



SUSTAINABILITY REPORT 2025



New Dimensions, Collective Momentum:

Where Business and Sustainable Strategy Converge

Board Confirmation and Approval

The financial information presented in this report is derived from the Group's audited FY2025 Annual Financial Statements, while non-financial information is sourced from Combine Will's internal records, policies, and management reports. The Board confirms that it has considered sustainability matters relevant to the Group's business and strategy, determined the material ESG factors disclosed herein, and exercised oversight over management's approach to addressing and monitoring these matters.

This report was approved for publication by the Board of Directors ("**Board**") on April 30, 2026.

ABOUT THIS REPORT

Reporting Scope

This Sustainability Report (“**Report**”) presents Combine Will International Holdings Limited (“**Combine Will**”, or “**the Group**”) ESG performance for the financial year ended 31 December 2025 (“**FY2025**”). It provides an overview of the Group’s management approach, progress, and future priorities in advancing its sustainability commitments, and demonstrates its ongoing commitment to transparency, accountability, and sustainable value creation for stakeholders. The boundary of this Report is determined using the operational control approach under the Greenhouse Gas (“**GHG**”) Protocol, covering all manufacturing facilities and offices under the Group’s operational control. Unless otherwise stated, all data relates to FY2025 and is presented on a consolidated basis. Historical data for FY2023 and FY2024 are included where relevant for comparability.

This Report covers ESG performances for the Group and its subsidiaries listed below.

Entity Name

1. Bliss Electronic (China) Company Limited
2. Combine Will (Cangwu) Industrial Co., Ltd.
3. Combine Will Industrial Company Limited
4. Combine Will Neighbourhood (Shenzhen) Technology Limited
5. Dongguan Combine Will Tengda Technology Company Limited
6. Dongguan Loong Run Toys Company Limited
7. Lian Zhi Toys Gift (Dongguan) Co., Ltd.
8. Loong Run (He Yuan) Toys Company Limited
9. PT. Combine Will Industrial Indonesia
10. PT. Lianmei Industrial Indonesia

Reporting Principles

This Report has been prepared in line with the sustainability reporting requirements of Rule 711A and Rule 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and the requirements set out in Practice Note 7.6 on Climate-related Disclosures. It also references the GRI Standards issued by the Global Reporting Initiative (“**GRI**”), the United Nations Sustainable Development Goals (“**UN SDGs**”), and the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (“**ISSB**”).

FY2025 marks the first year that Combine Will has begun reporting with reference to the ISSB standards. While not all disclosure requirements have been fully met, the Group is taking proactive steps to progressively align its reporting practices with these standards in future reporting cycles.

Internal Review

While external assurance has not been undertaken for FY2025, key aspects of the Group’s sustainability data have undergone internal verification and third-party review to ensure accuracy and reliability. To ensure accuracy and reliability, the Group conducted internal reviews and assessments of the report’s contents in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (“**IIA**”).

The Group values stakeholder feedback and welcomes suggestions on how it can continue to improve its sustainability reporting and performance. Feedback may be shared via email at ir@combinewill.com.

Restatements

This section outlines any corrections, updates, or methodological changes made to previously published information to ensure accuracy, consistency, and comparability of data across reporting periods. Where applicable, both the original and restated figures are presented, along with explanations for the adjustments.

Disclosure Area	Original Reported Value	Restated Value (FY2025 SR)	Reason for Restatement
Water Intensity (FY2023, FY2024)	FY2023: 18.90 m ³ /t product FY2024: 16.88 m ³ /t product	FY2023: 0.002 ML/t product FY2024: 0.002 ML/t product	Water intensity for previous years was originally disclosed in cubic metres per tonne (m ³ /t product). FY2025 adopts megalitres per tonne (ML/t product) for consistency with GRI-based water disclosures.

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CONTENTS

Board Confirmation and Approval	2	04 Product Responsibility: Ensuring Quality and Consumer Trust	42
About This Report	3	4.1 Product and Service Strategic Objectives	43
Reporting Scope		Product Innovation and Services	
Reporting Principles		Customer Experience Enhancement	
Internal Review		4.2 Customer Health and Safety	45
Restatements		05 Employee Well-being: Thriving Together for Shared Success	47
Contact Us		5.1 Human Resources Policies	48
Contents	4	Employment	
Chairman's Statement	5	5.2 Employee Rights and Welfare	52
2025 Awards & Recognition	6	Compensation and Benefits	
ESG Performance Highlights	7	Collective Bargaining Agreements	
ESG Disclosures and Initiatives Updates	7	Diversity and Equal Opportunities	
01 About Us	8	5.3 Workplace Health and Safety	56
1.1 Corporate Profile	8	Occupational Health and Safety	
1.2 Vision and Mission	9	5.4 Talent Development and Training	60
1.3 Combine Will Key Milestones	10	Talent Development and Training	
1.4 Economic Performance	11	5.5 Employee Engagement	64
1.5 Business Strategy Analysis	12	Employee Well-being	
Strength & Opportunities		Labour/Management Relations	
Weaknesses & Challenges		06 Partnering for Good: Advancing Philanthropy and Community Well-Being	66
Future Strategic Initiatives		6.1 Local Communities	67
02 Sustainability Governance: Guiding Strategic Growth with Excellence	13	6.2 Corporate Philanthropy and Community Initiatives	68
2.1 ESG Governance Structure	14	07 Corporate Governance	70
2.2 ESG Strategy and UN SDGs	15	7.1 Anti-Corruption and Business Ethics	71
2.3 Stakeholder Engagement	19	7.2 Sustainable Procurement Practices	73
2.4 Materiality Assessment	20	7.3 Customer Privacy and Data Protection	75
03 Environmental Stewardship: Championing a Greener Future	21	7.4 Risk Management and Internal Control	76
3.1 Environmental Policy and Strategy	22	Appendix I: GRI-SGX Index	77
3.2 Environmental Management Systems	23	Appendix II: IFRS S2 Index	81
3.3 Green Product Development	24		
Materials			
Sustainable Procurement			
3.4 Clean Production and Resource Efficiency	25		
Energy			
Emissions			
Waste Management			
Water Resource Management			
3.5 Climate-related Disclosures (IFRS S2)	35		
Governance			
Strategy			
Risk Management			
Metrics and Targets			

CHAIRMAN'S STATEMENT

Dear Shareholders,

At Combine Will, "Connecting Hearts" reflects our dedication to collaboration and shared success, while "Aspiring for the Future" represents our belief in progress and a better tomorrow. These principles guide how we operate responsibly, inclusively, and sustainably.

The Board, together with our Executive Officers and Management team, remains committed to creating long-term value for all stakeholders through responsible business practices and sustainable growth. Sustainability is part of our DNA. We embed environmental, social, and governance considerations into our strategy and operations, recognising that effective risk management is as much about identifying opportunities as mitigating threats.

We are pleased to present this Sustainability Report and to share the progress made in advancing our Environmental, Social and Governance ("ESG") agenda. During the year, we achieved several key milestones, including the expansion of renewable energy adoption, particularly solar energy at our operations in Dongguan, People's Republic of China, the reduction of carbon emissions through the establishment of a Work Improvement Team ("WIT") to enhance operational efficiency, and investments in carbon offset instruments such as use of renewable energy to complement our emissions reduction efforts. We strengthened employee retention by continuing to invest in our workforce through competitive remuneration, the promotion of a positive working environment, and the encouragement of career development through training and skills enhancement. In addition, we deepened our community engagement through education, healthcare and environmental initiatives, reinforcing our role as a responsible corporate citizen.

Over the next one to five years, the Group expects to face a range of evolving sustainability challenges across its operations and supply chain. In the near term, changes in labour costs and regulatory requirements in Indonesia may increase workforce management complexity, while increasingly stringent global toy safety and chemical substance standards, together with heightened customer and ESG audit expectations, will require continued strengthening of compliance and quality control processes. In response, the Group will prioritise labour compliance and fair remuneration practices at its Indonesian facilities, enhance product safety and chemical management frameworks, and expand the coverage of ESG audits across its supply chain. Over the medium to longer term, the Group anticipates growing expectations relating to sustainable packaging and low carbon transition within the global toy industry, potential labour market volatility in Indonesia, and further tightening of international customer and ESG standards. To address these developments, the Group aims to progressively transition towards environmentally



friendly packaging, increase the adoption of renewable energy within its Indonesian operations, and establish a comprehensive ESG management system across the value chain to maintain strong performance in key areas such as labour compliance and product safety.

The Board continues to oversee the Group's sustainability strategy and performance, as well as the management and monitoring of material ESG factors, ensuring alignment with global best practices. In FY2025, we transitioned our climate-related disclosures from the Task Force on Climate-related Financial Disclosures ("TCFD") framework to the International Sustainability Standards Board's IFRS S2 Climate-related Disclosures standard ("IFRS S2"). This reflects our commitment to globally comparable, decision-useful climate information and evolving regulatory expectations. In addition, we report in reference to the Global Reporting Initiative Standards and remain focused on enhancing disclosure quality under emerging sustainability frameworks.

Looking ahead, we will accelerate our sustainability journey by setting ambitious interim targets toward carbon neutrality by 2050, advancing supplier ESG performance, and integrating circular economy principles into product design. Together with our employees, partners, and stakeholders, we will continue to build a resilient, innovative, and sustainable Combine Will.

Thank you for your trust and support as we move forward on this journey.

For and on behalf of the Board,

Dominic Tam
Executive Chairman

30 April 2026

2025 AWARDS & RECOGNITION



Recognition for Inclusive Workplace Practices

Awarded the Inclusive Workplace Award (Bronze) by the Hong Kong Equal Opportunities Commission under the Racial Diversity & Inclusion Employers Award Scheme 2025.



Excellence in ESG and Zero-Carbon Leadership

Received the 2025 ESG Outstanding Listed Enterprise Award and ESG Model Enterprise Award at the International Green Zero Carbon Festival for strong ESG and environmental performance.



Recognition for Innovation and Operational Excellence

Awarded the 2025 Happy Summer Holiday Programme Innovation Experimental award by ESCP.

ESG Performance Highlights

Environmental

Proportion of green products
(by product count):

82%

Recycling rate of non-hazardous waste:

99%

Purchased green electricity for FY2025 remained

over 9,000 MWh

Awards and Recognition:

2025 ESG

Clean energy share of total consumption:

16.7%

Outstanding Listed Enterprise Award, ESG Model
Enterprise Award at the International Green Zero
Carbon Festival

Social

Reported incidents of privacy/data breaches:

Zero

Incidents of child/forced labour:

Zero

Suppliers audited for social responsibility:

100%

Awards and Recognition: Inclusive Workplace Award

(Bronze)

by the Hong Kong Equal Opportunities Commission

Corporate Governance

Employees trained in anti-corruption:

100%

Corruption risk assessments completed:

100%

ESG Disclosures and Initiatives Updates

Compared to the prior reporting year, the Group has strengthened its sustainability disclosures and execution in three key areas. First, the Group significantly enhanced the depth and rigour of its **climate-related disclosures** by transitioning from TCFD-aligned reporting to the **IFRS S2 Climate-related Disclosures framework**, including the introduction of structured scenario analysis, clearer articulation of physical and transition risks, and stronger linkage to strategy, governance, and capital allocation. Second, the Group advanced materially in **sustainable product and materials management**, increasing the proportion of green products to **82%** and expanding the use of Mass Balance Polypropylene and ISCC PLUS-

certified materials, thereby exceeding its medium-term green product targets ahead of schedule. Third, the Group strengthened its **value-chain and governance oversight**, with an expanded materiality assessment covering supply chain human rights and procurement practices, enhanced supplier ESG screening and audit coverage, and more granular disclosures on internal controls, workforce management, and employee well-being. Collectively, these enhancements reflect the Board's continued commitment to improving transparency, aligning with evolving global sustainability standards, and embedding sustainability considerations more deeply into the Group's long-term strategy and operations.

01 ABOUT US

1.1 Corporate Profile

Combine Will was established in 1992 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited in 2008. Today, Combine Will is a leading sustainable Original Design Manufacturer (“**ODM**”) and Original Equipment Manufacturer (“**OEM**”), specialising in toys, plush products, corporate premiums, and consumer goods for global brands and businesses.

With a strong international presence, the Group operates offices in Hong Kong, Shenzhen, Dongguan, and Singapore, supported by six manufacturing facilities in Dongguan, Heyuan, Cangwu in People’s Republic of China, and Sragen in Indonesia. Its workforce of over 20,000 employees enables it to deliver high-quality products and services to a diverse global clientele across Southeast Asia and beyond.

Innovation is at the heart of Combine Will’s success. Its dedicated Research & Development (“**R&D**”) Centre drives product development and strategic growth, ensuring operational efficiency, streamlined processes, and

consistent quality. By leveraging advanced technologies and sustainable practices, the Group has optimised production lines, reduced operating costs, and minimised environmental impact.

As a trusted partner to leading international brands, Combine Will remains committed to excellence, sustainability, and continuous improvement, creating products that inspire, connect, and deliver value worldwide. The Group maintains awareness of relevant industry developments but does not currently hold a significant role in industry associations or membership organisations.



01 ABOUT US (Cont'd)

1.2 Vision and Mission

VALUES



Integrity

We fulfill our duties with consistent words and actions.



Progressiveness

We pursue breakthroughs and strive for excellence.



Productivity

We work efficiently and collaborate to achieve more with less.



Innovation

We tap into our potential and dare to innovate.



Inclusion

We promote equality, mutual assistance, cooperation, and integration.

MISSION

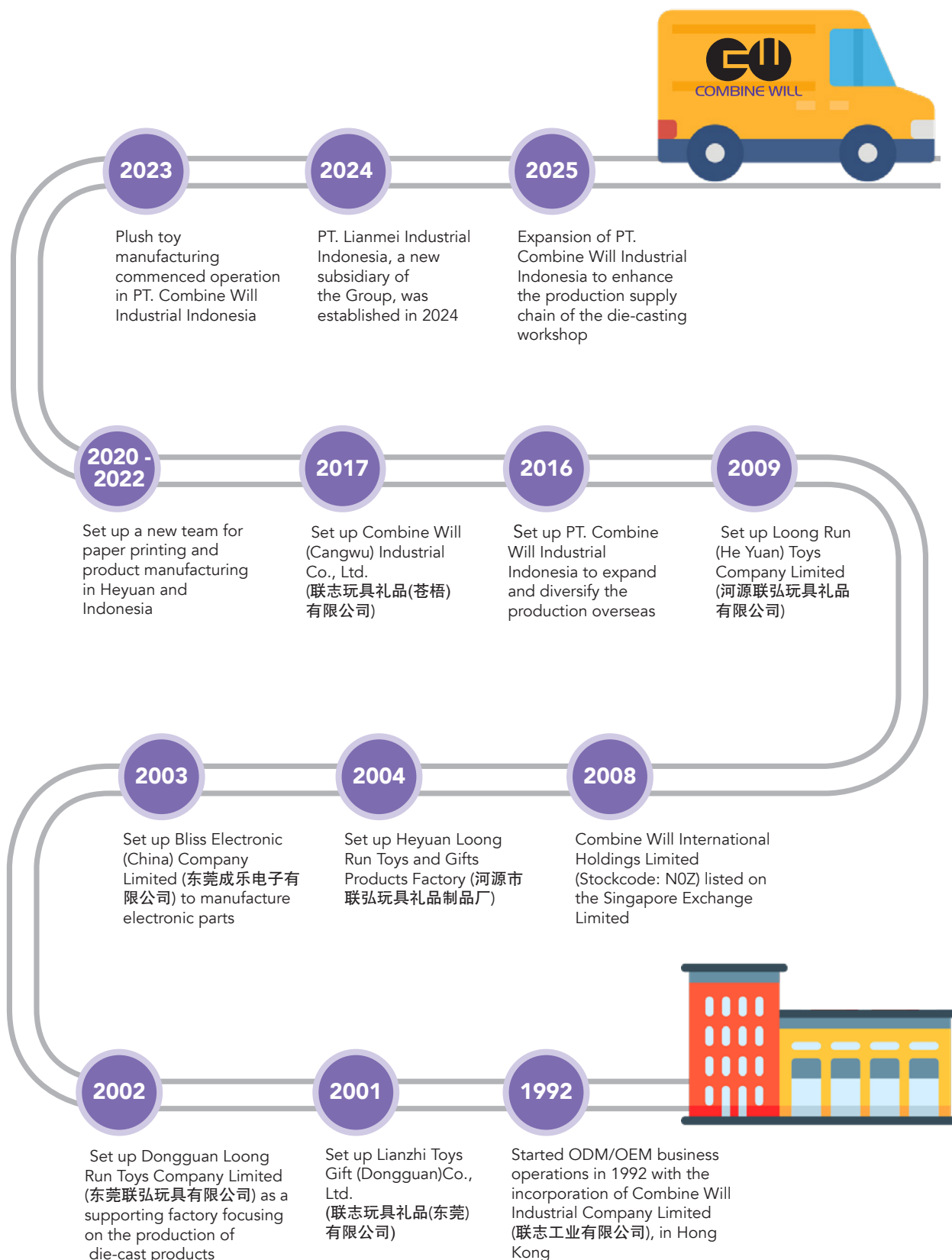
- Our mission is to provide the highest quality solutions through our unwavering commitment to R&D, engineering, manufacturing, digital technology, professional services, and quality management, enabling our customers to transform their great ideas into sustainable products.
- We strive to be a responsible corporate citizen, making meaningful contributions to the communities in which we operate.
- We are committed to building a culture of excellence and growth, utilizing resources effectively, and becoming an organization that continuously progresses.

VISION

- We aspire to become a world-class enterprise in the field of sustainable manufacturing, setting the industry benchmark for green product manufacturing in plastics, paper, plush, die-casting, and electronics industries.
- Our goal is to provide green and high-quality ODM/OEM services in corporate gifts, various toys, and consumer products, becoming an industry leader and the preferred supplier for customers.

01 ABOUT US (Cont'd)

1.3 Combine Will Key Milestones



01 ABOUT US (Cont'd)

1.4 Economic Performance

Key Considerations

In FY2025, global economic conditions were shaped by easing inflation and ongoing geopolitical uncertainties. Consumer confidence in Europe and North America stabilised, while Asia-Pacific continued to drive growth through strong domestic demand and structural reforms. The toy and consumer goods industry remained competitive, with innovation, sustainability, and digitalisation as key drivers.

