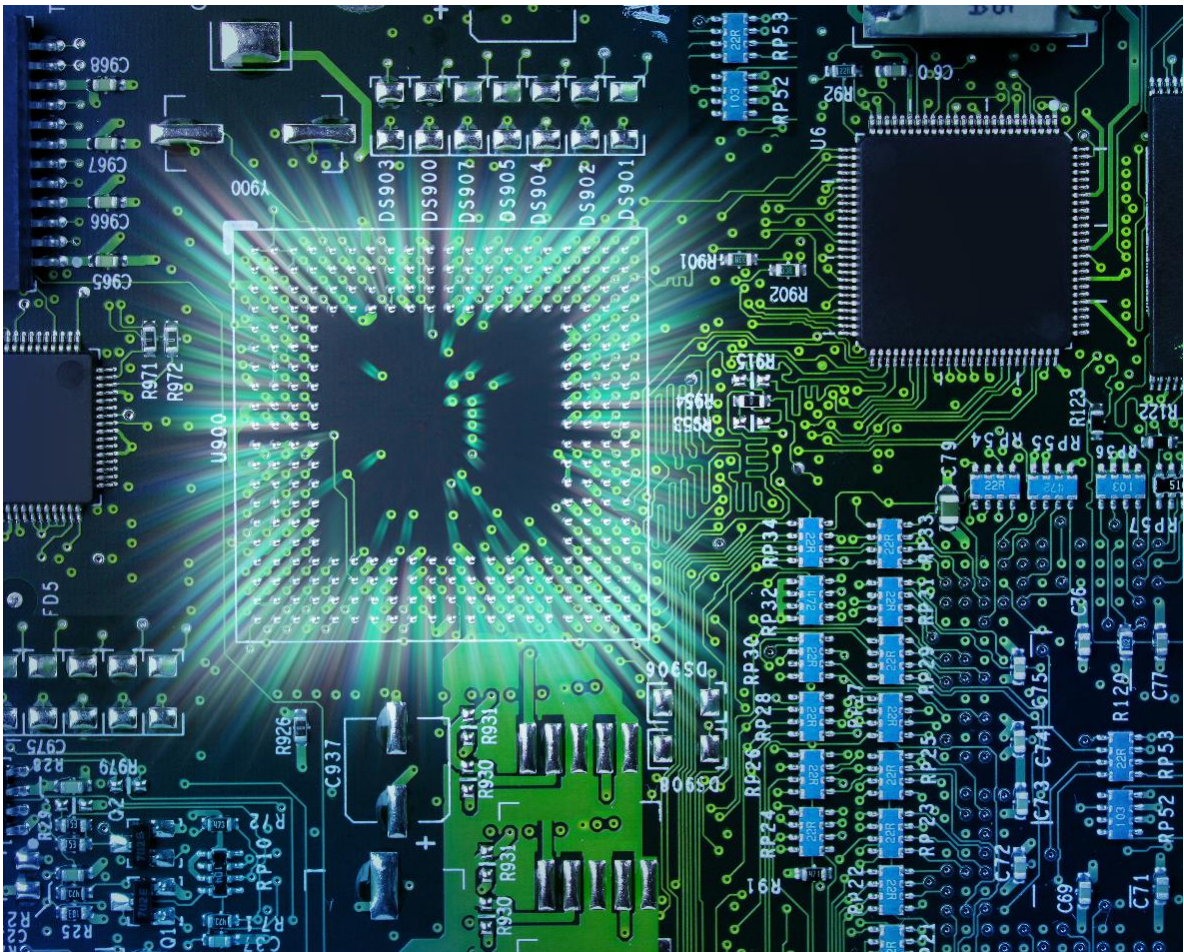


SUSTAINABILITY REPORT 2020



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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. Organisations are required to comply with all reporting requirements in *GRI 101: Foundation* and *GRI 102: General Disclosures* under this well-renowned global standard. 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 included at the end of this report.

The report is prepared annually to provide a comprehensive overview of the strategies implemented to achieve sustainability-related goals. The Group seeks to be transparent through their environmental, social, and governance ("ESG") disclosure on issues considered most material to stakeholders. This report covers the sustainability performance of our operations for the financial year ended 31 December 2020 ("FY2020"), unless stated otherwise.

