

2019

Environmental, Social and
Governance Report



COMBINE WILL

MISSION

- To provide the highest quality products and solutions to our customers through our total dedication to research and development, manufacturing technology, professional service and quality management.
- To become a progressive organisation where we dedicate our resources to building excellence and achieving growth.
- To become a good corporate citizen and contribute to the society and communities in which we operate.
- To provide sustainable value and returns to all our stakeholders.



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About Combine Will

Combine Will International Holdings Limited (“Combine Will”) is listed on Singapore Exchange Limited (Stock Code: N0Z). Based in Dongguan, Guangdong Province in the People’s Republic of China (the “PRC”), Combine Will is an original design manufacturer (“ODM”) and an original equipment manufacturer (“OEM”). It serves the global market with a broad spectrum of services in the design and supply of premium products, toys, consumer products, industrial plastic injection and die-cast moulds.

Combine Will and its subsidiaries (collectively the “Group”) are headquartered in Dongguan, China, with manufacturing facilities and offices located in different parts of the PRC (including Dongguan and Heyuan in Guangdong Province, Cangwu in Guangxi Province, and Hong Kong) and in Indonesia (Sragen). The Group provides products and services to customers in Asia, the Middle East (United Arab Emirates), America (the United States) and Europe (Germany and others).

For 2019, the Group’s total liabilities, equity and total assets stood at approximately HK\$881 million, HK\$670 million and HK\$1,551 million respectively, with the Group supplying 308 million pieces of products worldwide. The Group’s revenue increased to HK\$1,765.2 million in 2019 from HK\$1,416.4 million¹ in 2018. The operations of Machine Sales in the Group was discontinued and the disposal of the discontinued Machine Sales operations by the Group were completed on 30 March 2019.

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, OHSAS 18001 Occupational Health and Safety Management System, QC080000IECQ-HSPM Hazardous Substance Process Management System, and ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories.

Besides, the Group has participated in the Ethical Toy Program organized by the International Council of Toy Industries (“ICTI”), an association committed on behalf of its member companies to the operation of toy factories in a lawful, safe, and healthful manner. The Group is also a certified participant of Customs-Trade Partnership Against Terrorism (“C-TPAT”), a voluntary program to promote safety within the supply chain of importing American companies. As of 31 Dec 2019, all five OEM/ODM factories in the Group obtained ICTI Ethical Toy Program certification. Depends on individual customers requirement, some factories also obtained Global Security Verification, the Sedex Members Ethical Trade Audit certifications as well as participated in the Responsible Business Alliance Code of Conduct review.

¹ The revenue of 2018 has been restated as the Group has ceased to recognize the financial results of the Machine Sales from the date of disposal completion.



About the Report

The Group publishes Sustainability Report on an annual basis. This third sustainability report covers the operation of Combine Will's principal activities, involving ODM/OEM manufacturing facilities in Dongguan², Heyuan³ and Cangwu⁴ in China, and Sragen⁵ in Indonesia. Consistent with Combine Will's sustainability report previously published in May 2019, this report provides information on Combine Will's sustainability policies, practices and performance for the fiscal year 2019 ("FY2019", or the "reporting year") from 1 January 2019 to 31 December 2019. The Group ensures the key businesses of the Group are covered in this report. During the reporting year, the Group has refined the data collection system and extended its reporting scope further to include the new manufacturing facility in Cangwu County Industrial Park (Guangxi Province, the PRC).

Reporting Standards

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

This report also takes reference to the sustainability reporting framework provided by Global Reporting Initiatives ("GRI") in the GRI Standards (Core option). The GRI framework was selected because it is the most widely used standard internationally, allowing higher comparability of the Group's disclosures with its peers. Disclosures in this report are underpinned by the GRI's Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, reliability and timeliness.

The Group has engaged an independent consultant to assist it with stakeholder communication. This stakeholder engagement process aims to identify sustainability issues of stakeholders' concerns that form the basis for this report. For further information on the relevant issues and concerns, refer to the GRI-SGX Content Index at the end of this report.

Confirmation and Approval

Information presented in this report was obtained and consolidated based on official documents and operational statistics of the Group. The sustainability report has received an endorsement from Combine Will's Board of Directors (the "Board") on 28 May 2020.

² The revenue of 2018 has been restated as the Group has ceased to recognize the financial results of the Machine Sales from the date of disposal completion.

³ The manufacturing facility in Dongguan, Guangdong Province is operated by the subsidiary of Lian Zhi Toys Gift (Dongguan) Co., Ltd. ("DGLZ").

⁴ The manufacturing facility in Heyuan, Guangdong Province is operated by the subsidiary of Loong Run (He Yuan) Toy Co., Ltd. ("HYLR").

⁵ The manufacturing facility in Cangwu, Guangdong Province is operated by the subsidiary of Combine Will (Cangwu) Industrial Co., Ltd. ("CWCW").



Opinion and Feedback

As Combine Will seeks to improve its sustainability performance continuously, it welcomes feedback from stakeholders. Please direct your suggestions or enquiries to the Group's CSR Department at:

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Email: combinewill@hkwc.com

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Board Statement

The global economy is facing an unprecedented age of disruption and uncertainty. In addition to the Covid-19 pandemic and existential challenges such as climate change, the rapidly evolving social and regulatory landscape also calls into question to a company's license to operate. These have driven Combine Will to innovate solutions to today's problems and to press ahead with our transition to sustainability-investments that will render Combine Will well-placed to turn arising risks into opportunities.

As a leader in plastic, die casting and electronics products manufacturing, the Group affirms our mission to be a model corporate citizen by continuously raising the bar for our social and environmental responsibilities. We endeavor to manage our environmental, social and governance ("ESG") risks on all fronts as a way of guiding our business in a changing world.

Combine Will's approach to sustainability is anchored in creating and increasing sustainable value for our stakeholders and the various environments we operate in. To enable us to meet these goals, we have introduced governing mechanisms that support the execution of our sustainability strategies and ensure accountability, while maintaining a risk management framework that keeps potential ESG-related risks well-managed and within sight.

