



2022 SUSTAINABILITY REPORT



COMBINE WILL

CONTENTS



01-03

EXECUTIVE SUMMARY

04-05

BOARD STATEMENT

06-09 ABOUT
COMBINE WILL

09-Milestones of Combine Will

10-12 ABOUT THE
SUSTAINABILITY REPORT

11-Preparation Basis
11-Reporting Scope and Boundary
12-Confirmation and Approval
12-Contact Us

13-23 GOVERNANCE AND
SUSTAINABILITY APPROACH

14-Governance Structure
16-Risk Management
17-Stakeholder Engagement
19-Materiality and SDGs
21-Sustainability Strategy



24-55 CARE AND DEVELOPMENT
FOR EMPLOYEES

27-Employee's Rights Policy
32-Employee Communication
33-Health and Safety
39-Salary and Benefits
41-Career Development
46-Care of Employee
49-Diversity, Equity and Inclusion
55-Go ahead-2023 or Beyond

56-65 CARE FOR ENVIRONMENT
AND GREEN PRODUCT

60-Greenhouse Gas Emissions
61- Green Operation
62-Energy Management
63-Waste Management
64-Water Management
65-Go ahead-2023 or Beyond



66-75 TRUSTWORTHY BUSINESS
ETHICS AND OPERATION

67-Anti-corruption
70-Responding to Customer Privacy
73-Responding to Product Safety

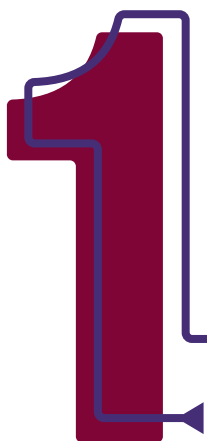
76-79

COMMUNITY IMPACT

80-86

GRI-SGX CONTENT INDEX





EXECUTIVE SUMMARY

The following two pages highlight the key data and progress of the reporting items in 2022 listed in the Sustainability Report of Combine Will.



CARING PEOPLE



100%

Labor contract coverage



100%

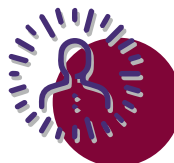
Insurance coverage

TRAINING AND EDUCATION



115,070

Total training hours



100%

Business ethics training coverage



100%

Social responsibility training coverage

DIVERSITY, EQUALITY, AND INCLUSION



Proportion of female employees

56%



Proportion of female middle managers

30%



Proportion of female senior managers

25%



Proportion of disabled employees

1%

HEALTH AND SAFETY

7

Number of recordable work-related injuries (number of cases)

0.38

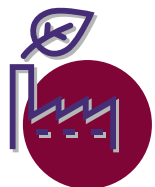
Rate of recordable work-related injuries (case number per 1,000,000 manhours)

0

Number of occupational diseases

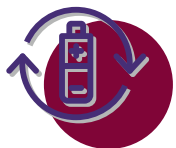


CARING ENVIRONMENT



743.38 mT CO₂-e
Direct greenhouse gas emission (scope 1)

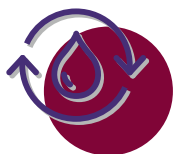
28,743.08 mT CO₂-e
Indirect greenhouse gas emission (scope 2)



41,679,203.21 kWh
Total energy consumption



124.31 tonnes
Hazardous waste



393,822.00 m³
Water consumption

CARING COMMUNITY



Over 2,245
Population benefited from community initiatives



2 BOARD STATEMENT



Dear shareholders, business partners, and employees,

In this challenging yet opportunistic year, we have actively responded to the pandemic while also dedicating ourselves to advancing in the ESG field. We understand that only through unity and joint efforts can we achieve ultimate victory in this fight. We have always placed the health and safety of our employees and communities first, and by taking measures such as strengthening epidemic prevention, improving employee benefits, and supporting communities, we have successfully controlled the spread of the pandemic and achieved steady business growth.

TAM JO TAK, DOMINIC
Executive Chairman



At the same time, we have been continuously improving our company culture. This year, we upgraded our company values from Integrity/Teamwork/Progressiveness/Innovation to Integrity/Progressiveness/Productivity/Innovation/Inclusion. We believe this upgrade reflects our commitment to diversity and inclusiveness. We will continue to strive to achieve an equal, diverse, and inclusive work environment in all aspects, continually improving and optimizing the company's cultural atmosphere to promote employees' personal growth and the company's long-term development.

We firmly believe that sustainable development is the key to the Company's long-term growth. This year, we have made significant progress in promoting green products, and our product portfolio is becoming more environmentally friendly, efficient, and sustainable. Our purpose is to upgraded to Building a sustainable future for our stakeholders and society by transforming to a future-ready GREEN BUSINESS through the power of people, technology, and innovation. Our vision is to be a leader and a key supplier of choice for our customers in

providing green and high-quality ODM/OEM service for corporate premiums, various types of toys, consumer products, etc. We have continued to explore recycled materials, bio-based materials, and other sustainable materials, with the goal of achieving 100% green products by 2030. Currently, some factories have obtained International Sustainability & Carbon Certification (ISCC), Global Recycle Standard (GRS), and Forest Stewardship Council (FSC) certification, and the proportion of green products in the Group's total product quantity is expected to reach about 27% in 2022, a significant increase from 16.8% in 2021.

In particular, we recognize the importance of climate change to global sustainable development and the company's sustainable operation, and we are actively promoting the planning and implementation of a 2050 carbon-neutral roadmap. We have taken a series of measures to reduce the company's carbon emissions, including improving energy efficiency and promoting renewable energy projects. In 2022, the carbon emission intensity decreased by 15% compared to 2021. We understand that these efforts and investments are the foundation for the company's future sustainable development.

We firmly believe that through sustained investment and efforts, we will continue to make more progress in the ESG field. We will adhere to the principle of people-oriented, constantly pay attention to the needs of employees and communities, focus on the environment and climate change, and take it as our responsibility to create more value. We thank shareholders, business partners, and employees for their continuous support and trust, and we believe our joint efforts will continue to drive the company forward.

Thank you for your support!



3 ABOUT COMBINE WILL

Combine Will International Holdings Limited ("Combine Will"), also known as the "Company", is listed on the Singapore Exchange Limited (Stock Code: N0Z). The Company was incorporated in the Cayman Islands and is headquartered in Hong Kong, the People's Republic of China (the "PRC" or "China"). For the latest information on its shareholders or changes to the Group's size, structure, ownership, or supply chain, please refer to the Annual Report 2022. (<http://www.combinewill.com/ar.html>)

The Group is a leading Original Design Manufacturer ("ODM") and Original Equipment Manufacturer ("OEM") supplier of corporate premiums, toys, and consumer products worldwide. Based in Dongguan, Guangdong Province in the PRC, the Group has manufacturing factories located in Dongguan, Heyuan, and Cangwu, as well as Sragen, Indonesia, and employs over 7,700 employees.

Our ODM/OEM products are manufactured using several primary raw materials. These include zinc alloy for die-cast products, Acrylonitrile Butadiene Styrene ("ABS"), Polypropylene ("PP"), and Nylon for plastic products. We are committed to incorporating sustainable practices in our operations. To this end, we have been extending our use of green raw materials since 2021. These include green polyethylene ("Green PE"), recycled PET ("rPET"), aluminum, and Forest Stewardship Council ("FSC") certified paper, which we have used in our paper and hybrid toy products. We source our raw materials from a list of approved vendors, both locally and overseas. The majority of our suppliers are located in China, with others from Southeast Asia and other regions. At the end of 2022, we had over 200 major suppliers.

As a niche ODM/OEM of corporate premiums, toys, and consumer products, we pride ourselves on our fully integrated R&D and manufacturing teams that provide seamless product development from inception to fruition. Our R&D team is involved in all aspects of the product development process, from conceptualization to production and supply. We work closely with our customers to provide designs that meet their product specifications, offer advice on functional capabilities, and ensure manufacturability. Our commitment to new processing methods, integrating aesthetics, form, and molding, has helped us conceptualize and launch novel product lines.



The Group's clientele portfolio includes customers from Asia, Europe, and America. The Group has continuously demonstrated adequate and flexible capacity to handle production for leading multinational companies in their respective industries, ranging from toys and fast-moving consumer products to international fast-food chains.

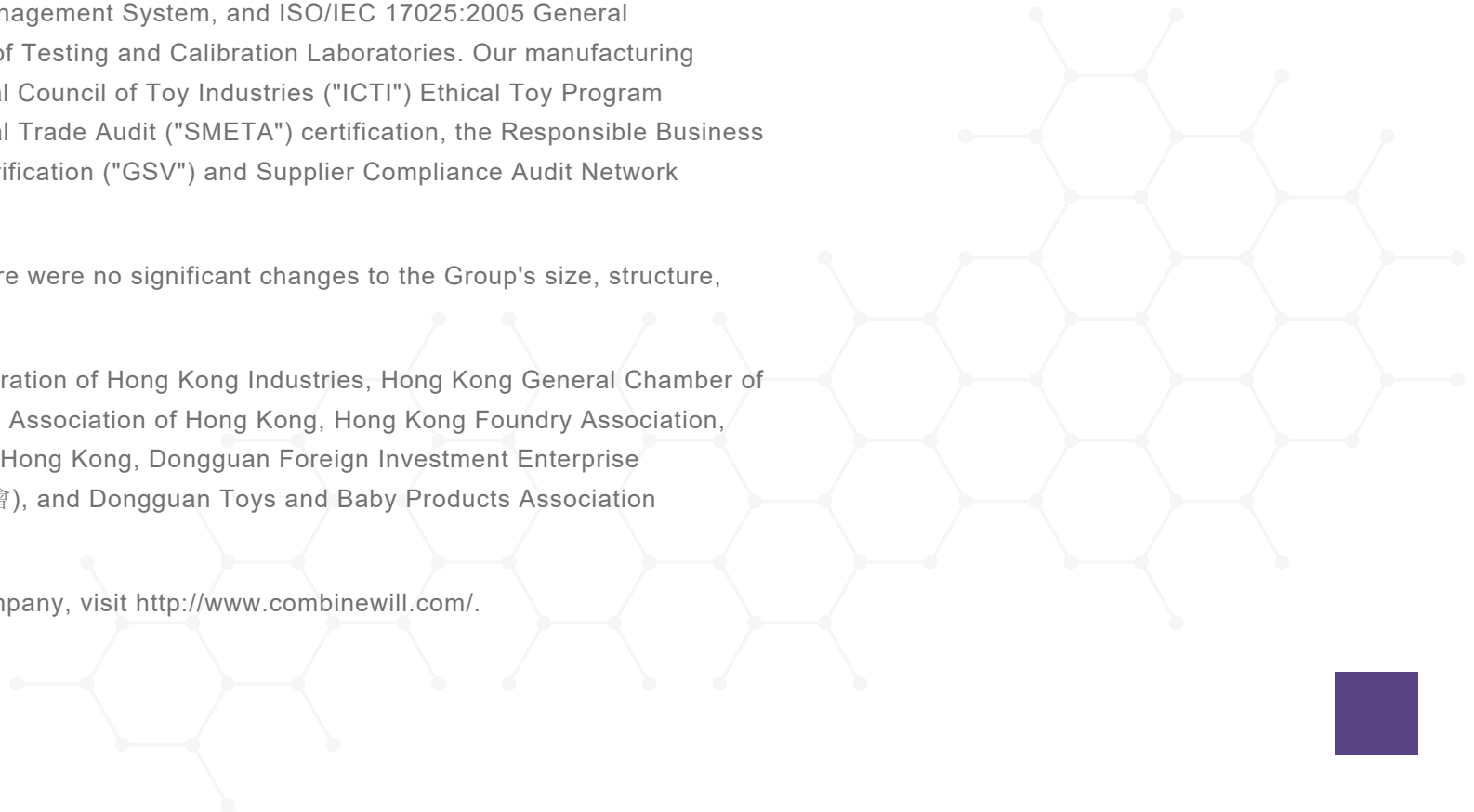
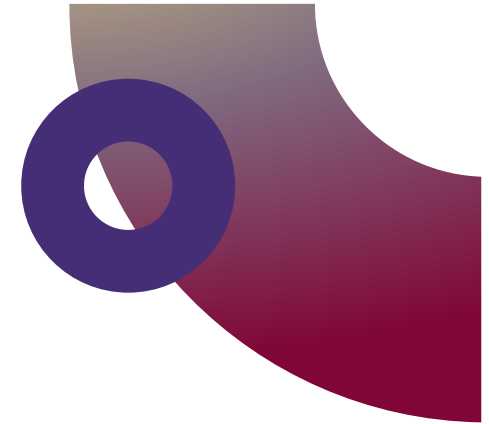
In 2022, the Group recorded annual total revenue, total assets, and total equity of HK\$1,341.4 million, HK\$1,542.6 million, and HK\$720.1 million, respectively. For more information about the financial performance, please refer to the Annual Report 2022 (<http://www.combinewill.com/ar.html>).

The Group values process improvement and quality management. The Group's operations have been accredited with sustainability-related management system standards, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories. Our manufacturing factories have obtained International Council of Toy Industries ("ICTI") Ethical Toy Program certification, Sedex Members Ethical Trade Audit ("SMETA") certification, the Responsible Business Alliance review, Global Security Verification ("GSV") and Supplier Compliance Audit Network ("SCAN").

Compared to the previous year, there were no significant changes to the Group's size, structure, ownership, or supply chain.

The Group is a member of the Federation of Hong Kong Industries, Hong Kong General Chamber of Commerce, Chinese Manufacturers' Association of Hong Kong, Hong Kong Foundry Association, Toys Manufacturers' Association of Hong Kong, Dongguan Foreign Investment Enterprise Association (東莞市外商投資企業協會), and Dongguan Toys and Baby Products Association (東莞市玩具及嬰童用品協會).

For more information about the Company, visit <http://www.combinewill.com/>.



MILESTONE OF COMBINE WILL



1992

Started ODM/OEM business operations in 1992 with the incorporation of Combine Will Industrial Company Limited (聯志工業有限公司), in Hong Kong



2001

Set up Lianzhi Toys Gift (Dongguan)Co., Ltd. 聯志玩具禮品(東莞)有限公司



2002

Set up Dongguan Loong Run Toys Company Limited (東莞聯弘玩具有限公司) as a supporting factory focusing on the production of die-cast products



2003

Set up Bliss Electronic (China) Company Limited (東莞成樂電子有限公司) to manufacture electronic parts



2004

Set up Heyuan Loong Run Toys and Gifts Products Factory (河源市聯弘玩具禮品製品廠)



2008

Combine Will International Holdings Limited listed on Singapore Exchange Limited



2009

Set up Loong Run (He Yuan) Toys Company Limited (河源聯弘玩具禮品有限公司)



2016

Set up PT.COMBINE WILL INDUSTRIAL INDONESIA to expand the production overseas



2017

Set up Combine Will (Cangwu) Industrial Co., Ltd (聯志玩具禮品(蒼梧)有限公司)



2019 2020

Assembled a new team to support the vertical integration into paper printing and product manufacturing



ABOUT THE SUSTAINABILITY REPORT

ABOUT THIS REPORT

This is the 2022 Sustainability Report of Combine Will International Holdings Limited. The report focuses on the ideas, important progress, work summary, and future of Combine Will and its subsidiaries in terms of sustainable development.

PREPARATION BASIS

The report is prepared under the sustainability reporting requirements of Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rule 711 A ("LR 711A") and developed concerning the five primary components set in SGX-ST Listing Rule 711B on the "comply or explain" basis.

Moreover, reference has been made for Sustainability Report ("SR") disclosure to the standard cores developed by Global Reporting Initiative ("GRI"), especially the guidance on greenhouse gas emission by Task Force on Climate-related Financial Disclosures ("TCFD").

The report aims to acquaint various stakeholders with operational activities and ESG (environment, society, and corporate governance) implementations of Combine Will. In other words, it contains information required for comprehensive reporting. The Sustainability Report 2022 offers the details of various targets and strategies of Combine Will, its responses to the community, value creation, and environmental protection.