GTCL follows the guidance outlined in the four Reporting Principles to ensure that the content of this SR meets the expectations of the GRI Standards.

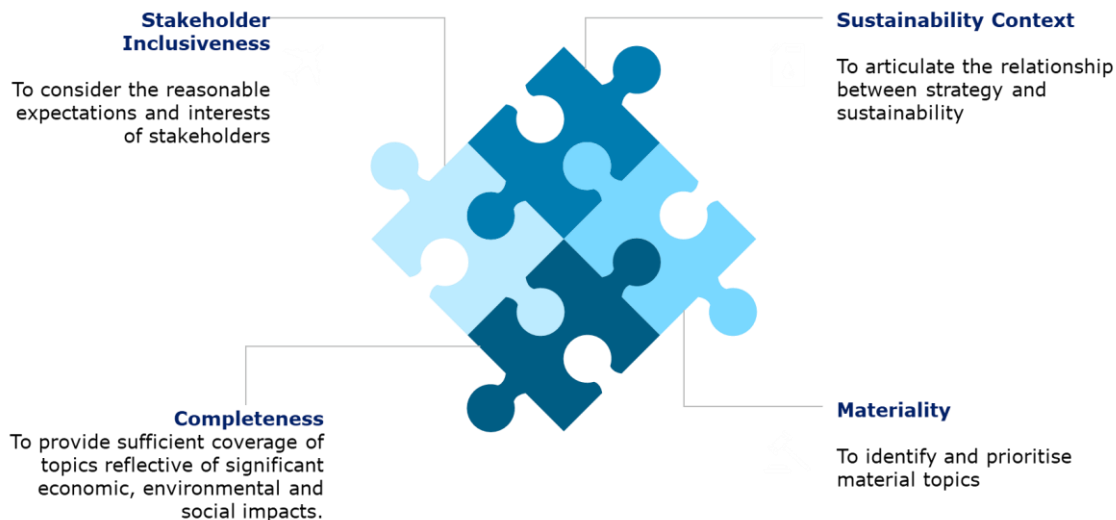


Figure 1: Reporting Principles as defined by the GRI Standards

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 on the coverage of our sustainability initiatives and the resulting report. Please contact us so that we may address any concerns and feedback in regards to this report.



120 Robinson Road #08-01, Singapore 068913

Tel.: (886) 3-598-7168

ABOUT US

Founded in 1988, GTCL is an independent testing services company in the Asia-Pacific region. It has been listed on the SGX Mainboard since 24 August 2005. The Group mainly performs testing services including wafer sorting and final testing to the semiconductor industry, with a focus on logic and mixed-signal semiconductors used in consumer electronics and communication devices.

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

As part of its testing services, the Group offers test programme development, conversion and optimisation services, load board and probe card design. It also leases its testers to its customers for trial and pilot testing services on an ad hoc basis.

The Group's experience in handling large testing volumes coupled with its strong engineering capability has resulted in a satisfactory yield rate through providing effective solutions to customers. Our commitment to our stakeholders remains solid as we promote interdepartmental collaboration to enhance communication efforts and decision making progress with our customers.

In GTCL, we believe in getting things right the first time and in that spirit, we strive to present our best 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 ("Board") of GTCL, are pleased to present our sustainability report for FY2020, which will be published through SGXNet.

We believe that merging sustainability in our business strategy is fundamental to achieving continuous success, and we are fully committed to cultivate a corporate culture that values sustainable business practices.

The Board is devoted to assuring and boosting our stakeholders' interest through the incorporation of their viewpoints in responsible ESG business management. We build lasting relationships with our stakeholders by initiating regularly planned dialogues.

GTCL recognises the impact of sustainability to business strategy and success in the long run. Risks and opportunities must be exceptionally managed along with meeting the economic, environmental, and social demands on a sound governance foundation. Our robust governance framework strives to maintain integrity, transparency, accountability and discipline throughout our business activities. We are confident to play a big role in environmental preservation, social inclusion and accomplishing financial milestones by establishing a clear tone from the top. GTCL's dedication to drive environmental stewardship and fostering safe working conditions for employees to thrive in is 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 our performance by integrating material ESG factors in our business operations. We seek to develop a more sustainable business in the interest of our stakeholders and the community.

