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Communication on Progress for Year 2018

(For the period December 2016 to November 2017)

Address: No. 2 Loyang Street, Loyang Industrial Estate, Singapore 508837

Country: Singapore

Contact name: Alvin Choo

Contact Position: Sales Manager

Contact Telephone no: 65 6542 9233

Number of employees: 47

Sector: Manufacturing

Nature of Business: Precision Metal Stamping

STATEMENT OF SUPPORT

As a member of the UN Global Compact, GP Manufacturing (S) Pte Ltd believes that its business policies incorporate the ten UN Global Compact principles, and it has taken proactive efforts to uphold the principles in spirit and practice.

Through our support of the UN Global Compact, we also aim to move the agenda forward on our efforts related to human rights, labour rights, the environment and anti-corruption practices.

Here we summarised the efforts and progress we have made against these principles and we will continue to follow them up in future.

October 16, 2018 Sum Ah Lam, Managing Director

PRINCIPLE 1

BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Actions realized

GP Mfg adopts HR policies that are aligned with Singapore's prevailing applicable employment legislations. These policies explicitly support the respect for nationality, religion, ethnicity and community engagement.

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Employees' rights and benefits are properly documented in the company Employees' Handbook which is accessible to all employees. Grievances and feedbacks on infringement or abuse of employees' rights can be readily solicited through the system provided.

The company promotes healthy work-family-life balance. Employees continued to enjoy longer breaks during festive seasons as the company deliberately extended the holidays (beyond the gazetted dates) to facilitate prolonged family time. Our foreign employees from countries like Malaysia, China and India are able to return home for their extended vacation under such arrangements.

GP is also committed to doing businesses only with suppliers and contractors which upheld similar values and policies with regards to protecting the rights and benefits of their employees. We believe this will enhance business sustainability, integrity and a more productive working environment.

Outcomes

No incident of infringement or abuse of the rights of the employees was reported in 2017.

Extended public holidays were achieved for Christmas/ New Year and Lunar New Year festive seasons for 2016/2017 period.

PRINCIPLE 2

BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Actions realized

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GP Mfg has pledged to abstain from any activities that may lead us to be complicit in human rights abuses. In adopting this position, we believe that the result will benefit both the company and the employees.

A health and safety committee was established to align our policies with Singapore's National Workplace Health and Safety Act. A Safety Officer was engaged to look into the safety aspect of the factory. The Safety Committee has representation from both the Management and Workers. Safety regulations were drawn up and strictly adhered to. These rules included using the right equipment and attires for the machine operators. The safe and healthy working environment has led to a more productive workforce.

Outcomes

In placed is an annual review for staff exposed to chemical and noise hazards. Hearing test is organised with 100% participation from the factory workers. No report of occupational disease was received. Air impurities and noise levels were kept within acceptable limits set by The Ministry of Manpower.

Dental subsidies were also provided for annual dental health checks and services.

PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING **Actions realized** GP Mfg remained unionized under the prevailing Labour Laws of Singapore, as the work force is less than the stipulated head count. Nevertheless, the company had adopted all applicable industrial and governmental policies that would enhance the Employer-Employee relationship and promotes goodwill within the framework of the organisation. For employees' feedback, the company provides the following channels of communication: - Suggestion / feedback box for workers to express their views / opinions. - Regular dialogues with their supervisor/Heads of Departments. All workers' views / opinions are to be reviewed by management seriously and appropriate action(s) shall be taken and monitored for the desired outcome. Outcomes In 2017, there was no incident of any feedback concerning any violation of this nature. Regular dialogues, initiated by the Management, were carried out. Adjustments to current practices were made when appropriate, as a result of such dialogues.

PRINCIPLE 4		BUSINESS SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR	
S	Actions realized		
Action	GP Mfg does not use any form of forced or compulsory labour. All of our company labour policin compliance to Singapore's prevailing employment legislations.		
Outcomes	The company adhered to stipulated Ministry of Manpower guidelines to ensure no forced or compulsory labour practices existed.		
	All overtime working hours were consented by the employees concerned and within the maximum hours permitted by the labour laws. There is existing plan and resources to implement additional shifts if the market demand increases substantially.		