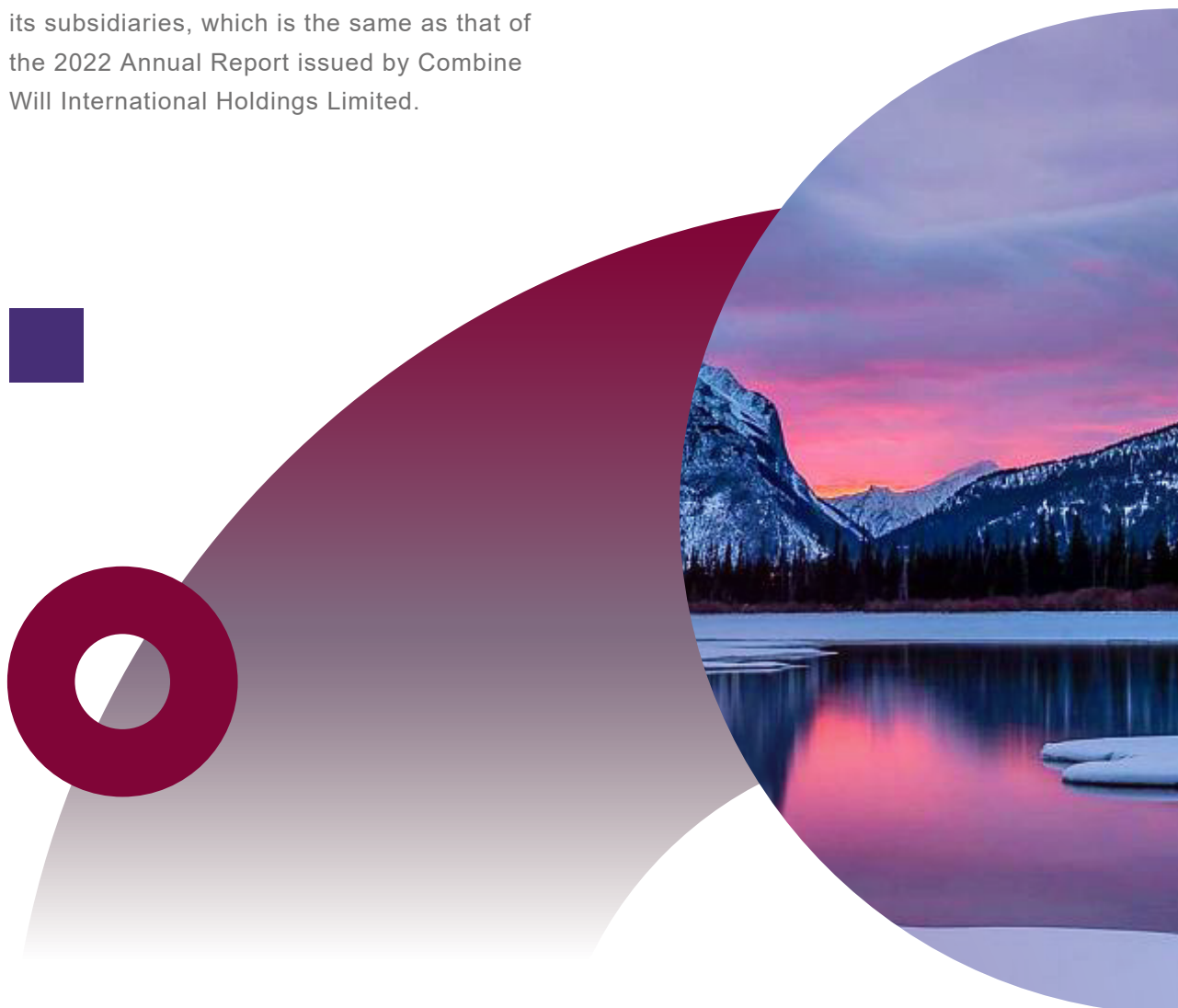
For other financial information, please refer to the Annual Report 2022 of Combine Will.

REPORT SCOPE AND BOUNDARY

Unless otherwise specified, the policies, statements, and materials in this report cover the actual business scope of Combine Will and its subsidiaries, which is the same as that of the 2022 Annual Report issued by Combine Will International Holdings Limited.

TIME PERIOD

Unless otherwise specified, this report covers the period from January 1, 2022 to December 31, 2022.



TERMS DEFINITION

For the convenience of expression and reading, "CW", "Combine Will", "this Company", "the Group" and "We" in this report refer to Combine Will International Holdings Limited and its subsidiaries. Unless otherwise specified, the terms used in this report have the same meaning as those defined in the Company's 2022 Annual Report.

The subsidiaries:

- DGLZ** The factory in Dongguan, Guangdong run by Lian Zhi Toys Gift (Dongguan) Co., Ltd., a subsidiary of Combine Will, referred to as "DGLZ" for short.
- DGLR** The factory in Dongguan, Guangdong run by Dongguan Loong Run Toys Company Limited, a subsidiary of Combine Will, referred to as "DGLR" for short.
- DGBL** The factory in Dongguan, Guangdong run by Bliss Electronic (China) Company Limited, a subsidiary of Combine Will, referred to as "DGBL" for short.
- HYLR** The factory in Heyuan, Guangdong run by Loong Run (He Yuan) Toys Company Limited, a subsidiary of Combine Will, referred to as "HYLR" for short.
- GXCW** The factory in Wuzhou, Guangxi run by Combine Will (Cangwu) Industrial Co., Ltd., a subsidiary of Combine Will, referred to as "GXCW" for short.
- CWII** The factory in Sragen, Indonesia run by PT COMBINE WILL INDUSTRIAL INDONESIA, a subsidiary of Combine Will, referred to as "CWII" for short.

CONFIRMATION AND APPROVAL

The data used in this report is sourced from official documents and statistics of Combine Will. The Group relies on internal mechanisms to ensure the accuracy of its data, and conducted its internal review in April, 2023 according to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. All performance data, to the best knowledge of Combine Will, has been disclosed in good faith and verified on the back of such internal mechanisms. All financial information used in this report is sourced from the Annual Report 2022 and has been audited by an independent auditor. This report has been approved by the Board of Directors of the Group (the "Board") on April 28, 2023.

CONTACT US

We firmly believe that high standards of corporate governance and strict and transparent reporting are core to maintaining honest operations and retaining the trust of stakeholders in Combine Will. Please refer to the Sustainability Report 2022 for more information. Any valuable feedback for our future progress is welcome at any time.

-  **Address:**
Rm 901-2, Block 4, Tai Ping Ind Centre,
51A Ting Kok Road, Tai Po, N.T., Hong Kong, China
-  **Email:**
ir@combinewill.com
-  **Tel:**
+852 2665 1678

5

GOVERNANCE AND SUSTAINABILITY APPROACH

INTRODUCTION

Governance is a critical aspect of our organization, and we place great importance on upholding our core values of "Integrity, Inclusion, Productivity, Progressiveness, and Innovation". Our governance approach is continuously evolving, and we strive to align it with the Sustainable Development Goals (SDGs) to enhance our responsibility fulfillment approach and management system in the face of new opportunities presented in a new era.

We understand that sound governance is crucial for building a resilient and successful organization. To ensure an inclusive and transparent business environment, we keep our governance process open and transparent, engaging with stakeholders across the value chain. Guided by robust policies, management systems, and standards, we respond quickly to risks and opportunities and deliver on our sustainability commitments.

Our Directors have all attended the sustainability training prescribed by the SGX-ST.

GOVERNANCE STRUCTURE

Our governance structure is designed to optimize the management of formulating the Group's sustainability strategy and supervising its implementation. To this end, the Board established the Executive Management Committee (EMC) to assist in providing strategic directions, with a specific focus on integrating sustainability into our strategy. The EMC is responsible for overseeing the

implementation of the sustainability strategy and ensuring that all departments and subsidiaries are aligned with our sustainability goals.

The CSR department is critical to our governance approach as it coordinates all headquarters and subsidiary departments to carry out sustainable development practices and promote the implementation of Environmental, Social, and Governance (ESG) issues. The CSR department also plays a crucial role in ensuring that our stakeholders are engaged and informed about our sustainability initiatives.

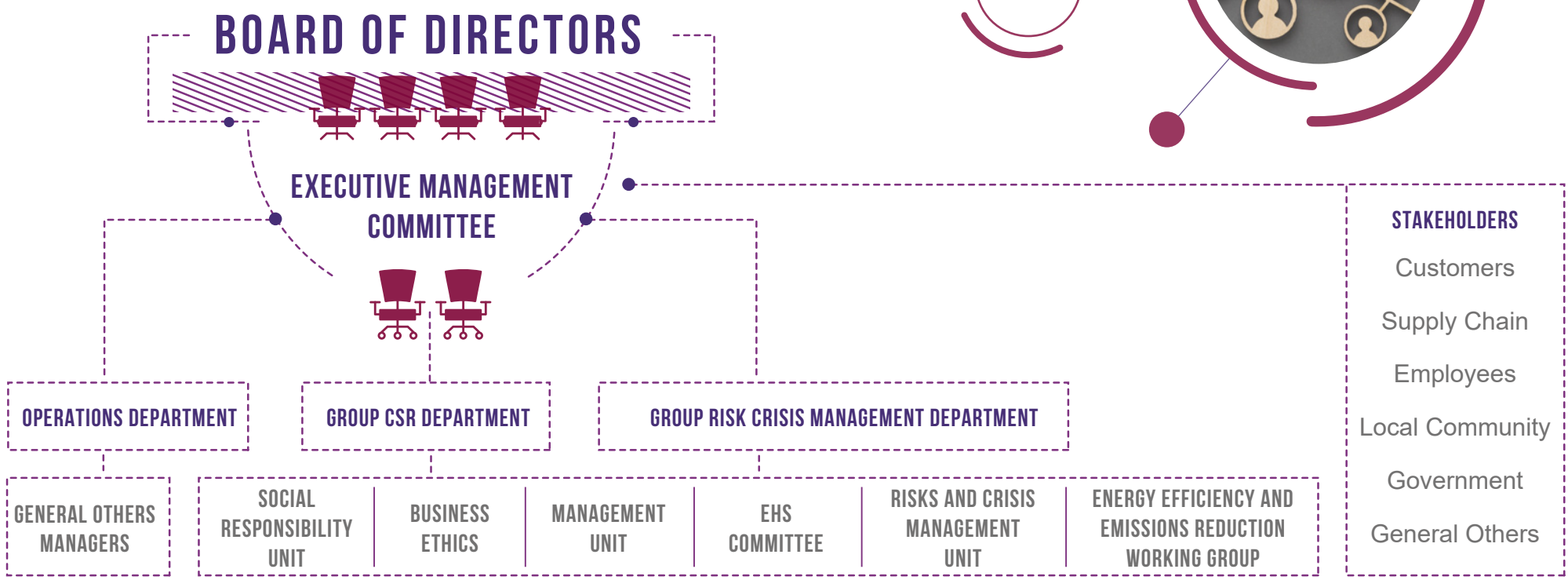
We closely align our management responsibility concept model with our development strategies and operational activities, conveying the sustainable development management system to all departments and affiliates. By doing so, we ensure that our sustainability goals are embedded in all our operations and decision-making processes. We believe that by turning our responsibility concept and commitments to stakeholders into concrete actions, we demonstrate our value creation ability.

To stay current with emerging trends and hot

topics, we conduct in-depth studies on sustainable development in 2022. This information is used to better communicate our sustainability and social responsibility initiatives and performance to stakeholders. By doing so, we believe that we can enhance our transparency and accountability while building trust and credibility with our stakeholders.

In conclusion, governance is a crucial aspect of our organization, and we place great importance on upholding our core values. We strive to align our governance approach with the SDGs to enhance our responsibility fulfillment approach and management system. Our governance structure is designed to optimize the management of formulating the Group's sustainability strategy and supervising its implementation. We believe that by working together and aligning our efforts, we can achieve our sustainability goals and create value for all our stakeholders.

SUSTAINABLE DEVELOPMENT MANAGEMENT STRUCTURE



RISK MANAGEMENT

The Board of the Company takes full responsibility for establishing and maintaining an appropriate and effective risk management and internal control system to protect the interests of the Group and our stakeholders. To achieve this, the Board regularly assesses and continuously monitors the effectiveness of the system. The Audit Committee, as part of the Board, ensures the adequacy and effectiveness of internal controls and risk management systems.

The Audit Committee is responsible for identifying, evaluating, and managing risks associated with the Group's operations. They work closely with the management team to establish a risk control framework that effectively manages various risks of the Group, including health and safety, social, and environmental risks. The Committee regularly reviews the risk management and internal control systems, ensuring that they are adequate and effective in mitigating identified risks. They also monitor the implementation of risk management policies and procedures to ensure that they are being followed effectively.

The Company places great importance on

establishing and maintaining an appropriate and effective risk management and internal control system to protect the interests of the Group and our stakeholders. The Audit Committee, as part of the Board, plays a crucial role in identifying, evaluating, and managing risks associated with the Group's operations. The Committee works closely with the management team to establish a risk control framework that effectively manages various risks of the Group, including health and safety, social, and environmental risks. The Company's commitment to effective risk management and internal controls provides a strong foundation for sustainable growth and development.



STAKEHOLDER ENGAGEMENT

Combine Will's stakeholders are those who are materially influencing or affected by the Group's business. Stakeholder engagement serves as a channel for the Group to understand our stakeholders' needs and expectations.

Continuous engagement with our stakeholders helps guide the Group on developing priorities and actions to achieve better outcomes for stakeholders and our business in respect of sustainability. The Group constantly communicates with its key internal and external stakeholders through a range of channels, such as phone calls, emails, meetings, surveys, hotlines, reports, announcements and our corporate website.