We at GTCL would like to extend our 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

Our stakeholders are fundamental to ensuring long-term sustainable growth for the Group. GTCL recognises the importance of consistently embedding ESG factors into our business operations to meet the expectations and interests of our stakeholders.

GTCL consistently engages with our stakeholders through different channels during FY2020. We firmly believe that communication is paramount to ensure that discussions around our sustainability initiatives can be exchanged effectively. Currently, we conduct workshops, surveys and external audits to evaluate our business operations, as well as to ensure compliance with rules and regulations. We are confident that this approach will provide alignment with our stakeholders as we work towards reaching our operational, reporting and organisational objectives.

Stakeholder Group	Mode of Engagement	Frequency			
		Ad Hoc	Regular	Semi-annual	Annually
Customers	• Meetings with Clients (Physical/ Virtual)		✓		
	• 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 (Physical/ Virtual)		✓		
Government and Regulators	• SGX Announcements	✓			
	• Annual Report				✓

Figure 4: GTCL's Stakeholder Engagement Plan

MATERIALITY ASSESSMENT

GTCL conducted its fourth materiality assessment to identify the ESG topics material to the Group and our stakeholders in 2020. The materiality assessment was conducted with the help of an external consultant, and we will continue to seek their services in the future.

We also revised our ESG indicators for GRI 403 (Occupational Health and Safety), as the GRI Standards was revised to maintain relevance and usability in the sustainability reporting front.

Material Aspect	ESG Indicators	Aspect Boundary
Client Satisfaction	102-43: Approach to Stakeholder Engagement 102-44: Key topics and concerns raised	Within Organisation
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
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

Figure 5: List of ESG Indicators

CLIENT SATISFACTION

OUR APPROACH

The Group conducts a yearly customer satisfaction survey with our primary customer lines, which comprises of probing and final testing. The annual survey is prepared in accordance with the ISO programme ISO9001 and IATF16949 standard of the Customer Satisfaction Survey Handling Procedure.

We promise to provide the best service to our clients by recruiting competent management and having the most customer-oriented support team. In addition, we are committed to delivering shorter turnaround time to customers through our superior wafer probing and final testing capabilities. We also have a sophisticated infrastructure to support our customers' advanced equipment along with the latest technologies to meet their needs and achieve consistently high yields.

FY2020 PERFORMANCE

In 2020, we received an overall rating of **"Good"** from our clients, maintaining our track record from previous years. Our ability to meet project outcomes and contribute value to their organisations satisfied consumer expectations and provided them with a quality experience, thereby earning the trust they placed in GTCL.

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

Client Satisfaction Survey Results			Excellent	90 – 100
			Good	70 – 89
Circuit Probing ("CP")	2020	2019	2018	
MA01	82.24	82.52	82.25	
Final Testing ("FT")	2020	2019	2018	
HI01	89.25	90.68	91.09	
AD01	87.19	87.33	85.22	
FA01	83.38	83.36	-	
SU01	80.01	79.69	-	
CP/FT	2020	2019	2018	
SN03	81.56	81.30	79.15	
ES02	84.73	87.05	87.21	
ID01	86.24	89.23	87.21	

Figure 6: GTCL's FY2020 Client Satisfaction Survey Results

ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT

OUR APPROACH

GTCL sincerely believes that our employees are the foundation for the Group's long-term success. The efforts below illustrate GTCL's commitment to providing a safe and secure working environment in order to increase productivity and morale.

GTCL ensures that our Environmental, Safety and Health ("ESH") Policy is aligned with the ISO programme ISO-14001 and OHSAS 18001. We conduct regular training for all employees under the ESH management system to minimise workplace hazards and improve operational performance. Regular review and improvement in accordance with the international standards and environmental management systems requirements is fundamental in ensuring our business's viability in the long run.