These conditions presented both challenges and opportunities. Heightened cost pressures arising from the adoption of sustainable materials and compliance with evolving regulatory requirements increased short-term operating costs. At the same time, growing demand for eco-conscious products and responsible manufacturing practices created opportunities to strengthen customer relationships, enhance brand reputation, and participate in green procurement initiatives, supporting long-term value creation.

Management Approach

Combine Will manages its economic performance through a business model that enables effective cost control, supply chain coordination, and responsiveness to changing market conditions. The Group integrates ESG considerations into business strategy and operational planning, recognising that sustainability, innovation, and operational efficiency are critical enablers of long-term resilience and competitiveness.

During FY2025, the Group continued to strengthen product innovation, optimise production processes, and deepen partnerships with sustainability-focused clients. Strategic investment in green materials and responsible manufacturing practices was prioritised to align with customer expectations and regulatory trends, while managing associated cost impacts through efficiency improvements and scale advantages.

In addition, the Group actively leveraged government support programmes aligned with national sustainability, workforce development, and innovation objectives. These initiatives complemented the Group's investment in human capital and operational stability, supporting business continuity and risk mitigation amid an uncertain external environment.

Methodology

Economic performance is assessed based on direct economic value generated and distributed, in line with GRI. Financial data disclosed in this section is derived from the Group's audited annual financial statements and internal management records and is reported on a consolidated basis for the relevant financial years.

Performance

In FY2025, the Group sold 910,412,692 units and generated HK\$1,810,977,000 in revenue, representing a 18.7% increase in production volume compared with FY2024. This performance reflects strong demand for eco-conscious products and strategic partnerships with sustainability-focused clients. While the adoption of green materials continued to increase short-term costs, it strengthened brand reputation, enhanced customer loyalty, and opened opportunities in green procurement tenders. These initiatives also supported regulatory compliance and risk mitigation, reducing potential future liabilities.

In FY2025, the Group received a total of HK\$ 2.2 million in government grants, which were provided to support the Group's development, including contributions toward local economic development, employment support, and operational assistance.

Overall, Combine Will's disciplined cost management, strategic ESG integration, and focus on innovation enabled the Group to deliver robust economic performance and reinforce its market position despite a challenging global environment.

Annual Economic Performance

	FY2023	FY2024	FY2025
Economic Value Generated (million HK\$)			
Direct Economic Value Generated: Revenues	1,113.2	1,471.3	1,811.0
Economic Value Distributed (million HK\$)			
Operating Costs	1,101.2	1,461.2	1,791.3
Government (Tax, Statutory payments, etc.)	6.3	14.8	11.2
Sub-total	1,107.5	1,476.0	1,802.5
Economic Value Retained	5.7	(4.7)	8.4

01 ABOUT US (Cont'd)

1.5 Business Strategy Analysis

The Group undertakes a comprehensive assessment of its internal strengths and weaknesses to identify competitive advantages and areas for improvement, thereby supporting effective resource allocation. Through the evaluation of external opportunities and threats, the Group gains insights into market trends, potential growth areas, and emerging risks. This structured and data-informed approach supports strategic decision-making and reinforces the Group's commitment to long-term sustainable development.

Strength & Opportunities

Governance Structure:

The Group's organisational structure comprises the Board of Directors, the Executive Management Committee ("EMC"), and the Corporate Social Responsibility ("CSR") Department, which together support the effective oversight and implementation of the Group's sustainability strategies.

Risk Management:

The Group has established a comprehensive risk management framework that addresses health, safety, social, and environmental risks, thereby supporting stable and secure business operations.

Business Ethics:

The Group maintains a zero-tolerance approach to corruption, supported by established ethical guidelines and compliance management systems to uphold the integrity of its business activities.

Market Competitiveness:

In response to intensifying market competition, the Group has maintained its competitive position through ongoing business model optimisation, product innovation, and robust quality management.

Compliance Management:

In response to evolving global laws and standards, the Group has implemented robust quality, environmental, safety, and energy management systems, demonstrating strong regulatory compliance capabilities.

Weaknesses & Challenges

Resource Investment:

Continuous improvement initiatives and business expansion require significant resource investment, which may temporarily affect short-term profitability.

Technological Change:

Ongoing changes in technology and market conditions require the Group to continuously enhance its technological capabilities and product offerings. Inability to respond effectively to these developments could adversely affect the Group's competitive position and customer base.

Stakeholder Expectations:

The expectations and requirements of stakeholders continue to evolve, presenting ongoing challenges for the Group. Meeting these expectations may require additional resources and effort, which could lead to increased operating costs.

Future Strategic Initiatives

Advancing Governance and Global Sustainability Alignment:

The Group will continue to advance its governance and sustainability practices by aligning with internationally recognised frameworks, including the United Nations Sustainable Development Goals. The Group will also continue to enhance its sustainability disclosures in line with the IFRS Sustainability Disclosure Standards to increase transparency, reinforce corporate responsibility, and support long-term engagement in global markets.

Innovation:

Innovation underpins the Group's long-term strategy and competitiveness. The Group intends to deepen its focus on research, development, and market exploration by allocating additional resources towards innovation-led initiatives. Through the identification and adoption of new technologies and the expansion into emerging markets, the Group seeks to capture sustainable growth opportunities and reinforce its position within a dynamic and highly competitive business environment.

Risk Management and Internal Controls:

The Group will strengthen its risk management and internal control frameworks to enhance its ability to identify and respond to emerging risks and opportunities, thereby supporting resilient and sustainable operations.

Strengthening Stakeholder Relationships:

The Group will enhance open and transparent communication mechanisms to promote meaningful engagement with stakeholders across the value chain. Through consistent and constructive dialogue, the Group seeks to enhance corporate credibility and cultivate long-term, trust-based relationships.

02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE

At Combine Will, the Group is committed to high standards of legal compliance and ethical conduct, with integrity embedded across its operations. Supported by multiple management system certifications, the Group has established an integrated risk management framework to support responsible and sustainable business operations. The Group has implemented stakeholder engagement and communication mechanisms to identify and address material environmental, social, and governance matters, which inform the development of its sustainability strategy. By aligning with the United Nations Sustainable Development Goals, the Group continues to enhance its sustainability capabilities and support long-term value creation and corporate social responsibility objectives.



02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

2.1 ESG Governance Structure

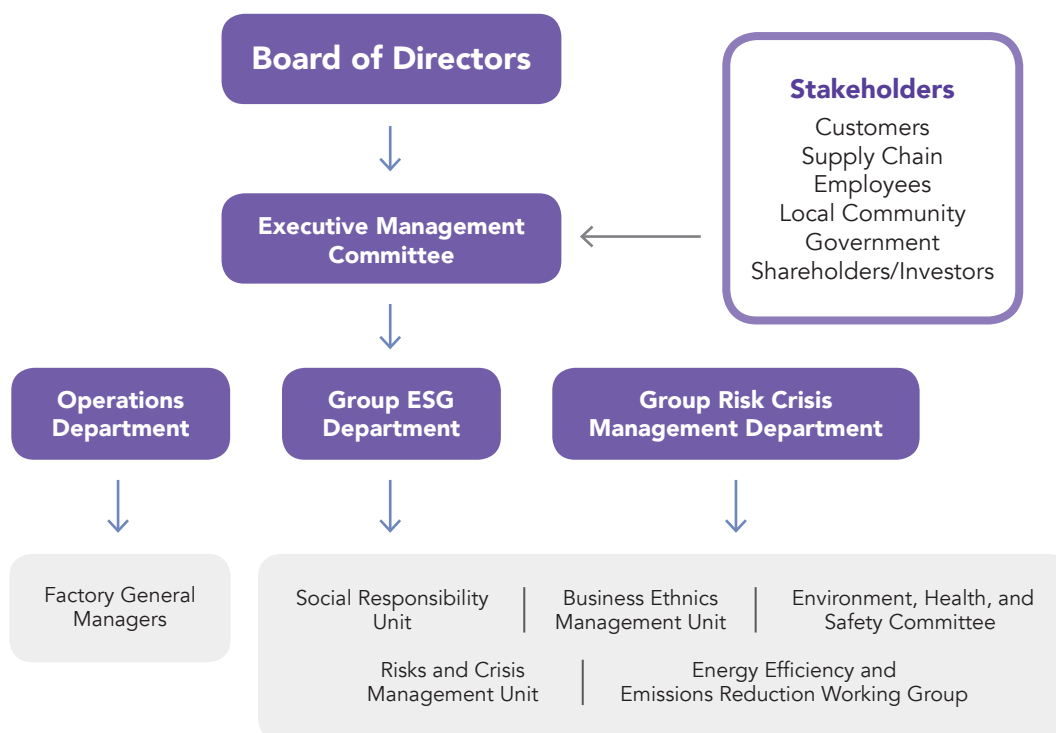
Effective governance remains central to Combine Will's approach to sustainability. In an increasingly complex and uncertain global environment, the Group has established a robust governance framework to integrate ESG risk management into strategic decision-making and operational processes.

The Board is responsible for the governance of the Group's risk management and internal controls, including climate-related risks and opportunities, and serves as the ultimate decision-making body. The Board meets regularly to review strategy, budgets, and material ESG matters, ensuring that sustainability considerations are embedded within the Group's overall governance and risk management framework.

The Board comprises six members, including four independent non-executive directors and two executive directors¹. With independent directors representing 67% of the Board, the Group maintains strong independence and fairness in its oversight responsibilities. Gender diversity is also an integral consideration, with a female director currently constituting 16% of the Board, demonstrating the Group's ongoing commitment to broadening representation. In line with its Board Diversity Policy, which encompasses multiple dimensions including gender, age, and ethnicity, the Group remains committed to building a leadership team that reflects a broad range of perspectives and contributes to robust and well-balanced decision-making. For more information, please refer to the 'Corporate Governance Report' section in the Group's 2025 Annual Report.

As part of its continual efforts to upgrade the knowledge of its directors on sustainability reporting and to meet the requirements of Rule 720(7) of the Listing Manual of the SGX-ST, all directors have attended the requisite sustainability training courses prescribed by the SGX-ST.

Corporate Governance Structure



¹ Further to the Company's announcement dated 8 April 2026, Ling Chung Yee, Roy has stepped down from his office as independent non-executive director on 23 April 2026. Following Ling Chung Yee, Roy's cessation as independent non-executive director, the Board now consists of five members, comprising three independent non-executive directors and two executive directors.

02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

Operational oversight is carried out through the EMC, which comprises representatives from the Group ESG Department, the Risk Management Unit, the Environment, Health and Safety Committee, and key business units. The EMC works closely with the Group Risk and Crisis Management Department, and the Operations Department to collectively ensure that ESG strategies, policies, and objectives are aligned with the Group's strategic direction and integrated into business processes.

- The EMC reports to the Board and oversees the implementation of ESG initiatives across all departments.
- The EMC is responsible for managing the organisation's impacts on the economy, environment, and people and reporting to the Board when necessary.
- The Group ESG Department engages with stakeholders to gather expectations and sustainability concerns, and communicates ESG policies, management practices, and performance updates.

- The Group Risk and Crisis Management Department identifies, evaluates, and monitors ESG-related risks to ensure effective ESG risk control.
- The Operations Department is responsible for implementing prevention strategies and control measures for ESG risks.

Specialised units, including the Social Responsibility Unit, Business Ethics Management Unit, and the Energy Efficiency and Emissions Reduction Working Group, support the Group ESG Department in managing specific sustainability priorities. These units monitor performance indicators, conduct risk assessments, and develop action plans to address ESG-related risks and opportunities.

Through this governance framework, Combine Will reinforces its commitment to responsible decision-making, stakeholder engagement, and sustainable growth, laying a strong foundation for long-term value creation.

2.2 ESG Strategy and UN SDGs

Material ESG issues remain the foundation of Combine Will's sustainability strategy, shaping long-term growth and stakeholder confidence. To translate ambition into measurable outcomes, the Group has embedded ESG principles into core decision-making and operational processes through:



• **Integrated Decision-making:**

ESG considerations are incorporated into executive and departmental decisions, ensuring sustainability risks and opportunities are evaluated alongside financial and operational metrics.

• **Cross-functional Governance:**

A dedicated ESG governance structure promotes transparency and consistency across all business units, enabling effective implementation of sustainability policies.



• **Stakeholder Alignment:**







Material ESG issues such as climate resilience, ethical supply chains, and workforce well-being are linked to strategic objectives with clear accountability and timelines.

This approach strengthens alignment with the UN SDGs, particularly UN SDG 12 (Responsible Consumption and Production), UN SDG 13 (Climate Action), and UN SDG 17 (Partnerships for the Goals). By embedding these principles into operations, Combine Will ensures sustainability drives both societal impact and long-term business value, mitigating risks and enhancing competitive advantage.

The following table outlines Combine Will's material ESG topics, its corresponding strategic objectives, alignment with relevant UN SDGs, and progress achieved in FY2025. These objectives are structured across time horizons in alignment with the Group's strategic planning cycle: short-term (3–5 years), medium-term (5–10 years), long-term (beyond 10 years, up to 2050), and perpetual (annual recurring goals), to ensure measurable progress toward long-term sustainability commitments. For all comparative metrics, the baseline year is FY2021 unless otherwise stated.







02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

Combine Will's ESG Targets and 2025 Performance

UN SDGs	Material Issues	Strategic Objectives	Progress in FY2025
Environmental			
     	Emissions	<u>Short-term</u> 15% reduction in carbon emissions intensity by 2026 Note: Carbon emissions intensity covers Scope 1 & Scope 2 emissions	In Progress
		<u>Medium-term</u> 53% reduction in carbon emissions intensity by 2035	In Progress
		<u>Long-term</u> Achieve carbon neutrality by 2050	In Progress
	Waste	<u>Perpetual</u> Maintain zero land or water discharge incidents across the Group's locations	Achieved
		<u>Perpetual</u> Maintain zero hazardous waste directed to landfill for disposal	Achieved
		<u>Short-term</u> 5% reduction in waste produced intensity by 2026	In Progress
		<u>Medium-term</u> 10% reduction in waste produced intensity by 2035	In Progress
	Energy	<u>Long-term</u> 15% reduction in waste produced intensity by 2050	In Progress
		<u>Short-term</u> 10% reduction in energy intensity by 2024	In Progress
		<u>Medium-term</u> 35% reduction in energy intensity by 2032	In Progress
	Water and Effluents	<u>Long-term</u> 50% reduction in energy intensity by 2050	In Progress
		<u>Short-term</u> 10% reduction in water intensity by 2024	In Progress
		<u>Medium-term</u> 20% reduction in water intensity by 2032	In Progress
	Materials	<u>Long-term</u> 30% reduction in water intensity by 2050	In Progress
		<u>Short-term</u> 40% of products classified as green products by 2024	Achieved
<u>Medium-term</u> 70% of products classified as green products by 2030		Achieved	
	<u>Long-term</u> 100% of products classified as green products by 2050	In Progress	







02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

Combine Will's ESG Targets and 2025 Performance (Cont'd)

UN SDGs	Material Issues	Strategic Objectives	Progress in FY2025
Social			
	Supplier Social Assessment	<u>Perpetual</u> 100% of new and active suppliers screened using social criteria	Achieved
	Supplier Environmental Assessment	<u>Perpetual</u> 100% of new and active suppliers screened using environmental criteria	Achieved
	Forced Labour	<u>Perpetual</u> Zero incidents of forced labour across operations and supply chain	Achieved
	Child Labour	<u>Perpetual</u> Zero incidents of child labour across operations and supply chain	Achieved
     	Customer Health and Safety	<u>Perpetual</u> Maintain 100% customer inspection pass rate across all product categories	Achieved
		<u>Perpetual</u> Maintain zero major product quality incidents	Achieved
		<u>Perpetual</u> Maintain ISO-certified quality management systems across all manufacturing facilities	Achieved
	Employment	<u>Medium-term</u> Maintain employee turnover rate below 80%	In Progress
	Non-Discrimination	<u>Perpetual</u> <u>Zero confirmed discrimination cases annually</u>	Achieved
	Occupational Health and Safety	<u>Perpetual</u> Maintain recordable injury rates below industry benchmarks	Achieved
		<u>Perpetual</u> Maintain zero work-related fatalities	Achieved
		<u>Perpetual</u> Ensure 100% of employees have access to health and safety training across all sites	Achieved
	Training and Development	<u>Perpetual</u> Offer at least 10 hours of training per employee per year	In Progress
		<u>Medium-term</u> Provide career development programmes to 100% of technical and leadership roles	In Progress
<u>Medium-term</u> Achieve ≥90% completion rate for managerial competency training		Achieved	
Diversity and Equal Opportunities	<u>Perpetual</u> Ensure 100% of employees complete annual training on inclusive workplace practices	Achieved	
	<u>Long-term</u> Achieve gender parity in management roles	In Progress	

02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

Combine Will's ESG Targets and 2025 Performance (Cont'd)

UN SDGs	Material Issues	Strategic Objectives	Progress in FY2025
Social			
	Labour Management Relations	<u>Perpetual</u> Maintain 100% compliance with minimum notice periods for all significant operational changes	Achieved
		<u>Perpetual</u> Ensure 100% of significant operational changes include formal consultation with relevant stakeholders	Achieved
		<u>Perpetual</u> Conduct quarterly labour-management communication sessions with at least 80% participation rate	Achieved
	Local Communities	<u>Perpetual</u> Maintain 100% coverage of community engagement and impact assessments	Achieved
		<u>Perpetual</u> Achieve zero significant actual or potential negative community impacts	Achieved
Corporate Governance			
     	Anti-Corruption and Business Ethics	<u>Perpetual</u> Maintain zero incidents of non-compliance with anti-corruption laws and regulations.	Achieved
		<u>Perpetual</u> Zero violations of the Group's Code of Business Ethics, with no associated litigation or regulatory risks related to ESG disclosures.	Achieved
	Customer Privacy	<u>Perpetual</u> Maintain zero incidents relating to customer privacy violations, data loss, or data leakage	Achieved
		<u>Perpetual</u> Ensure all IT, Operations, and Procurement personnel complete cybersecurity training annually	Achieved
	Procurement Practices	<u>Perpetual</u> 100% CSR audit coverage of business partners and active suppliers	Achieved
		<u>Perpetual</u> Enforce policy of suspension of cooperation for suppliers with ESG performance below 80% or serious violations	Achieved
	Economic Performance	<u>Perpetual</u> Maintain positive economic value generation while supporting ESG investments	Achieved
		<u>Perpetual</u> Full compliance with tax, statutory payments, and government reporting requirements	Achieved

02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

2.3 Stakeholder Engagement

Combine Will's sustainability journey begins with the identification of its stakeholders, who play a critical role in shaping the Group's priorities and long-term objectives. To strengthen these relationships, the Group facilitates ongoing engagement throughout the year with different stakeholder groups, recognising that their insights are essential for determining material focus areas and refining sustainability goals.