STAKEHOLDERS' CONCERNS AND COMMUNICATION CHANNELS

Stakeholder	Major Concerns	Main Communication Methods
Government and Regulatory agencies	<ul style="list-style-type: none"> ◆ Compliant operations ◆ Tax payment according to law ◆ Climate change and greenhouse gas reduction ◆ Emission management and resource use 	<ul style="list-style-type: none"> ◆ Supervision acceptance ◆ Regular disclosure ◆ Irregular reporting ◆ Participation in relevant meetings
Shareholders and Investors	<ul style="list-style-type: none"> ◆ Financial performance ◆ Corporate governance ◆ Risk control compliance ◆ Sustainability management matters and return on investment 	<ul style="list-style-type: none"> ◆ Regular information disclosure ◆ General meetings of shareholders ◆ Investor exchange activities ◆ Communication hotline and email ◆ Survey questionnaires

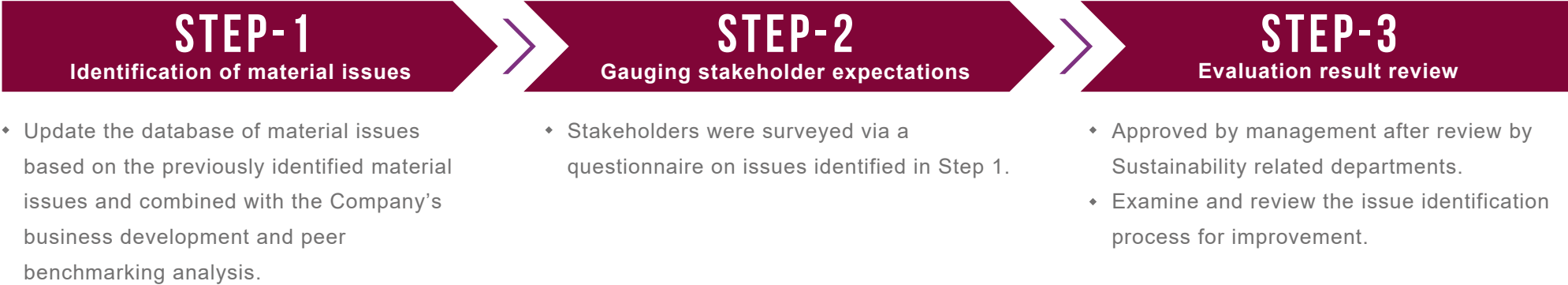
Stakeholder	Major Concerns	Main Communication Methods
Employees	<ul style="list-style-type: none"> ◆ Equality, diversity and inclusion ◆ Health and safety ◆ Training promotion ◆ Remuneration and benefits ◆ Corporate culture 	<ul style="list-style-type: none"> ◆ Trade unions and employee representative ◆ Safety education and drills ◆ Employee training ◆ Employee complaints and requests ◆ Employee activities ◆ Survey questionnaire
Customers	<ul style="list-style-type: none"> ◆ Product quality ◆ Innovative research and development ◆ Customer relationship management ◆ Climate change and greenhouse gas reduction 	<ul style="list-style-type: none"> ◆ Online communication platforms ◆ Customer complaints and return visits ◆ Satisfaction surveys ◆ Annual and quarterly communication
Suppliers & Partners	<ul style="list-style-type: none"> ◆ Sustainable supply chain ◆ Sunshine procurement ◆ Supplier management ◆ Conflict mineral management ◆ Climate change and greenhouse gas reduction 	<ul style="list-style-type: none"> ◆ Open tendering ◆ Daily communication with suppliers ◆ Supplier inspection and audit ◆ Supplier training and empowerment ◆ Survey questionnaires ◆ Annual Supplier Conference
Community	<ul style="list-style-type: none"> ◆ Climate change and greenhouse gas reduction ◆ Emission management and resource use ◆ Environmental protection ◆ Public welfare 	<ul style="list-style-type: none"> ◆ Information disclosure ◆ Complaint channels ◆ Field visits ◆ Volunteer activities
Non-governmental Organizations/Media	<ul style="list-style-type: none"> ◆ Issues affecting global society such as refugee issues and poverty ◆ Disaster relief support ◆ Ecosystem protection/conservation ◆ Supply chain risks 	<ul style="list-style-type: none"> ◆ Seminar with relevant organizations

MATERIALITY AND SDGs

For a more accurate understanding of the needs and expectations of stakeholders, Combine Will has analyzed the material issues according to the identification, investigation and review process, and evaluated the issues from the two aspects of "stakeholders concern and materiality" to

Combine Will through questionnaires and interviews. The material issues have been taken as the important basis of formulating the sustainability strategy for the Company.

MATERIAL ISSUE ANALYSIS PROCESS

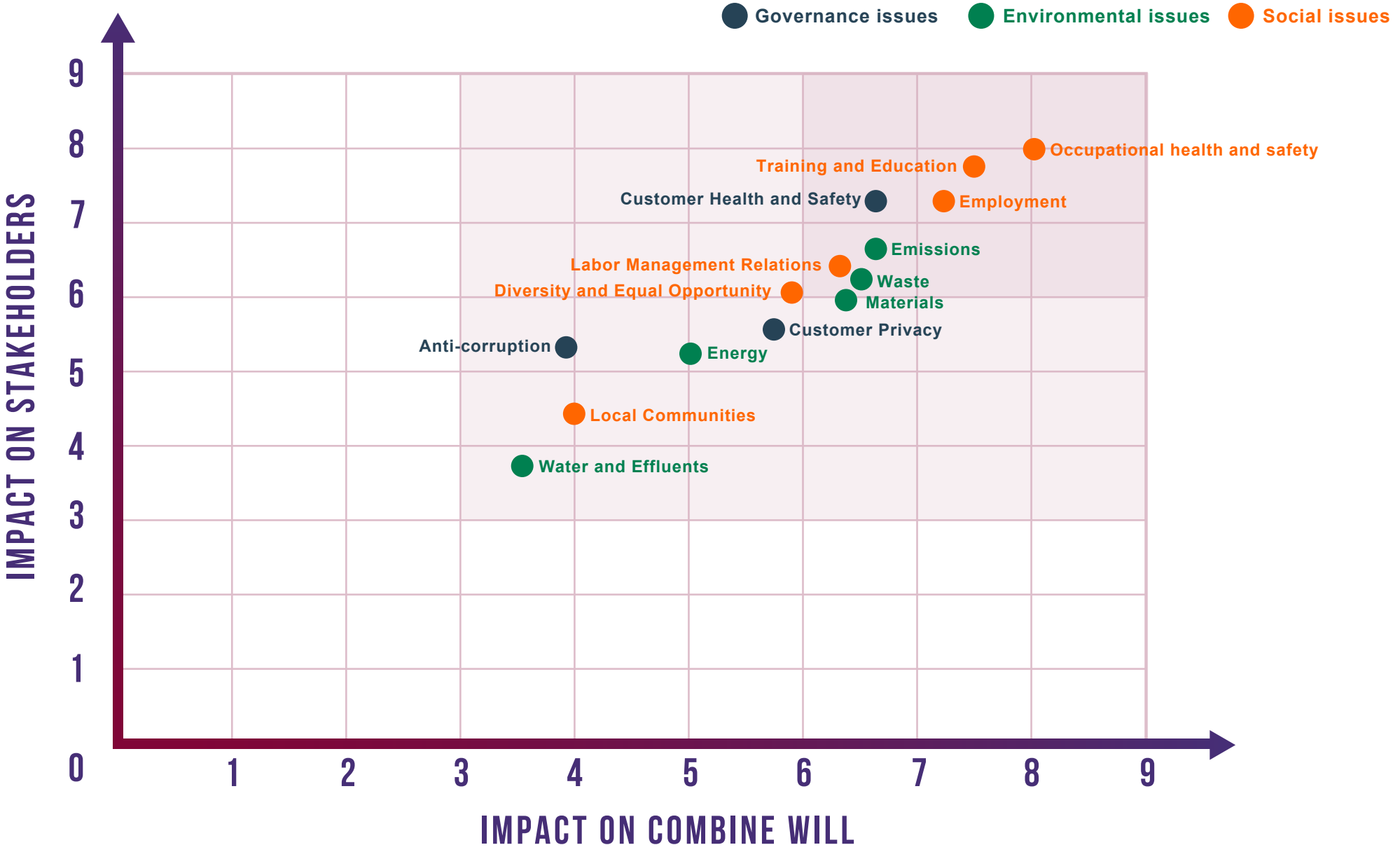


STAKEHOLDER QUESTIONNAIRE SURVEY

Combine Will carries out stakeholder questionnaire surveys to better understand the social issues stakeholders are interested in as well as the expectations they have of the company in response to trends within and outside the Group. We use the survey results along with the opinions of sustainability experts, investors, and other stakeholders to evaluate the validity of the materiality issues and review as appropriate. We also use the surveys to analyze Combine Will's impact on society and further improve our activities. To assist the future expansion of our activities, Combine Will also ask stakeholders for their views on the SDGs.


During the reporting period, we sent survey questionnaires to the six categories of stakeholders mentioned in the section above and received 457 valid replies in total. Based on the survey results, stakeholder interviews and field survey information, we identified 9 highly material issues and 5 moderately material issues and mapped out a matrix of material issues.

Matrix of Substantive Sustainability Topics



SUSTAINABILITY STRATEGY

Combine Will has built its sustainability strategy system based on the stakeholders' concerns from the three dimensions of environmental, society and governance, and formulated sustainable development goals in response to the United Nations SDGs to contribute to the realization of global sustainability.

SDGs	Material Issues	Sustainable Development Goals
<p>Environment</p> 	<p>Emissions</p> <hr/> <p>waste</p> <hr/> <p>Energy</p>	<ul style="list-style-type: none"> ♦ 15% reduction in carbon emissions intensity based on base year, ending 2026. ♦ 53% reduction in carbon emissions intensity based on base year, ending 2035. ♦ Based on achieving carbon neutrality, ending 2050. <p>Remark: The base year is 2021, and carbon emission intensity includes scope 1 and scope 2.</p> <hr/> <ul style="list-style-type: none"> ♦ Implement the principle of reduction, reuse, regeneration, and recycling to improve the utilization rate of resources. ♦ Promote the “zero waste landfill” practice in factories worldwide to reduce waste generation and discharge. <hr/> <ul style="list-style-type: none"> ♦ 10% reduction in energy intensity based on base year, ending 2024. ♦ 35% reduction in energy intensity based on base year, ending 2032. ♦ 50% reduction in energy intensity based on base year, ending 2050.
	<p>Water and Effluents</p>	<ul style="list-style-type: none"> ♦ 10% reduction in water intensity based on base year, ending 2024. ♦ 20% reduction in water intensity based on base year, ending 2032. ♦ 30% reduction in water intensity based on base year, ending 2050.
	<p>Materials</p>	<ul style="list-style-type: none"> ♦ Percentage of green products achieve 40%, ending 2024. ♦ Percentage of green products achieve 70%, ending 2030. ♦ Percentage of green products achieve 100%, ending 2050.

SDGs	Material Issues	Sustainable Development Goals
------	-----------------	-------------------------------

Society

Employment

- ♦ To maintain the turnover of the employees lower than 10%.
- ♦ To enhance engagement assessment and communication.
- ♦ To reinforce corporate culture.
- ♦ To improve the workflow and workplace.

Occupational Health and Safety

- ♦ To continue keeping the rate of recordable work-related injuries (per 1,000,000 manhours).
- ♦ Zero work-related fatalities.
- ♦ Zero confirmed cases of occupational diseases.
- ♦ To continue the awareness activities related to occupational health.

Labor Management Relations

- ♦ Strive to establish sincere and transparent communication with employees.
- ♦ To establish diverse labor and management communication channels.

Training and Education

- ♦ Provide extensive training courses.
- ♦ Provide a variety of promotion channels.

Diversity and Equal Opportunity

- ♦ To continue communicating the Group's zero tolerance for discrimination in the supply chain.
- ♦ To maintain non-discrimination in employment practices.
- ♦ To continue promoting diversity and equal opportunity in employment practices.

Local Communities

- ♦ Maintain good communication with local communities where operations are conducted.



SDGs	Material Issues	Sustainable Development Goals
------	-----------------	-------------------------------

Governance

Customer Health and Safety

- ◆ Strengthen the quality management system and continuously improve product quality.
- ◆ Provide quality management capability building for suppliers and employees.
- ◆ Customer goods inspection qualified rate 100%
- ◆ Achieve "zero major quality incidents".

Customer Privacy

- ◆ To use digital technology/platforms to improve business operational processes and protect data, meanwhile, to enhance data accuracy and work efficiency.
- ◆ To install/upgrade IT equipment to enhance the protection of customer data & privacy.
- ◆ To improve risks in the following aspects:
 - To close unnecessary ports of the operating system, especially the Windows RDP port.
 - To prohibit users from downloading and installing unknown software without permission.
 - To adopt an SSL certificate to ensure the confidentiality and integrity of e-mail transmission and ensure the authenticity of the identities of all parties in the e-mail communication.
 - To add spam filtering, and virus scanning system, and regularly update anti-virus software to the mail system.

Anti-corruption

- ◆ Continuously improves business ethics standards and unblock whistleblowing channels.
- ◆ Conduct regular business ethics training to build a culture of honest management.
- ◆ 100% signing rate of employee integrity commitment.



6 CARE AND DEVELOPMENT FOR EMPLOYEES

INTRODUCTION

Combine Will focus on the personal development of employees and make continuous efforts to introduce, cultivate and develop our employees to enhance their sense of belonging and promote integration, because we know that talent is the primary productive force of the enterprise and also the core competitiveness of the enterprise's future development. We strive to ensure that the human rights of our employees are respected, so we make unremitting efforts to improve the working and living environment, living conditions and corporate cultural activities, etc., through various systems to ensure that employees can share success and results with the company.



APPROACH

Improvement of labor relations

2022 Goals

- ◆ To complete Human Resource reformation.
- ◆ To enhance engagement assessment and communication.
- ◆ To reinforce corporate culture.
- ◆ To improve the workflow and workplace.
- ◆ To continue to promote a zero-tolerance policy on the use of child and forced labor throughout the supply chain.

2022 Approach

- ◆ To maintain the turnover of the employees.
- ◆ To enhance engagement assessment and communication.
- ◆ To reinforce corporate culture.
- ◆ To improve the workflow and workplace.
- ◆ The 2022 external audit did not document or raise any issues related to child Labor and forced Labor.

Occupation Injury Improvement

2022 Goals

To continue decreasing the rate of recordable work-related injuries (per 1,000,000 manhours)

Zero work-related fatalities

Zero confirmed cases of occupational diseases

To continue the awareness activities related to occupational health

2022 Approach

- ◆ Rate of recordable work-related injuries (per 1,000,000 manhours)-0.38
- ◆ Zero work-related fatalities
- ◆ Zero confirmed cases of occupational diseases
- ◆ Safe month activity
- ◆ Manual handling Improvement
- ◆ Update the PPE procedure

Communication Improvement

2022 Goals

- ◆ To continue the employee engagement assessment and communication exercises.
- ◆ To establish diverse and convenient communication channels for employees to express their ideas, such as online platforms and General Manager Welcome Day.

2022 Approach

- ◆ Zero cases against the Group's zero-tolerance towards discrimination in the workplace and the supply.
- ◆ Established an equitable training mechanism.

Career and Training

2022 Goals

- ◆ To finalize Performance Management and Incentive Systems.
- ◆ To identify and prepare a succession plan for key positions.
- ◆ To introduce more diverse interactive training methods and channels, such as social media.

2022 Approach

- ◆ To consistently improve employee capability through training.
- ◆ To support innovation through the coordination of the work improvement team.
- ◆ To enhance internal training capabilities.

Diversity, Equity and Inclusion

2022 Goals

- ◆ To promote the Group's zero tolerance for discrimination in the workplace and the supply chain.
- ◆ To promote diversity and equal opportunities in the workplace.

2022 Approach

- ◆ To continue communicating the Group's zero tolerance for discrimination in the supply chain.
- ◆ To maintain non-discrimination in employment practices.
- ◆ To continue promoting diversity and equal opportunity in employment practices.

EMPLOYEE'S RIGHTS POLICY

The human rights policy expresses Combine Will's commitment to respect human rights and to take measures to protect human rights under the corporate philosophy, which we embed into our operational policies and procedures.

It stipulates that we will conduct human rights due diligence, establish and operate a grievance mechanism, conduct awareness training, and engage in dialogue with stakeholders in addition to respecting internationally recognized human rights, including the prevention of child labor, forced labor, unreasonable restrictions on movement and excessive overtime work, and also the respect for freedom of association and the right to collective bargaining. The Human Rights Policy is published in Chinese and Indonesian and is communicated to employees and stakeholders in each country and region via our activities.



PROTECTION OF EMPLOYEE’S RIGHTS

Combine Will follow the requirements of the Responsible Business Alliance (RBA) Code of Conduct, ICTI Ethical Toy Program (IETP), Sedex Members Ethical Trade Audit (SMETA) value and respect the basic human rights of all Group employees at home and abroad, and committed to never infringing upon human rights.

We strictly prohibit forced labor and child labor, guarantee employees' freedom of job selection, ensure reasonable working hours and overtime compensation, establish the principle of equality at work and the principle of freedom of association and collective consultation, oppose all forms of discrimination and harassment, and create a diverse and inclusive working environment.