In spite of current market volatility, the Group remains committed to protect the environment while delivering product and services of the highest quality. Combine Will supports China's 2019 Action Plan for Energy Saving and Consumption Rate Reduction. It has also pledged to keep up with the implementation of the "Thirteenth Five-Year Plan of the State Council Comprehensive Work Plan" for energy conservation and emissions reduction. In doing so, we continue to invest in energy-saving technical transformation and regularly seek ways to improve energy efficiency by enhancing our operation measures and reviewing our performance. We are also devoted to improving our resource management and are actively exploring eco-friendly alternatives to petroleum-derived raw materials.

Without a doubt, manufacturers face new challenges in light of the Covid-19 pandemic and the broader global transformation. Safeguarding our employees and stakeholders remains our highest priority, and we will make temporary plant scale-down when necessary. However, we are confident that the associated impact on the Group will only be short-term and not a significant one. We believe that our present effort and approach towards long-term sustainable growth will lead us to a secure position in the future. Last but not the least, I wish to thank our dedicated team and stakeholder for their support in our sustainability journey.

TAM JO TAK, DOMINIC

Executive Chairman and Chief Executive Officer



Sustainability at Combine Will

Combine Will endeavors to be the model manufacturer of and the preferred partner for high-quality plastics, die-casting and electronic products. The Group commits to taking account of its social and environmental impact and continues to strengthen corporate governance across the Group’s operations and management. Building upon its belief in sustainable development and its ambition to integrate sustainable practices across its operation, the Group has formulated Corporate Social Responsibility Guidelines (“Guidelines”) that chart the course of Combine Will’s sustainability journey.

In line with the Guidelines, the Group strives to create the best value for customers by leveraging on its product research and development, technology know-how, professional teams and high-quality management. It also commits to providing the means for Combine Will and its subsidiaries to continue learning and to pursue excellence and thrive. Furthermore, Combine Will pledges to strengthen its corporate citizenship by executing its ethical responsibilities to all stakeholders and be increasingly accountable for social and environmental protection.

Governance Structure and Accountability

Forming a sustainable business requires a collective commitment across all levels of the Group, from leaders to individual employees. In line with its commitment to strengthening corporate governance, the Group has established an Executive Management Committee to assist the Board in providing strategic direction, specifically in terms of integrating sustainability into the Group’s strategy. The Board is ultimately responsible for ESG matters. It identifies ESG factors, determines the associate risks and ensures that appropriate and effective sustainability-related risk management and internal control system are in place.

The Group’s CSR Department develops and drives its sustainability strategy. In addition to communicating sustainability message throughout the Group, it monitors and evaluates the effectiveness of sustainability measures deployed by factory-level working groups and units, including the Social Responsibility Unit and Business Ethics and Integrity Management Unit.



As environmental and social responsibility performances form part of the key performance index of each factory, the Group CSR Department conduct a quantifiable monthly assessment and assist the factory level department in making practical improvements. The critical analysis items include: external/internal audit; validity of relevant certifications/certificates; environmental protection; community participation; timely reporting.



Risks and Opportunities

Combine Will is aware that the crucial success of a company is partly determined by its ability to anticipate potential risks and future challenges, and subsequently turning them into opportunities. Through the Audit Committee, the Board oversees internal controls and risk management. To support the Board in risk management, the Management regularly reviews internal control policies and procedures and derives measures to prevent and mitigate risks material to the Group’s operation. The Group also annually utilizes a risk matrix to identify risks based on their possible impacts and documents the Group’s subsequent response. Results of this risk assessment and the risk matrix are subsequently raised with the Management and made known to the Group’s employees.

To keep abreast of the latest sustainability trends and related risks, the Group works closely with a professional consultant to assess risks that will potentially influence the markets, societies and environments in which Combine Will operates.

SUSTAINABILITY ISSUES	RISKS	MEASURES or RESPONSES
Product Responsibility	The Group operates in a value chain tied to multinational companies that uphold high standards of product quality and responsibility. It is essential to keep the value chain sustainable by producing safe and quality products that may otherwise affect the brand image, customer loyalty, as well as the sustainability of the entire value chain. It is also in line with the Group’s commitment to ensure its suppliers comply with regulatory requirements in all aspects.	The Group has established procedures in identifying and handling non-conforming products. Examples of preventive and corrective actions include product correction and verification, procedural optimization and employee training. The Group’s Supplier Management Guidelines outline the social and environmental responsibility of suppliers. Suppliers are evaluated through internal and third-party assessments regularly.
Socially Responsible Conduct	Misconducts concerning business ethics and labor practices may ruin the brand reputation and customer trust. Furthermore, employment-related malpractices, such as discrimination, harassment, child labor, forced labor, or non-compliance with employment laws, may result in talent drain, sanctions and litigation claims.	To steer strategic CSR management, the Group will strengthen the sustainability governance structure by appointing a member from the Board of Directors to oversee sustainability matters. In addition, the Group will continue to observe social norms and the laws and regulations applicable to the contexts in which it operates.
Climate Change	Carbon emissions from manufacturing facilities present physical and transition risks to current and future operations. Increasingly stringent regulatory requirements potentially affect the Group’s climate readiness. More frequent heat stress from higher temperatures can result in employee fatigue and lower productivity.	In addition to implementing an environmental management system in manufacturing facilities, the Group has introduced various measures to manage its environmental impacts, which include carbon emissions, resource consumption and waste. Its investment in energy-efficient technologies is one such example. The Group may also benefit from opportunities arising in its operating regions, such as by capitalizing on policy incentives for energy efficiency and renewable energy.



Stakeholder Engagement

Combine Will remains committed to consistent engagement with stakeholders as a basis for the Group to determine its focus. The Group's stakeholders are individuals or organizations who have an interest in Combine Will's business, and may either influence Combine Will's business performance or be affected by the Group's business activities. The key stakeholders identified by Combine Will are outlined as follows, alongside the Group's approach to engaging each stakeholder group.