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

Our employees are protected against reprisal, work-related hazards and dangerous situations. If employees are in the office, they should report the hazards to both their immediate supervisor and OHS officer with detailed explanations. However if they are not in the office, they should first report the hazards to the police prior to notifying their immediate supervisor and OHS officer.

Besides going through regular training, employees also receive safety reminders to ensure that they are aware of potential risks and know how to protect themselves. Furthermore, in the event of an incident, the OHS officer would work with employees and their immediate supervisor to identify its root cause. This will ensure that similar incidents can be prevented in the future by taking practical steps to draft corrective action plans.

In 2020, no warnings and penalties were issued by the government to the Group. GTCL remains confident that our OHS guidelines, set within the organisation are of the highest standards.

FY2020 OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

In 2020, there were no fatalities due to work-related injuries, 4 of high-consequence work-related injuries and 1 recordable work-related injury.

The figure below shows our occupational health and safety performance in FY2020, with reference to work-related injuries.

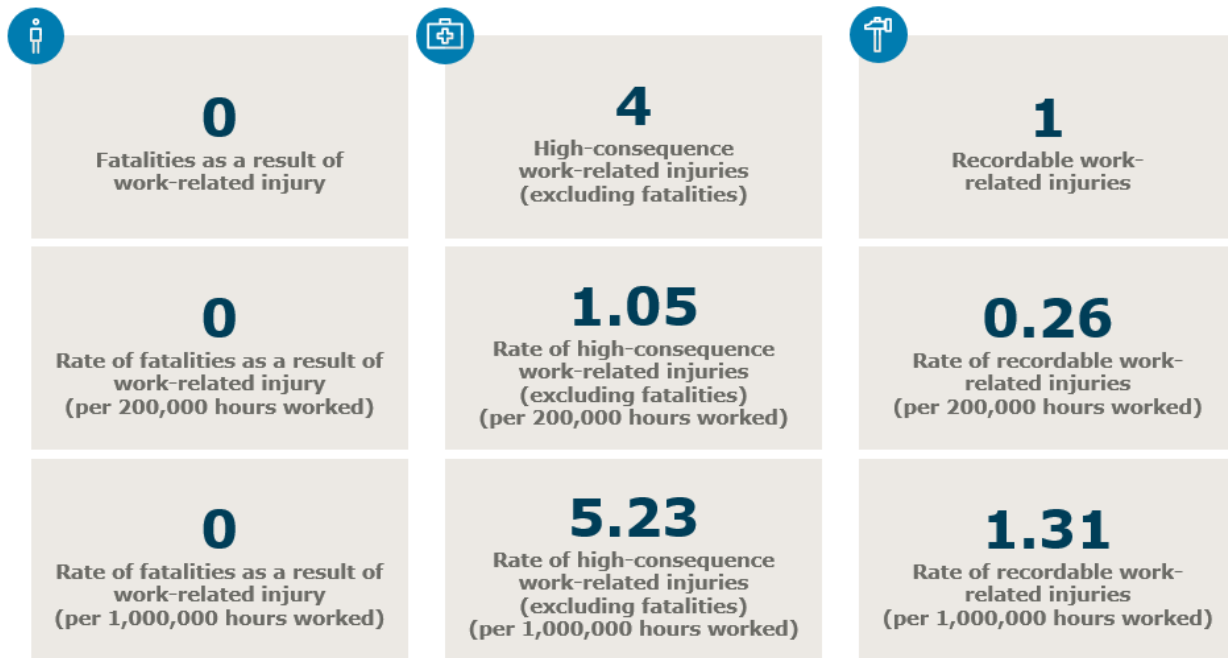


Figure 8: GTCL's FY2020 Occupational Health and Safety Performance Statistics

In addition, the figure below reflects the full breakdown of GTCL's work-related hazards that posed a risk of high-consequence injury and the action plans to eliminate these hazards. It is imperative to the Group that we actively track and improve efficiency and safety standards in the workplace.