Guided by the GRI Sustainability Reporting Standards, the Group assesses material issues based on two dimensions: their impact on Combine Will's financial, environmental, and

social performance, and their significance to stakeholders. The Management team and the Board review and validate the identification, assessment, and prioritisation of these material issues to ensure alignment with corporate strategy and stakeholder interests. Through consistent dialogue and collaboration, Combine Will strives to build trust, enhance transparency, and ensure that its sustainability initiatives address the most relevant and pressing ESG topics for its stakeholders.

This Report reflects the outcomes of these assessments and the feedback gathered through stakeholder engagement activities. The following outlines the key topics of concern and engagement methods for each stakeholder group.

Stakeholder	Key Concerns	Forms of Engagement
Government and Regulatory Agencies	<ul style="list-style-type: none"> Regulatory compliance and legal operations Tax compliance Climate change mitigation and GHG reduction Emission management and resource efficiency 	<ul style="list-style-type: none"> Supervision acceptance Periodic reporting and disclosures ESG disclosures Participation in relevant meetings
Shareholders and Investors	<ul style="list-style-type: none"> Financial performance Corporate governance Risk management and regulatory compliance Sustainability strategy and return on investment 	<ul style="list-style-type: none"> Regular disclosures Annual general meetings ("AGM") and shareholder briefings Investor engagement activities Hotline and email communication Questionnaire-based surveys
Employees	<ul style="list-style-type: none"> Diversity, equity, and inclusion Workplace health and safety Talent development Compensation and benefits Corporate culture 	<ul style="list-style-type: none"> Trade unions and employee representation Employee feedback and requests Workplace events and team-building activities Questionnaire-based surveys Culture and inclusion committees
Customers	<ul style="list-style-type: none"> Product quality and safety Innovative research and development Customer relationship management Climate change mitigation and GHG reduction 	<ul style="list-style-type: none"> Annual and quarterly customer feedback Online support Satisfaction surveys Customer feedback and return visits
Suppliers & Partners	<ul style="list-style-type: none"> Sustainable supply chain Supplier management Conflict minerals and responsible sourcing Climate change mitigation and GHG reduction 	<ul style="list-style-type: none"> Open tendering Daily supplier communication and collaboration Regular supplier audits and performance evaluations Questionnaire-based surveys Annual supplier conference
Community	<ul style="list-style-type: none"> Climate change mitigation and GHG reduction Emission management and resource efficiency Environmental protection Public welfare 	<ul style="list-style-type: none"> Public information disclosures Feedback channels Field visits Volunteer initiatives
NGOs/Media Outlets	<ul style="list-style-type: none"> Global social issues (e.g., refugee support, poverty alleviation) Disaster relief and humanitarian aid Ecosystem protection and conservation 	<ul style="list-style-type: none"> CSR partnerships Symposiums

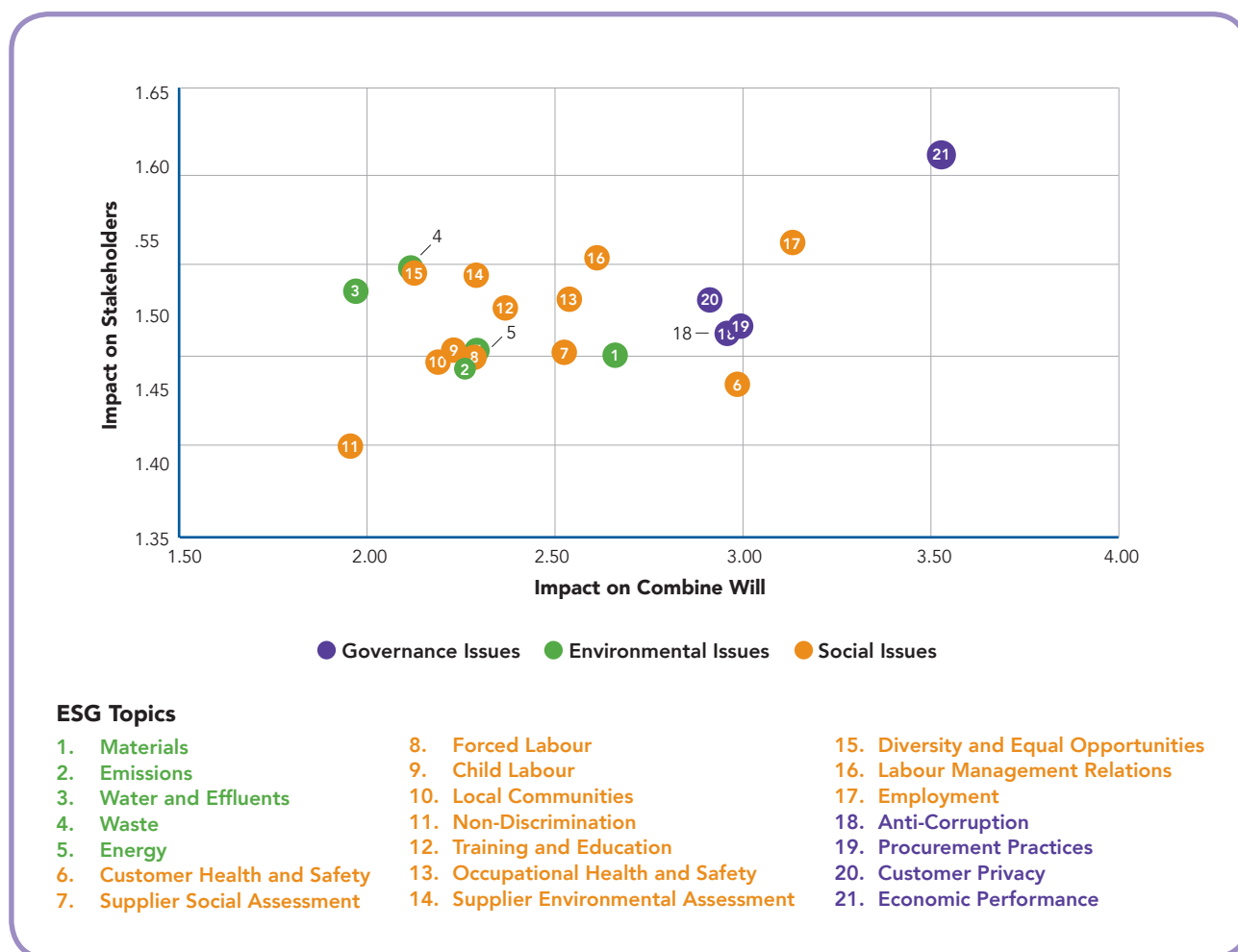
02 SUSTAINABILITY GOVERNANCE: GUIDING STRATEGIC GROWTH WITH EXCELLENCE (Cont'd)

2.4 Materiality Assessment

In FY2025, Combine Will conducted a comprehensive materiality assessment aligned with the GRI Universal Standards 2021. The process was designed to systematically identify, evaluate, and prioritise sustainability topics that are most relevant to the Group's business and stakeholders.

The assessment was anchored by extensive stakeholder engagement. External stakeholders, including customers, suppliers, community partners, and investors, provided input through structured surveys that gauged the significance of key ESG topics. Internal stakeholders, comprising senior management and employees across business units, contributed through surveys. These surveys surfaced operational risks and opportunities, clarified where sustainability issues intersect with business performance, and informed the prioritisation of topics.

ESG Materiality Assessment Matrix



Building on this structured approach, the FY2025 assessment expanded the Group's material topics from 14 to 21, reflecting evolving regulatory expectations and the broader scope of issues considered important by stakeholders. Seven new topics, including Procurement Practices, Economic Performance, Supplier Social Assessment, Child Labour, Non-Discrimination, Forced Labour, and Supplier Environmental Assessment, were added to enhance coverage of supply chain responsibility, human rights protections, and value-chain environmental impacts.

The results of the assessment confirm that Combine Will's most material issues continue to be anchored in responsible operations, employee wellbeing, ethical business conduct and sustainable supply-chain performance. These findings will guide the Group's strategic priorities, resource allocation and reporting focus in the coming year.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE

Combine Will views the planet as more than a place of business, it is a shared home that demands responsible stewardship. Environmental protection is regarded not simply as a regulatory obligation but as a strategic imperative for long-term sustainability. By integrating low-carbon and eco-friendly practices into operations, the Group enhances efficiency, reduces costs, and positions itself to capture opportunities in emerging markets. This commitment to sustainability ensures that while safeguarding natural resources, the organisation builds resilience and creates enduring value for stakeholders.



03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

3.1 Environmental Policy and Strategy

Environmental Strategic Objectives

ESG principles remain a cornerstone of Combine Will's long-term competitiveness. On the environmental front, strict emissions control and resource management go beyond regulatory compliance to drive innovation, optimise costs, and enhance operational resilience. Building on the environmental characteristics of its operations and using 2021 as the baseline year, the Group has established a structured roadmap with short-, medium-, and long-term targets covering carbon emissions, waste management, energy efficiency, water conservation, wastewater treatment, and raw material consumption.

In FY2025, the Group met its quantifiable targets, reinforcing its commitment to sustainability and responsible business practices. For FY2026 and beyond, the Group will continue to advance the environmental strategy by accelerating clean energy adoption, improving resource efficiency, and aligning environmental benefits with business value creation to support the achievement of carbon neutrality by 2050. For more information on the Group's climate strategy, please refer to the 'Climate-related Disclosures (IFRS S2)' section below.

Climate-Related Capital Deployment

To support its environmental strategy and long-term transition objectives, the Group allocates capital expenditure toward initiatives that reduce emissions, enhance energy efficiency, and strengthen operational resilience. In FY2025, climate-related capital deployment focused on energy-related infrastructure and operational upgrades across the Group's manufacturing sites.

During the year, the Group jointly developed photovoltaic power generation projects with third-party partners, with a total investment of approximately HK\$ 11 million across its factories in Dongguan, Heyuan, and Indonesia. In addition, the Group invested in the procurement of renewable green electricity, as well as energy-saving renovation of production equipment, optimisation of production management processes, and the introduction of automated facilities to improve energy efficiency.

Moving forward, the Group will continue to assess its capital allocation needs as part of its climate transition planning and will gradually increase financial resources allocated to climate-related projects, ensuring alignment with strategic environmental objectives, long-term value creation, and operational resilience.



Compliance and Prevention

Combine Will remains committed to full compliance with all applicable environmental laws, regulations, and policy requirements. The Group prioritises preventive measures to mitigate harmful environmental impacts and applies systematic management strategies to minimise and control pollutant generation and emissions. These efforts ensure that environmental protection is embedded across all operations.

Energy Efficiency and Emission Reduction

The Group continues to strengthen energy management by implementing measures that are technically feasible, economically viable, and environmentally responsible. Initiatives focus on improving energy efficiency and reducing emissions through advanced technologies and operational optimisation. By minimising pollutants that may have long-term environmental impacts, Combine Will reinforces its commitment to sustainable growth.

Collective Responsibility

Environmental protection, energy conservation, and pollution reduction are shared responsibilities across the organisation. Every employee is expected to embrace sustainability principles, support the procurement of eco-friendly products and services, and contribute to reducing the environmental footprint of the supply chain. This collective approach ensures that sustainability is integrated into daily operations and decision-making.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

3.2 Environmental Management Systems

In FY2025, environmental management systems were implemented in **100%** of the Group's production facilities.

Combine Will remains committed to full compliance with national and local environmental regulations. Guided by the ISO 14001 international standard, the Group has established robust environmental management systems ("EMS") to control emissions, manage water resources and waste responsibly, and continuously improve environmental performance and risk management.

In each factory, the Factory General Manager oversees environmental governance by approving investments and targets, monitoring performance, and ensuring the effective implementation and continual enhancement of the EMS, Systematic Environment, Health, and Safety

("EHS") procedures cover the identification and assessment of environmental aspects, pollution control, emissions management, and the development of measurable targets and action plans.

Through the Plan-Do-Check-Act ("PDCA") cycle, the Group drives continuous improvement, regulatory compliance, and operational efficiency. By the end of 2025, ISO 14001-aligned management systems had been fully implemented across all manufacturing facilities within the Group, with certification achieved at selected sites and the remaining facilities progressing towards full certification.



03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER (Cont'd)

3.3 Green Product Development

Materials

Green products accounted for **82%** of the Group's portfolio in FY2025.

Key Considerations

Responsible material management is key to reducing environmental impact, ensuring compliance, and meeting stakeholder expectations. Rising demand for sustainable materials and stricter standards create challenges such as higher sourcing costs and supply chain complexity. Failure to adapt may lead to reputational risks and reduced competitiveness. By adopting renewable and recycled materials and advancing green manufacturing, the Group can unlock opportunities for innovation, cost efficiency, and stronger customer loyalty while reinforcing its sustainability commitments.

Management Approach

Combine Will prioritises sustainable material sourcing and green product development as part of its environmental strategy. The Group actively promotes the use of renewable and recycled materials, implements eco-friendly production techniques, and collaborates with suppliers and customers to advance sustainability across the value chain. Key initiatives include:

- Adopting Mass Balance Polypropylene ("MBPP"):

MBPP is a sustainable plastic made by blending renewable raw materials with conventional feedstocks under a certified mass balance approach. Utilising MBPP in toy production reduces the Group's reliance on fossil-based feedstocks and fosters a circular economy.

- Integrating International Sustainability and Carbon Certification ("ISCC") PLUS-Certified² Recycled Materials:

ISCC PLUS is a globally recognised certification system that ensures sustainability and traceability for biomass, recycled materials, and renewable energy. The Group prioritises sourcing ISCC PLUS-certified raw materials to expand its green product portfolio and strengthen its commitment to responsible material management.

- Advancing Green Manufacturing:

The Group actively promotes eco-friendly production techniques such as replacing solvent-based coatings with water-based alternatives to reduce volatile organic compounds ("VOCs") emissions and hazardous waste and using Forest Stewardship Council™ (FSC™ C162822) certified paper to support responsible forestry and biodiversity conservation.

Factories are required to comply with ISO 14001-certified Environmental Management Systems and local environmental regulations. Internal audits monitor adherence to material sourcing policies and green product targets.

Methodology

Material usage data is collected from procurement records and verified through internal controls under ISO 14001 standards. Green product share is calculated as the number of products meeting the Group's green product criteria divided by the total number of products during the reporting period. Performance is tracked against short-, medium-, and long-term targets to ensure continuous improvement.

Performance

In FY2025, Combine Will achieved 82% green product share, surpassing its medium-term target of 70% by 2030. This progress reflects successful adoption of MBPP plastics, ISCC PLUS-certified materials, and eco-friendly production practices. As the Group continues to strengthen its materials management practices, it aims to provide more comprehensive disclosures on material usage as data becomes available. The Group remains committed to its long-term goal of 100% green product share 2050, reinforcing its dedication to sustainable development and environmental responsibility.

The Group achieved its short-term and medium-term targets of classifying 40% and 70% of its products as green products in FY2025. Building on this progress, the Group will continue to advance its product sustainability efforts and work towards achieving 100% green product classification by 2035.



² <https://www.iscc-system.org>

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

3.4 Clean Production and Resource Efficiency

Energy

In 2025, clean energy accounted for **16.7%** of the Group's total energy consumption.

Key Considerations

Combine Will recognises the importance of managing energy consumption due to its influence on operational costs, resource efficiency, and stakeholder expectations for sustainable practices. Rising electricity prices and resource constraints present operational and financial risks, affecting manufacturing processes and supply chain logistics. Failure to address these challenges could result in increased costs and reduced competitiveness. Proactive energy management creates opportunities for cost savings, operational efficiency, and enhanced brand reputation.

Management Approach

Combine Will's commitment is guided by a clear energy-intensity roadmap benchmarked against FY2021 as a baseline. The Group is working towards to achieved a 10% reduction in 2026, is progressing toward a 35% reduction by 2032, and remains focused on reaching a 50% reduction by 2050.

To address energy challenges, Combine Will has adopted a structured approach that embeds sustainability into operational planning. The Group conducts regular energy audits and operates an energy management system to identify efficiency opportunities. This includes initiatives such as heat recovery, equipment upgrades and retrofits, and deployment of energy-saving appliances to reduce energy consumption. The Group is progressively implementing an ISO 50001-aligned energy management system, with the Guangxi factory achieving certification in 2023 and plans underway to extend the system to additional operations.

Recognising that electricity accounts for over 90% of total carbon emissions, Combine Will has prioritised the transition to clean energy as a critical step in its low-carbon strategy. Since 2023, the Group has been purchasing green electricity through third-party retailers, progressively increasing the share of renewable energy in its consumption mix. In FY2025, the Group completed installations of photovoltaic power generation for its operations in Heyuan, Dongguan, and Indonesia, with a total installed capacity of 3.2 MWh. These measures not only support regulatory compliance and cost efficiency but also reinforce Combine Will's commitment to sustainable growth and environmental stewardship.

Methodology

Combine Will's energy consumption is expressed in kilowatt-hours ("kWh") and reported on a consolidated basis for manufacturing facilities and office operations. Data is sourced from utility bills and metered records, with standard conversion factors applied where necessary.

For fuels consumed on site, including diesel, gasoline, and liquefied petroleum gas ("LPG"), consumption volumes are converted into kWh using standardised energy conversion factors consistent with internationally recognised energy and greenhouse gas accounting methodologies, including guidance under the GHG Protocol and relevant national energy statistics. Electricity consumption is recorded directly in kWh based on utility billing and meter readings. Energy intensity is calculated by dividing total energy consumption (kWh) by total production output (tonnes), expressed as kWh per tonne. This metric provides a clear measure of energy efficiency relative to production volume, enabling performance benchmarking across reporting periods and supporting progress tracking toward energy reduction targets.