Stakeholder Groups	Engagement Approaches	Mode
Customers	Regular meetings/phone calls/email	As required
	Customer internal factory performance score	Periodic
	Customers send staff or delegate representatives to the factory for review and inspection	Periodic
	Regularly call on internal product development, production and products and management meetings. Incorporate Customer comments and internal Information communicate to facilitate effective follow up	As required
Shareholders/investors	Annual General Meeting	Yearly
	Board Meeting	Quarterly
	Announcement on the corporate website	Ad-hoc
	Enquiry channel	Ad-hoc
Supply chain/business partners	Contract terms	As required
	Regular meetings/phone calls/email	As required
	Set up a business ethics hotline	Ad-hoc
	Comprehensive Commitment of supply chain members	As required
	Self-assessment of social responsibility of supply chain members	Periodic
	Product quality acceptance standards	Periodic
Staff	Suggestion box, factory news, dormitory visits, new employee welcome meetings, among others	Ad-hoc
	Communication between the Management and the Union's representatives, which consist of employees at all levels	Periodic
	Functional groups of various employee representatives, such as occupational safety committees, energy-saving emission reduction workers, working group and emergency response team, among others	Ad-hoc
	Grievance mechanism	Ad-hoc
	Satisfactory survey	Ad-hoc
	Various sports and activities, including monthly birthday parties, forming clubs, karaoke competitions, among others	Ad-hoc



Stakeholder Groups	Engagement Approaches	Mode
Local community	Consolidate local information through channels, such as online messages and local news	Ad-hoc
	Communication after/during volunteer programs, volunteer activities or community visits	Ad-hoc
	Environmental assessment and analysis	As required
Government agencies	Communicate with relevant government departments to understand the latest developments	Periodic, at least once every six months/Ad-hoc
	Browse the websites and newsletters of relevant government departments to view the latest news	Ad-hoc
	Attend special lectures of relevant government departments, obtain the latest information and express opinions when there is an opportunity	Ad-hoc
	Renewal of regular government approvals, permits, among others	As required
NGO/media	Communicate with relevant organizations to understand the latest development	Periodic, at least once every six months/Ad-hoc
	Browse the websites and newsletters of relevant organizations to view the latest news	Ad-hoc
	Attend special lectures of relevant organizations, obtain the latest information and express opinions when there is an opportunity	Ad-hoc
	Contact relevant organizations or professionals through phone calls or emailing, among others	As required

Complementing the various open communication channels with stakeholders, the Group performs formal stakeholder engagement periodically to assist the governance body in determining material ESG factors. This reporting year, Combine Will commissioned an external consultant to conduct an interview with its management and to analyze feedback from Combine Will’s key stakeholders.

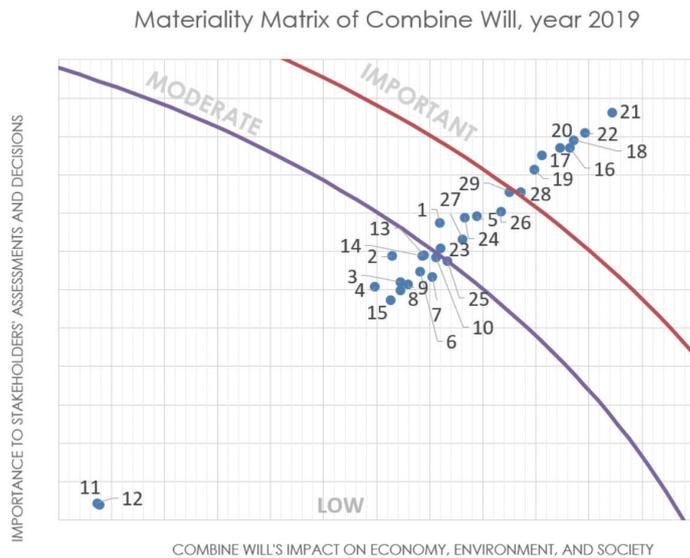


The formal stakeholder engagement exercise and materiality assessment process adopts a four-step approach to determine key ESG factors, which is detailed in the table below:

1. Identify relevant topics	2. Collect feedback from stakeholders	3. Prioritize material topics	4. Validate material topics
<ul style="list-style-type: none"> Management interview was conducted by an independent consultancy to discuss company strategy in dealing with sustainability-related risks and management approach to sustainability topics. The expert review helped Combine Will to identify 29 topics which are deemed relevant to the Group. 	<ul style="list-style-type: none"> Links to the bilingual online questionnaire were disseminated to a wide group of external and internal stakeholders of Combine Will. A total of 86 valid responses were collected. 	<ul style="list-style-type: none"> Analyzed materiality of ESG factors by using a materiality matrix and subsequently prioritized the most critical aspects to be addressed. 	<ul style="list-style-type: none"> Combine Will's Board confirmed the material topics for its 2019 sustainability report.

Materiality Assessment

The materiality assessment produced eleven ESG factors that were identified to be of high importance to both Combine Will and its stakeholders. While most of the factors remain relevant, two new topics were introduced, namely Labor Management Relations and Customer Data Protection and Data Privacy.



Topics below are arranged in descending order of importance.

Topics	Material ESG factors	
	Identified via survey	Validated ⁶
Economy	5 Anti-corruption	•
	1 Economic performance	
	7 Tax Strategy	
	6 Anti-competitive	
	2 Market Presence	
	3 Indirect Economic Impacts	

Environment	10 Water and Effluents	
	13 Waste	•
	14 Environmental Compliance	
	9 Energy	•
	8 Materials	
	15 Supplier Environmental Assessment	
	11 Biodiversity	
	12 Emissions	

Topics	Material ESG factors	
	Identified via survey	Validated
Society	21 Child Labor	•
	22 Forced or Compulsory Labor	•
	18 Occupational Health and Safety	•
	16 Employment System	•
	20 Non-discrimination, Diversity, and Equal Opportunities	•
	17 Labor/Management Relations	•
	19 Training and Development	•
	28 Customer Data Protection and Customer Privacy	•
	29 Socioeconomic Compliance	
	26 Customer Health and Safety	
	24 Security Practices	
	27 Marketing and labelling	
	23 Local Communities	
	25 Supplier Social Assessment	

The Group will step up its commitment to sustainability initiatives where it deems important. For instance, although three topics, namely Anti-corruption, Waste and Energy were not identified as material topics by stakeholders in the survey exercise, the Board and the Management have decided to include these three topics given that these topics were identified as material in FY 2017–2018, and are reported as material by more than 50% of its peers in the industry⁷.