<p>Respect for Human Rights</p>	<p>Combine Will has formulated a series of labor and human rights guarantee systems, including the Social Responsibility Management Manual, Employee Handbook, Recruitment Management Measures, Operating Procedure of Unforced Work, Operating Procedure of Child Labor and Minor Management, Overtime Management Measures, Management Procedure of Freedom of Association and Collective Bargaining, Operating Procedure of Discrimination and Harassment Prevention, Management Procedure of Female Employees' Rights and Labor Protection, and Religious Belief Management Procedure.</p>
<p>Human Rights Due Diligence</p>	<p>By the UN Guiding Principles on business and human rights, Combine Will conducts human rights due diligence to identify adverse human rights impacts that are linked to its business activities and to prevent or mitigate any adverse impacts. In consideration of the findings of human rights due diligence, Combine Will will review and update this policy, where necessary.</p>
<p>Grievance Mechanism</p>	<p>Combine Will establishes and operates an effective internal and external reporting system to understand adverse human rights impacts that are linked to its business activities. When Combine Will identifies that it has caused or contributed to adverse human rights impacts, Combine Will will take appropriate steps to remedy the situation.</p>
<p>Awareness Training</p>	<p>Combine Will conducts human rights awareness training continuously to enable its executives and employees to deepen their understanding of international initiatives relating to human rights and this policy and to respond appropriately to human rights issues.</p>
<p>Dialogue with Stakeholders</p>	<p>Combine Will communicates its human rights approach, as stated in this policy, to stakeholders through our website and other communication channels. In a series of initiatives under this policy, Combine Will learns from the human rights expertise of external experts and has a dialogue with stakeholders' such as employees and suppliers who are or could potentially be affected by our business activities concerning human rights.</p>

Key Aspects and Management Practices of Human Rights Protection

Key Aspects

Internal Systems and Measures

Forced labor

- ◆ Formulated the Operating Procedure of Unforced Work to ensure that all work is voluntary.
- ◆ It's specified that human trafficking or the use of any form of slave, coerced, debt repayment, indentured, or prison labor is prohibited.

Child labor prevention

- ◆ Formulated Recruitment Management Measures, Operating Procedure of Child Labor and Minor Management, Student Intern Management Measures, and other internal systems, and strictly prohibited the employment of child labor as specified by the laws of the operation locations;
- ◆ Man-machine control: In the recruitment stage and during the daily inspection, manually check the ID card, a relevant certificate issued by the local public security authority, and other documents to check and verify employee age; the personnel system is designed with a control module that will automatically give an underage warning when the ID number of a minor applicant is entered.

Working hours

- ◆ Formulated Employee Handbook, Overtime Management Measures, Operating Procedure of Unforced Work, and other internal systems to prohibit forced overtime; Stipulate that all overtime work shall be voluntary and employees shall not be forced to participate in manufacturing or meetings or activities related during non-working hours;
- ◆ If the employee needs to work overtime temporarily, he/she shall go through the overtime application procedure stipulated in the Employee Handbook and submit it to the relevant supervisor for approval before execution.

Key Aspects

Overtime compensation

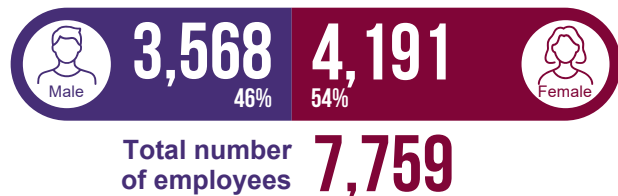
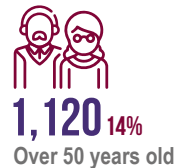
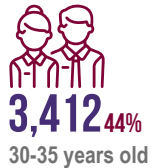
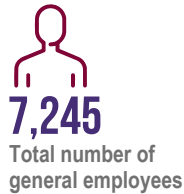
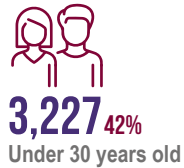
- ◆ The requirements for overtime/overtime allowance in the Employee Handbook are as follows. Employees who work extra hours beyond normal working hours are considered working overtime, and the overtime payment rules.

Freedom of association

- ◆ Formulated the Management Procedure of Freedom of Association and Collective Bargaining; as permitted by law, employees have the right to make friends with others freely and are allowed to form and join all kinds of employee organizations and carry out collective bargaining without prior approval; any unit or individual of the company is prohibited from interfering, discriminating, retaliating or harassing such activities.
- ◆ Ensure that employees exercise their organization's rights in an environment free from violence, pressure, fear, intimidation, and threats, and provide such facilities as may be appropriate for the formation of trade unions or other forms of employee organization so that they can carry out their duties promptly and effectively.



We are committed to creating a diverse and inclusive work environment, providing diversity and human rights policy training, and continuously building a diverse workforce. As of the end of the reporting period, Combine Will had employed over 7,700 employees.



New employee hires by gender, age group

By Gender		
Male		Female
3,566 1.33%		3,304 1.23%
By age		
Under 30 years old	30-50 years old	Over 50 years old
3,324 1.24%	2,556 0.95%	990 0.37%
Total 6,870		Total new hires % 2.56%

Turnover by gender, age group

By Gender		
Male		Female
4,687 1.75%		4,189 1.57%
By age		
Under 30 years old	30-50 years old	Over 50 years old
4,481 1.66%	3,166 1.17%	1,299 0.48%
Total 8,876		Total turnover % 3.32%

Total number of employees that were entitled to parental leave



Total number of employees that took parental leave



Total number of employees that returned to work in the reporting period after parental leave ended



Total number of employees that returned to work after parental leave ended that were still employed months after their return to work



Return to work rate¹



1-Note: Return to work rate = Total number of employees that did return to work after parental leave/Total number of employees due to return to work after taking parental leave.

Retention rate²



2- Note: Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave/Total number of employees returning from parental leave in the prior reporting period(s).

EMPLOYEE COMMUNICATION

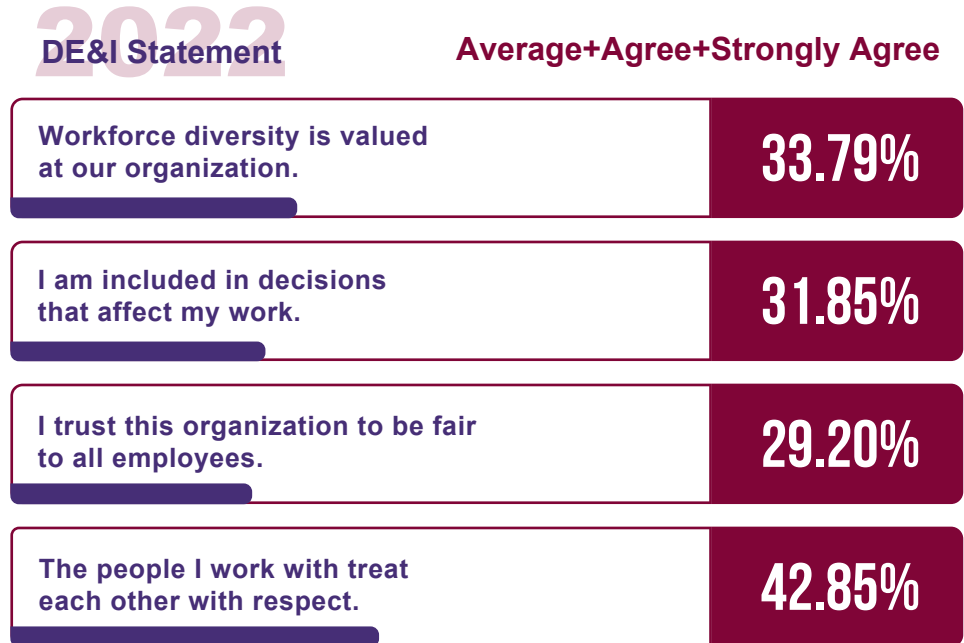
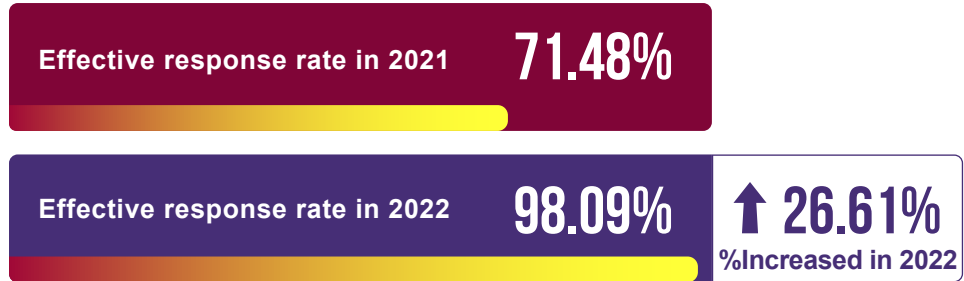
In compliance with the laws and regulations of each operation location and the relevant requirements for the establishment of trade unions, all subsidiaries, including overseas factories, have established trade unions. Employees have the right to voluntarily join the trade unions and employee congresses of their choice, coordinate labor relations, and safeguard the labor rights and interests of employees through equal consultation and a collective contract system.

EMPLOYEE COMMUNICATION CHANNELS

We are committed to creating a respectful and democratic work atmosphere and continue to enrich employee communication methods. We have set up a WeChat Official Account online communication platform, a suggestion box, an email address, a hotline and SMS, face-to-face communication, and a labor union for employees. The HR Department is responsible for the investigation, communication, resolution, and feedback of all complaints.

EMPLOYEE SATISFACTION AND ENGAGEMENT

The Group holds an employee satisfaction survey every year to deeply understand and promptly respond to the needs of employees based on the survey results of employees on corporate culture, management style, working conditions, and other matters. According to the actual production, the factories of operation locations will carry out an employee satisfaction survey, and the Human Resources Department of each factory will formulate and implement corresponding improvement action plans according to the results of the satisfaction survey. The Group is committed to building an agile organization with high engagement. Based on the engagement driving model and factors, the Company carries out group-level surveys, reports, and action plans to continuously improve employee engagement and enhance employee identification and loyalty to the Company.



HEALTH AND SAFETY

The company is committed to providing a healthy and safe working environment for our employees. We continuously improve the company's employee occupational health and safety management, and aim to achieve zero work-related accidents or incidents and occupational injuries. Our goal is to ensure that our employees can work with peace of mind at the company.

PERFORMANCE-EHS MANAGEMENT COMMITTEE

Combine Will has always adhered to the safety policy of "safety first". In order to carry out various safety activities, enhance the level of safety in production management, further implement safety production responsibilities, and consolidate management responsibilities at all levels to ensure healthy, stable, harmonious, and orderly development, the Company has established the EHS (Environment, Health and Safety) Management Committee led by the directors. The company has also established various systems, including the Group EHS Management Committee Operation Supervision and Management System, the EHS Responsibility Letter, and the EHS Operation Monitoring and Control Procedure.



Structure of the EHS Management Committee

Board of Directors	<ul style="list-style-type: none"> ◆ Responsible for the overall planning of the Company's EHS-related work. ◆ Listen to the reports on EHS work by the Director-General of EHS.
EHS Management Committee	<ul style="list-style-type: none"> ◆ Establish and continuously improve the Company's safety management system. ◆ Establish and improve the Company's EHS management system documents. ◆ Regularly hold quarterly EHS meetings, and plan and deploy the Company's overall EHS work, employee representatives shall be included as participants. ◆ Formulate the Company's EHS inspection plan and inspection standard, and carry out the EHS inspection of the Company according to the plan, and follow up on problem improvement. ◆ Coordinate and command emergency events, conduct crisis public relations according to the severity of the events, and initiate emergency response procedures promptly.
Audit Group	<ul style="list-style-type: none"> ◆ Organize and carry out the EHS-related inspections in all factory areas of the Company as planned. ◆ Follow up on the EHS problems in each factory area and close them in a timely manner.
CSR & COC Group	<ul style="list-style-type: none"> ◆ Collect the latest laws and regulations related to EHS, and establish internal implementation standards. ◆ Establish and organize the implementation of various management systems and work procedures. ◆ Carry out EHS-related publicity activities and training. ◆ Take charge of the Group's EHS-related data collection, collation and analysis.
EHS Officers of Factories	<ul style="list-style-type: none"> ◆ Comprehensively take charge of EHS work in factory areas. ◆ Direct the inspection of EHS work in factory areas. ◆ Implement the EHS measures and review capital investment. ◆ Work with the factory's Executive Director to carry out the EHS management.

PROMOTE SAFETY AWARENESS CULTURE

June 2022 was designated as Safety Production Month, and the Group's factories organized 13 different forms of online and offline safety awareness activities in conjunction with National Safety Month. These activities included promoting safety norms, providing first-aid skills training, raising awareness about traffic safety, and more. Additionally, the Group's senior management recorded safety awareness promotion videos to deepen employees' knowledge and understanding of the Group's six safety codes of conduct. These efforts demonstrated the senior management's attention to safety and were well-received by employees.

The Company has established improvement feedback channels to encourage employees to identify areas for improvement in the work process and make them an important part of creating a safe and healthy work environment. Additionally, the Company has conducted both online health and safety knowledge tests and offline safety knowledge competitions, resulting in a total of 3,262 online answer sheets collected through the "full score bonus" incentive.

To promote safety awareness among employees, the Company uses a variety of methods including online and offline training, safety education activities, occasional sharing in WeChat groups, posters, and pre-shift meetings.



Manual handling improvement	The Company conducted training on manual handling, promoting the correct way of handling to employees, and introduced pilot electric manual forklifts to reduce the physical strain on staff and promote employee well-being.
Personal Protective Equipment	The Company has reviewed and updated its PPE management procedures in accordance with GB 39800.1-2020, completed the PPE management process, developed and released a poster standardizing PPE-wearing guidelines, and established a PPE-wearing standard for employees to follow.
Steady improvement in traffic safety	In 2022, we will continue to organize online and offline traffic safety training, distribute safety information letters, conduct risk assessments of major roads, promote the use of safety helmets, and provide reflective strips for employees' vehicles and helmets to reduce the risk of traffic accident.
Hazard Identification and Prevention	Establishing a healthy and safe work environment for employees has become a daily priority for executives. Through the 2022 Safety Perceptible Leadership Program, the Company identified and addressed 780 potential hazards and opportunities for improvement. Additionally, the Company conducts special pre-holiday safety inspections for major holidays and confirms safety measures before resuming work after the holidays.
Improving responsibility and incentives	<ul style="list-style-type: none"> ◆ A total of 559 managers, staff, and employee representatives from various plants signed a safety responsibility statement, demonstrating their strong determination and commitment to safety management. ◆ Establish a safety performance assessment and incentive mechanism to break down safety target indicators to managers at all levels and link them to job performance appraisals.
Epidemic Prevention and Control	<ul style="list-style-type: none"> ◆ Amid the ongoing impact of the COVID-19 pandemic, we have integrated epidemic prevention and control measures into our regular management. To ensure the health and safety of our employees, we established an epidemic prevention and control leadership team responsible for collecting information on epidemic prevention policies, distributing necessary materials, providing employees with epidemic prevention guidelines, conducting antigen testing, and other related tasks.

HEALTH AND SAFETY TRAINING

We are committed to the promotion of the occupational health and safety risk control level of employees. The Company carries out emergency drills every year, organizes regular occupational health examinations for employees, eliminates occupational disease-inducing factors in the workplace, and maximally prevents the occurrence of work-related injuries.

EHS First-line management training

In 2022, the company carried out EHS training covering all employees from top to bottom, and promoted the improvement of three-level safety management training at the company level, department level, and post level, to improve safety management capabilities.



Intensive training of safety knowledge for frontline management personnel in production workshops


The Group organized safety management and safety technical training for frontline management personnel. The safety management training covered topics such as safe production laws, major safety laws and regulations, occupational health management, safety production management, and emergency management. The safety technical training covered topics such as electrical safety technology, fire and explosion prevention safety technology, hazardous chemical safety technology, and machinery safety technology. The training effectively enhanced the safety management awareness and technical skills of the frontline management personnel.

WORK-RELATED INJURY MANAGEMENT

To effectively enhance the Group's safety management capability and ensure the consistency of safety management among its subsidiaries, the Group standardizes and improves the policies, standards, and guidelines for occupational health and safety. The Group currently mainly refers to ISO 45001 occupational health and safety management system to build an overall structure, focusing on covering risk assessment and hidden danger analysis, training awareness and culture, equipment safety management, chemical management, occupational health protection, special work permit, contractor management, construction project management, accident reporting, and management, fire prevention, and emergency response, etc., to create a safe and healthy working environment and provide employees with comprehensive safety education.