Performance

In FY2025, Combine Will's total energy consumption was 58,416,739 kWh, of which 9,758,335 kWh was sourced as green electricity, representing 16.7% of total consumption. Energy intensity per unit of production was 2,940 kWh per tonne and energy consumption intensity per unit of product, reflecting a 23% increase compared to the 2021 baseline.

During the reporting year, the Group did not sell any energy generated from its operations, and all energy produced or procured was consumed internally to support manufacturing and office activities.

The Group aims to further increase the proportion of clean energy consumption and expand energy efficiency initiatives to support its long-term goal of achieving 50% reduction in energy intensity by 2050 against its 2021 baseline.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Energy Consumption Within the Organisation

Non-Renewable Energy Consumption

Diesel (kWh)			Gasoline (kWh)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
1,034,840	1,032,592	1,047,521	547,318	633,167	612,004

LPG (kWh)			Electricity (kWh)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
46,821	72,717	82,653	33,724,571	45,959,626	56,674,561

Renewable Energy Consumption

Green Electricity (kWh)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
5,541,540	10,127,000	9,758,335

Total Energy Consumption (kWh)			Total Annual Production (t)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
35,353,550	47,698,102	58,416,739	17,554	17,313	19,869

Energy Consumption Intensity (kWh/t Product)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
2,014	2,755	2,940

Energy Consumption Outside the Organisation

Energy consumption outside the organisation is recorded in relation to business air travel undertaken by the Group's employees. Business travel data are collected based on travel records maintained by the Group and used to estimate associated greenhouse gas emissions. This category reflects fuel consumption attributable to employee air travel for business purposes and is reported as part of the Group's selected Scope 3 emissions, based on relevance and data availability.

The Group has achieved its short-term and medium-term energy reduction targets and remains committed to further improving energy efficiency across its operations. It will review and update its targets in the next reporting cycle to reflect the Group's growth and evolving operational profile, while continuing to support its long-term goal of achieving 50% reduction in energy intensity by 2050.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Emissions

In FY2025, **100%** of air pollutant emissions met regulatory discharge standards.

Key Considerations

Greenhouse gas emissions directly affect Combine Will's regulatory compliance, cost structure, and ability to meet stakeholder expectations. Increasing climate regulations and customer demand for low-carbon products create operational and financial risks, including higher costs and potential penalties. Effective emissions management is essential to maintain competitiveness, reduce exposure to regulatory changes, and support long-term sustainability objectives.

Management Approach

Combine Will manages emissions through a targeted approach focused on measurement, reduction, and transparency. The Group has set a long-term target to achieve carbon neutrality by 2050, in line with global climate goals. This commitment is anchored by a clear roadmap benchmarked against FY2021 as a baseline, with interim targets of a 15% reduction in carbon emissions intensity by 2026 and a 53% reduction by 2035. Progress toward these milestones is tracked regularly through internal monitoring and annual sustainability reporting.

The Group also maintains a comprehensive carbon inventory to track Scope 1, Scope 2, and selected Scope 3 emissions, enabling data-driven decision-making. Emission reduction efforts include optimising production processes, upgrading equipment to lower-emission technologies, and increasing the share of renewable electricity to reduce indirect emissions. To address value chain impacts, Combine Will is assessing supplier engagement programmes and exploring low-carbon material alternatives. These actions are complemented by regular reviews of emissions data and alignment with international standards to ensure accuracy and compliance.

In addition, the Group has completed a study to assess the feasibility of carbon-market mechanisms and Renewable Energy Certificates ("RECs") for potential future use, should they be required to complement the Group's carbon-reduction strategies.

To control air emissions from production, including die-casting fumes, soldering fumes, and VOCs, Combine Will

applies Pollutant Management Control Procedures and equips facilities with waste gas treatment systems. Exhaust gases are collected through a centralised pipeline, treated in filtration pools, and released only after filtration. Annual monitoring by qualified local environmental stations ensures compliance. In FY2025, 100% of air pollutant emissions met regulatory discharge standards.

Methodology

Combine Will's emissions accounting follows internationally recognised standards, including ISO 14064, the GHG Protocol, and Intergovernmental Panel on Climate Change ("IPCC") guidelines. To define the consolidation boundaries for GHG emissions across its entities, the Group applies the operational control approach. This method was chosen because it enables the Group to manage emissions from operations where it has the practical ability to implement measures and enforce policies.

Scope 1 emissions are direct emissions from sources owned or controlled by Combine Will, mainly from fuel used in manufacturing and company vehicles. Calculations are based on fuel consumption data and emission factors from the IPCC Guidelines for National Greenhouse Gas Inventories³, with Carbon Dioxide ("CO₂"), Nitrous Oxides ("N₂O"), and Methane ("CH₄") converted to carbon dioxide equivalent using IPCC Global Warming Potential⁴ values.

Scope 2 emissions represent indirect greenhouse gas emissions from the consumption of purchased electricity. These emissions are calculated using electricity consumption data obtained from utility bills and applied against grid emission factors sourced from the Ministry of Ecology and Environment of the People's Republic of China ("MEE")⁵, and the Climate Transparency Report 2022⁶. Combine Will reports Scope 2 emissions using both the location-based method, which reflects the average emission factor of the grid where consumption occurs, and the market-based method, which accounts for contractual instruments such as renewable energy certificates where applicable.

To assess operational efficiency, emissions intensity is calculated by dividing the sum of Scope 1 and Scope 2 emissions (tCO₂e) by total production output (tonnes).

³ <https://www.ipcc.ch/report/2006-ipcc-guidelines-for-national-greenhouse-gas-inventories/>

⁴ <https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20%28August%202024%29.pdf>

⁵ https://www.mee.gov.cn/xxgk/xxgk06/202302/t20230207_1015569.html

⁶ <https://www.iges.or.jp/en/pub/list-grid-emission-factor/en>

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Scope 3 emissions are reported on a selected basis and currently cover employee business travel, including air travel. Emissions are calculated using a distance-based methodology aligned with the GHG Protocol. Passenger-kilometre emission factors for business travel are sourced from the China Products Carbon Footprint Factors Database⁷. Reporting is limited to air travel due to data availability.

Recognising the importance of a more comprehensive approach, the Group plans to expand its reporting to include additional Scope 3 categories in the coming years. This phased approach will enable Combine Will to improve data accuracy and develop targeted strategies to reduce emissions across its entire value chain.

Performance

In FY2025, Combine Will achieved significant progress in emissions management. Scope 1 and Scope 2 location-based emissions totalled 34,193.6 tonnes of CO₂e, while

Scope 3 emissions were 248 tonnes of CO₂e. Total Scope 1 and Scope 2 location-based emissions intensity per unit of product was 1.7 tonnes of CO₂e, representing a 10% increase compared to the 2021 baseline.

Based on internal assessments, emissions of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), and other significant air pollutants are assessed as immaterial as the Group's manufacturing activities do not involve large-scale combustion processes or heavy industrial operations that typically give rise to material NO_x or SO_x emissions.

Combine Will does not emit any significant ozone-depleting substances ("ODS") in its operations. All processes and equipment are designed to comply with international standards and the Montreal Protocol. While the Group records the presence of hydrofluorocarbons ("HFCs") in certain processes, these compounds have negligible ozone-depleting potential⁸. In FY2025, emissions of substances with ozone-depleting potential are considered insignificant.

Scope 1

Total GHG Emissions (tCO ₂ e)			Total Annual Production (t)		
FY2023	FY2024	2025	FY2023	FY2024	FY2025
988.43	1,247.15	1,447.58	17,554	17,313	19,869

Scope 1 Intensity (tCO ₂ e/t Product)		
FY2023	FY2024	FY2025
0.06	0.07	0.07

Scope 2

Total GHG Emissions (tCO ₂ e) (Location-Based)			Total GHG Emissions (tCO ₂ e) (Market-Based)		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Not Available ⁹	26,636.57	32,745.98	16,846.28	22,176.09	29,721.06

Total Annual Production (t)		
2023	2024	2025
17,554	17,313	19,869

Scope 2 Intensity (Location-Based) (tCO ₂ e/t Product)			Scope 2 Intensity (Market-Based) (tCO ₂ e/t Product)		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Not Available	1.53	1.65	0.96	1.28	1.50

⁷ <https://lca.cityghg.com/>

⁸ <https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances>

⁹ Scope 2 location-based data collection for Combine Will commenced in FY2024.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Total GHG Emissions (Scope 1 and 2)

Scope 1 + Scope 2 (Location-Based) (tCO ₂ e)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Not Available	27,883.72	34,193.56

Scope 1 + Scope 2 (Market-Based) (tCO ₂ e)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
17,834.71	23,423.24	31,168.64

Total Annual Production (t)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
17,554	17,313	19,869

Scope 1 + Scope 2 (Location-Based) Intensity (tCO ₂ e/t Product)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Not Available	1.61	1.72

Scope 1 + Scope 2 (Market-Based) Intensity (tCO ₂ e/t Product)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
1.02	1.35	1.57

Scope 3

Total Travelling Distance (km)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Not Available ¹⁰	3,437,877	2,991,117

Total GHG Emissions (tCO ₂ e)		
<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Not Available	285.00	247.96

The Group has an increase of 10% in emission intensity as compared to 2021 baseline and will work towards its target of 15% reduction in FY2026. It will also focus on enhancing Scope 3 disclosures and performance levels in future reporting cycles while continuing to advance its decarbonisation efforts towards its long-term goal of achieving carbon neutrality by 2050.



¹⁰ Scope 3 data collection for Combine Will commenced in FY2024.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Waste Management

In FY2025, the group achieved a **99%** recycling rate of non-hazardous waste.

Key Considerations

Combine Will recognises the importance of responsible waste management for environmental performance, regulatory compliance, and stakeholder expectations. Improper waste handling, particularly hazardous materials, presents operational and financial risks, including stricter disposal regulations, rising compliance costs, and potential reputational damage. These factors affect manufacturing processes, supply chain operations, and overall resource efficiency. When managed well, effective segregation, recycling, and non-landfill disposal create opportunities for cost savings and resource recovery.

Management Approach

Combine Will manages waste under its ISO 14001-certified Environmental Management System, with procedures for recyclable, domestic, and hazardous waste. To strengthen lifecycle waste control, production facilities classify waste into general industrial and recyclable streams, with materials such as plastics, metals, and paper recovered through qualified recyclers.

In alignment with supplier requirements, the Group promotes responsible waste-management practices across its value chain and encourages suppliers to enhance resource efficiency and reduce waste at source. Third-party waste-management partners undergo qualification review, contract compliance checks, onsite inspections, and annual performance evaluations to ensure regulated, transparent, and compliant handling processes.

Hazardous waste, including organic solvents, is classified under the MEE's National Hazardous Waste List¹¹, tracked via the National Solid Waste Management Information System, and disposed of exclusively through non-landfill methods by licensed entities. In FY2025, the Group achieved zero landfill for hazardous waste and reported no leakage or discharge incidents.

Methodology

Waste-data collection follows a standardised internal reporting process aligned with ISO 14001 Environmental Management System, which defines procedures for waste categorisation, storage, and disposal. Site-level environmental teams record monthly waste data and submit it to the Group for consolidation. Waste streams are classified into recyclable, non-recyclable, and hazardous

categories based on national regulations and internal standards. Hazardous waste is tracked through the National Solid Waste Management Information System to ensure traceability and compliance. Disposal methods are verified through documentation from licensed contractors, and internal audits are conducted to confirm adherence to procedures. The Group prioritises recycling and non-landfill disposal methods to minimise environmental impact and align with best practices.

Performance

In FY2025, 100% of hazardous waste was handled and disposed of in full compliance with regulatory requirements through licensed entities using non-landfill methods. No incidents of leakage or discharge occurred across the Group and its subsidiaries. Non-hazardous solid waste, including plastics, paper, metals, wood, and textiles, was sorted and recycled by certified recycling companies while general waste was managed through licensed local organisations, resulting in a waste recycling rate of 99%. These results reflect the effectiveness of the Group's waste management procedures and its commitment to continuous improvement in environmental performance.



¹¹ https://english.mee.gov.cn/Resources/laws/regulations/Solid_Waste/200710/t20071017_111493.shtml

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Type of Waste Generated

	FY2023	FY2024	FY2025
Hazardous Waste			
Chemicals (t)	32.0	26.5	153.4
Contaminated Mediums (t)	50.3	139.0	348.6
Hazardous Sludge (t)	0.0	0.0	2.5
Batteries (t)	0.6	0.3	0.0
Other Hazardous Waste (t) ¹²	31.8	52.8	31
Sub-total (t)	114.7	218.6	535.5
Non-hazardous Waste			
Metals (t)	42.8	446.9	351.9
Plastics (t)	150.0	414.0	947.2
Textiles (t)	7.0	55.2	53.9
Paper (t)	935.7	1,668.9	2,417.3
Wood (t)	6.6	13.8	16.7
Other Solid Waste (t) ¹³	0.0	77.5	253.1
Sub-total (t)	1,142.1	2,676.3	4,040.1
Grand Total (t)	1,256.8	2,894.9	4,575.6

The higher waste generated in FY2025 was mainly due to newly commissioned production sites and increased production volumes. These factors resulted in higher quantities of both hazardous and non-hazardous waste, consistent with the Group's expanded operational scale. Despite the higher waste volumes, waste handling, recycling and disposal practices remained consistent, with continued compliance with regulatory requirements and a high waste recycling rate achieved across all years.

Waste Diverted from Disposal

	FY2023	FY2024	FY2025
Hazardous Waste			
Amount (t)	0.0	0.0	0.0
Recovery Method	–	–	–
Non-hazardous Waste			
Amount (t)	1136.3	2613.8	4,000.1
Recovery Method	Recycled, Offsite	Recycled, Offsite	Recycled, Offsite
Total Waste Diverted (t)	1136.3	2613.8	4,000.1

¹² Other hazardous wastes include adhesives, photosensitive waste etc.

¹³ Other non-hazardous wastes include glass, tools, construction waste etc.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Waste Directed to Disposal

	FY2023	FY2024	FY2025
Hazardous Waste			
Amount (t)	114.7	218.6	535.5
Disposal Method	Handled in compliance with local regulations, Offsite	Handled in compliance with local regulations, Offsite	Handled in compliance with local regulations, Offsite
Non-hazardous Waste			
Amount (t)	5.8	62.5	40
Disposal Method	Incinerated, Offsite	Incinerated, Offsite	Incinerated, Offsite
Total Waste Diverted (t)	120.5	281.1	575.5

The Group remains committed to responsible waste management and the prevention of environmental harm across its operations. It will continue to maintain zero land or water discharge incidents and ensure that no hazardous waste is directed to landfill for disposal across all operating locations.



03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Water Resource Management

In FY2025, the Group's water intensity per unit of product was maintained at **0.002 ML/t** product, consistent with the previous year.

Key Considerations

Effective water management is essential for sustaining production, protecting ecosystems, and meeting stakeholder expectations for responsible operations. Increasing regulatory requirements and rising pressure to conserve freshwater resources create operational and financial risks, including higher treatment costs and potential reputational impact. Failure to address these challenges could lead to penalties and inefficiencies. By taking proactive measures, such as improving recycling rates and reducing water consumption, Combine Will creates opportunities for cost savings, operational resilience, and enhanced brand reputation.

Management Approach

Combine Will operates under ISO 14001-certified Environmental Management Systems and strictly complies with local environmental regulations. Water use is managed separately across production and dormitory areas, with production water mainly used for auxiliary processes such as exhaust-gas scrubbing, where water is fully recycled and not discharged. Domestic water is used for daily needs and discharged in compliance with national standards. The Group prohibits any misuse of water resources, implements water-saving technologies, and promotes leak-prevention, routine inspections, and employee awareness across workshops, offices, canteens, and dormitories.

Water-resource planning is led by the Group's environmental management team, which sets annual and long-term conservation targets and assesses site-specific risks such as drought exposure and water-quality requirements. This commitment is reinforced by a clear roadmap benchmarked against FY2021 as a baseline. Combine Will has already achieved a 10% reduction in water intensity in FY2024 and is progressing toward a 20% reduction by 2032 and 30% by 2050.

To ensure compliance, all wastewater is treated before discharge in line with applicable local regulatory requirements and the Group's ISO 14001-aligned environmental management system, which defines controls for effluent quality, discharge requirements, and monitoring processes. Internal audits are conducted to monitor performance and ensure adherence to these criteria. The Group's factories are located in Dongguan and Heyuan (Guangdong Province), Wuzhou (Guangxi Province), and Sragen Regency, Central Java, Indonesia. According to the World Resources Institute Aqueduct Water Risk Atlas¹⁴,

most facilities are situated in low water stress areas except for operations in Indonesia. Nevertheless, Combine Will recognises freshwater conservation and water efficiency as material issues and continues to prioritise responsible water resource management.

Methodology

Water withdrawal data is collected from metered readings and verified through internal controls under the ISO 14001 Environmental Management System. The Group does not directly track water discharge volumes but estimates discharge to be approximately 90% of total water withdrawal based on operational characteristics and usage patterns. This estimation approach is consistent with local regulatory guidance, where water discharge is commonly inferred as 90% of water intake in the absence of discharge metering, reflecting typical process losses and industry-accepted assumptions. Water consumption is calculated as the difference between total water withdrawal and total water discharge during the reporting period. Water intensity is calculated by dividing total water consumption (ML) by total production output (tonnes). Compliance with local discharge standards is confirmed through documentation and periodic inspections by qualified authorities.

Performance

In FY2025, Combine Will withdrew 396 megalitres of water and discharged 356 megalitres of domestic wastewater, resulting in total water consumption of 40 megalitres. Water intensity per unit of product decreased by approximately 98% compared to the FY2021 baseline, reflecting progress in efficiency initiatives. No environmental violations or illegal incidents occurred at any of the Group's factories or operational sites during the year.



¹⁴ <https://www.wri.org/data/aqueduct-water-risk-atlas>

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Water Withdrawal

	FY2023	FY2024	FY2025
Total Water Withdrawal (ML)	349.6	391.9	395.7
Breakdown by Source			
Surface Water (ML)	0.0	0.0	0.0
Groundwater (ML)	22.2	36.8	66.2
Seawater (ML)	0.0	0.0	0.0
Third-party (incl. municipal) (ML)	327.4	355.1	329.5
Withdrawal from Areas with Water Stress			
Total Withdrawal from Stressed Areas (ML)	327.4	355.1	329.5
% of Total Withdrawal from Water-stressed Areas	93.6%	90.6%	83.3%

In FY2025, all water withdrawn by the Group comprised of freshwater ($\leq 1,000$ mg/L Total Dissolved Solids), sourced from third-party suppliers and groundwater.