⁶ Validated material topics refer to topics that have been confirmed by Combined Will’s Board and senior management.

⁷ Based on data disclosed by “Sustainability Reporting – Progress and Challenges”, prepared by SGX and Centre for Governance, Institutions & Organisations NUS Business School.



Boundaries of Material ESG Factors

Considering that the impacts of the ESG factors may extend beyond its operation or premises, the Group has expanded the boundaries of ESG factors that might involve a broader range of stakeholders. The table below summarizes the reporting boundary of each ESG topic covered in this report. All topics within the Group are material, while some topics have extended beyond the Group's operations. The Group will continue to monitor any significant changes within the boundaries of these ESG factors.

Material ESG Factors	Boundaries								Impacts addressed in this Report
	Within the Operation ⁸				Outside the Operation ⁹				
	Employees	Combine Will & manufacturing	Customers	Shareholders/ Investors	Supply Chain/ Business Partners	Local Community	Regulatory Agencies/ Government Agencies	NGO/Media	
Child labor	x	x	x		x	x	x		
Forced or compulsory labor	x	x	x		x	x	x		
Occupational health and safety	x	x	x		x		x	x	
Employment	x	x		x	x	x	x		Inclusive Workplace
Non-discrimination, Diversity, and Equal Opportunities	x	x		x	x	x	x		
Training and development	x	x	x	x					
Labor/management relations	x	x		x			x	x	
Customer data protection and customer privacy	x	x	x	x	x		x		Effective Operation
Anti-corruption	x	x	x	x	x	x	x	x	
Waste		x				x	x	x	Protecting the Environment
Energy		x				x	x	x	

⁸ The boundary for impacts within the Operation aligns with the reporting boundary.

⁹ The boundary for impacts outside the Operation takes reference from the key external stakeholders identified for this reporting year.



Inclusive Workplace

The skills and technical know-how of all employees, in addition to their motivation and commitment, are factors on which the Group depends on to survive and thrive. The Group therefore believes in creating a safe and inclusive workplace where talents are carefully nurtured.

Employment GRI 401

Human capital is the most valuable resource in Combine Will. The Group also recognizes that its approach to employment or job creation creates impacts on the social system which it operates. This includes Combine Will's approach to recruitment, retention and related practices, and the working condition it provides. Based on the terms and conditions set out in the Staff Handbook, Combine Will has created an employment system that aims to create decent jobs, promote a positive workplace and propel social betterment as a whole.

Combine Will operates legally and ensures that each employment under the Group adheres with requirements of the local authority and is legally recognized. In addition, the Group Human Resources Department has outlined a set of recruitment procedures that uphold principles for a fair and ethical recruitment process, namely the non-discrimination principle, equal competition principle and internal priority.

On remuneration, the Group offers an attractive package to retain talent. Each operation is allowed to adjust salary range that reflects the work conditions and individual employee's effort. The Group also offers a range of paid-leave entitlements, enabling its employees to balance their professional lives, family commitments and leisure time. Grievance procedures and communication platforms have been established for employees to voice their concerns. In FY2019, DGLZ, HYLK, CWCW and CWII had a total of 7,765 employees, all of which were permanent staff.

	DGLZ	China		Indonesia		Overall
		HYLR	CWCW	CWII		
Total number of Employees	723	3,293	1,593	2,156	7,765	
Permanent	723	3,293	1,593	2,156	7,765	
Temporary	0	0	0	0	0	



Parental Leave		DGLZ	China	Indonesia	
			HYLR	CWCW	CWII
Total number of employees that were entitled to parental leave	Male	0	23	4	0
	Female	3	27	1	0
Total number of employees that took parental leave	Male	0	23	4	22
	Female	3	27	1	0
Total number of employees that returned to work in the reporting period after parental leave ended	Male	0	23	4	22
	Female	3	27	1	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	0	21	1	22
	Female	1	24	0	0
Return to work rate ¹⁰ , %	Male	N/A	100%	100%	100%
	Female	100%	100%	100%	N/A
Retention Rate ¹¹ , %	Male	N/A	91%	25%	100%
	Female	33%	89%	0%	N/A

Child Labor and Forced Labor GRI 408, GRI 409

As a responsible corporate citizen, the Group upholds ethical and legal standards. This includes ensuring that child labor and modern-day slavery are not taking place in its operations and supply chain, including suppliers and subcontractors. As a toy manufacturer, the Group takes this aspect seriously, although operations and suppliers of Combine Will are not at significant risk of incidents of child labor or forced labor.

Combine Will adopts a zero-tolerance approach against child labor to ensure the rights and protection of children. The Group strictly prohibits the use of child labor and employees below the legal age. In the case where local regulations do not prescribe the definition of child labor, the minimum age for the Group's employment should be 15-years-old for operations in Indonesia and 16-year-old for operations in China.

In line with the Group's CSR Guidelines and Supplier Management Guidelines, the Human Resources Department conducts comprehensive inspections of the job applicant's identify before recruitment to deter employment of underaged workers. In the event of recruiting teenagers aged 16 to 18, the Group outlines a written policy and procedures that bar them from conducting drudgery work that is dull, irksome or fatiguing, which may impact a child's health or overall development, and prescribes a set of remedial procedures. The remedial procedures ensure that children found in child labor receive financial compensation and educational support from the Group.

The Group is committed to protecting human rights in line with internationally recognized norms such as those by the ICTI. It ensures that forced labor practices do not take place in any form, including coercing employees to work through the use of violence or intimidation, or by subtle means such as unreasonable restriction on employees' freedom of movement as disciplinary measures. The Group has stated clearly in policies and procedures the official working hours following local laws with rest schedule, overtime work and compensation.

¹⁰ Return to work rate refers to total number of employees that returned to work after parental leave/total number of employees due to return to work after taking parental leave.