PRINCIPLE 5		BUSINESS SHOULD SUPPORT UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR	
	Actions realized		
Actions	legislations which require mini	cies were aligned with the Singapore's prevailing applicable employment mum employable age to be 16 years of age.	
Outcomes	No. of employees (including part-time workers) below the age of 16 years old: 0 All new employees are thoroughly checked to ensure compliance to the age requirement before hiring.		

them in employment, even for those affected by redundancy. Our record shows that in 2017:	PRINCIPLE 6		BUSINESS SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION	
recruitment, placement, training and advancement of staff at all levels. It does not include discriminatory factors such as gender, marital status, age, language or nationality in the selection process. Employees who have to be away from work-place frequently or for an extended period are also not discriminated. This group of employees includes those having a sickness, a care-giver with a sick family member, expectant mother (advance stage pregnancy) or men having to report for National Service training. Work scope and environment has been re-designed for aging employees who are still able to contribute to the operation. There were also incidences of re-deployment for such employees to retathem in employment, even for those affected by redundancy.	Actions	Actions realized		
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Our record shows that in 2017: -the number of foreign employees is about 30% -the number of workers over 55 years old is also about 30%.		contribute to the operation. There were also incidences of re-deployment for such employees to retain		
There was no occurrence of incident arising from discrimination of any form.	Outcomes			

PRINCIPLE 7

BUSINESS SHOULD SUPPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Actions realized

Our company recognizes that its business has an impact on the environment, mainly through the use of raw material, packing material, surface treatment, waste produced and noise created.

Precautionary measures and control are implemented throughout the entire operation to comply with prevailing standards and requirements, such as the RoHS Directives, which prohibits the use of designated hazardous substances.

Actions

Environmental friendly packaging material is used. Packaging designs are carefully planned to ensure minimum usage, to reduce waste and cost. Where possible, these packaging materials are re-cycled.

Used chemical such as lubrication oil and degreasing solvent are disposed by specialist waste collectors for re-cycling or disposal.

Great precaution is also taken in the production operation to ensure that industrial hygiene, air quality and noise level are monitored closely to ensure they are within acceptable limits.

Our lower tier contractors and suppliers are also audited regularly to ensure good practices with regards to environmental preservation.

Outcomes

The company is certified as Green Partners to major manufacturers such as Sony Electronics and Matsushita Group.

System is in place for upstream and downstream compliance to RoHS Directives, which has been audited annually by customers and external certification parties.

We engaged an external party to conduct industrial hygiene, air quality and noise level checks and advise on precautionary measures. Air Quality and Noise Level Monitoring reports were submitted regularly to the Governmental Ministry.

PRINCIPLE 8

BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENT RESPONSIBILITY

Actions realized

Actions

As part of the company overall certification process, it subjects itself to annual audits by external accredited certification bodies. This is to ensure that all efforts taken to comply and promote environment awareness and responsibility have been executed accordingly and effectively.

The company is also continuously promoting and enforcing efforts for energy saving, material recycling and environmental protective measures in the workplace.

Productivity gain is always a major concern for us, not just for the cost saving, but in reduced consumption of environmental resources such as material, electricity and water.

GP Mfg is also affiliated to the Singapore Compact, a non-profit organisation promoting Corporate Environmental and Social Responsibilities for companies within Singapore.

Outcomes

An Environmental & Hazardous Substance (EHS) Committee is in place to promote and implement initiatives to ensure that the environmental responsibility of the company is met and maintained.

Initiatives implemented (2017) at the workplace include:

- -reduced paper consumption in office by promote paperless communication.
- -reduce electricity consumption by changing all the "EXIT" light tubes to LED lights.
- -use re-cycle containers to delivery products to customers.
- -purchase re-cycled wooden pallets.
- -reduced transportation.

PRINCIPLE 9

BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Actions realized

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Our company utilize technologies, material and processes which do not have an adverse impact on the environment, and where such impact is un-avoidable, it is minimised. For un-avoidable cases, constant effort is made to seek alternative or improved processes to substitute the current practice. We also ensure that our sub-contractors and suppliers are upholding such commitments and objectives.

Outcomes

- -Regular audits/checks are performed at our suppliers and sub-contractors sites to enforce compliance to environmental regulations.
- -Outsource degreasing operation (where necessary) to specialist vendors with more environmental friendly equipment/facility for such operation.
- -Use of metal stamping machines with lower noise level. Regular maintenance conducted on such machines to keep them in ultimate condition.

PRINCIPLE 10

BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY

Actions

Actions realized

Our company is against all forms of unlawful activities concerning corruption and bribery, by stipulating a code of Personal Conduct to all employees in this regard. It is also a convictable offence in the Court of Laws in Singapore for such criminal offences and would be dealt with appropriately.

Outcomes

- -All executive employees of the company were informed and had acknowledged the company's Code of Appropriate Practices, which effectively disallowed all forms of corruption or bribery.
- -The company ensured that bids and quotations (both to customers and from suppliers) are properly executed to provide for transparency and fair evaluation.
- -In 2017, there was no incidence of such practice found.