Water Discharge

	FY2023	FY2024	FY2025
Total Water Discharge (ML)	314.6	352.7	356.0
Breakdown by Destination			
Surface Water (ML)	20.0	33.1	59.5
Groundwater (ML)	0.0	0.0	0.0
Seawater (ML)	0.0	0.0	0.0
Third-party (ML)	294.6	319.6	296.5
Discharge to Areas with Water Stress			
Total Discharge to Stressed Areas (ML)	295.6	319.6	296.5
% of Total Discharge to Water-stressed Areas	94.0%	90.6%	83.3%

In FY2025, surface water outflows were categorized as freshwater, while discharges to third-party systems were classified as other water ($> 1,000$ mg/L Total Dissolved Solids).

Water Consumption

	FY2023	FY2024	FY2025
Total Water Consumption (ML)	35.0	39.2	39.6
Consumption in Water-stressed Areas (ML)	32.8	35.5	33.0
% of Total Consumption in Water-stressed Areas	93.7%	90.6%	83.3%
Total Annual Production (t)	17,554	17,313	19,869
Water Consumption Intensity (ML/t Product)	0.00199	0.00226	0.00199

In FY2025, no material changes in on-site water storage volumes were identified and storage was not assessed as having a significant water-related impact. As a result, water consumption reflects the difference between total water withdrawal and total water discharge, with no adjustment required for storage variation.

The Group is still in the midst of working towards a 30% reduction in water consumption intensity against a 2021 baseline by FY2050. It will review and update its targets in the next reporting cycle to reflect the Group's operational growth and evolving water management priorities.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

3.5 Climate-related Disclosures (IFRS S2)

Building on its previous alignment with the TCFD framework, Combine Will is enhancing its climate-related reporting by adopting the IFRS S2 Climate-related Disclosure standards for the first time in FY2025. This step underscores the Group's commitment to global best practices and transparent communication on climate-related risks and opportunities.

The adoption of IFRS S2 strengthens the clarity, consistency, and comparability of disclosures, providing stakeholders with deeper insights into how climate-related factors influence financial performance and long-term strategy. In line with the Paris Agreement's goal to limit global temperature rise to well below 2°C, Combine Will continues to prioritise responsible energy use, GHG emissions reduction, and climate resilience across its operations and value chain. The following section outlines the Group's approach to identifying, assessing, and managing climate-related risks and opportunities in reference to IFRS S2, reinforcing its dedication to sustainable value creation and business resilience.

Governance

In relation to climate-related risks and opportunities, the Board exercises oversight through the governance structures and processes outlined in the ESG Governance Structure section of this Report. Climate considerations are integrated into the Group's broader strategic and enterprise risk management discussions, ensuring alignment with long-term business objectives.

Management is responsible for identifying, assessing, and managing climate-related risks and opportunities across operations and the value chain. This includes monitoring regulatory developments, resource efficiency, and emissions reduction initiatives. The EMC, supported by the Group ESG Department and the Group Risk and Crisis Management Department, oversees the implementation of climate-related strategies and reports material issues to the Board through established reporting and escalation channels.

This governance approach ensures that climate-related matters are embedded in decision-making at both Board and management levels, ensuring transparency, accountability, and resilience in the face of evolving environmental challenges.

Strategy

Climate-related risks and opportunities are embedded into strategic and enterprise risk management discussions at both Board and senior management levels. These considerations are reviewed during annual strategy sessions and regular management meetings to ensure alignment with the Group's long-term objectives.

The Group recognises that climate change presents both risks and opportunities that may materially impact its business model, operations, and long-term value creation. In line with IFRS S2 Climate-related Disclosures, Combine Will has identified and assessed key physical and transition risks as well as opportunities linked to resource efficiency and low-carbon product innovation.

In FY2025, the Group conducted this assessment across defined time horizons, supported by scenario analysis. Risks were evaluated based on their likelihood and potential financial impact across short-, medium- and long-term horizons, in alignment with the Group's strategic planning cycle:

- Short term: 3-5 years
- Medium term: 5-10 years
- Long term: beyond 10 years, up to 2050

External climate data and qualitative analysis were incorporated to ensure a robust evaluation of financial and operational implications. These insights inform strategic planning and resilience measures, positioning the Group to capture opportunities and support the transition to a low-carbon future.

Scenario Analysis and Climate-related Risks and Opportunities

To assess climate-related physical and transition risks, the Group applied internationally recognised climate scenarios representing contrasting pathways and policy environments.

Physical risks were evaluated using IPCC Shared Socioeconomic Pathways¹⁵ ("SSP"), including SSP1-2.6, a Paris-aligned scenario with strong mitigation and lower warming; SSP2-4.5, a moderate transition pathway with delayed policy action; and SSP5-8.5, a high-emissions, business-as-usual pathway.

¹⁵ "IPCC AR6 Assessment Report" IPCC (<https://www.ipcc.ch/assessment-report/ar6/>)

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Transition risks were assessed using Network for Greening the Financial System¹⁶ (“**NGFS**”) scenarios, comparing Net Zero 2050, an orderly transition with early and stringent policy action; Delayed Transition, reflecting slower adoption of low-carbon technologies; and Current Policies, which assumes limited mitigation and continuation of existing regulations.

These scenarios provide a structured basis for assessing potential impacts on operations, costs, and supply chains under short-, medium-, and long-term horizons. Scenario analysis was applied to inform the potential implications for risk likelihood and impact across these time horizons. The assumptions and implications of each pathway are outlined below.

- **Low-Emission (Paris-Aligned):**

This scenario combines the IPCC SSP1–2.6 pathway with the NGFS Net Zero 2050 scenario. It represents a 1.5 °C world with rapid decarbonisation, strong international coordination, and significant investment in renewable energy. Assumptions include aggressive carbon pricing and early policy action, enabling the Group to assess transition risks such as rising compliance costs and opportunities in low-carbon product innovation.

- **Intermediate (Moderate Transition):**

This scenario draws on the IPCC SSP2–4.5 pathway and the NGFS Delayed Transition scenario. It reflects moderate progress toward decarbonisation and gradual regulatory tightening, consistent with approximately 2 °C warming. This scenario allows the Group to evaluate exposure to transitional risks—such as incremental energy and compliance costs—under partial regional adoption of low-carbon policies, while physical risks remain moderate.

- **High-Emission (Business-as-Usual):**

Based on the IPCC SSP5–8.5 pathway and the NGFS Current Policies scenario, this scenario assumes continued reliance on fossil fuels and limited global coordination on climate action, leading to severe physical impacts. The Group uses this scenario to test resilience against risks such as higher ambient temperatures increasing cooling demand, supply chain disruptions, and escalating operational costs.



¹⁶ “NGFS Scenario Portal” NGFS (<https://www.ngfs.net/ngfs-scenarios-portal/explore>)

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Item	Low-Emission (Paris-Aligned)	Intermediate (Moderate Transition)	High-Emission (Business-as-Usual)
IPCC Pathway & NGFS Scenario	IPCC SSP1-2.6 / NGFS Net Zero 2050	IPCC SSP2-4.5 / NGFS Delayed Transition	IPCC SSP5-8.5 / NGFS Current Policies
Brief Description	<ul style="list-style-type: none"> • Rapid decarbonisation with strong global coordination • Warming limited to ~1.5–2.0°C • Early, stringent policy action and high carbon prices. 	<ul style="list-style-type: none"> • Gradual, uneven transition with moderate policy tightening • Warming ~2.0–2.7°C • Delayed and regionally mixed adoption of low-carbon policies. 	<ul style="list-style-type: none"> • Limited mitigation and continued fossil-fuel reliance • Warming >3.5–4.0°C • Weak policy coordination and minimal climate action.
Rationale for Selection	Tests resilience under a Paris-aligned pathway with aggressive transition pressures and investor expectations for low-carbon alignment.	Represents a plausible middle-ground for planning and risk management under progressive but non-uniform policy and technology uptake.	Assesses exposure to severe physical risks (heat stress, flooding, extreme weather) and transition inertia under BAU conditions.
Key Assumptions	<ul style="list-style-type: none"> • High global carbon pricing • Accelerated phase-out of fossil fuels • Widespread adoption of clean technologies • Rapid renewables deployment • Consumer shift to sustainability 	<ul style="list-style-type: none"> • Moderate carbon pricing • Incremental tightening of emissions standards • Declining fossil fuel use with rising renewable penetration • Mixed consumer preferences 	<ul style="list-style-type: none"> • Low/limited carbon pricing • Fossil fuel demand grows • Minimal global coordination • Rising frequency/severity of heatwaves, storms, and flood events • Elevated supply-chain disruption
Underlying Model / Data Sources	<ul style="list-style-type: none"> • IPCC AR6 Scenario Database (SSP1-2.6) for physical risk projections • NGFS Climate Scenarios (Net Zero 2050) for transition pathways and carbon-price assumptions 	<ul style="list-style-type: none"> • IPCC AR6 Scenario Database (SSP2-4.5) for physical projections • NGFS Climate Scenarios (Delayed Transition) for late/accelerated policy tightening and market responses 	<ul style="list-style-type: none"> • IPCC AR6 Scenario Database (SSP5-8.5) for physical projections • NGFS Climate Scenarios (Current Policies) for BAU regulatory trajectories and energy-system assumptions

Key assumptions considered in the analysis included projected temperature increases, carbon pricing trajectories, regulatory developments, and energy market dynamics. The Group evaluated how these factors could influence resource availability, production costs, and customer demand for sustainable products. Insights from

academic and industry research were incorporated to ensure robustness and alignment with global best practices. The following section presents the climate-related risks and opportunities identified through this assessment, along with their potential impacts and mitigation measures.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Climate-Related Risks

Type	Description	Potential Impact	Response Measures
Physical Risk			
Acute physical risks (Short- to Long-term)	Extreme weather disrupts operations and supply chains	Operational delays, increased costs, and reputational damage may occur, impacting overall business continuity	Strengthen Business Continuity Planning ("BCP"), conduct supplier resilience assessments, and diversify supply chains with emergency response measures
Chronic physical risks (Short- to Long-term)	Rising temperatures increase cooling needs in factories	Energy consumption and operational costs will rise, with potential risks of production downtime	Invest in additional cooling systems, extend operational hours of existing equipment, and enhance maintenance and protection protocols
Transition Risk			
Policies and Regulations (Short- to Long-term)	Stricter environmental laws and carbon regulations increase compliance costs	Operational expenses are expected to rise, and non-compliance could result in penalties and reputational harm	Implement continuous GHG reduction initiatives and maintain strict compliance through the EMS
Market (Medium- to Long-term)	Growing demand for low-carbon products and exposure to carbon tariffs	Sales volumes may decline, and competitiveness could be eroded due to higher costs	Accelerate low-carbon product development, expand renewable-energy sourcing, and strengthen supply-chain decarbonisation partnerships to reduce overall product lifecycle emissions.
Market (Medium- to Long-term)	Increased cost of raw sustainable materials	Transition to certified sustainable, recycled, or low-carbon materials may raise production costs, impacting pricing competitiveness	Diversify certified material suppliers, invest in materialefficient product design, and enhance circularity initiatives to lower long-term reliance on higher-cost virgin sustainable materials.
Reputation (Medium-term)	Increased stakeholder concern or negative stakeholder feedback	Failure to meet carbon neutrality goals can result in scepticism among the public, customers, and stakeholders, thereby harming its brand reputation	Strengthen climate-transition governance, and establish stakeholder-engagement programmes to demonstrate credible progress toward emissions-reduction commitments.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Climate-Related Opportunities

Type	Description	Potential Impact	Response Measures
Market (Medium- to Long-term)	Integrating sustainable materials into products	Sales may increase as customers prefer eco-friendly products, strengthening market position	Develop and replace traditional plastics with sustainable alternatives, collaborate with universities to create tailored eco-materials
Reputation (Medium- to Long-term)	Achieving carbon neutrality and enhancing brand image	Strengthened stakeholder trust and improved corporate reputation, supporting long-term competitiveness	Implement a medium- to long-term environmental vision and action plan to guide sustainability initiatives.
Energy Efficiency & Renewable Integration (Short- to Medium-term)	Reduce energy costs and emissions through renewables	Lower operational expenses, improved resilience	Expand renewable energy capacity
Circular Economy Initiatives (Medium-term)	Recycling and waste reduction to meet customer and regulatory expectations	Cost savings, enhanced brand reputation	Develop closed-loop systems, explore partnerships with recyclers
Access to New Technologies (Medium-Term)	Leveraging emerging technologies to enhance operational efficiency, product quality, and sustainability performance	Improved productivity, reduced environmental footprint, and strengthened competitive advantage through technology-driven innovation	Strengthen partnerships with technology providers, and pilot innovative manufacturing solutions to accelerate efficiency and sustainability gains



03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Quantitative Financial Impacts of Climate-Related Risks

The Group is currently unable to provide an accurate quantitative assessment of the financial impacts arising from climate-related risks. This is due to limitations in available data, modelling capabilities, and the inherent uncertainty associated with projecting long-term climate outcomes across different emission scenarios. While the Group continues to enhance its internal processes and data collection, current methodologies do not yet support reliable quantification. As these capabilities mature, the Group intends to refine its analysis and provide more robust financial estimates in future reporting periods.

Strategic Resilience Assessment

This assessment evaluates Combine Will's ability to withstand and adapt to climate-related uncertainties under the three scenarios described above. Based on the identified climate-related risks and opportunities, the analysis considers how governance structures, operational practices, and financial planning support resilience to evolving regulatory, market, and environmental conditions. By assessing strategic robustness across short-, medium-, and long-term horizons under these scenarios, the Group provides an integrated view of resilience against a range of plausible climate pathways.

Strategy Type	Resilience Outcome and Key Insights
Operational Strategy	Combine Will strengthens resilience through BCP, supplier resilience assessments, and emergency response measures. These actions ensure continuity during extreme weather events and supply chain disruptions. Investments in advanced cooling systems, extended operational hours, and enhanced maintenance protocols mitigate risks from rising temperatures, reducing downtime and safeguarding production under volatile conditions.
Supply-Chain and Sourcing Strategy	The Group reduces vulnerability to climate-related supply chain disruptions by diversifying suppliers geographically, implementing contractual flexibility, and conducting climate risk assessments for key vendors. Emergency response planning and adaptive sourcing strategies allow Combine Will to maintain operations even under severe weather and cost volatility scenarios.
Energy and Technology Strategy	Combine Will actively implements continuous GHG reduction programmes, workflow efficiency enhancements, and product carbon footprint studies to meet evolving carbon standards. Investments in energy-efficient systems and innovation in sustainable product design reduce exposure to technology obsolescence and position the Group to adopt low-emission technologies as markets transition.
Market and Product Strategy	The Group leverages opportunities by developing and replacing traditional plastics with sustainable alternatives and collaborating with universities to create tailored eco-materials. These initiatives align with growing customer demand for low-carbon products and strengthen Combine Will's competitive positioning under sustainability-driven market conditions.
Financial and Investment Strategy	Combine Will is looking to pursue green financing opportunities to mitigate financing risks under stringent regulatory environments. By embedding ESG considerations into investment decisions, the Group ensures access to capital for renewable integration and circular economy initiatives, supporting long-term resilience and growth.

Areas of Uncertainties

The Group acknowledges that climate scenario analysis and resilience assessments involve inherent uncertainties due to the complexity of global climate systems and evolving socio-economic conditions. For Combine Will, key uncertainties include the timing and scope of future carbon-pricing mechanisms and emissions regulations, the pace of adoption of low-carbon manufacturing and logistics solutions within the toy and premium product supply chain, and the long-term impacts of rising temperatures on energy demand for cooling in production facilities. Additional uncertainties relate to fluctuations in

raw material availability, future energy prices, and foreign exchange rates, which may influence operating costs and investment decisions.

These factors affect the confidence level of the Group's resilience assessment and strategic planning. To address these uncertainties, Combine Will actively monitors regulatory developments, engages with industry research, and reviews scenario assumptions regularly to ensure that climate-related strategies remain relevant and robust under changing conditions.

03 ENVIRONMENTAL STEWARDSHIP: CHAMPIONING A GREENER FUTURE (Cont'd)

Risk Management

Climate-related risks are managed within the Group's Enterprise Risk Management ("ERM") framework, using a methodology consistent with established risk governance processes. Identified risks are evaluated based on both likelihood and potential impact, including financial consequences, and assessed across short-, medium-, and long-term horizons aligned with strategic planning cycles. This approach enables effective prioritisation of climate-related risks among other material enterprise risks.

Risks are documented within the Group's risk registers, which outline ownership, appetite, tolerance, controls, and mitigation actions. Management periodically reviews both existing and emerging climate-related risks, assigns responsibility for mitigation measures, and monitors implementation progress. Updates on material issues are reported to the Board through established escalation channels to support oversight and informed decision-making.

Monitoring and mitigation of climate-related risks are embedded within operational processes, supported by internationally recognised standards such as ISO 14001 for environmental management and ISO 50001 for energy management. These systems strengthen the Group's ability to manage physical and transition risks effectively, ensuring compliance with evolving regulations and alignment with best practices.

The Group continues to enhance integration of climate-related considerations in its risk management processes through periodic reviews of methodologies, scenario

analysis practices, and alignment with changing market conditions and stakeholder expectations. For details on the Group's broader risk management and internal control framework, please refer to the Risk Management and Internal Control section below.

Metrics and Targets

The Group uses climate-related metrics to monitor risks and opportunities and to support its strategy and risk management processes. These metrics enable management to track performance over time and inform decision-making on climate-related issues. FY2021 established a baseline for these metrics, against which future progress will be measured. As data maturity improves, the Group intends to enhance and expand the scope of its climate-related metrics.

Current metrics include Scope 1 and Scope 2 GHG emissions, as well as selected Scope 3 categories such as business travel, reflecting relevance and data availability. These metrics are reviewed regularly to ensure alignment with strategic objectives and regulatory expectations. Climate-related targets and timelines are disclosed in the 'Environmental Policy and Strategy' section of this Report. For detailed FY2025 emissions data, please refer to the 'Emissions' section above.