¹¹ Retention rate refers to 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).



The Group is actively managing its value chain on issues related to labor standards. In addition to due diligence exercises in sourcing for suppliers, the Group also undergoes periodic third-party audits and customer audits. As of 31 Dec 2019, neither Combine Will 's operations, namely DGLZ, HYLR and CWCW in China and CWII in Indonesia, nor its suppliers face significant child and forced labor risks.

	Goals for 2019 and coming years	Achievement
Child Labor and Forced Labor	To continue eliminating the use of child labor in employment practices.	Ongoing process
	To continue communicating the Group's zero tolerance for the use of child labor and forced labor throughout its supply chain.	Ongoing process

Occupational Health and Safety GRI 403

Combine Will recognizes health and safe work conditions as fundamental human rights, and therefore adopts a Safety Management System that encompasses an array of safety-related processes and practices. Both DGLZ and HYLR are OHSAS 18001 certified, and with the inclusion of CWCW and CWII, all four operations adopt policies and measures in line with globally accepted standards and national laws. At HYLR, for instance, the group has put in place safety-related policies such as occupational health and safety supervision and management procedures, physical factors hazard control and management procedures, safety operation management procedures for electrical and pressure vessels, and hazardous chemicals management and control procedures to promote a higher level of safety awareness among employees.

To implement these policies and procedures, the Group has established an Environmental Health and Safety Committee ("EHS") at DGLZ, HYLR, CWCW and CWII respectively, which brings together representatives from different departments through regular meeting in which safety-related matters are addressed. In addition, the committee is also responsible for implementing and improving the OHSAS 18001 system. As of FY2019, all employees at DGLZ, HYLR, CWCW and CWII were represented by joint management-worker health and safety committees.

The Group regularly assesses risks associated with health and safety. Production safety risk, injuries and risk of a major accident are evaluated based on chances of occurrence and impact of the incidence. At DGLZ, HYLR, CWCW and CWII, the Group has rolled out occupational health, safety and health risk assessment and verification procedures to evaluate the risks associated with its operations, products and services, and thus identifying room for improvement.

The Group provides various health and safety-related training for its employees, such as OHSAS18001 Occupational Health and Safety Training. To complement its management training, the Group provides emergency response training such as firefighting and first aid to enable better preparation and response to emergencies.

Combine Will also provides employees with health insurance, which covers medical expenses. Its operations in both China and Indonesia have sufficient qualified first-aiders who have received intensive first aid training. While CWII has an in-house infirmary, DGLZ, HYLR and CWCW are located strategically close to hospitals and are supported by an Emergency Response team.

	Goals for 2019 and coming years	Achievement
Occupational Health and Safety	Zero incident resulting in staff permanent disability or fatality.	100% Achievement



During this reporting year, work-related injuries mostly happened during regular work activities and were caused by crushing, falls, strain, scratches, and machinery. The ESG Committees and the administrative department conducted investigations and handled these cases in compliance with health and safety regulations and standards.

Work-related injuries and ill-health	China			
	DGLZ	HYLR	CWCW	Indonesia CWII
Number of fatalities by work-related injury, case	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	1	0	0
Number of recordable work-related injuries	17	28	7	19
Rate of recordable work-related injuries	2.4%	0.9%	0.4%	0.9%
Number of fatalities by work-related ill health	0	0	0	0
Number of recordable work-related ill health	0	0	0	0
Workers covered by some of the mesial and safety measures under occupational health and safety management system				
Number of employees covered by medical insurance	723	3,293	1,593	2,156
Number of employees represented by formal joint management-worker health and safety committees	723	3,293	1,593	2,156

Equal Opportunities, Diversity, and Non-discrimination GRI 405, GRI 406

Promoting fair employment with non-discrimination, diversity and equal opportunity can generate significant benefits for Combine Will, including allowing the Group to gain access to a larger pool of talented workers. It also benefits society, given that greater equality promotes social stability and economic growth.

Combine Will prides itself in delivering fair employment with equal opportunities, regardless of the employees' gender, race, religion and other factors, and employment that is free from discrimination. As stipulated by the Guidelines, all employees are appraised and rewarded based on their skills and performance. In line with the Group's policy, the HYLR has formulated a Discrimination and Harassment Prevention Policy which is meant to prevent any form of discrimination related to race, age, height, social class, nationality, religion, disability, gender and sexual orientation that might potentially affect an equitable work culture.

The Group has established a communication platform to strengthen its internal controls, through which employees can report suspected malpractice or mistreatment related to discrimination. The reporter may choose to file an anonymous complaint against supervisors, employee representatives, EHS Committees, Corporate Responsibility Unit, Executive Managers or General Managers.

	Goals for 2019 and coming years	Achievement
Fair Employment with Non-discrimination, Diversity and Equal Opportunity	To continue communicating the Group's zero tolerance for non-discrimination in the supply chain.	Ongoing process
	To continue eliminating discrimination in employment practices.	Ongoing process
	To continue promoting diversity and equal opportunity in employment practices.	Ongoing process



The table below summarizes the workforce diversity at DGLZ, HYL, CWCW and CWII.

		DGLZ		China HYLR		CWCW		Indonesia CWII	
Total number of employees		723		3,293		1,593		2,156	
Breakdown by gender:									
Male		375	52%	1,302	40%	499	31%	1,063	49%
Female		348	48%	1,991	60%	1,094	69%	1,093	51%
Breakdown by age group and gender:									
Under 30 years old	Male	30		201		131		890	
	Female	37	9%	133	10%	147	17%	858	81%
	Ratio Female to Male	1.2		0.7		1.1		1	
30–50 years old	Male	245		849		313		167	
	Female	228	65%	1,492	71%	789	69%	235	19%
	Ratio Female to Male	0.9		1.8		2.5		1.4	
Over 50 years old	Male	100		252		55		6	
	Female	83	25%	366	19%	158	13%	0	0%
	Ratio Female to Male	0.8		1.5		2.9		0	
Breakdown by employment category and gender:									
Senior Management	Male	25		16		8		4	
	Female	7	4%	2	1%	0	1%	2	0%
	Ratio Female to Male	0.3		0.1		0		0.5	
Middle Range Management	Male	67		96		46		60	
	Female	60	18%	58	5%	34	5%	27	4%
	Ratio Female to Male	0.9		0.6		0.7		0.5	
Entry-level/General Staff	Male	283		1,190		445		999	
	Female	281	78%	1,931	95%	1,060	94%	1,064	96%
	Ratio Female to Male	1		1.6		2.4		1.1	

The Group abides by laws and regulations related to discrimination. As of 31 December 2019, there were no cases of non-compliance concerning equal opportunity, diversity, discrimination, or harassment.