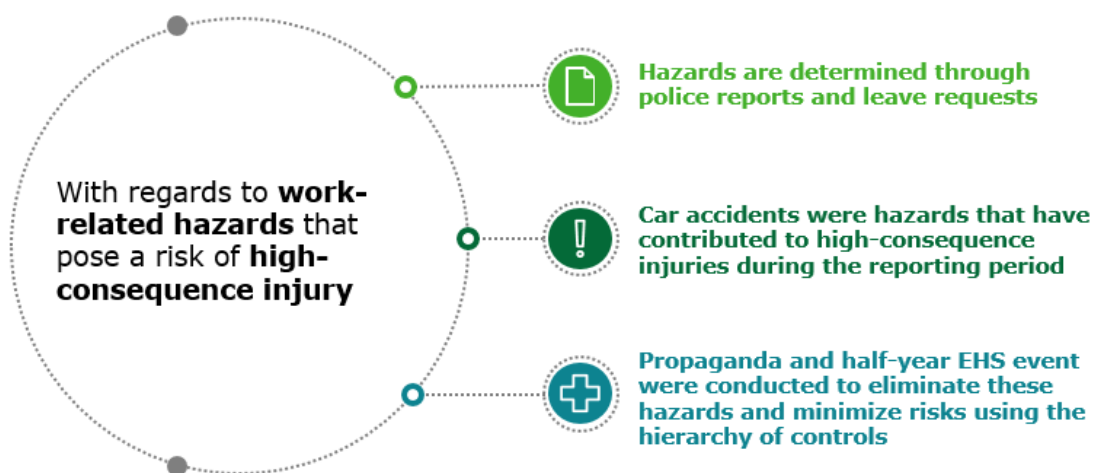


Figure 9: GTCL's Work-Related Hazards that Posed a Risk of High-Consequence Injury

HUMAN CAPITAL DEVELOPMENT

OUR APPROACH

AT GTCL, we believe that every employee should possess the skills and knowledge that are essential to sustain our business growth. The Group is committed to providing each employee with abundant training and development opportunities to strengthen their skills in the face of ever-changing situations.

Our employees are a critical component to the company's success. GTCL strives to meet the needs of 'Employee Learning and Development', 'Organisational Growth' and 'Company Policy' across our entire business operations, comprising of manufacturing, quality control, research and development, distribution, language training and, general management.

We incorporate a variety of educational programmes to satisfy organisational, departmental and individual training needs. With a three-pronged strategy on training, education and development, the Group aims to elevate individual and collective performances to achieve our long-term vision.

All new employees will be placed under a mentorship programme to attend professional training according to their job scope, facilitating a smooth integration into our working environment. On top of designing employee training and development blueprint based on each position's skill requirement, the Group also provides on-the-job training or external training when required. Furthermore, management courses are provided to facilitate personal growth and development in areas such as social skills, leadership and management skills, etc. Lastly, aligned with organisational development and strategic planning, we conduct specialised training courses to improve the overall human resources quality.