The Group also monitors capital deployment related to climate initiatives, including investments in energy-efficient equipment, process upgrades, and other measures that support its climate transition objectives. Details of climate-related capital expenditure are disclosed in the 'Environmental Policy and Strategy' section of this Report.



04 PRODUCT RESPONSIBILITY: ENSURING QUALITY AND CONSUMER TRUST

Product safety and consumer trust are central to the Group's approach to product responsibility. Combine Will is committed to delivering products that meet high standards of quality, safety, and reliability through robust quality management systems, careful material selection, and rigorous production controls.

By placing customers at the centre of its operations and continuously enhancing product standards, the Group seeks to build long-term trust, protect consumer well-being, and reinforce its reputation as a responsible and reliable manufacturer.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



04 PRODUCT RESPONSIBILITY: ENSURING QUALITY AND CONSUMER TRUST (Cont'd)

4.1 Product and Service Strategic Objectives

Combine Will recognises that ensuring the safety, quality, and security of its products and services is essential for sustaining long-term success and maintaining stakeholder trust. The Group's strategic objectives in this area are designed to uphold the highest standards of customer health and safety and data privacy, which are critical for preserving brand reputation, complying with regulatory requirements, and delivering consistent value to customers.

The goals and performance outlined in the 'ESG Strategy and UN SDGs' section of this Report illustrate how strategic objectives have been translated into tangible outcomes, underscoring the Group's strong commitment to product

responsibility and continuous improvement. Looking ahead to 2026, Combine Will will prioritise leveraging digital technologies, expanding customer engagement through digital platforms, and implementing advanced data protection measures to further strengthen its product responsibility framework and address evolving stakeholder expectations.

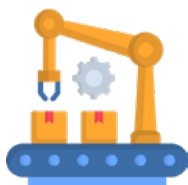
Product Innovation and Services

Combine Will remains committed to delivering exceptional value to customers through cutting-edge research and development, advanced manufacturing techniques, and uncompromising quality management. The Group's ODM/OEM product development and manufacturing process provides a comprehensive, end-to-end solution and remains a cornerstone of its service excellence:



- **Engineering Capabilities:** Highly skilled engineers deliver tailored solutions covering production design, prototyping, mould fabrication, product validation, and manufacturing configuration. These solutions address evolving client needs with precision and efficiency.

- **Production Design:** High-quality product renderings and precise CAD blueprints ensure seamless integration of reliability and manufacturing efficiency.



- **Manufacturing Configuration:** Advanced assembly workstations and intelligent automation enhance efficiency, consistency, and product quality.

- **Prototyping:** Functional prototypes validate design feasibility, practicality, and performance, ensuring market-ready samples.



- **Product Design Validation:** Rigorous end-to-end testing guarantees compliance with international quality and safety standards.

04 PRODUCT RESPONSIBILITY: ENSURING QUALITY AND CONSUMER TRUST (Cont'd)

In FY2025, the Group continued to strengthen its position as a leading ODM/OEM by driving innovation across product development, sustainable material solutions, intelligent automation, and digital integration. The Group's dedicated R&D team, comprising experienced product designers and expert mechanical and electronic engineers, worked closely with clients to develop technical breakthroughs, optimise product design, and refine manufacturing processes. This collaborative approach ensures that every solution is tailored to meet diverse customer needs while maintaining efficiency and reliability.

To further enhance innovation capabilities, Combine Will expanded partnerships with top universities and technology institutes, launching new development projects focused on smart manufacturing, eco-friendly materials, and design optimisation. By integrating these advanced technologies into production workflows, the Group successfully introduced several breakthrough enhancements to proprietary products and manufacturing techniques. These efforts reinforce technological leadership and strengthen customer trust and satisfaction globally.

Customer Experience Enhancement

Customer satisfaction is a cornerstone of Combine Will's business strategy, as it directly influences brand reputation, customer loyalty, and long-term growth. By prioritising customer experience, the Group ensures that its products

and services consistently meet and exceed expectations, reinforcing trust and competitiveness in the global market. To gain a comprehensive understanding of customer needs and promptly address service or product shortcomings, customer satisfaction surveys are conducted annually by the Quality Department across all subsidiaries. The surveys cover a broad range of performance areas, including communication effectiveness, delivery lead time, product quality, hazardous substance management, and after-sales service.

The survey results are compiled, analysed, and evaluated by the responsible functions and consolidated into an Annual Customer Satisfaction Survey Report for management review. Based on the findings, relevant departments identify areas for improvement and implement corrective and preventive actions to enhance service quality and operational performance.

In FY2025, customer satisfaction surveys were conducted across all subsidiaries, including factories in Dongguan, Heyuan, Guangxi, and Indonesia. The average customer satisfaction score across the Group was 96.7%, representing the highest satisfaction rating level. These results reflect Combine Will's strong performance in product quality and service delivery, and have informed targeted initiatives such as improved delivery coordination, enhanced technical support responsiveness, and strengthened after-sales service and customer communication.



04 PRODUCT RESPONSIBILITY: ENSURING QUALITY AND CONSUMER TRUST (Cont'd)

4.2 Customer Health and Safety

In FY2025, **100%** of Combine Will's services and products underwent assessment for health and safety impacts.

Key Considerations

Customer health and safety are central to Combine Will's value proposition. Product safety and quality assurance, and hazardous substance management are critical pillars of Combine Will's operations and sustainability strategy as these areas directly influence customer trust, regulatory compliance, and market competitiveness. By maintaining stringent standards, the Group safeguards its reputation, minimises operational risks, and ensures that products meet international safety and quality requirements. This commitment not only reduces the likelihood of costly recalls or compliance breaches but also strengthens long-term relationships with global clients who demand reliability and excellence.

Management Approach

Product Safety and Quality Assurance

Combine Will adopts a Total Quality Management ("TQM") approach, emphasising Group-wide engagement, continuous improvement, and systematic oversight. In FY2025, the Group reinforced its quality management systems across all five production facilities, ensuring continued alignment with ISO 9001 standards.

Standardised operating procedures and rigorous quality control protocols are applied at every stage of production, from raw material procurement to final product validation. The Group strives for a minimum 99% pass rate per production batch, ensuring exceptional quality and compliance. For non-conforming products, structured corrective and preventive actions are implemented to eliminate defects and prevent recurrence.

Each of the Group's factories operates an independent quality assurance laboratory, accredited by China National Accreditation Service ("CNAS") equipped with advanced testing instruments to provide comprehensive evaluations. Combine Will also fosters a culture of continuous learning through employee training and knowledge-sharing initiatives to enhance technical expertise and quality awareness.

Hazardous Substance Management

Combine Will maintains a comprehensive Hazardous Substances Free ("HSF") Control Programme to prevent the introduction of restricted substances into its products, ensuring compliance with the European Union's Restriction of Hazardous Substances ("RoHS") directives, and Registration, Evaluation, Authorisation, and Restriction of Chemicals ("REACH") Regulation. This programme integrates systematic risk assessments, supplier management, and production process monitoring to safeguard customer health and product integrity.

Regular risk assessments are conducted in accordance with the Group's Work Process Risk Assessment Procedures across materials, processes, and equipment to identify potential contamination risks. These assessments are complemented by systematic inspection protocols and traceability measures throughout the production process, ensuring that production remains fully compliant with regulatory and customer requirements.

To strengthen upstream compliance, Combine Will has established and implemented Supplier Evaluation and Approval Procedures and Incoming Material Inspection and Control Procedures. Through a combination of supplier risk assessments, material declarations, and third-party testing verification, the Group ensures full HSF compliance across its supply chain, creating a traceable material data chain. This closed-loop system enables proactive identification and resolution of risks, reinforcing product safety and regulatory adherence.

Methodology

Combine Will evaluates health and safety impacts across all significant product categories through documented risk assessments, compliance checks, and quality audits. Data is sourced from internal quality control systems, supplier declarations, and third-party testing. Performance metrics include inspection pass rates, non-conformance reports, and regulatory compliance status. Results are reviewed annually to identify improvement actions and ensure alignment with international standards such as ISO 9001, RoHS, and REACH.

04 PRODUCT RESPONSIBILITY: ENSURING QUALITY AND CONSUMER TRUST (Cont'd)

Performance

Combine Will assessed the health and safety impacts for 100% of significant product and service categories during the reporting year, with documented reviews and improvement actions incorporated into design, materials selection, manufacturing, and validation processes. The significant products assessed include plastic, paper, and plush products. In FY2025, the customer inspection pass rate was 100%, reflecting the Group's ongoing commitment to stringent quality assurance and product safety standards. There were also zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services during the year.

Customer Health and Safety Performance

Metric	Result
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100%
Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	0

The Group will continue to strengthen its quality management practices to safeguard customer health and safety. It is committed to maintaining zero major product quality incidents, alongside ISO-certified quality management systems and a 100% customer inspection pass rate across all product categories, as achieved in FY2025.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS

Combine Will is committed to creating more than just a workplace where fairness prevails, diversity is embraced, and every voice is valued. The Group empowers its people through opportunities for growth, rewards that motivate, and a culture of care and respect. By fostering an environment where employees thrive, Combine Will ensures collective success and shared progress.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

5.1 Human Resources Policies

Combine Will recognises that a strong and engaged workforce is fundamental to sustaining operational excellence and driving long-term growth. The Group's human resource strategic objectives are designed to attract, develop, and retain talent while fostering a safe, inclusive, and innovative workplace. These objectives support compliance with global labour standards, enhance employee well-being, and strengthen organisational resilience in a competitive market.

Through the initiatives set out in the 'ESG Strategy and UN SDGs' section, Combine Will has achieved tangible advances in fostering diversity, safeguarding health and safety, and strengthening employee development, reflecting its enduring commitment to people-centred growth. Looking ahead to 2026, the Group will focus on advancing digital HR capabilities, deepening diversity and inclusion initiatives, and expanding career development pathways to meet evolving workforce expectations.

Employment

Key Considerations

Combine Will recognises that workforce stability and talent retention are critical to operational continuity and long-term growth. High turnover or inadequate benefits can lead to higher costs and reduced morale, while fair employment practices and competitive benefits strengthen the Group's employer value proposition and labour relations.

Management Approach

Combine Will manages employment through comprehensive HR policies that govern recruitment, terms, benefits, and retention. These policies ensure compliance with labour laws and provide fair, consistent working conditions across all operations. Workforce planning and talent acquisition are aligned with operational needs, while employment contracts clearly define working hours, compensation, benefits, and leave entitlements. To strengthen retention, the Group promotes employer branding, competitive compensation and benefits, clear recruitment processes, and employee referral programmes, supported by a positive workplace culture.

Combine Will upholds international labour standards through strict adherence to the Ethical Supply Chain Programme ("ESCP") and the Sedex Members Ethical Trade Audits ("SMETA") requirements. These commitments prohibit forced and child labour, safeguard freedom of employment, and promote equal opportunities. The Group actively fosters diversity and inclusion, opposing discrimination and harassment, and ensuring a workplace where every voice is valued.

Methodology

Employment data is drawn from HR records for permanent employees across all operations. Metrics include workforce size, gender ratio, and regional distribution, with new-hire and turnover rates calculated from movement data. Information on employee benefits is reviewed by significant locations of operation, as defined by the Group. In addition to HR records, employee data is collected through digital and physical forms, interviews, and surveys, with all methods required to comply with privacy policies, secure-data protocols, and consent requirements.

Employee turnover rate and new hire rate is calculated as total annual leavers or hires divided by the average headcount for the period (average of year-end headcounts of the current and prior year).

Parental leave data is derived from employee records tracking leave entitlements, leave uptake, return-to-work outcomes, and retention following parental leave.

Return-to-work rate is calculated as total number of employees that returned to work after parental leave divided by total number of employees due to return to work after taking parental leave.

Retention rate is calculated as total number of employees retained 12 months after returning to work following a period of parental leave divided by total number of employees returning from parental leave in the prior reporting period(s).



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Performance

Total Employees

Full-time Employees			Part-time Employees		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
100%	100%	100%	N/A	N/A	N/A

Total Employees		
FY2023	FY2024	FY2025
10,183	19,387	21,405

As of 31st December 2025, the Group has employed 21,405 employees. All employees were hired on a full-time and permanent basis in FY2025. The group does not have temporary or part-time workers who are not employees whose work is controlled by the Group.

New Hires¹⁷

Gender

Male			Female		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
4,168 (97.6%)	11,201 (145.0%)	17,170 (157.3%)	4,815 (102.5%)	8,368 (118.5%)	12,118 (127.8%)

Age Group

Under 30 Years Old			30-50 Years Old			Above 50 Years Old		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
4,669 (108.1%)	10,958 (127.1%)	18,171 (143.9%)	3,729 (106.1%)	6,653 (144.0%)	8,212 (141.5%)	585 (51.5%)	1,958 (126.6%)	2,905 (147.8%)

Region

Mainland China			Hong Kong			Southeast Asia (Singapore and Indonesia)		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
3,503 (86.1%)	6,217 (122.5%)	14,566 (242.0%)	1 (4.0%)	7 (28.0%)	4 (14.5%)	5,479 (112.3%)	13,345 (137.8%)	14,718 (102.6%)

Total New Hires

FY2023	FY2024	FY2025
8,983	19,569	29,288



¹⁷ The new hire rates (percentages) are computed using the number of new hires in the respective categories divided by the average total employees.

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

During FY2025, Combine Will recorded 29,288 new employee hires, representing a hiring rate of 143.7%.

Employee Turnover¹⁸

Gender

	Male				Female		
	FY2023	FY2024	FY2025		FY2023	FY2024	FY2025
	3,108 (72.8%)	9,356 (121.2%)	10,323 (94.6%)		4,048 (86.1%)	6,363 (90.1%)	7,600 (80.2%)

Age Group

Under 30 Years Old			30-50 Years Old			Above 50 Years Old		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
2,466 (57.1%)	9,431 (109.4%)	12,789 (101.3%)	3,360 (95.6%)	5,030 (108.9%)	4,222 (72.7%)	1,330 (117.0%)	1,258 (81.4%)	912 (46.4%)

Region

Mainland China			Hong Kong			Southeast Asia (Singapore and Indonesia)		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
5,676 (139.5%)	8,344 (164.5%)	5,707 (94.8%)	–	3 (12.0%)	4 (14.5%)	1,480 (30.3%)	7,372 (76.1%)	12,212 (85.1%)

Total Employee Turnover

FY2023	FY2024	FY2025
7,156	15,719	17,923

During FY2025, Combine Will's employee turnover totalled 17,923 employees, with a turnover rate of 87.9%.

We operate in labour-intensive manufacturing environments across Mainland China and Indonesia, where frontline production roles are typically characterised by high mobility and limited long-term retention. In FY2025, competition from surrounding factories, rising wage expectations, increasing living costs near industrial zones, and a tightening labour pool contributed to higher employee mobility and frequent early-stage resignations, resulting in elevated hiring and turnover rates.

In response, we have implemented targeted initiatives in Indonesia to enhance employee engagement and


retention. These include improvements to the working environment, such as upgrading parking facilities to address commuting challenges, and the establishment of regular communication channels across all levels to better understand and respond to employee needs. We have also introduced structured feedback mechanisms to ensure employee concerns are addressed in a timely manner. Through these efforts, we aim to foster a more supportive workplace environment and reduce turnover over time.


The Group aims to progressively reduce overall employee turnover to below 80%, supported by targeted retention measures, strengthened supervisory practices, enhanced training pathways, and ongoing initiatives to improve working and living conditions for frontline employees.

¹⁸ The turnover rates (percentages) are computed using the number of turnovers in the respective categories divided by the average total employees.


05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Parental Leave

	Entitled Males			Parental Leave Taken		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
	1,744	2,873	2,345	60	282	444

	Entitled Females			Parental Leave Taken		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
	2,987	4,171	2,678	25	33	20

Return-to-work and Retention Rate

	Return-to-work Rate			Retention Rate		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
	100%	99%	100%	100%	99%	99%

During FY2025, 5,023 employees were entitled to parental leave of which 2,678 were women and 2,345 were men. 464 employees took parental leave, of which 20 were women and 444 were men, giving a return-to-work rate of 100%. Furthermore, 462 employees remained employed by the Group for 12 months after returning to work comprising of 19 women and 443 men, resulting in a retention rate of 99%.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

5.2 Employee Rights and Welfare

Combine Will recognises that protecting employee rights is fundamental to fostering labour relations and sustaining organisational competitiveness. To ensure comprehensive protection, the Group has established a robust framework of labour and human rights policies, including the Regulations on the Management of Child Labour and Underage Workers, Recruitment Management Measures, Procedures for Non-Forced Labour, Procedures for the Prevention of Discrimination and Harassment, and Procedures for the Protection of Women's Rights and Labour.

These policies and management mechanisms safeguard employees' legitimate rights and interests by promoting fair treatment, preventing exploitation, and ensuring compliance with applicable laws and international standards.

Compensation and Benefits

Combine Will is committed to providing a competitive and comprehensive compensation and benefits framework designed to attract, retain, and motivate talent across its operations. The Group balances fixed remuneration with performance-based incentives and well-being programmes, ensuring fairness, compliance, and alignment with organisational goals.

Base Salary and Performance Incentives

Combine Will's compensation framework is structured to remain competitive with market benchmarks while rewarding individual performance and contributions.

Employee remuneration primarily comprises base wages, production-related bonuses, and overtime pay, with strict adherence to all applicable labour regulations governing overtime compensation.

Incentive mechanisms include project-based bonuses and equity rewards, fostering accountability and innovation while supporting long-term organisational success.

Statutory Benefits and Social Insurance

All employees are covered under statutory social insurance schemes in compliance with local labour regulations. This includes mandatory contributions for pension, medical insurance, unemployment coverage, and work-related injury protection. Combine Will ensures full legal compliance with employer obligations across all jurisdictions.