Labor-Management Relations GRI 402

The Group recognizes that healthy interactions between employees, as represented by labor unions, and Management is essential to create a harmonious workplace. Combine Will respects the rights of its employees to form trade unions and organizes inclusive consultations to engage its employees. Employees are allowed to democratically elect representatives of Trade Union once every three years. The Management meets trade union representatives once a month to ensure meaningful and timely consultation takes place before decisions are made. Typically, the Management will provide at least a one-month notice to employees or their representatives before implementing significant operational changes. All employees at DGLZ and CWII are covered by collective bargaining agreements while all employees at CWCW are registered members of a trade union.



	Goals for 2019 and coming years	Achievement
Labor Management Relations	Strive to establish sincere and transparent communication with employees.	Ongoing process
	To establish diverse labor and management communication channels.	Ongoing process

Training and Education GRI 404

Combine Will believes in nurturing talents. The Group commits to developing employees and guiding them in their professional growth, thereby retaining a pool of talent while giving employees the learning opportunity to continuously advance in their careers. Heads of Department are responsible for assessing the needs for training courses to equip the Group’s employees with the necessary skills to carry out their required tasks and sufficient knowledge of policies and provisions related to safety, health, environment, workplace and welfare. Using this information, the Group then plans and allocates resources to execute training programs.

The Group provides training and education programs covering multiple areas, including management systems and quality, EHS training programs and on-the-job training. The training schedule, approach, target audience and trainers of each training program are then determined accordingly. Additionally, the Group also encourages employees to pursue further studies in job-related courses by subsidizing a part of their education through a study fund.

Focus areas	Example of training and education programs
Management Systems and Quality	COC Training; EICC Training; Code of Conduct, Customs-Trade Partnership Against Terrorism (C-TRAT); ISO 9001, ISO 14001, ISO 50001; OHSAS 18001
Safety and Health	For instance: Occupational safety training (safety production, chemical operation, occupational disease prevention, etc.); Safe operation in confined spaces; Precautions for collection and transportation of hazardous waste; Hazardous Energy Control Program/LTT Program
On-The-Job Training	Such as: <ul style="list-style-type: none"> • Assembly: Safe operations and precautions of various machinery, Safe operation of UV germicidal lamp, etc. • Injection: Operation and use of injection machine, Injection molding skills and techniques, Safe operation of crane hoist, etc. • Hand spraying: Basic knowledge and operation of fuel injection, Repair and maintenance of mold, Cleaning and maintenance of exhaust systems • IE/Fixture/Maintenance: Equipment adjustment, Electrical safety knowledge, etc. • Mold Repair: Tooling maintenance and repair, Pneumatic principle technology course, Programmed technical training, etc. • Quality Control: EN71–1:2011 standards, 16CFR CPSC standards, etc.



	Goals for 2019 and coming years	Achievement
Training and Education	To consistently improve employee capability through training.	Ongoing process
	To support staff-led innovation through the coordination of work improvement teams.	Ongoing process
	To enhance internal training capabilities.	Ongoing process

The table below summarizes the average hours of training per year per employee and the percentage of employees receiving regular performance and career development reviews.

Average hours of training per year per employee		DGLZ	China HYLR	CWCW	Indonesia CWII
By Gender	Male	52.2	14.0	24.0	5.8
	Female	52.2	15.2	24.0	3.2
By Category	Senior Management	2.0	4.6	2.4	2
	Middle Management	2.3	3.9	24.0	2
	Entry-level/General Staff	52.2	15.3	24.0	5.3

Percentage of employees receiving regular performance and career development reviews		DGLZ	HYLR	CWCW	CWII
By Gender	Male	100%	100%	100%	100%
	Female	100%	100%	100%	100%
By Category	Senior Management	100%	100%	100%	100%
	Middle Management	100%	100%	100%	100%
	Entry-level/General Staff	100%	100%	100%	100%

Effective Operations

Combine Will is committed to conducting business with integrity, which is essential to earning trust in the industry. It strives to deliver profitable business growth through effective market compliance and risk management alongside its commitment to product stewardship.

Protecting Customer Data and Privacy GRI 418

Combine Will pays extreme heed to customer data privacy, given that it greatly influences customers' trust in the Group. As an OEM/ODM, customer privacy involves the collection, use and handling of the sensitive information provided by the customer in purchasing products. The Group is mindful of legal compliance more than ever and strictly adheres to customers' consent to data sharing. The Group has institutionalized the Intellectual Property Protection Management System ("IPP") for the protection of intellectual property rights. It encompasses a vast array of preventive measures, such as conducting self-assessment, auditing and analyzing non-compliance of IPP, encouraging employees to whistle-blow on suspicious misconduct, and setting-up professional team to follow up on IPP management in its operations. Additionally, as articulated in the Supplier Management Guidelines, technology-transfer or the sharing of empirical knowledge should be conducted without compromising the protection of intellectual property and customer data.



In FY 2019, HYLR, CWCW and CWII accepted a Global Security Verification that was conducted based on C-TPAT security requirements. Among other criteria, the verification assessed the exit process, procedures and infrastructure related to information access controls, and concluded that appropriate minimum-security measures had been implemented and maintained.

	Goals for 2019 and coming years	Achievement
Customer Data Protection and Customer privacy	Protect customers' product designs, drawings and samples from being disclosed.	Achieved 100%

The Group strives to build trust with customers and avoid breaches of privacy laws. In the reporting year, there were no cases of non-compliance concerning breaches of customer privacy or loss of customer data.