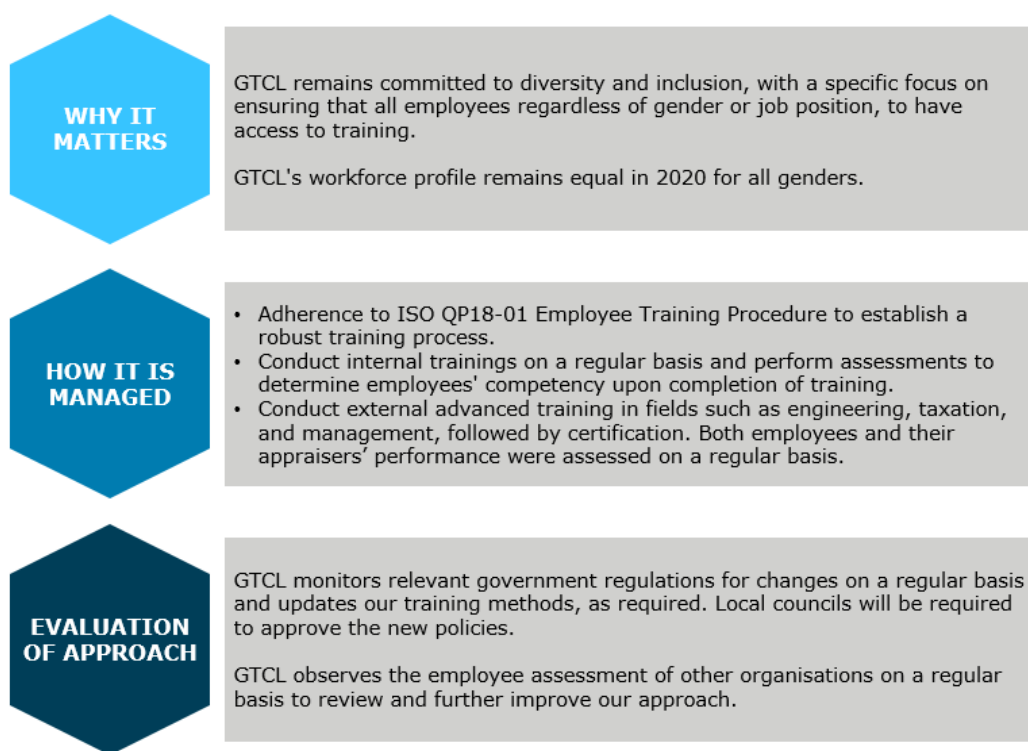


Figure 10: GTCL's Approach to Training and Education

FY2020 PERFORMANCE

GTCL remains committed to diversity and inclusion, with a particular focus on ensuring that all employees regardless of gender or job title, have access to training. In 2020, GTCL was able to retain a gender-balanced employee profile.

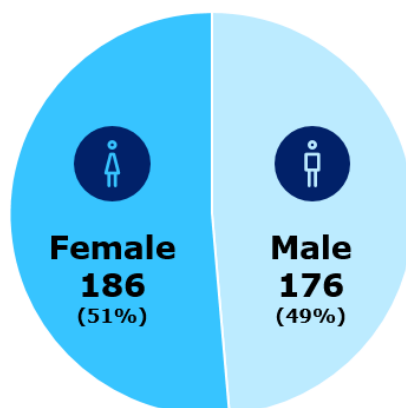


Figure 11: GTCL's Employee Gender Profile

Each GTCL employee contributes significantly to the long-term success of business performance and culture. Hence, continuous and comprehensive development of their performance capabilities is essential to drive the success of the Group. However, due to the COVID-19 global pandemic, many training sessions were cancelled to be aligned with strict social distancing measures. Therefore, only a total of 9,052 training hours was recorded for this year, resulting in a significant decrease in the average training hours per employee compared to FY2019. The figure below captures the trend for the average number of training hours per employee, over the span of four years.

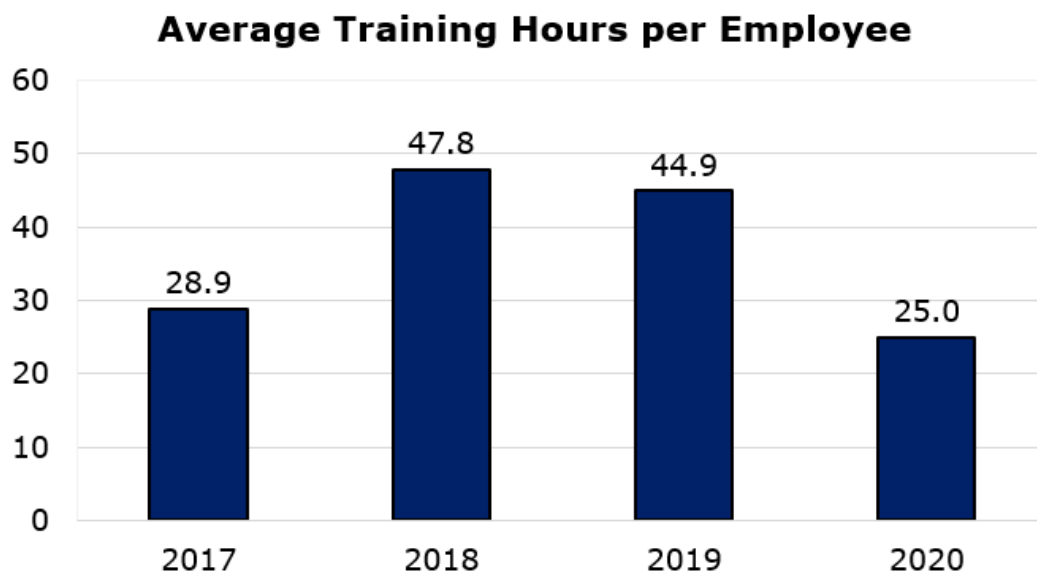


Figure 12: GTCL's Average Training Hours per Employee from 2017 to 2020

The figure below provides a breakdown of the training hours by employees' gender and job position for FY2020.