Other Benefits

Beyond salary and statutory benefits, Combine Will prioritises holistic well-being through programmes that support physical, mental, and financial health. These include:

- Health Insurance: Comprehensive medical coverage for employees and eligible dependents.
- Paid Time Off ("PTO"): Annual leave, public holidays, and additional leave entitlements such as parental and compassionate leave.
- Work-Life Balance Initiatives: Wellness activities to promote employee engagement and productivity.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Collective Bargaining Agreements

Collective bargaining agreements cover 100% of employees at the Group's two manufacturing facilities in Indonesia. Employees at the Group's manufacturing operations in People's Republic of China are not covered by collective bargaining agreements. For employees who are not covered, the Group does not reference collective agreements from other organisations. Instead, employment terms and working conditions are determined in accordance with applicable labour laws in People's Republic of China and Indonesia, supported by industry practices and the Group's internal remuneration and benefits policies.

Diversity and Equal Opportunities

Key Considerations

Combine Will recognises that diversity and equal opportunity are essential for building a resilient and high-performing workforce. A diverse talent pool enhances decision-making and fosters an inclusive culture that strengthens operational effectiveness and long-term business sustainability.

Ensuring fairness in remuneration, promotion, and career development helps mitigate regulatory, reputational, and operational risks linked to discrimination or unequal practices. Failure to uphold these principles could lead to lower morale, higher turnover, and potential non-compliance with labour regulations, ultimately impacting productivity and stakeholder confidence.

Management Approach

Combine Will manages its impacts related to diversity and equal opportunity through its human resource policies and employment practices, which emphasise fairness, merit-based decision-making, and compliance with applicable labour regulations. The Group is committed to providing a workplace that is free from discrimination and where employees are treated with dignity and respect.

Equal opportunity principles are applied across key stages of the employee lifecycle, including recruitment, remuneration, performance evaluation, training, promotion, and termination. Employment decisions are guided by role requirements, qualifications, experience, and performance to promote consistency and reduce the risk of bias.

As part of its approach to promoting diversity and equal opportunity, the Group's target is to ensure that 100% of employees complete DEI training annually. In addition, the Group has set a long-term objective to achieve gender parity in management roles, recognising the importance of balanced representation in leadership and decision-making. Progress toward this objective is supported

through fair recruitment and promotion practices, access to training and development opportunities, and ongoing review of workforce composition at management levels.

Oversight of diversity and equal opportunity practices is undertaken by the Human Resources function, which is responsible for implementing policies, monitoring compliance with internal standards, and addressing workplace issues as they arise. Employees are informed of relevant policies and expectations through internal guidelines, training programmes, and employee handbooks.

Methodology

Workforce diversity and remuneration information is compiled from internal human resource and payroll systems covering permanent employees across the Group's operations during the reporting period. Employee data is analysed by gender, age group, and employee category based on records maintained by the Group.

There are three employee categories used in this Report, as described below.

- **Senior Management** refers to employees who are responsible for setting strategy, making key operational or financial decisions, and overseeing the organisation as a whole. Employees in this category include, but are not limited to, C-suite or equivalent executives.
- **Middle Management** refers to employees who are responsible for implementing strategy, managing teams, and overseeing day-to-day operations. Employees in this category include, but are not limited to, department heads, functional managers, and site or branch managers.
- **Non-management Employees** refer to employees who do not have managerial responsibilities within the Group.

For remuneration analysis, average basic salary and total remuneration data for women and men are calculated by employee category and by significant locations of operation, as defined by the Group. Due to confidentiality considerations, the Group does not disclose total compensation ratios but remains committed to ensuring fair and equitable remuneration across all employee categories.

Workforce data is reviewed periodically to support internal monitoring and sustainability reporting.



Where limitations in data availability or consistency exist, these are considered during consolidation. The Group plans to further enhance the robustness and granularity of diversity and remuneration data in future reporting periods.

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Performance

Employee Diversity

Gender

	Male				Female		
	FY2023	FY2024	FY2025		FY2023	FY2024	FY2025
	4,976 (49.0%)	10,469 (54.0%)	11,361 (53.1%)		5,207 (51.0%)	8,918 (46.0%)	10,044 (46.9%)

Age Group

Under 30 Years Old			30-50 Years Old			Above 50 Years Old		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
5,413 (53.0%)	11,826 (61.0%)	13,427 (62.7%)	3,617 (35.0%)	5,622 (29.0%)	5,987 (28.0%)	1,153 (12.0%)	1,939 (10.0%)	1,991 (9.3%)

Employee Category

Senior Management			Middle Management			Non-management Employees		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
146 (1.4%)	156 (1.0%)	254 (1.2%)	352 (3.5%)	473 (2.0%)	5,552 (25.9%)	9,685 (95.1%)	18,758 (96.0%)	15,599 (72.9%)

Region

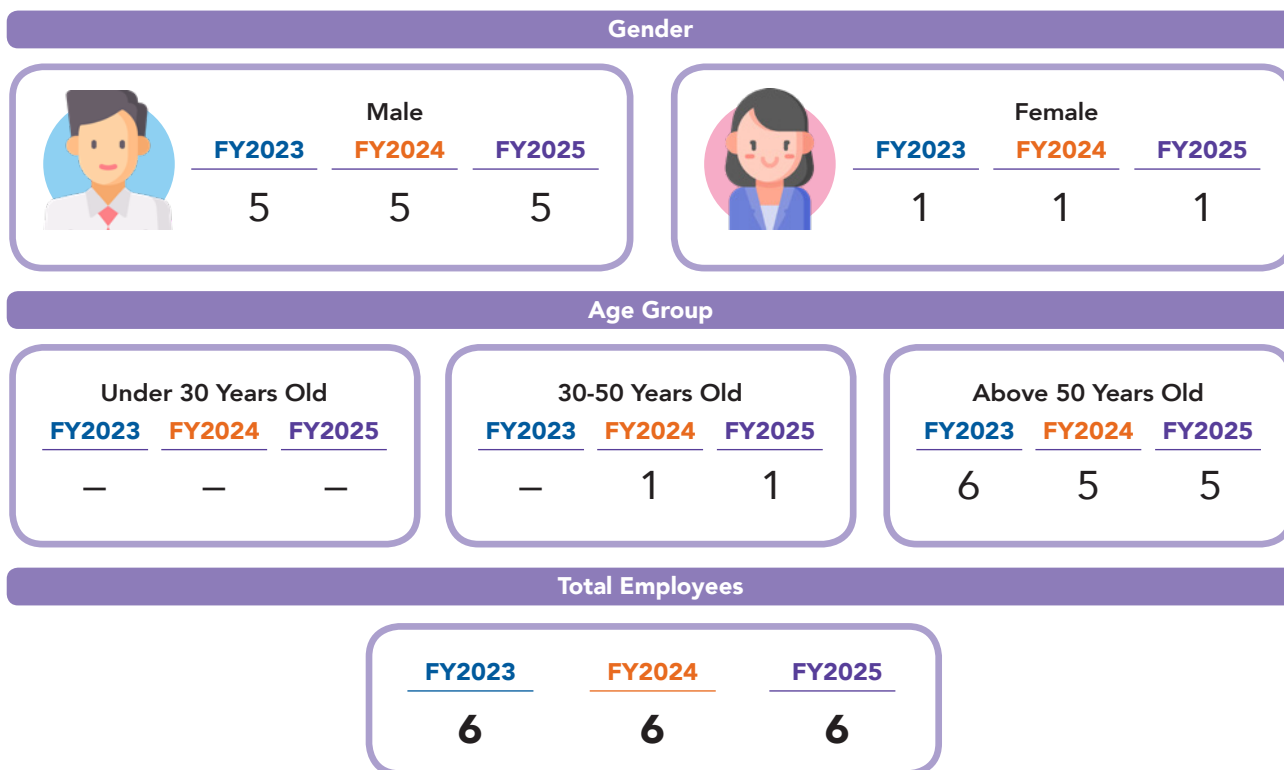
Mainland China			Hong Kong			Southeast Asia (Singapore and Indonesia)		
FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
3,897 (38.3%)	6,251 (32.3%)	5,787 (27.0%)	23 (0.2%)	27 (0.1%)	28 (0.1%)	6,263 (61.5%)	13,109 (67.6%)	15,599 (72.9%)

Total Employee

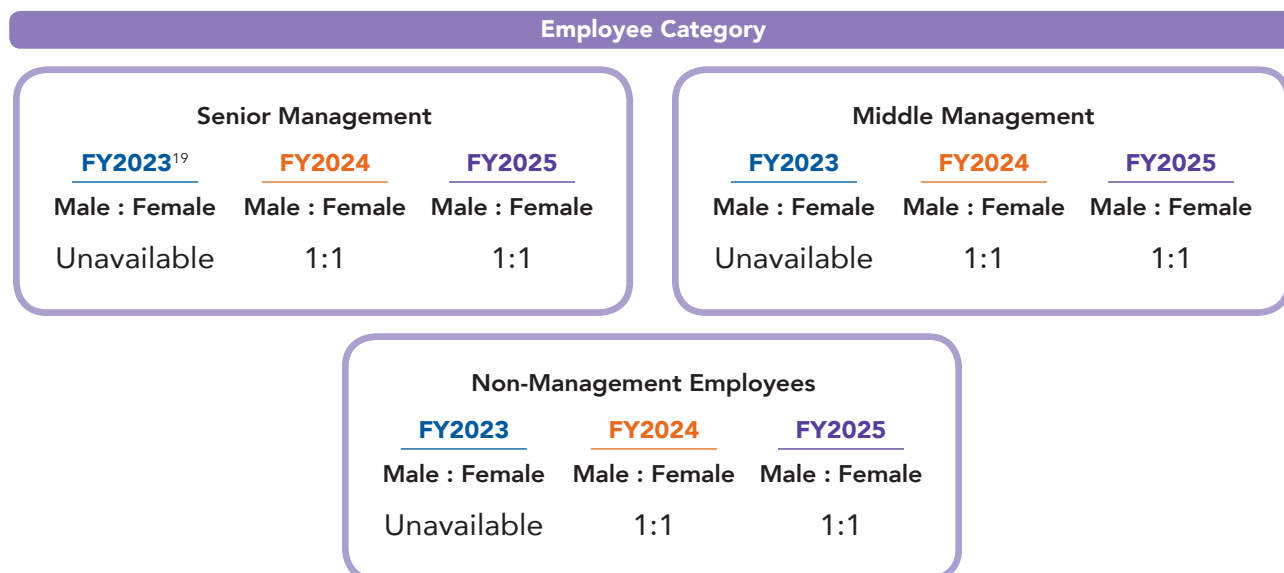
FY2023	FY2024	FY2025
10,183	19,387	21,405

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Board Diversity



Ratio of Basic Salary and Remuneration for Women and Men by Employee Category



The Group remains committed to fostering an inclusive and equitable workplace. In FY2025, 100% of employees completed annual training on inclusive workplace practices. In addition, the Group continued to advance initiatives aimed at enhancing gender diversity and is working towards its long-term objective of achieving gender parity in management roles, with women representing 20% of management positions as at FY2025.

¹⁹ Data regarding remuneration ratios were tracked starting in FY2024

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

5.3 Workplace Health and Safety

Occupational Health and Safety

From 2022-2025, Combine Will maintained **zero** in-house incidents of serious injury or fatality

In FY2025, Total Recordable Incident Rate (“**TRIR**”) per one million man-hours was **0.14**

Key Considerations

The Group recognises that maintaining a safe and healthy workplace is fundamental to sustaining operational efficiency, supporting long-term business resilience, and creating enduring value. Failure to maintain robust safety standards could result in workplace injuries, regulatory non-compliance, and reputational damage.

Through structured safety management systems and proactive risk controls, Combine Will seeks to minimise workplace hazards, protect employee well-being, and ensure compliance with regulatory requirements. These initiatives strengthen workforce confidence, reduce operational disruptions, and reflect the Group’s commitment to responsible occupational health and safety management.

Management Approach

OHS Governance Structure and Systems Control

Combine Will’s occupational health and safety (“**OHS**”) framework is aligned with ISO 45001 Occupational Health and Safety Management Systems, ensuring systematic risk identification, prevention, and continuous improvement. Safety inspections are integrated into daily responsibilities of both group executives and factory management, covering routine checks, on-site inspections, pre-holiday special inspections, and post-holiday confirmations before resuming work.

To effectively implement OHS policies, Safety Management Committees have been established in each factory. These committees oversee production safety and ensure compliance with OHS standards. Safety Management Committees at each factory comprise representatives from both management and the workforce, providing a formal platform for employees to contribute to the development, implementation and review of OHS policies, hazard identification, risk assessments and control measures. In parallel, the Factory Personnel Administration Department manages day-to-day occupational health and production safety affairs, ensuring consistent and effective execution of safety policies. Each site maintains a hazard register and conducts regular risk assessments in line with the Group’s established hierarchy of controls.

To support standardised oversight and traceability, the Group utilises internally developed digital management systems, including incident management and audit management platforms, to record, track and monitor OHS-related data. These systems facilitate consistent documentation of inspections, hazards, incidents, corrective actions and audit findings across sites, enhancing transparency, data integrity and management review.

The safety management department performs quarterly internal audits, third-party evaluations are conducted annually, and findings drive continuous improvement of methods and controls.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Hazard Identification and Risk Assessment

The Group maintains structured processes for both periodic and ad hoc identification of work-related hazards and risk assessment across all operational activities, working environments, equipment and employee behaviours. Regular hazard identification is conducted according to established cycles, including annual reviews and assessments conducted before and after project implementation. Additional assessments are initiated when operational changes occur, such as process modifications, equipment upgrades, incidents or near misses, external inspection findings or significant changes in working conditions.

Risk assessments are carried out by designated evaluation teams that define the scope of work units, apply multiple hazard identification methods, establish hazard registers and determine risk levels, with assessment outcomes subject to review and communication to relevant employees. Risk mitigation follows a hierarchy of controls approach prioritising elimination, substitution, engineering controls, administrative controls and personal protective measures. Where higher-level controls cannot be implemented, lower-level measures are applied immediately, and multiple control layers may be combined to ensure effective risk reduction.

The quality of hazard identification and risk assessment processes is supported through standardised procedures, competency requirements for responsible personnel, targeted training and routine internal and external reviews. Quarterly internal audits are conducted by safety management teams, while independent third-party assessments are performed annually to validate effectiveness and regulatory compliance. Findings from these processes are used to refine risk assessment methodologies and strengthen control measures.

Safety Culture and Incident Investigation

To foster a strong safety culture, Combine Will provides employees with occupational health and safety training programmes, safety campaigns and knowledge initiatives focused on hazard identification, emergency preparedness and risk prevention. The Group's annually recurring target is to ensure that 100% of employees have access to health and safety training across all sites to enhance employees' safety awareness and competency. The Group also supplies all necessary personal protective equipment ("PPE"), enforces proper and consistent use and ensures timely replacement to maintain effective protection.

Employees are encouraged to report work-related hazards and unsafe conditions through multiple channels, including direct reporting to supervisors, environmental health and safety personnel, digital reporting platforms, suggestion boxes and anonymous feedback mechanisms. Reportable hazards include physical, environmental, behavioural and management-related risks. The Group maintains strict

confidentiality of reporters' identities and enforces non-retaliation principles to ensure employees are not subject to discrimination, disciplinary action or adverse employment consequences when raising safety concerns. Reports are investigated in a fair and transparent manner to facilitate timely resolution.

All incident and hazard reports trigger the Group's formal incident investigation process. Upon receiving a report, the EHS team conducts an initial assessment to determine severity, potential impact, and any immediate controls required. This is followed by a structured investigation involving root-cause analysis, evidence collection, interviews with involved personnel, and a review of environmental and operational conditions. Investigation findings are documented and reviewed by management, and corrective and preventive actions are assigned, tracked to closure, and verified for effectiveness. Lessons learned are communicated across relevant departments to prevent recurrence and strengthen overall safety performance.

Employees are empowered to cease work and withdraw from situations that they reasonably believe may result in injury or health impairment. This includes circumstances involving unsafe equipment, hazardous environments, emergency risks, unsafe instructions or personal health conditions affecting safe performance. Employees exercising this right are protected from disciplinary action, financial penalties or negative employment consequences, and the Group is required to promptly investigate reported hazards and implement corrective measures before work resumes.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Methodology

OHS data is compiled from internal safety records and incident reports across all facilities. Combine Will calculates its TRIR by dividing the sum of recordable work-related injuries and work-related illnesses by total hours worked, and multiplying by 1,000,000, standardising the rate per one million man-hours. Process performance is monitored through audit results (internal quarterly, external annually), incident/near-miss trends, and corrective-and-preventive action closure rates, with outcomes incorporated into management review and continual improvement.

Performance

In FY2025, Combine Will maintained zero work-related fatalities and high-consequence injuries, continuing its strong safety record from previous years. The number of recordable injuries remained low at 6 cases, and the TRIR was 0.14 per one million man-hours, reflecting ongoing improvements in safety management. All employees and contractors were covered under the Group's OHS management system, with regular internal and external audits and inspections conducted to ensure compliance.

In FY2025, the six recordable work-related injuries primarily arose from manual handling activities and unintended contact with equipment or moving materials. To prevent similar incidents from occurring in the future, the Group has strengthened accident investigations, reinforced adherence to safety operating procedures, enhanced on-site supervision, and expanded targeted safety training.



As part of its ongoing efforts to strengthen safety culture and competency, the Group continued to roll out occupational health and safety training across its operations in FY2025, with training coverage extended to 100% of employees and further enhancements made to training content and participation.

During the year, a total of 56 emergency evacuation drills were conducted across the Group's operations to test and refine emergency response procedures and enhance employees' preparedness in emergency situations. In addition to routine evacuation drills, factories also conducted scenario-based emergency response exercises at least annually, including chemical spill response, lightning protection, elevator entrapment rescue. These drills strengthened site-level emergency readiness and reinforced employees' ability to respond effectively to a range of potential safety incidents.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Work-Related Injuries

Total Man-hours			FY2023	FY2024	FY2025
 Male	FY2023	FY2024	FY2025	Number of Work-related Fatalities	
	8,299,494	16,648,542	22,414,899	Male	–
				Female	–
			Total	0	0
 Female	FY2023	FY2024	FY2025	Number of High-consequence Work-related Injuries (Excluding Fatalities)	
	8,684,779	14,182,032	19,816,499	Male	–
				Female	–
			Total	0	0
Total			FY2023	FY2024	FY2025
	16,984,273	30,830,574	42,231,398	Number of Recordable Work-related Injuries	
				Male	1
				Female	1
				Total	2

Work-Related Illness

	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Number of Fatalities due to Work-related Illness			Number of Recordable Work-related Illness			
Male	–	–	–	Male	–	–
Female	–	–	–	Female	–	–
Total	0	0	0	Total	0	0



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

5.4 Talent Development and Training

Talent Development and Training

In 2025, Combine Will's employees collectively completed **173,820** training hours.