Anti-corruption GRI 205

The Group does not tolerate any form of corruption and bribery for the cause of promoting its business. In line with the Group's Professional Ethics and Business Ethics Management, Combine Will has put in place a mix of internal control measures throughout its operations. Directors and employees at all levels abide by this conduct. The Group has extended its anti-corruption policy to its suppliers and business partners to actively prevent any related misconduct from arising elsewhere in its value chain.

Embedding a culture of compliance in the workplace is one of the Group's preventive measures. The Group provides relevant education to employees to enhance awareness and understanding. As of the end of 2019, four out of six directors and all 7,765 employees had received training on anti-corruption.

Combine Will has established a whistleblowing platform, an internal control measure to solicit information about unlawful activities or malpractice, for employees, suppliers or business partners to anonymously report any suspected misconduct to the Group. Meanwhile, the Group prohibits employees from offering benefits in the form of bribes or similar considerations, and encourages employees to decline or declare gifts from individuals or organizations.

The Group abides by the laws and regulations related to anti-corruption. In FY2019, the Group conducted an assessment on corruption-related risks for DGLZ, HYLR and CWCW in China and CWII in Indonesia, and neither these operations nor their suppliers face significant corruption risk. There were also no reported cases, litigation claims or cases of non-compliance against the Group and its employees concerning bribery, extortion, fraud or money laundering.

	Goals for 2019 and coming years	Achievement
Anti-corruption	To continue communicating the Group's zero-tolerance towards corruption to its employees.	Achieved 100%



Protecting the Environment

Responsible consumption and resource conservation minimize a company's impact on the environment and society as a whole. Managing its environmental impacts and reducing its consumption of natural resources are Combine Will's ultimate commitment towards protecting our ecosystem.

Waste Management GRI 306

The Group recognizes its responsibility for its environmental footprint and resource efficiency. Guided by the Group's Environmental Management System, which is in line with international best practices, including ISO 14001, the Group commits to reducing its environmental impacts in different areas of its operations, including its supply chain. The Group has implemented a set of Waste Management Control Procedures to ensure that any waste produced is handled appropriately. Technical support groups such as research and development teams have been actively seeking creative ways to promote sustainable consumption while the Purchasing Department has been sourcing for more sustainable raw material substitutes.

Combine Will has set a zero-landfill target for both DGLZ and HYLK, which aims to divert waste from landfills to recycling facilities. At DGLZ and HYLK, waste is classified and segregated at its source. Three major types of waste – namely general waste, non-hazardous solid waste and hazardous waste – are collected and transferred to different locations for handling. General waste is sent to a dumpsite, which will be further handled by the local authorities. Non-hazardous solid waste includes relatively less dangerous items that could be recycled or reused. It is sent to a warehouse where a licensed recycler will be contacted for waste collection. Meanwhile, hazardous waste is stored at a dangerous goods warehouse. To prevent environmental pollution, EHS committees regularly liaises with licensed waste recyclers to ensure that waste is disposed of appropriately and is not exported to other nations or regions.

Goals for 2019 and coming years		Achievement
Waste	To achieve zero landfills in the long term	Ongoing process
	To closely monitor potential spills of chemicals from manufacturing facilities	Ongoing process

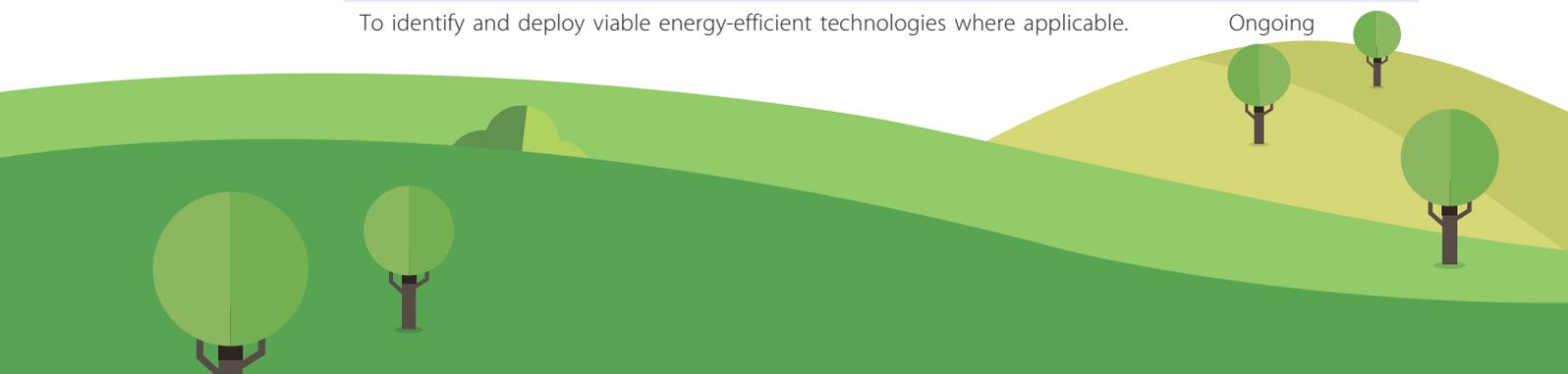
The Group complies with laws and regulations related to environmental aspects. In the reporting year, there were no cases of non-compliance concerning significant spills, water bodies affected by water discharge, discharge to land, or the generation of hazardous and non-hazardous waste.

Use of Energy GRI 302

Building on our commitment to environmental protection, the Group strives to reduce emissions through every possible means. Energy consumption is one of the significant emission sources of the Group's operations and also reflects an operational cost. It therefore makes business sense for the Group to closely monitor, analyze and improve energy efficiency across the Group.

The Group has institutionalized a series of policies and measures. At HYLK, for example, the Group has established Environmental Management Manual which encompasses a wide array of energy reduction strategies, including energy efficiency and data monitoring. Meanwhile, a set of standard procedures has been implemented to set targets and indicators to monitor the Group's energy consumption and to subsequently make changes for improvement.