The Group monitors the health and safety performance of the entire Group by establishing key indicators such as the accident rate per million working hours and promotes continuous improvement and enhancement of health and safety from the Group level. Each subordinate company has set up a production safety committee to be responsible for overall safety work, and the Human Resources and Administration Department manages the daily occupational health and safety-related affairs of the factories to ensure the implementation of health and safety policies on the ground.

	2022	2021	2020
Number of fatalities by work-related injury (number of cases)	0	0	0
Number of recordable high-consequence injuries (number of cases)	0	0	0
Number of recordable work-related injuries (number of cases)	7	19	74
Rate of recordable work-related injuries (number per 1,000,000 manhour)	0.38	0.85	3.37
Number of work-related Occupational Disease (number of cases)	0	0	0



The Company has formulated work-related injury management measures, operating procedures of medical health and occupational disease prevention and other systems, as well as work-related injury treatment procedures and emergency rescue procedures. We have set up a 24-hour response team in each production base to ensure that the employees in need can receive timely help.

Division of Duties in Work-related Injury Handling

Incident Department

- ◆ Announce the incident within 2 hours
- ◆ Assist in incident investigation Implement incident rectification

EHS

- ◆ Handle the work-related injury incident
- ◆ Track incident rectification
- ◆ Conduct incident investigation and analysis
- ◆ Check safety training

Administration

- ◆ Handle the work-related injury incident
- ◆ Reimburse the fees
- ◆ Arrange for medical treatment and review

HR

- ◆ Handle the work-related injury incident
- ◆ Report the work-related injury
- ◆ Update the work-related injury handling progress

SALARY AND BENEFITS

The Company has established a fair and just remuneration system and put in place a competitive remuneration system for all employees to provide abundant benefits for employees, and encourage employees to create value. Adhering to the principle of "equal pay for equal work", the Company provides employees with a basic salary no lower than the local minimum wage standard.

TALENT RETENTION

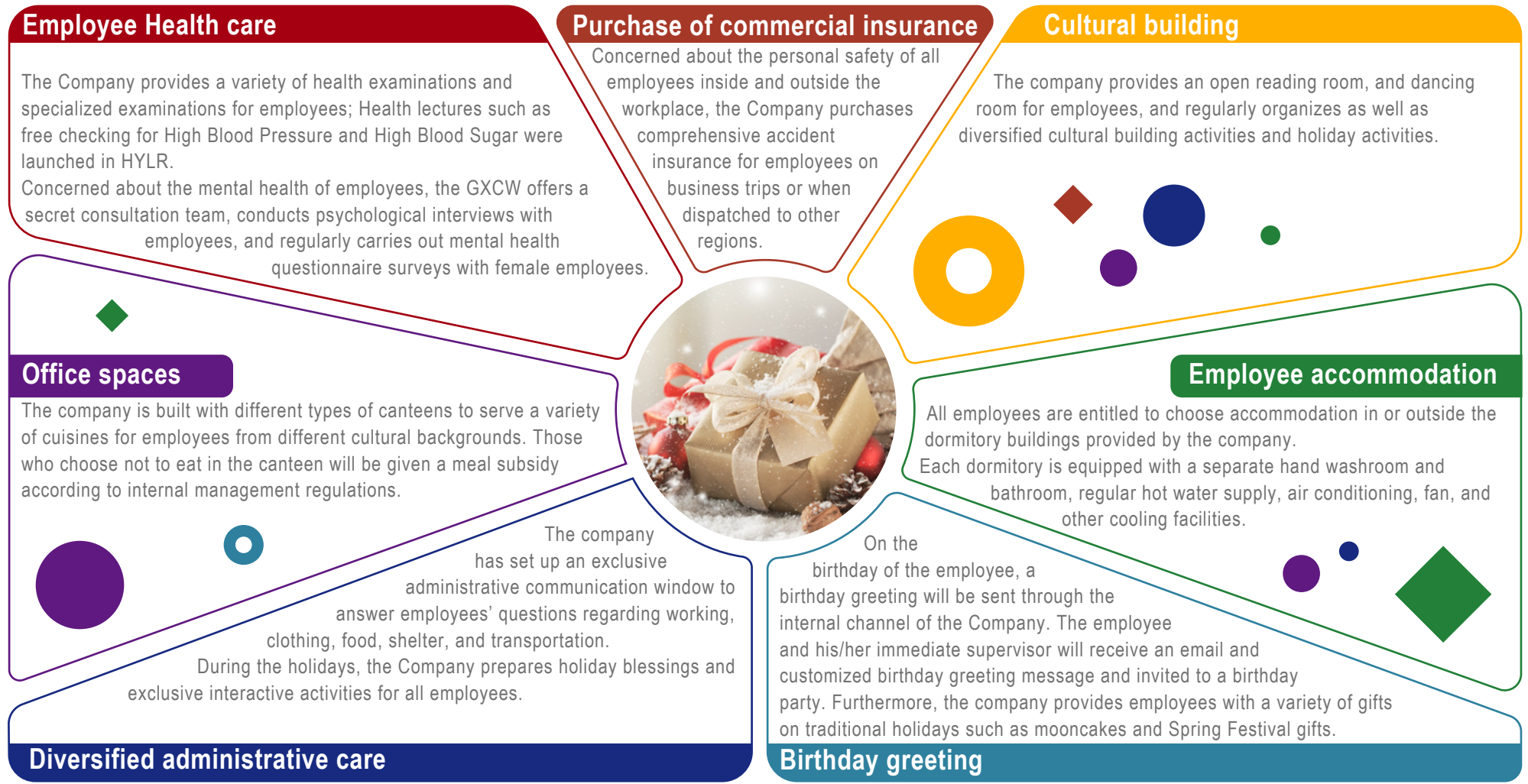
A talented and engaged workforce is an integral part of the Group's business growth and long-term success. We strive to improve employee retention by continuously optimizing fair compensation, employee benefits and talent management policies.

In 2022, the Company continued the Combine Will Honor System which plans the awards from three aspects of seniority, individual honor, and group honor. The "Thanks to You" Anniversary Award was officially launched in December 2022, aiming to reward full-time employees who have served the Company for 10 years, 15 years, 20 years, 25 years, 30 years, or more.



EMPLOYEE BENEFITS

Always concerned about the happiness and satisfaction of all employees, we take measures such as a well-developed employee benefits system, work-life balance, care for employees' children and support to employees to fully understand their needs and improve their satisfaction. We provide employees with social insurance under local laws in the locations where we operate. In mainland China, for example, the Company and our subsidiaries purchase five insurances. In addition to the statutory benefits, we also provide employees with several benefits above the statutory requirements.



CAREER DEVELOPMENT

Combine Will has always been concerned about the career development of employees. We provide a variety of value realization channels for employees, spare no effort to provide adequate and equal training and promotion opportunities, help them grow and realize their own value, and realize the common growth of both employees and the company.

TALENT CULTIVATION

The management skills training program for primary leaders and line leaders to continuously strengthen and improve their management knowledge and skills of primary leaders and line leaders. Let them use the knowledge and skills learned in training to apply to the daily management practice, constantly improve the experience of employees and reduce the turnover rate.

EMPLOYEE TRAINING SYSTEM

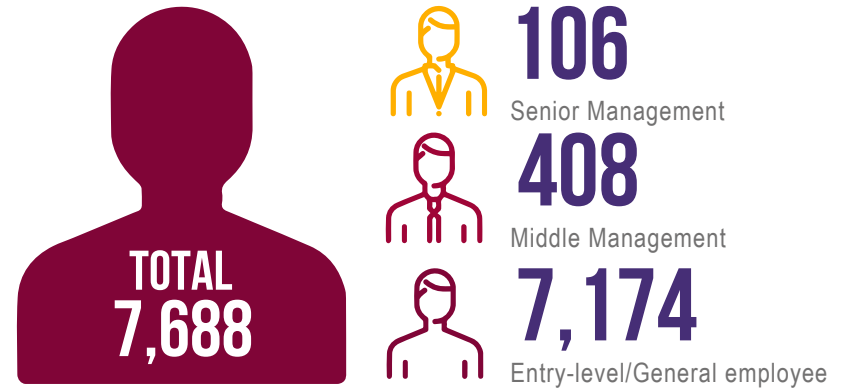
We have established a training system to meet the requirements of new employee orientation, on-job training and transfer, and provide the employees with a series of key training courses regarding corporate culture, EHS knowledge, business ethics, information security, human rights and diversity training. In 2022, we invested financial resources and manpower to provide employees training programs, attracting 100% employee and offering 115,070 hours of training in total, generating an average employee training length of 26.3 hours.



Total training hours by employee category



Number of employees having received regular performance and career development review



Specialized training employee coverage

Specialized Training	% of employee
Protection of human rights and diversity	100%
Anti-corruption training	100%
EHS training	100%
Quality control	100%
EMS Training	100%
Information security	100%

MANAGEMENT SKILLS ENHANCING

Combine Will attach importance to the concept of talent development, which will be specifically implemented in the training of employees at different levels, including the cultivation of strategic thinking ability of senior management, the improvement of communication and execution ability of middle management, the optimization and updating of management skills at the first-line management, and the training of multi-position skills at the general employees. In 2022, deepen the corporate culture concept of the company through the sharing of the Group strategy seminar, and promote the consensus of senior managers on the company's new strategic direction and the essence of the new cultural concept.

At the same time, for middle managers, in the face of the company's new products, new technology, and other business challenges, the company launched the innovation course of communication and executive ability improvement, to guide the daily work to actual project improvement, efficiency improvement, and other practical actions, but also to undertake the company's strategy, so that the strategy through plans, projects, innovation, and other measures smoothly implemented.

In terms of first-line management and employees training, we pay more attention to strengthening training in practical operations. In terms of safety, quality, and efficiency, we improve the awareness of safety protection and the ability of total quality management. Objective decomposition, process optimization, efficiency improvement, cost saving, cross-departmental communication, issue-solving ability, Conflict resilience, and other comprehensive improvements to create a learning-oriented enterprise atmosphere, stimulate the strong power of the enterprise.

- ◆ To senior management for three issues of the "Four in One" one-on-one coaching services;
- ◆ For middle management "Efficient Communication and Execution" of training workshops;
- ◆ For first-line managers to introduce "Four Scenes" combat simulation training;
- ◆ For entry level/general employees online about communication, collaboration, and security training regularly.

Through these efforts, the Combine Will once again be awarded the Smart Learning Enterprise Award in 2022 by a panel of Hong Kong higher education academics and representatives of the Hong Kong Council of Industry Accreditation.



EMPOWERING EMPLOYEE GROWTH VIA MULTIPLE CHANNELS

Combine Will understand that talent is the primary productive force and has always been committed to building a talented team. In 2022, we introduced a variety of talents from the management level to the technical engineers to the first-line employees, conducted a comprehensive talent analysis based on the management skills and technical capabilities of different talents in different positions in different factories and departments, and implemented targeted training and talent development projects from the height of the company's talent strategy. In order to build a competitive position, support the sustainable development of the company's talent echelon and continue to invest time and resources to further improve the company's efficiency, industry competitiveness and sustainable development ability.

"Hongyan(鸿雁) Plan" college intern exchange program

In the face of changing market environment and industry rules, the company takes customer service as the center and constantly provides innovative solutions for customers. In 2022, we decided to go out and establish technical exchanges with external scientific research institutions or universities. Through continuous efforts and combined with local actual resources, the company conducted in-depth communication and discussion with South China University of Technology in Guangzhou. Combined with the actual business needs faced by the enterprise, the ongoing scientific research projects of the school and the corresponding student resources, we jointly created the internship project "Hongyan (鸿雁) Plan" for students majoring in materials of South China Institute of Technology. Through in-depth exchange training and practice, the company continuously deepened the intention of further cooperation with the school. At the same time, the students also brought the latest technical ideas and innovative solutions to the company. The company provided the internship students with the analysis of career and industry development and personal career planning courses, and both sides gained a lot.

Multi-skill development

According to the needs of customers and the strategic development of the Company, Combine Will has introduced new products, processes and related automation equipment. Furthermore, the company faces great challenges in the introduction of new talents and the current talent renewal and training, while the cultivation of multi-skilled talents is the focus of our talent development strategy in 2022. In this context, we launched the "teacher and apprentice" skilled workers training program; Through the corresponding training mechanism, assessment scheme and incentive scheme, we continuously discover and cultivate technical talents in line with the job requirements from the existing employees, which greatly improves the work efficiency and at the same time finds more directions and possibilities for internal talent training.

LEADERSHIP TRAINING

Middle and high-level essence training session

Topic	Number of participants	Ranks involved	Training session
Effective communication and execution	80	Director (including deputy) or above in a management position Technical position engineer (including assistant) level or above	Lecture-1: The underlying structure of communication ability; Lecture-2: The ability to give information; Lecture-3: The ability to organize information; Lecture-4: The ability to obtain information; Lecture-5: Communication skills vary from person to person; Lecture-6: CARCS Execution Model; Lecture-7: Five dimensions affecting the implementation results; Lecture-8: Managers ensure the three core execution; Lecture-9: Effective Feedback; Lecture-10: Clear Planning; Lecture-11: Process tracking in place.
Strategy decoding and performance optimization	36	Director (including deputy) or above in a management position	Strategic decoding book club
First-line management training	80	First-line or team management leader	1. Lead an army into battle - the ability to lead a call 2. Tracking delivery - the ability to follow up 3. Continuous improvement - basic lean production capacity 4. Personal growth - strive to be ambitious 5. Do not do - safety and quality rules
"Four in One" training period 3	12	Manager (including deputy manager) and above	The "Four in One" one-to-one coaching program will continue to advance in 2022, from the previous goal of reaching consensus/strengthening capability/building culture/producing results to creating a scientific management platform for Combine Will Group's professional managers to deepening the integration and cohesion of management team members, to achieve team integration of the enterprise.

CARE OF EMPLOYEE

Combine Will will always be committed to enriching employees' spare time life by conducting various corporate cultural activities, opening non-work environment communication to promote a harmonious relationship between employees, and enhancing employees' sense of integration in the enterprise. Through a variety of activities, we can also find out colleagues who are good at sports, provide an opportunity and platform to show their talents, build employees' self-confidence, improve their image within the organization or department, influence and drive other colleagues who have the same hobbies, promote a harmonious working atmosphere, improve the cohesion and centripetal force of employees, and enhance their sense of belonging. We organize and carry out various forms of sports and sports activities to relax employees' working moods, improve their cohesion and centripetal force, provide a comfortable working environment and smart working platform, establish a family-style working environment, care for employees, and create a happy working atmosphere.



SPORTS ACTIVITIES

Combine Will attaches great importance to the physical health of employees. Holding fun sports or activities enables employees to fully exercise physically, improve team cohesion, and further embrace the warmth of the Company.

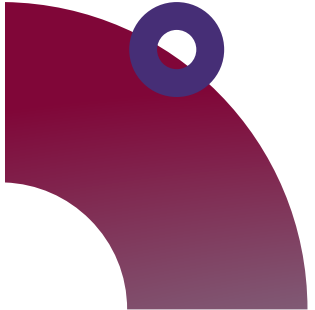


Badminton

The company arranges venues and hires professional coaches twice a week, that badminton fans can sweat in a professional and comfortable environment.

Square dance

The company encourages employees to organize square dancing in the company's empty land during breaks and holds square dancing competitions to provide enthusiasm.

HOLIDAY ACTIVITIES

Adhering to the idea of people first, all factories of Combine Will, including the Indonesia factory, carried out a variety of staff activities on important festival to enrich employees' life outside of work, and at the same time convey our care to employees. All kinds of special celebration activities are organized bases on festivals such as The Shangsi(上巳节) Festival in Guangxi , Women's Day, Tree-planting Day, Dragon Boat Festival, Mid-Autumn Festival and Holy Day Muhammad's Birthday to carry forward local customs and bring employees closer to each other. Amidst such festivity, the employees receive warm and affectionate festival wishes.