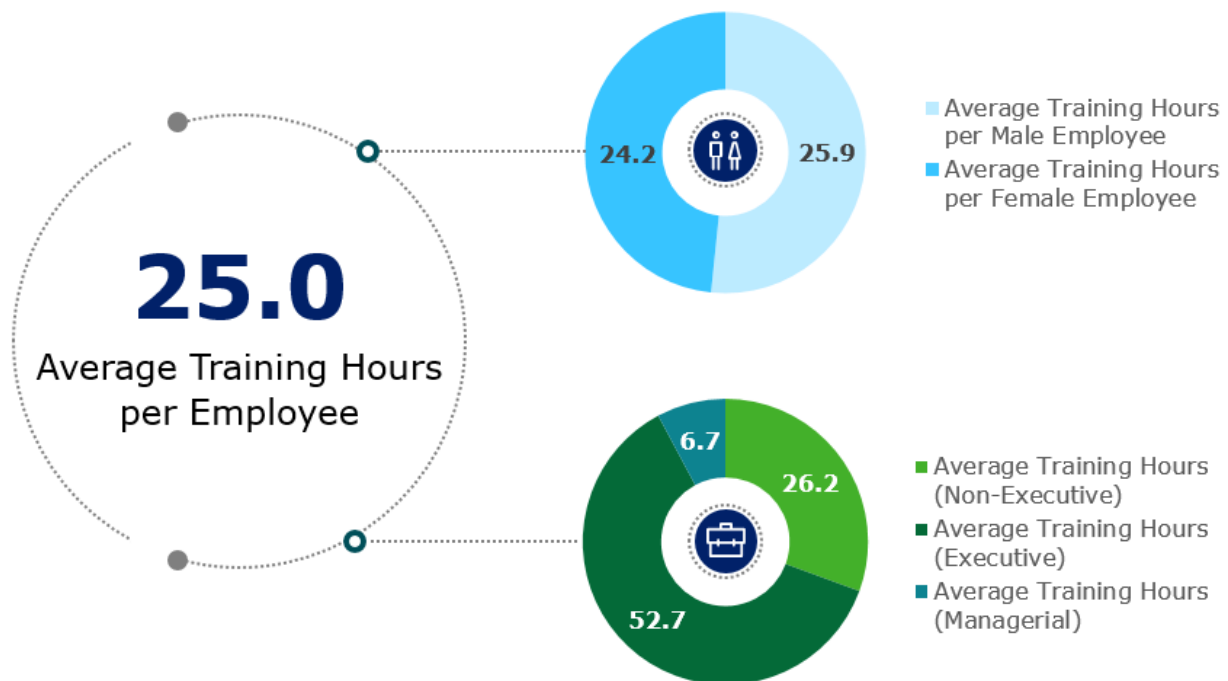


Figure 13: GTCL's Average Training Hours per Employee by Gender and Job Position



Figure 14: GTCL's FY2021 Target for Average Training Hours per Employee

GTCL plans to maintain the average training hours per employee and continue to provide our employees with the requisite expertise and industry-specific skills for improving their competency level.

All employees should receive frequent performance assessments to help with their personal growth, contribute to skill management and improve human capital within the organisation. This is particularly true for management, who is entrusted with a great deal of responsibility in the organisation's oversight and operations. Both employees and their appraisers have been made aware of the performance assessment requirements.

The management team in FY2020 consisted of 49 people, 43 of whom were men and 6 of whom were women. 100% of the overall management received monthly performance assessment, which helped the company meet its strategic objectives through guiding our employees in order to achieve our goals. Beyond the management team, all employees received regular performance and career development evaluations in FY2020, which is a significant improvement from FY2019.