Goals for 2019 and coming years		Achievement
Energy	To reduce total energy consumption.	Ongoing
	To identify and deploy viable energy-efficient technologies where applicable.	Ongoing



Infrastructure improvement presents an opportunity for the Group to reduce energy consumption and subsequently reduce its carbon emissions. Combine Will has been investing in energy efficiency technologies over the last few years. In this reporting year, improvements to energy efficiency have been introduced at DGLZ, HYLR and CWCW.

Energy-Saving Initiatives		Energy-saving in FY2019, MWh
DGLZ	Replacing traditional electric heating wire with micron energy-saving electric heating ring in injection molding machine	31,250
	Modification of hot air recovery device of variable pump injection molding machine-dryer	25,000
CWCW	Upgrading of the heating barrel of pump injection molding machine	300,000
	Modification of hot air recovery device of variable pump injection molding machine-dryer	240,000
HYLR	Purchase servo variable frequency injection molding machine to replace the original variable pump injection molding machine	60,000
	Modification of hot air recovery device of variable pump injection molding machine-dryer	356,000
	Upgrading of heating barrel of pump injection molding machine. Replacing traditional heating ring with micro energy-saving heating ring	445,000
CWII	Replacing traditional electric heating wire with micron energy-saving electric heating ring in injection molding machine	95,000
	Modification of hot air recovery device of variable pump injection molding machine-dryer	75,000
Total energy saved in FY2019		1,627,250

The table below summarizes the Group's energy consumption in FY2019.

Energy Type	Energy Consumption, MWh				Total consumption by energy type, MWh	Energy Intensity by energy type, MWh/million HK\$
	DGLZ	HYLR	CWCW	CWII		
Electricity (Non-renewable)	6,145.2	15,972.2	5,943.9	5,171.2	33,232.4	40.39
Diesel	235.9 ¹²	383.6	431.0	–	1,050.5	1.28
Liquefied Petroleum Gas	7.3	31.1	–	5.1	43.5	0.05
Petrol	260.0	94.7	22.1	376.8	0.46	
				Total:	34,703.2	42.18

The Group complies with laws and regulations related to environmental aspects. In the reporting year, there were no cases of non-compliance concerning emission or energy consumption.

¹² Including 220 MWh of diesel energy consumption outside the Group's operations.



GRI-SGX Content Index

Disclosure	Description	SGX	Page	Remarks
GRI 102: General Disclosures 2016				
	Organizational Profile (GRI 102-1 to GRI 102-13)	-	1	
Strategy				
102-14	Statement from senior decision-maker	LR711B-1e		-
102-15	Key impacts, risks, and opportunities	PN7.6-3.3		
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	-		
Governance				
102-18	Governance structure	PN7.6-3.1		-
102-19	Delegating authority	-		-
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7		-
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3		-
Stakeholder Engagement		PN7.6-3.7		
102-40	List of stakeholder groups	-		-
102-41	Collective bargaining agreements	-		-
102-42	Identifying and selecting stakeholders	-		-
102-43	Approach to stakeholder engagement	-		-
102-44	Key topics and concerns raised	-		-
Reporting practice				
102-45, 102-46, 102-48, 102-50 to 102-53			1-2	
102-47	List of material topics	-		-
102-49	Changes in material topics and topic Boundaries	-		-
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	2	-
102-55	GRI content index	-	-	
102-56	External assurance	PN7.6-3.8	n.a.	In review.
Material Topics				
GRI 205 Anti-corruption 2016				
103	Management approach disclosures	LR711B-1 b&c		-
205-1	Operations assessed for risks related to corruption	-		-
205-2	Communication and training about anti-corruption policies and procedures			
205-3	Confirmed incidents of corruption and actions taken	-		-



GRI 302 Energy			
103	Management approach disclosures	LR711B-1 b&c	-
302-1	Energy consumption within the organization	-	-
302-2	Energy consumption outside of the organization	-	-
302-3	Energy intensity	-	-
302-4	Reduction of energy consumption	-	-
GRI 306 Waste			
103	Management approach disclosures	LR711B-1 b&c	-
306-3	Significant spills	-	-
306-4	Transport of hazardous waste	-	-
306-5	Water bodies affected by water discharges and/or runoff	-	-
GRI 401 Employment			
103	Management approach disclosures	LR711B-1 b&c	-
401-2	Benefits provided to full-time employees	-	-
401-3	Parental leave	-	-
GRI 402 Labor Management Relations			
103	Management approach disclosures	LR711B-1 b&c	-
402-1	Minimum notice periods regarding operational	-	-
GRI 403 Occupational Health and Safety			
103	Management approach disclosures	LR711B-1 b&c	-
403-1	Occupational health and safety management system	-	-
403-2	Hazard identification, risk assessment, and incident	-	-
403-3	Occupational health services	-	-
403-4	Worker participation, consultation, and communication on occupational health and safety	-	-
403-5	Worker training on occupational health and safety	-	-
403-6	Promotion of worker health	-	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	-
403-8	Workers covered by an occupational health and safety management system	-	-
403-9	Work-related injuries	-	-
403-10	Work-related ill health	-	-



GRI 404 Training and Education			
103	Management approach disclosures	LR711B-1 b&c	-
404-1	Average hours of training per year per employee	-	-
404-2	Programs for upgrading employee skills and transition assistance programs	-	-
404-3	Percentage of employees receiving regular performance and career development reviews	-	-
GRI 405 Diversity and Equal Opportunity			
103	Management approach disclosures	LR711B-1 b&c	-
405-1	Diversity of governance bodies ¹² and employees	-	-
GRI 406 Non-discrimination			
103	Management approach disclosures	LR711B-1 b&c	-
406-1	Incidents of discrimination and corrective actions	-	-
GRI 408 Child Labor			
103	Management approach disclosures	LR711B-1 b&c	-
408-1	Operations and suppliers at significant risk for incidents of child labour	-	-
GRI 409 Forced Labor			
103	Management approach disclosures	LR711B-1 b&c	-
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	-
GRI 418 Customer Privacy			
103	Management approach disclosures	LR711B-1 b&c	-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-

¹² Diversity of the Board is disclosed in Combine Will's Annual Report 2019 and its website.





COMBINE WILL

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

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