HAPPY SUMMER VACATION PROJECT-FRIENDLY FAMILY SPACE

To satisfy the company's employees during the summer vacation, they can have more parent-child interaction with their children, the Company continues to provide employees with happy summer vacation activities and educational support for their school-age children so that employees do not have to leave their jobs during the summer vacation, they can spend a good time with their children, parent-child relationship and work.



DEPARTMENTAL FELLOWSHIP ACTIVITIES

Various forms of activities organized by colleagues in the factory or department, such as inter-departmental dinners, outings, management team building, etc., aim to establish a good communication relationship and enhance a harmonious atmosphere through interaction after work.

DIVERSITY, EQUITY AND INCLUSION

Combine Will introduces the cultural concept of DE&I according to the needs of the company's reform and development, and gradually practice diversity, fairness, and integration within the group. In 2022, we first carried out detailed and vivid interpretation and publicity for DE&I, so that colleagues could contact and try to understand the preliminary concept of DE&I and help them to understand the dialectical relationship between diversity, fairness, and inclusiveness.

At the same time, the HR of the Group began to practice the DE&I concept in the daily work of the company. In terms of talent recruitment, training, talent development, compensation and welfare, employee relations, as well as corporate culture publicity, relevant systems, and procedures, we should carry out diverse identification and respect, including but not limited to cultural background, gender, age, nationality, disability, sexual orientation and religious belief, which is more reflected in the establishment of a harmonious and harmonious working environment and atmosphere.

Because we believe that the integration of new and old colleagues from different regions, different families, different educational backgrounds, and different religious beliefs in different positions and different departments are the guarantee of an enterprise's centredness and cohesion, but also the source of respect and understanding, and further stimulate innovation.

Diversity and inclusion are about more than gender. It's about building a workforce that reflects society and fostering a culture that gives our members the freedom to be themselves. It is about providing equal

opportunities in the different countries and cultures in which we live and work. We are committed to providing equal opportunity in every field. Our business is accessible to everyone, regardless of personal characteristics, including but not limited to gender, race, national origin, age, disability, sexual orientation, and religion.



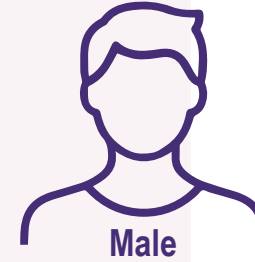
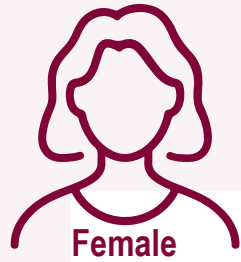
GENDER BALANCE

Female employees make up more than half of the human resource structure. With the development of The Times, the number of female employees in the workplace is getting higher and higher, and they are distributed in different positions in different departments and engaged in the same or similar positions or duties with men. Outside the workplace, women also take on family responsibilities at special periods of time, such as childbearing, nursing and child-rearing.

In order to reflect fairness, the company should not only provide women with open positions, equal pay and treatment in equivalent jobs, but also provide women with convenient facilities such as breastfeeding and rest after returning to work. The purpose is to let male and female employees enjoy the same convenience in work, so as to strengthen mutual respect and fair competition between employees in daily work, so as to further stimulate cohesion in work because of the high degree of gender integration, and promote the continuous development of the enterprise.

The board independence and diversity, which is the same as that of the 2022 Annual Report issued by Combine Will International Holdings Limited.





56%	Personnel Proportion	44%
30%	Proportion of middle managers	70%
25%	Proportion of senior managers	75%
65% / 18 HOURS	Proportion of training hours Average training hours per employee	35% / 11 HOURS
100%	Proportion of salary to standard	100%
1	Board of Directors	5

AGE DIVERSITY

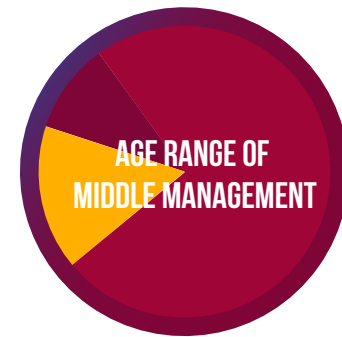
Combine Will always strive to create a diverse working environment, promote different nationalities, nationalities, regions, genders, ages, and other groups to integrate into the working environment of the company, and bring diversified solutions to the company from different perspectives and work experiences. In addition to the introduction of fresh graduates and young people in society, we also carry out positive incentives for long-term employees in the company. We take training, coaching, performance incentive, and other ways to stimulate employees of all ages. At the same time, innovation skills competition should be carried out to unlock more innovation factors from the aspect of thinking change. In addition, the employees who have worked for five years, once every five years will be rewarded to encourage them to serve and develop in the company for a long time, drive the new employees to learn from their long-serving colleagues, promote the integration of new and old employees, learn from each other, and grow and progress together.



- ◆ Under 30 years old 0%
- ◆ 30-50 years old 0%
- ◆ Over 50 years old 100%



- ◆ Under 30 years old 3%
- ◆ 30-50 years old 75%
- ◆ Over 50 years old 22%



- ◆ Under 30 years old 16%
- ◆ 30-50 years old 74%
- ◆ Over 50 years old 10%

INCLUSION

Combine Will is a multinational group with employees of different nationalities, even in the same country, such as China, all from different ethnic groups. There are differences in language, culture, religion, diet and living habits. How to make employees feel that their national characteristics are welcomed and respected at Combine Will within the good atmosphere that we will strive to create.

Proportion of employees with major nationality in the Group



Freedom of religion ³	
Islam	96.99%
Buddha	0.06%
Hindu	0.11%
Catholic	1.35%
Protestant	1.49%

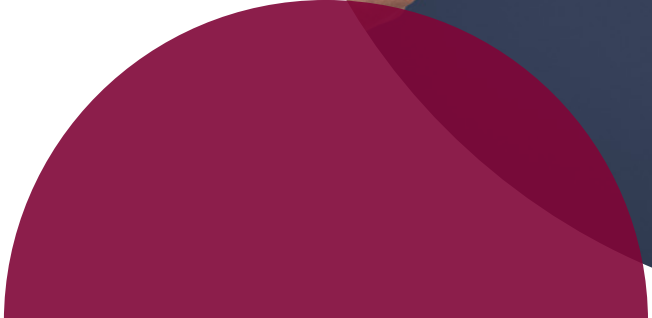
3-Note: There is no obvious religious affiliation among employees in mainland China, and this data is mainly CWII Indonesia.



INCLUSIVENESS FOR THE SOCIALLY DISADVANTAGED

Combine Will always practice the concept of DE&I culture, embodies the corporate social responsibility in caring for the disadvantaged groups within the enterprise, paying attention to the disadvantaged groups in society, and providing equal employment opportunities and a fair employment environment. Constantly increase the employment positions for the disabled, improve the relevant job training, and according to the characteristics of specific disabilities, Evaluate and arrange suitable jobs, pay attention to their living convenience, and increase the corresponding facilities and equipment, to make their work and life more convenient. To further create a harmonious working environment of the enterprise, enhance the self-confidence and subjective initiative of disabled colleagues, fully and actively integrate into the enterprise working environment, further integrate into the society, and give full play to their light and heat.

Proportion of Disabled Employees	A disabled part or function:
1%	<ul style="list-style-type: none"> ◆ Limb disorders ◆ Intellectual disability ◆ Visual impairment ◆ Auditory disorder ◆ Speech disorders ◆ Multiple class disorder



GO AHEAD- 2023 OR BEYOND

	Timeline	Goals
Improvement of labor relations	2023	<ul style="list-style-type: none"> ◆ To maintain the turnover of the employees lower than 10%. ◆ To enhance engagement assessment and communication. ◆ To reinforce corporate culture. ◆ To improve the workflow and workplace.
Occupational Injury	2023	<ul style="list-style-type: none"> ◆ To continue keeping the rate of recordable work-related injuries (per 1,000,000 manhours). ◆ Zero work-related fatalities. ◆ Zero confirmed cases of occupational diseases. ◆ To continue the awareness activities related to occupational health.
Communication Improvement	2023	<ul style="list-style-type: none"> ◆ Strive to establish sincere and transparent communication with employees. ◆ To establish diverse labor and management communication channels.
Career and Training	2023	<ul style="list-style-type: none"> ◆ To consistently improve employee capability through training. ◆ To support innovation through the coordination of the work improvement team. ◆ To enhance internal training capabilities.
Diversity, Equity and Inclusion	2023	<ul style="list-style-type: none"> ◆ To continue communicating the Group's zero tolerance for discrimination in the supply chain. ◆ To maintain non-discrimination in employment practices. ◆ To continue promoting diversity and equal opportunity in employment practices.

7 CARE FOR ENVIRONMENT AND GREEN PRODUCT

INTRODUCTION

Climate change is one of the most pressing issues of our time, affecting the world. Natural disasters, environmental degradation, and extreme weather events impact our production and daily lives. Therefore, reducing carbon emissions and adapting to climate change have become important tasks for us.

It is the responsibility of every company to protect the environment and our common home. Environmental pollution and climate change will bring challenges to the entire ecosystem and society in various aspects. We are determined to do our part to protect the environment and achieve global climate change goals through our actions. We will make efforts in various areas, such as environmental compliance, reducing carbon emissions, improving the application of green materials, and reducing pollutant emissions.



APPROACH

Greenhouse Gas Emission

Timeline	Goals	Progress	Approach
2022	To continuously track GHG emissions. To reduce GHG emission intensity and achieve carbon neutrality in 2050.	Ongoing Progress	Carbon emissions intensity in 2022 is down 15% from 2021.

Energy Management

Timeline	Goals	Progress	Approach
2022	To provide coverage of energy-saving equipment To continuously reduce energy consumption. To improve the energy management system.	Ongoing Progress	4% reduction in energy consumption intensity in 2022 compared to 2021

Waste Management

Timeline	Goals	Progress	Approach
2022	To achieve zero landfills in the long term. To continue to reduce the amount of waste produced. To continue efforts to reduce water use and improve water management.	Ongoing Progress	Zero solid waste to landfill by 2022

Water Management

Timeline	Goals	Progress	Approach
2022	To continue efforts to reduce water use and improve water management.	Ongoing Progress	11% reduction in water intensity in 2022 compared to 2021

Green Product

Timeline	Goals	Progress	Approach
2022	To continue increase proportion of green products. To achieve 100% green product in 2050.	Ongoing Progress	Proportion increased from 16.8% in 2021 to 27% in 2022.

MANAGEMENT SYSTEM DEVELOPMENT

The company has implemented well-designed EHS (Environmental, Health, and Safety) management procedures and obtained certification for the ISO 14001 Environmental Management System. Additionally, we have developed EHS management procedure documents, such as the control procedure for identifying and assessing environmental factors, the control procedure for complying with laws, regulations, and other requirements, and the control procedure for objective indicators and management plans. These procedures ensure standardized EHS management and environmentally compliant operations of the company and improve its overall environmental performance.

In the future, the company will continue to promote the standardization of environmental management and the ISO 14001 system within the company. We will establish ISO 50001 Energy Management System to improve our environmental management capability, which with significant contribution to carbon/energy management.

STRATEGY

The company has established a Sustainable Business Committee that regularly reviews the group's strategy to manage sustainable development on a monthly basis. The committee identifies risks and opportunities related to climate action and considers our response.



RISK

Risk	Type	Potential Risks	Response
Policies / Regulations	Short-term to long-term	<ul style="list-style-type: none"> Increased costs due to more stringent laws and regulations related to greenhouse gas emissions and energy use. Risk of loss of business value in case of violation of similar laws and regulations. 	<ul style="list-style-type: none"> Continuous reduction of greenhouse gas emissions. Strict compliance with laws and regulations through EMS.
Market	Medium to long-term	<ul style="list-style-type: none"> As global carbon neutrality develops, energy use shares adjust, and electricity prices rise. 	<ul style="list-style-type: none"> Optimize workflow and improve electrical equipment efficiency through WIT workgroups.
Technology	Medium to long-term	<ul style="list-style-type: none"> If our products lag in the development process (energy saving, carbon services, etc.) and cannot meet market needs, we may miss business opportunities 	<ul style="list-style-type: none"> Promote innovation and develop products that meet customer requirements.
Natural Disasters	Short-term to long-term	<ul style="list-style-type: none"> When operations, including the supply chain, are halted due to increasingly severe and unusual weather events, there can be operational delays, increased operating costs, supply chain disruptions, shipment delays, and reputational damage, among a host of other reasons that affect operations and, consequently, our business. 	<ul style="list-style-type: none"> Measures such as strengthening BCP measures and conducting surveys of suppliers' business continuity systems.

OPPORTUNITY

Opportunity	Type	Potential Opportunities	Response
Market	Medium to long term	<ul style="list-style-type: none"> Increase sales through sustainable products by using sustainable materials in products. 	<ul style="list-style-type: none"> Replace traditional plastics by developing r-PET, and other sustainable materials. Cooperate with universities to master cutting-edge technology and develop sustainable materials suitable for products.
Reputation	Medium to long term	<ul style="list-style-type: none"> Gaining the trust of stakeholders and customers by achieving carbon neutrality. 	<ul style="list-style-type: none"> Develop and advance our medium to long-term environmental vision and environmental action plan.

GREENHOUSE GAS EMISSIONS

Combine Will recognizes the importance of reducing greenhouse gas (GHG) emissions to address climate-related risks. In 2021, we conducted carbon organization analysis in some of our plants, and starting in the same year, all the Group's subordinate operating units carried out carbon inventories of their operational boundaries as a crucial part of our climate action.

Since 2021, the Group has established a systematic carbon footprint tracking and reporting mechanism and designed tools to monitor direct and indirect CO2 emissions from all the Group's subordinate factories. Carbon verification of in-house activities will be conducted based on technical standards such as ISO 14064, Greenhouse Gas Protocol (GHG Protocol), and Intergovernmental Panel on Climate Change (IPCC). The Group aims to seek opportunities to reduce carbon emissions from data analysis and provide basic data to support the continuous reduction of emissions until achieving carbon neutrality targets.

In 2022, to monitor the carbon footprint of our operations, complete our GHG inventory, and start planning our carbon neutrality strategy and reduction targets to address concerns from investors, customers, and other stakeholders regarding greenhouse gas emissions. To better identify the carbon footprint of our operations, relevant colleagues of the Group attended CCAA-accredited training on "ISO 14064:2018 Greenhouse Gas Internal Verifier" in 2022.

Greenhouse gas emissions

	2022 metric tons of carbon dioxide equivalent (mT CO ₂ -e)	2021 metric tons of carbon dioxide equivalent (mT CO ₂ -e)
Direct Emission (Scope 1)	743.38	946.55
Energy Indirect Emission (Scope 2)	28,743.08	32,816.20
Total	29,486.46	33,762.75

Carbon emission intensity

2022 metric tons of carbon dioxide equivalent / metric tons of products (mT CO ₂ -e / mT product)	2021 metric tons of carbon dioxide equivalent / metric tons of products (mT CO ₂ -e / mT product) ⁴
1.61	1.90

4-Note: The calculated value for 2021 is incorrect due to an error in the carbon emission intensity calculation method, which has been corrected.

GREEN OPERATION



Green development is one of Combine Will's strategic directions, and we are constantly improving our environmental management capabilities to promote pollution reduction and continuous improvement of comprehensive environmental performance through a systematic management system. Currently, GXCW, HYLRL, and CWII plants have all obtained ISO 14001 environmental management system certification, and DGLR and DGBL are also operating under the Group's environmental management systems structure. The core mechanisms of the Group's environmental management system include, but are not limited to: target and performance monitoring, compliance, environmental impact analysis, pollution prevention and control, water management, energy management, construction project management, emergency response, and other management measures.