GTCL intends to continue providing monthly performance and career growth reviews for all employees as we progress into the coming year.

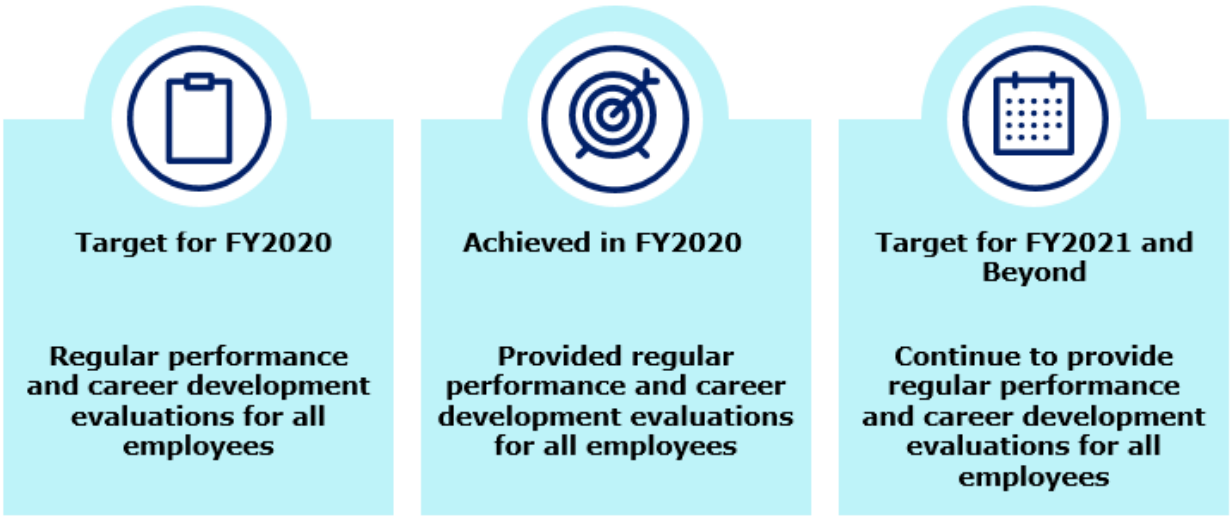


Figure 15: GTCL's FY2021 Target for the Number of Regular Performance and Career Development Reviews Provided

GRI CONTENT INDEX

GRI Standard 2016	Disclosure Title	Page Reference & Remarks
GRI 102: GENERAL DISCLOSURE 2016		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	Pg [2]
102-2	Activities, brands, products and services	Pg [3]
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 [10-11]
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	2020 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		
102-45	Entities included in the consolidated financial statements	2020 Annual Report
102-46	Defining report content and topic Boundaries	Pg [6]
102-47	List of material topics	Pg [6]
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 FY2019
102-52	Reporting cycle	Pg [2]
102-53	Contact point for questions regarding the report	Pg [2]
102-54	Claims of reporting in accordance with the GRI Standards	Pg [2]
102-55	GRI Content Index	Pg [14-15]
102-56	External assurance	Pg [2]

GRI Standard 2016	Disclosure Title	Page Reference & Remarks
GRI 103: MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its boundary	Customer Satisfaction Pg [7] Occupational Health and Safety Pg [8] Training and Education Pg [10]
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
MATERIAL TOPICS		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	Pg [8-9]
403-2	Hazard identification, risk assessment, and incident investigation	Pg [8-9]
403-3	Occupational health services	Pg [8-9]
403-4	Worker participation, consultation, and communication on occupational health and safety	Pg [8-9]
403-5	Worker training on occupational health and safety	Pg [8-9]
403-6	Promotion of worker health	Pg [8-9]
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg [8-9]
403-9	Work-related injuries	Pg [8-9]
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Pg [10-13]
404-3	Percentage of employees receiving regular performance and career development reviews	Pg [10-13]
CUSTOMER SATISFACTION		
-	Customer service satisfaction survey result	Pg [7]