In terms of production pollution control, we have established pollutant control procedures and mechanisms to ensure that production emissions such as gas and dust meet the requirements of emission standards. We carry out regular maintenance to ensure the effective operation of

pollutant control facilities, and commission regular third-party testing of pollutant emissions. There were no pollution accidents in the whole year of 2022, and all test results showed 100% compliance with pollutant emission control requirements.

Regarding the green development of products, we are gradually increasing the proportion of green raw materials with the support of our core customers. For example, we are using Green PE⁵, produced from sugar cane as a raw material, to replace some traditional petroleum-based ABS plastics. We are also using Forest Stewardship Council (FSC) certified paper to manufacture products and working to reduce the carbon footprint and environmental impact of product life cycles. The percentage of green materials will increase year by year in the future. Additionally, we are replacing organic solvent paints with water-based paints where applicable to improve product safety and quality while reducing volatile organic gas (VOC) emissions and hazardous waste generation.

5-Note: Polyethylene material produced from sugar cane as a raw material.

ENERGY MANAGEMENT

As can be seen from the data distribution, the vast majority of energy consumption in the Group's operations come from the use of electrical energy by machinery and equipment in the production process. We continue to promote energy efficiency through a company-wide energy monitoring and reporting mechanism. In our operations, we are committed to continuously improving the energy efficiency of our equipment through equipment replacement and upgrades, as well as continuously reducing the intensity of energy consumption through the application of new technologies. In addition, the Group has also started to gradually reduce the energy consumption level of its operations through various energy management mechanisms.

Compared to 2021, the total energy consumption decreased by 2% and the intensity decreased by 4% in 2022.

Summary of energy consumption

Types of energy	Consumption item	Fuel type	Total consumption in 2022 (kWh)	Total consumption in 2021 (kWh)
non-renewable	Electricity	Electricity	40,293,367	40,953,321
non-renewable	Fuel	Diesel	1,000,653	1,108,442
non-renewable	Fuel	Gasoline	339,200	355,377 ⁶
non-renewable	Fuel	LPG	45,983	38,125 ⁷
Total			41,679,203	42,455,264
Energy consumption intensity (kWh/ton)			2,280	2,386

6&7-Note: Due to an error in unit conversion when CWII counted LPG consumption in 2021, the LPG consumption statistics and total amount were wrong, which has been corrected.

The main energy-saving and low-carbon projects promoted by various links of operation:

Energy saving type	Description
Operation Control	Load/unload Exim Lifter (change of forklift to lifter)
Replacement	Replaces the traditional lamp. Servo frequency conversion injection molding machine instead of the original variable pump injection molding machine.
Retrofitting	Variable displacement pump injection molding machine-heat gun barrel upgrading and transformation (use micron energy-saving heating ring to replace traditional heating ring).
Electricity System	GXCW and HYLR install "intelligent system economizers" in departments with large power consumption.

WASTE MANAGEMENT

Solid waste is viewed as a potential material to start a new production cycle and can be improved through continuous efforts to enhance waste management across the value chain. Under the guidance of the Group's environmental management system, we have implemented a waste management control process that includes waste separation, recycling, disposal, and tracking to ensure proper disposal of all waste generated during the production process. We comply with environmental laws and regulations, and during the year under review, no significant spills or discharges to land or water bodies occurred.

In general, there are three main types of waste generated at the Group's business sites: domestic waste, general solid waste, and hazardous waste. Domestic waste is sent to temporary storage sites and entrusted to qualified units approved by local government for collection, removal, and disposal. General solid waste that can be recycled or reused is sent to the corresponding warehouses for collection and disposal by licensed recyclers. Hazardous waste is stored in standard hazardous waste warehouses and is regularly collected and disposed of by qualified hazardous waste disposal units. We declare hazardous waste in the system to ensure that the generated waste is properly disposed of and strictly tracked and monitored.

Hazardous waste generation (by disposal)

Total weight of hazardous waste	2022 (tonnes)	2021 (tonnes)
Incineration	123.03	137.55
Reuse	0.00	0.33
Recovery	0.27	0.56
Landfill	0.00	0
Recycling	0.00	0
Others	1.01	1.80
Total	124.31	140.24

100% compliant disposal of hazardous waste and zero landfill of general production waste are the goals we have been striving to achieve. In the future, we will continue to control the disposal of all waste and gradually reduce waste generation.



WATER MANAGEMENT

Given global water scarcity and the millions of people living in areas with limited access to safe drinking water, it's crucial that we consider water usage in our sustainable development efforts.

While most of our plants aren't located in high-pressure or ultra-high-pressure water stress areas defined by the World Resource Institute (WRI), we understand the importance of responsible water management.

By 2022, 60% of Combine Will's plants will have ISO 14001 certification. All plants are also required to adhere to the Group's environmental management system, which is focused on improving water recycling and reducing domestic wastewater discharges.

None of Combine Will's sites or operations have been penalized for violating local water policies.

BWS (Baseline Water Stress)

LOW (<10%)

Dongguan City, Guangdong Province, China

LOW (<10%)

Heyuan City, Guangdong Province, China

LOW (<10%)

Wuzhou City, Guangxi Zhuang Autonomous Region, China

HIGH (40-80%)

Sragen, Central Java, Indonesia

Water and Wastewater Discharge Statistics (tonnes)

	2022	2021
Water consumption	393,822.00	388,715.00
Sanitary wastewater	354,439.80	349,844.00
Industrial wastewater	0	0
Water intensity (m ³ /tonnes)	21.54	21.85



GO AHEAD-2023 OR BEYOND

	Timeline	Goals
GHG Emission	Short-term goals (By 2026)	15% reduction in carbon emissions intensity based on base year
	Medium-term goals (by 2035)	53% reduction in carbon emissions intensity based on base year
	Long-term goals (by 2050)	Based on achieving carbon neutrality
Energy management	Short-term goals (1~2 years, ending 2024)	10% reduction in energy intensity based on base year
	Medium-term goals (2~10 years, ending 2032)	35% reduction in energy intensity based on base year
	Long-term goals (11~30 years, ending in 2050)	50% reduction in energy intensity based on base year
Waste	Short-term goals (1~2 years, ending 2024)	Zero solid waste to landfill
	Medium-term goals (2~10 years, ending 2032)	Zero solid waste to landfill
	Long-term goals (11~30 years, ending in 2050)	Zero solid waste to landfill
Water Resources	Short-term goals (1~2 years, ending 2024)	10% reduction in water intensity based on base year
	Medium-term goals (2~10 years, ending 2030)	20% reduction in water intensity based on base year
	Long-term goals (11~30 years, ending in 2050)	30% reduction in water intensity based on base year
Green Product	Short-term goals (1~2 years, ending 2024)	Percentage of green products achieve 40%
	Medium-term goals (2~10 years, ending 2030)	Percentage of green products achieve 70%
	Long-term goals (11~30 years, ending in 2050)	Percentage of green products achieve 100%

TRUSTWORTHY BUSINESS ETHICS AND OPERATION



INTRODUCTION

Combine Will has always upheld the spirit of craftsmanship during its steady development over the past 30 years. By continuously improving the corporate governance and operating capacity, we are committed to growing into an outstanding enterprise bringing about well-being for society and creating value with integrity, standardized operation, and quality.



ANTI-CORRUPTION

Honesty, integrity, and fairness are at the core of building mutual trust with stakeholders. We have zero-tolerance for bribery or corruption in any form in order to boost business development. We have established a set of widely applicable policies and procedures to maintain our business standards and ensure compliance with local laws and regulations.

The Business Ethic Management Guidance released by the Group has listed the codes of conduct for directors and employees, including bribery and corruption prevention and avoiding conflicts of interest or unauthorized disclosure. We have implemented a series of internal control measures in our business. The Business Ethic Management Work Team of the Group has taken the responsibility of managing matters related to business ethics. We are committed to upholding our ethical standards and ensuring compliance with the law in all our business activities. We strive to create a culture of integrity and transparency, and we are continuously developing and improving our internal control measures to ensure that our business operations are conducted in an ethical and responsible manner.

APPROACH

Goals for 2022 & Approach

Zero cases against the Group's zero tolerance towards corruption among its employees.

CONFLICT OF INTEREST

The Company is committed to upholding the highest standards of integrity and ethical conduct in all aspects of its business. As such, we strictly prohibit any form of conflict of interest among our employees. This includes soliciting or accepting any benefit, whether directly or indirectly, from customers, suppliers, or other parties with whom the Company has business connections.

In the event of a potential or confirmed conflict of interest, it is the responsibility of the employee offered or receiving gifts from the aforementioned parties to notify the management immediately through a formal reporting form. This ensures that any potential conflicts of interest are promptly identified and addressed in a transparent and ethical manner.

We believe that this policy not only reinforces our commitment to ethical conduct but also promotes a culture of transparency and accountability throughout the organization. It is essential that our employees remain vigilant and proactive in upholding this policy to safeguard the integrity and reputation of the Company.

ENGAGEMENT OF EMPLOYEES AND PARTNERS

We prioritize the engagement of our employees and partners in upholding ethical practices in all aspects of our operations. Our policies prohibit any solicitation or acceptance of benefits from customers, suppliers, or other parties with business connections with the Company, either directly or indirectly. We recognize that such conflicts of interest can arise, and we urge our employees to report any potential or confirmed cases to the management in a timely manner, using our standardized reporting form.

We also hold our suppliers to the same high ethical standards. We require our major suppliers to sign Business Ethic Commitment Letter, which outlines our expectations for fair and ethical practices throughout the supply chain. In addition, we communicate our anti-corruption policies to all our business partners and suppliers, as we believe that building strong relationships based on mutual respect and integrity is essential to the success of our business.

At our company, we are committed to maintaining a culture of transparency and accountability, and we believe that our policies and practices help us to achieve this goal. We will continue to review and update our policies and procedures to ensure that we remain aligned with the highest standards of ethical conduct in all our operations.



WHISTLEBLOWING

We take a strong stance against any form of misconduct or illegal activity within our organization. To this end, we have established a robust internal whistleblowing procedure and relevant channels that enable employees, suppliers, or business partners to report any suspected misconduct to the Group. We believe that this is critical to maintaining a transparent and accountable business environment.

As part of our commitment to ethical business practices, we prohibit our employees from offering any benefits in the form of bribery or similar forms of corruption. We actively encourage our employees to reject or report any gifts from individuals or organizations that may compromise their integrity or the integrity of our organization.

We recognize that corruption-related risks are a significant concern for businesses operating in today's global marketplace. For this reason, we have incorporated corruption-related risks into our overall risk management system, and we continuously monitor and evaluate these risks to ensure that we are taking appropriate measures to manage them

effectively. We are pleased to report that no corruption risks have been identified in relation to our factory operations or suppliers in China and Indonesia in our most recent annual report for 2022. Furthermore, we have not received any reports, proceedings, claims, or instances of noncompliance related to bribery, blackmail, fraud, or money laundering involving our organization or our employees.

We remain committed to upholding the highest standards of ethics and integrity in all aspects of our business operations, and we will continue to take all necessary measures to prevent and detect any form of misconduct or illegal activity within our organization.

During the reporting period, we received zero internal complaint cases. During the reporting period, we were aware of no legal proceedings relating to commercial bribery against the company or our employees.

GO AHEAD- 2023 OR BEYOND

Timeline	Goals
2023	<ul style="list-style-type: none"> Continuously improve business ethics standards and unblock whistleblowing channels. Conduct regular business ethics training to build a culture of honest management. 100% signing rate of employee integrity commitment.



RESPONDING TO CUSTOMER PRIVACY

INSTRUCTION

Advanced technology has brought consumers closer together, enabling them to share more information on the internet. However, this also increases the risk of data leakage. As a trusted and reliable ODM/OEM partner, ensuring good data and privacy protection is crucial in maintaining a close relationship with customers. Throughout the entire production cycle, we collect, use, and process sensitive information such as design drawings, samples, engineering & quality control files, etc., which falls within the scope of customer privacy.

We are committed to protecting and processing data and privacy with appropriate means in line with the highest standards and customers' requirements while complying with applicable laws and regulations. We have not received any complaints about customer privacy invasion or data loss or leakage in the reporting year.

We closely monitor and update our security strategy to synchronize and strengthen control through policies and procedures, physical and systematic control to protect customer data and privacy. In the Governance section, we will introduce our main measures in detail, including:

Physical Access Control & CCTV Monitoring

- ◆ Samples Inbound & Outbound Records
- ◆ Confidentiality Agreements Signature
- ◆ Intellectual Property Protection Management
- ◆ Annual IT Audit and Risk Evaluation and IT Security Policy Review

Regular Equipment Password Update

APPROACH

Goals for 2022

Upgraded CCTV system & firewalls, installed antivirus system.

Per customer requirement, regularly destroyed/deleted customer product information in accordance with national standard technical standards.

Updated Business Continuity Plan (BCP) and tested it by recovering from latest backup data of ERP database, Email & File sharing driver for 3 sites.

Approach

Upgraded CCTV system & firewalls, installed antivirus system.

Per customer requirement, regularly destroyed/deleted customer product information in accordance with national standard technical standards.

Updated Business Continuity Plan (BCP) and tested it by recovering from latest backup data of ERP database, Email & File sharing driver for 3 sites.



INFORMATION SAFETY MANAGEMENT

Physical Access Control & CCTV Monitoring	• Installed access control and CCTV in a high-risk area to protect samples, design drawings, samples, engineering & quality control files, etc. Registration is required for every visit.
Samples Inbound & Outbound Records	• Samples inbound & outbound are recorded and kept carefully for the half year to avoid sample loss and leakage.
Confidentiality Agreements Signature	• Sign confidentiality agreements with customers & employees to clarify the responsibility of preventing the disclosure of customer data.
Intellectual Property Protection Management	• Incorporated intellectual property protection management system into CSR management system • Suppliers are also required to apply intellectual property protection policies just as indicated in the CSR Guidance released by the Group.
Annual IT Audit & Risk Evaluation	• Audit & risk evaluation is conducted annually, improvement plans are developed accordingly. To prevent hackers or virus, we upgraded the firewall, network, and PC virus-killing software this reporting year.
Regular Equipment Password Update	• Laptop and desktop passwords must be updated regularly to strengthen the security of the data stored in them.

RISK MANAGEMENT

Through regular risk assessments, the group maintains an up-to-date and comprehensive list of risks, as well as corresponding countermeasures and optimization plans. Among these risks, the following three are related to customer data and privacy. Additionally, we have developed improvement plans for 2023 to address these risks.



STRATEGY

In consideration of both short-term and long-term goals, we have developed our IT digitalization strategy and a 5-year plan to support the protection of customer data and privacy. Our strategy focuses on the following initiatives:

Policy & Procedure

To prevent data leakage and the disclosure of internal information by employees, we have implemented related policies and procedures that are continuously updated, standardized, and optimized through regular reviews and audits.

IT Infrastructure

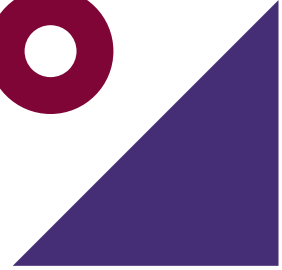
We maintain up-to-date IT equipment to defend against the latest hacker and virus attacks, enhance the protection of data, and reduce the risk of data loss.

Digitalization of Business Processes

We utilize digital technology and platforms to digitize our business operations, enabling us to control access rights to data and trace all system operations and data.

GO AHEAD-2023 OR BEYOND

Timeline	Goals
2023	<p>To use digital technology/platforms to improve business operational processes and protect data, meanwhile, to enhance data accuracy and work efficiency.</p> <hr/> <p>To install/upgrade IT equipment to enhance the protection of customer data & privacy.</p> <hr/> <p>To improve risks management in the following aspects:</p> <ul style="list-style-type: none"> ◆ To close unnecessary ports of the operating system, especially the Windows RDP port. ◆ To adopt an SSL certificate to ensure the confidentiality and integrity of e-mail transmission and ensure the authenticity of the identities of all parties in the e-mail communication. ◆ To enhance spam filtering, and virus scanning systems by upgrading the email server and regularly updating anti-virus software to the mail system.



RESPONDING TO PRODUCT SAFETY

INSTRUCTION

Quality management is the cornerstone for corporate to build a sustainable business by focusing on customer safety, product quality satisfaction, and environmental concern post-consumer use. As a leading ODM/OEM manufacturer, Combine Will not only focuses on traditional manufacturing excellence, but also specializes in R&D, sustainable materials development, new product development, automated production, and innovative culture. We adhere to the customer safety-first mission by implementing an effective quality management system and providing customers with safe and high-quality products. We adhere to the quality management policy of "Zero Safety Incident", Risk Management, and TQM philosophy. We promote knowledge management and a "Train the Trainer" learning culture to develop, extend and maintain corporate know-how.

QUALITY MANAGEMENT SYSTEM

Combine Will's Quality Management System is maintained by our Quality Management Team, which is composed of Group Quality Leaders, Industry Experts, and Factory Quality Managers. We have regular Quality Management Team Meetings for promoting risk management, knowledge sharing, best practices establishment, and striving for continuous improvement.

Our company acquires international certifications including ISO 9001, ISO/IEC 17025, Global Recycle Standard (GRS), International Sustainability & Carbon Certification (ISCC) and Forest Stewardship Council (FSC). All the material we are using complies with Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) Regulation and Restriction of Hazardous Substances (RoHS) Directive.

In sync with the organization's purpose and strategic direction, we develop and implement the best-in-class operating procedures and working instructions according to the requirements of the international quality management system and customer demands.

APPROACH

2022 Goals

2022 Approach

Strengthen the quality management system and continuously improve product quality.

Improve ability to manage risks management.

Provide quality management capability building for employees.

Quality management capability training for employees 100%.

Achieve zero safety incident

Zero safety incidence

PRODUCT QUALITY RISK MANAGEMENT

Risk Management is the fundamental principle for safeguarding our product quality. By mapping out the manufacturing processes and identifying their relevant risks, we set appropriate controls throughout the whole operation process from new product development to final product delivery.

Zero Safety Incident Program is the system for targeting product safety. It includes a dedicated organization structure, policy, objectives, training arrangement, testing methods, control plans, and documentation for managing the identified risk relating to product quality. By executing the program and continuously inventing new techniques, processes, and equipment, zero safety incidents shall be achieved.

INTERNAL TALENT BUILDING AND CONNECTION

We understand that the capability improvement of internal operations staff and suppliers are the backbone of quality management, and providing all-round management training to employees and suppliers is essential. In the meantime, we promote the 3-pillars concept between "Client-Company-Suppliers" to align quality direction and execution to meet end-customers expectations.

To improve the quality awareness of all employees, the company has offered various internal and external training delivered by experts in all relevant aspects.

Furthermore, Combine Will Quality team members also be participating in the client's Safety Community team and are nominated as Local Leadership Board Members. Thru active collaboration with Quality Professionals of the Global Quality & Safety Team to expand learning opportunities and grow the overall expertise of the community and embrace an open-door culture and be ready to challenge the status quo for a sustainable future.



GO AHEAD-2023 OR BEYOND

Qualitative and quantitative quality management objectives have been set for all the key processes of the organization. The objectives evaluate the process performance, effectiveness, compliance level and degree of quality, which are assigned to and linked with the performance indicators of dedicated responsible person.

Internal audit is one of the most effective means for evaluating process effectiveness and execution compliance. Unlike ordinary companies for carrying out traditional internal quality audit, we have also established Cross-sites Quality Audit Program for arranging our factories to audit each other. By our expertise in the relevant industries, we believe that through executing the cross-sites audit can further facilitate and promoted quality awareness, knowledge sharing and best practice establishment.

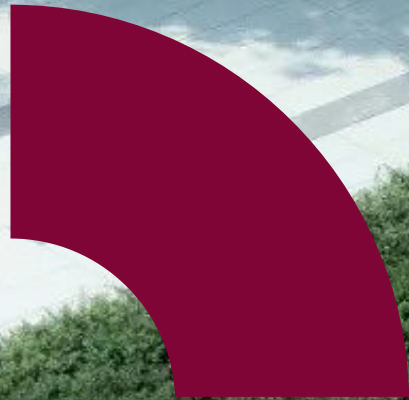
Timeline

Goals

2023

- ◆ Strengthen the quality management system and continuously improve product quality.
- ◆ Provide quality management capability building for suppliers and employees.
- ◆ Customer goods inspection qualified rate 100%
- ◆ Achieve "zero major quality incidents".





COMMUNITY INTEGRATION

INTRODUCTION

We have always supported the development of local communities, and worked hand in hand with many parties to achieve positive interaction between enterprises and the community. We continue to carry out various public welfare activities to support the sound development of local communities and bring warmth to many parties.

APPROACH

As we embark on our 30th anniversary year at Combine Will, we are proud to report that our corporate social responsibility ("CSR") efforts have reached a new level of maturity, generating positive change and impact in the communities where we operate. By leveraging our strengths and taking into account the needs of the local communities, we have provided financial, material, infrastructural, and psychological support for education, poverty alleviation, and the disadvantaged through outreach activities aimed at promoting the common good. Working hand in hand with our corporate customers and partners, we are continuously exploring new ways to support our beneficiaries, not just through short-term material and financial donations but also by providing sustainable development opportunities and prospects. In 2022, we conducted a series of community initiatives that benefitted more than 2,200 people, demonstrating our commitment to making a meaningful and lasting impact on the communities we serve.

ENHANCE VOLUNTEERING STRUCTURE

In 2022, Combine Will continued to build on its strong commitment to CSR by enhancing and strengthening our CSR program. One of the key steps we took was to bolster our volunteering structure, encouraging more employees from frontline staff to top management to engage in community initiatives. By doing so, we were able to tap into the diverse perspectives and professional capabilities of our team members, expanding the scope and impact of our community outreach efforts.

As a result of these efforts, we successfully implemented a total of 22 community initiatives, which went beyond just donations. Our selection of initiatives was based on comprehensive factors such as the characteristics of the community and the urgency of the beneficiaries.



2022 Community Activity

After considering various aspects such as attention and implementation capacity, Combine Will finally confirmed these four areas as the direction for the overall improvement of community volunteerism.



Caring for Children and Education



Focus on Environmental Protection



Helping the Disadvantaged



Community Development

CARE FOR THE DISADVANTAGED¹

Combine Will is committed to caring for disadvantaged communities and improving their rights. We aim to bridge the gap between these communities and the outside world by combining their human background with topics of high social concern. In the community where our organization is located, there have been incidents of domestic violence reported from time to time. An anonymous survey conducted by our factory in 2021 among its employees revealed that some of them or the women around them had experienced challenges related to domestic violence.

In response to this issue, we have collaborated with the Cangwu County Women's Federation to organize a series of anti-domestic violence training sessions. We have also deployed volunteer teams to reach out to villages and towns to promote awareness about domestic violence and to set up one-to-one support services to provide legal assistance and psychological counseling to women in need. As of November 2022, we have provided assistance services to 8 women who have endured domestic violence, and 2 women have been able to effectively resolve the conflicting relationships that led to domestic violence through the assistance of our volunteer team.

In Indonesia, while we promote business activities in the community, we also recognize the need to provide basic livelihood protection for disadvantaged individuals with low or unstable income. To this end, we have assisted 52 residents, including food stall owners from around the factory, car park attendants from village enterprises, and farmers, to join the BPJS⁸ social insurance scheme for work-related injuries and accidental deaths. We have also paid their premiums for the first three months.

8-Note: BPJS-Types of Insurance and Social Security (BPJS) in Indonesia.



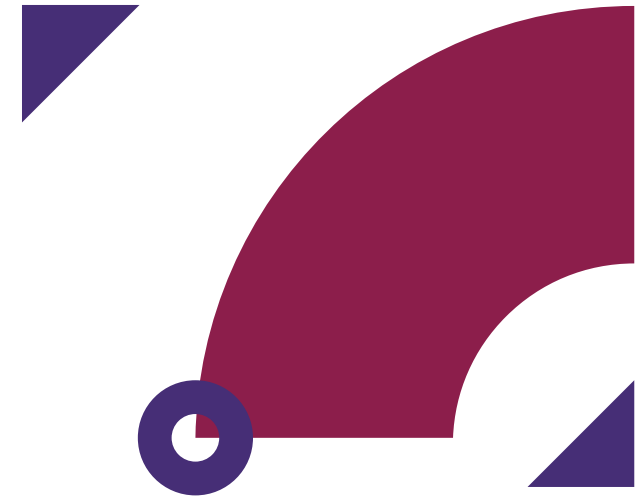
COMMUNITY INFRASTRUCTURE

Combine Will places a great emphasis on improving the living conditions of the people in the communities where we operate. One key area that we consider in our CSR program is community infrastructure. Indonesia has a strong religious culture, and we recognize the importance of supporting the local community's religious needs around our Indonesia factory.

In March 2022, we contributed to the renovation of the exterior walls of several prayer rooms in the Karangmalang area. Our contribution aimed

to improve the aesthetic appearance of these prayer rooms and create a more conducive environment for worship.

In November 2022, we donated another prayer house to the community police station to provide a more convenient place for daily prayers for both the police and residents. We believe that such contributions can help to strengthen the bond between the police and the community they serve, which can contribute to a more harmonious environment for all.



GO AHEAD- 2023 OR BEYOND

Timeline	Goals
2023	<ul style="list-style-type: none"> ◆ Maintain good communication with local communities where operations are conducted. ◆ Actively contribute to local community development and construction.



10 GRI-SGX CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
GRI 102: GENERAL DISCLOSURES 2016				
ORGANIZATIONAL PROFILE				
102-1	Name of the organization	-	4-5	
102-2	Activities, brands, products, and services	-	4-5	
102-3	Location of headquarters	-	6	
102-4	Location of operations	-	7	
102-5	Ownership and legal form	-	6-7	
102-6	Markets served	-	6-7	
102-7	Scale of the organization	-	6-7	
102-8	Information on employees and other workers	-	7	
102-9	Supply chain	-	7-8	
102-10	Significant changes to the organization and its supply chain	-	7-8	
102-11	Precautionary Principle or approach	-	7-8	
102-12	External initiatives	-	7-8	
102-13	Membership of associations	-	8	
STRATEGY				
102-14	Statement from senior decision-maker	LR711B-1e	4-5	
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	13-16	

Disclosure	Description	SGX	Page	Remarks
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	-	4,13,23	
102-17	Mechanisms for advice and concerns about ethics	-	66-69	
GOVERNANCE				
102-18	Governance structure	PN7.6-3.1	15	
102-19	Delegating authority	-	15	
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	19	
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3	19-20	
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	-	17-18	
102-41	Collective bargaining agreements	-	N/A	The Group has not entered into any collective bargaining agreements, but has established multiple channels for communication through which staffs can furnish feedback and suggestions
102-42	Identifying and selecting stakeholders	-	17-18	
102-43	Approach to stakeholder engagement	-	17-18	
102-44	Key topics and concerns raised	-	19-20	

Disclosure	Description	SGX	Page	Remarks
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	-	12	
102-46	Defining report content and topic boundaries	-	11	
102-47	List of material topics	-	21-23	
102-48	Restatements of information	-	12	
102-49	Changes in reporting	-	12	
102-50	Reporting period	-	11	
102-51	Date of most recent report	-	12	
102-52	Reporting cycle	-	11-12	
102-53	Contact point for questions regarding the report	-	12	
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	11	Reporting was done with reference GRI Standards
102-55	GRI content index	-	80-86	
102-56	External assurance	PN7.6-3.8	12	
MATERIAL TOPICS				
GRI 205 ANTI-CORRUPTION 2016				
103	Management approach disclosures	LR711B-1b&c	67	
205-1	Operations assessed for risks related to corruption	-	69-70	
205-2	Communication and training about anti-corruption policies and procedures	-	42	
205-3	Confirmed incidents of corruption and actions taken	-	69	

Disclosure	Description	SGX	Page	Remarks
GRI 302 ENERGY 2016				
103	Management approach disclosures	LR711B-1b&c	57	
302-1	Energy consumption within the organization	-	62	
302-3	Energy intensity	-	62	
302-4	Reduction of energy consumption	-	62	
GRI-303 WATER AND EFFLUENTS 2018				
303-1	Interactions with water as a shared resource	-	64	
303-2	Management of water discharge-related impacts	-	64	
303-4	Water discharge	-	64	
303-5	Water consumption	-	64	
GRI 305 EMISSIONS 2016				
103	Management approach disclosures	LR711B-1b&c	60	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	60	
GRI 306 WASTE 2020				
103	Management approach disclosures	LR711B-1b&c	63	
306-2	Waste by type and disposal method	-	63	
306-3	Significant spills	-	63	

Disclosure	Description	SGX	Page	Remarks
GRI 401 EMPLOYMENT 2016				
103	Management approach disclosures	LR711B-1b&c	25-26	
401-1	New employee hires and employee turnover	-	21	
401-2	Benefits provided to full-time employees	-	39-40	
401-3	Parental leave	-	21	
GRI 402 LABOR/MANAGEMENT RELATIONS 2016				
103	Management approach disclosures	LR711B-1b&c	25-26	
402-1	Minimum notice periods regarding operational	-	27-30	
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1	Occupational health and safety management system	-	33-34	
403-2	Hazard identification, risk assessment, and incident	-	35-38	
403-3	Occupational health services	-	33-38	
403-4	Worker participation, consultation, and communication on occupational health and safety	-	34	
403-5	Worker training on occupational health and safety	-	37	
403-6	Promotion of worker health	-	35-36	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	38	
403-8	Workers covered by an occupational health and safety management system	-	33,37	
403-9	Work-related injuries	-	38	
403-10	Work-related ill health	-	38	

Disclosure	Description	SGX	Page	Remarks
GRI 404 TRAINING AND EDUCATION 2016				
103	Management approach disclosures	LR711B-1b&c	26	
404-1	Average hours of training per year per employee	-	41-42	
404-2	Programs for upgrading employee skills and transition assistance programs	-	41-45	
404-3	Percentage of employees receiving regular performance and career development reviews	-	42	
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016				
103	Management approach disclosures	LR711B-1b&c	26	
405-1	Diversity of governance bodies and employees	-	49-53	
405-2	Ratio of basic salary and remuneration of women to men	-	51	
GRI 406 NON-DISCRIMINATION 2016				
103	Management approach disclosures	LR711B-1b&c	26	
406-1	Incidents of discrimination and corrective actions	-	26	
GRI 408 CHILD LABOR 2016				
103	Management approach disclosures	LR711B-1b&c	25	
408-1	Operations and suppliers at significant risk for incidents of child Labor	-	25,27	

Disclosure	Description	SGX	Page	Remarks
GRI 416 CUSTOMER HEALTH AND SAFETY 2016				
103	Management approach disclosures	LR711B-1b&c	73	
416-1	Assessment of the health and safety impacts of product and service categories	-	73-74	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	73-75	
GRI 418 CUSTOMER PRIVACY 2016				
103	Management approach disclosures	LR711B-1b&c	70	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	70-72	
OTHER MATERIAL TOPIC				
COMMUNITY INITIATIVE				
103	Management approach disclosures	LR711B-1b&c	77	



COMBINE WILL

Combine Will International Holdings Limited
聯志國際控股有限公司

The year '2022' is written in a large, white, outlined font. Each digit is enclosed within a circular arrow that loops back to the start of the digit, suggesting a cycle or a continuous process. The background is a scenic landscape of a lake with snow-covered mountains under a sunset sky with purple and pink hues.

Incorporated in the Cayman Islands on 8 October 2007
(Company Registration No. MC-196613)