The Group recognises that the continuous development of its workforce is fundamental to sustaining operational effectiveness, supporting long-term business resilience, and creating long-term value. Through structured training and education, the Group seeks to enhance employees' technical competencies, professional capabilities, and awareness of regulatory and operational requirements. These initiatives support employee performance, career development, and workforce stability, and reflect the Group's commitment to responsible human capital management.

Key Considerations

The Group's training and education initiatives have a positive impact on employees by enhancing professional competencies, employability, and access to career development opportunities. Structured training programmes and a dual-track career development model support fair and non-discriminatory advancement, strengthen workforce capability, and contribute to a respectful and inclusive working environment that upholds employees' human rights, including dignity at work and access to skills development. By investing in workforce development and leadership capability, the Group also supports long-term productivity, talent retention, and sustainable economic value creation.

Potential issues of inequitable training opportunities or skills development not aligned with evolving business and regulatory requirements may arise. These risks are mitigated through structured training plans, regular performance and career development reviews, and ongoing monitoring of training coverage. The Group is committed to continuous learning and fair employment practices and integrates training and education into its human capital management framework to support operational resilience, responsible business conduct, and long-term sustainability.

Management Approach

The Group monitors the effectiveness of its training and education initiatives through a combination of quantitative and qualitative indicators, including average training hours per employee, participation rates across employee categories, and the proportion of employees receiving regular performance and career development reviews. As part of its training and development framework, the Group has set an ongoing target to offer at least 10 hours

of training per employee per year, as well as a medium-term target to achieve a completion rate of at least 90% for managerial competency training. Progress against these targets is monitored through internal training records and management reviews.

The Group reviews training needs and outcomes on a regular basis through performance appraisal processes and management feedback. This ensures that programmes remain aligned with operational requirements, regulatory expectations, and workforce development objectives. Where gaps or areas for improvement are identified, training content and delivery methods are adjusted accordingly. Through ongoing monitoring and review, the Group seeks to ensure that its training and education practices continue to support employee development, fair access to learning opportunities, and long-term organisational resilience.

Transition assistance programmes for employees who leave the organisation, whether due to retirement or termination of employment, are currently not available. The Group will explore options to implement such programmes in the coming years.

Methodology

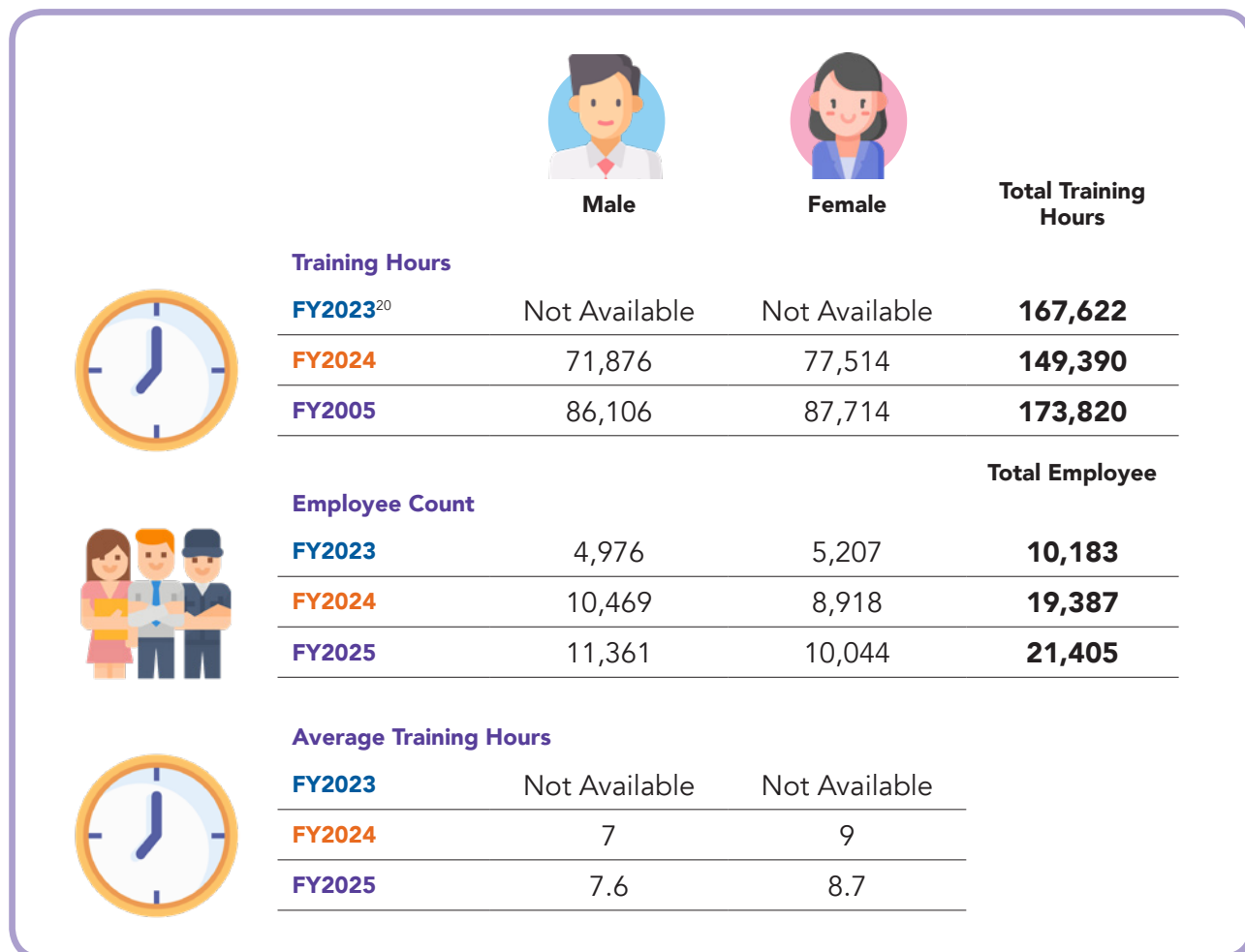
Average training hours are calculated by dividing the total training hours undertaken by employees in each category by the total number of employees within the same category. The percentage of employees receiving regular performance and career development reviews is calculated by dividing the number of employees in each category who received such reviews by the total number of employees in the same category and multiplying the result by 100.

Performance

In FY2025, employees completed an average of 8.1 training hours per person, and 100% of managers completed the required managerial competency training programmes. While the target of providing at least 10 hours of training per employee annually was not fully achieved in FY2025, the Group will continue to enhance its training programmes and resources to close this gap, alongside progressing towards extending career development programmes to all technical and leadership roles. The Group remains committed to developing its workforce through continuous learning and capability building.

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)




Average Hours of Training Per Employee (By Gender)



²⁰ A breakdown of training hours by gender was not collected during FY2023.

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Average Hours of Training Per Employee (By Employee Category)





	 Senior Management	 Middle Management	 Non-management Employees	Total Training Hours
Training Hours				
FY2023	1,476	7,259	158,887	167,622
FY2024	1,184	5,170	143,036	149,390
FY2025	1,923	9,500	162,397	173,820
				Total Employee
Employee Count				
FY2023	146	352	9,685	10,183
FY2024	156	473	18,758	19,387
FY2025	254	5,552	15,599	21,405
Average Training Hours				
FY2023	10	21	16	
FY2024	8	11	8	
FY2025	7.6	1.7	10.4	






05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Performance and Career Development Review

In FY2025, 76% of the Group's employees received a regular performance and career development review.

	 Male	 Female	Total Employees Reviewed
Number of Employees Reviewed			
 FY2023	4,976	5,207	10,183
FY2024	10,469	8,918	19,387
FY2025	9,017	7,330	16,347
			Total Employee
Employee Count			
 FY2023	4,976	5,207	10,183
FY2024	10,469	8,918	19,387
FY2025	11,361	10,044	21,405

	 Senior Management	 Middle Management	 Non-management Employees	Total Training Hours
Number of Employees Reviewed				
FY2023	146	352	9,685	10,183
FY2024	156	473	18,758	19,387
FY2025	214	603	15,530	16,347
				Total Employee
Employee Count				
FY2023	146	352	9,685	10,183
FY2024	156	473	18,758	19,387
FY2025	254	5,552	15,599	21,405

05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

5.5 Employee Engagement

Employee Well-being

Key Considerations

The Group recognises that cultivating employee engagement and wellbeing is integral to sustaining operational efficiency, strengthening team cohesion, and building long-term organisational resilience. Combine Will's approach is anchored in a Wellbeing Culture that spans five dimensions: physical health, mental health, social health, financial health, and professional health. These elements work together to enhance creativity, vitality, and job satisfaction while fostering a supportive and caring environment. To achieve this, the Group implements a range of initiatives designed to address diverse employee needs.

Family-Friendly Space

The Family-Friendly Space ("FFS") programme is designed to support employees in balancing work and family responsibilities by creating opportunities for meaningful family interaction. In FY2025, the Group continued to expand its family-friendly initiatives, including free summer childcare programmes at Heyuan and Guangxi, which provided safe, engaging environments for 43 and 44 children respectively for an entire month. The programme also featured Family Open Days across People's Republic of China and Indonesia, allowing employees' families to visit facilities, join parent-child activities, and participate in shared celebrations. These initiatives strengthened family bonds, reduced caregiving pressures during school holidays, and helped employees remain focused and supported at work.

Group-Wide Health and Fitness Initiatives

Promoting physical activity remains central to the Group's engagement strategy. In FY2025, employees across regions participated in sports activities such as basketball, volleyball, yoga and Pilates sessions, fostering healthier lifestyles and encouraging cross-team interaction. Complementing these activities, the Group conducted large-scale health checks in Indonesia and People's Republic of China, covering more than 4,000 employees, and provided onsite support to ensure early detection of health concerns. These initiatives strengthened overall workforce wellbeing and reinforced a culture of proactive health management.

Festive Celebrations and Employee Appreciation

A sense of belonging is cultivated through year-round recognition and celebrations. In FY2025, the Group organised a vibrant calendar of cultural and appreciation events, including Women's Day celebrations, Children's Day activities, Dragon Boat Festival gatherings, Mid-Autumn Festival events, and Ramadan and Eid festivities. These occasions brought employees together across multiple sites, offering shared meals, themed activities, gifts and appreciation tokens. The Group also continued its tradition of monthly birthday celebrations, creating opportunities to recognise individual employees and foster team connection. These activities collectively strengthened social wellbeing and reinforced the Group's commitment to a caring and inclusive workplace.



05 EMPLOYEE WELL-BEING: THRIVING TOGETHER FOR SHARED SUCCESS (Cont'd)

Labour/Management Relations

Key Considerations

Combine Will recognises that effective labour and management relations are essential to maintaining operational stability and safeguarding employee trust. Inadequate consultation or insufficient notice regarding significant operational changes can lead to workforce dissatisfaction, increased turnover, and disruption to business continuity. To mitigate these risks, the Group is committed to providing timely communication and meaningful consultation with employees and their representatives before implementing changes that could substantially affect employment conditions.

Management Approach

The Group's approach to labour and management relations is grounded in transparency, open communication and compliance with applicable notification requirements across its operating locations. Combine Will seeks to ensure that employees and, where relevant, their representatives are informed of significant operational changes in a timely manner, allowing adequate opportunity for consultation, feedback and preparation prior to implementation.

As part of this approach, the Group has established an ongoing target to conduct quarterly labour-management communication sessions with a minimum employee participation rate of 80%. These sessions are designed to facilitate two-way communication, provide updates on operational matters, and offer employees an opportunity to raise feedback or concerns in a structured and timely manner.

At the Group's manufacturing facilities in People's Republic of China, notification of major operational changes is carried out through multiple formal communication channels. These include official announcements issued by the Human Resources and Administration Department, employee representative meetings, internal messaging platforms, electronic mail and workplace notice boards. Depending on the nature of the change, employees are typically notified at least two weeks in advance, with longer notification periods of up to one month provided where appropriate.

At the Group's Indonesian manufacturing facilities, engagement is conducted through structured consultation mechanisms involving both management and employee representatives. Management holds briefing sessions with section leaders to explain operational changes, followed by consultation with employee representatives through the Bipartite Cooperation Institution. Socialisation sessions are conducted to ensure representatives from each operational area understand the proposed changes, after which mutual agreements between management and employee representatives are established where required. The Group also maintains communication with the local Manpower

Office to support regulatory compliance. Information is disseminated to employees through Human Resources and line supervisors to ensure full awareness of operational developments.

Methodology

Combine Will identifies significant operational changes based on internal thresholds and regulatory requirements. Once a change is confirmed, management provides timely notice and conducts structured consultations with employees and their representatives before decisions are finalised. All notice periods, consultation sessions, and outcomes are documented to ensure compliance with internal standards and collective agreements (where applicable).

Performance

In FY2025, the Group conducted quarterly labour-management communication sessions across its operations, achieving an employee participation rate of 100%, in line with its target of maintaining at least 80% participation.

The Group also provided a minimum notice period of two to four weeks for significant operational changes across its operations, meeting or exceeding internal standards and regulatory requirements. Notices were delivered through formal announcements, section-leader briefings, employee representative consultations, electronic communication channels, and postings on internal bulletin boards. Where collective bargaining arrangements applied, all required notice and consultation procedures were fully observed. The Group achieved 100% compliance with its minimum notice-period policy and conducted comprehensive consultation sessions with employee representatives to ensure operational changes were communicated transparently.

The Group remains committed to maintaining transparent and constructive labour and management relations. It will continue to ensure full compliance with minimum notice requirements for all significant operational changes and that such changes are supported by formal consultation with relevant stakeholders.



06 PARTNERING FOR GOOD: ADVANCING PHILANTHROPY AND COMMUNITY WELL-BEING

Combine Will believes in the importance of giving back to society. The Group extends support to those in need, working to build a brighter and more inclusive future together.



06 PARTNERING FOR GOOD: ADVANCING PHILANTHROPY AND COMMUNITY WELL-BEING (Cont'd)

6.1 Local Communities

Key Considerations

Combine Will recognises that strong relationships with local communities are essential to maintaining the Group's licence to operate and supporting long-term business continuity. Operations that adversely affect surrounding communities may lead to reputational risk, regulatory scrutiny, or disruption to site activities. Proactive engagement, transparent communication, and responsible management of environmental and social impacts help foster trust and support from local stakeholders. To safeguard these relationships, the Group is committed to understanding community needs, assessing potential impacts prior to operational changes, and ensuring that business activities do not create significant actual or potential negative effects on the communities in which it operates.

Management Approach

The Group's approach to local community engagement is grounded in responsible impact management, ongoing dialogue, and regulatory compliance across its operating locations in Mainland China and Indonesia. Community engagement activities encompass social impact assessments, environmental impact monitoring, communication with affected stakeholders, and implementation of community development initiatives aligned with local needs.

In Mainland China, operations conduct environmental impact assessments and monitoring in accordance with local laws, including assessments of air quality, wastewater, noise, and soil conditions. Social impact considerations are integrated into project planning to ensure that community interests are respected.

At the Group's Indonesian facilities, structured community engagement mechanisms are implemented, including coordination with local government, consultation with community representatives, and communication programmes designed to ensure residents understand upcoming operational developments or environmental measures. Community development programmes, such as education support, environmental protection activities, and skill-enhancement initiatives, are designed based on local needs and implemented in collaboration with community partners.

Across all locations, grievance and communication channels are maintained to allow communities to raise concerns or provide feedback, ensuring transparency and responsiveness throughout the engagement process.

Methodology

Combine Will identifies operations that may have potential or actual impacts on local communities based on regulatory requirements, project characteristics, and internal assessments. For relevant operations, the Group conducts social and environmental impact assessments in advance, followed by ongoing monitoring to evaluate potential effects on community wellbeing and the surrounding environment. Community engagement plans include identification of stakeholders, formal communication mechanisms, and opportunities for dialogue or feedback. All assessment processes, engagements, and follow-up actions are documented to ensure compliance with local laws and alignment with internal standards. Community development projects are prioritised based on local needs assessments and are monitored to evaluate effectiveness and community outcomes.

Performance

During FY2025, all of the Group's applicable operations in Mainland China and Indonesia conducted community engagement, impact assessments, and community development programmes, achieving 100% coverage of required activities. Social and environmental impact assessments were completed prior to operational changes, and ongoing environmental monitoring was conducted in accordance with regulatory requirements.

None of the Group's operations resulted in significant actual or potential negative impacts on local communities during the reporting period. Grievance and communication channels remained active, and the Group continued to engage openly with local residents, government agencies, employees, and other stakeholders to maintain transparency and trust.

The Group remains committed to responsible engagement with local communities across its operations. It will continue to maintain full coverage of community engagement and impact assessments while striving to ensure that no significant actual or potential negative impacts arise from its activities.

06 PARTNERING FOR GOOD: ADVANCING PHILANTHROPY AND COMMUNITY WELL-BEING (Cont'd)

6.2 Corporate Philanthropy and Community Initiatives

Combine Will is deeply committed to supporting the communities in which it operates, embedding social responsibility into the core of its corporate culture. The Group's philanthropic efforts are structured around three strategic pillars: infrastructure improvement, community education, and environmental protection. These focus areas are not treated as isolated acts of charity but as integral components of Combine Will's long-term business strategy, fostering a harmonious coexistence between the Group and society.

In FY2025, this commitment was translated into action through a series of initiatives aimed at addressing pressing community challenges, improving the well-being of vulnerable groups, and contributing to sustainable development. These programmes were designed to strengthen social resilience, enhance quality of life, and reinforce the Group's role as a responsible corporate citizen.

2025 Corporate Philanthropy and Community Initiatives (Selected Highlights)

Initiative	Beneficiaries / Participants
Heyuan Loong Run	
Care for Employees with Disabilities – Support visits and welfare items	24
Voluntary Blood Donation	22
Traffic-Safety Awareness Campaign – Helmet education & patrols	3,140
Elderly Home Visit & Support	23
Environmental Tree-Planting Initiative	3,179
Guangxi Combine Will	
Anti-Domestic-Violence Awareness Training	15
Voluntary Blood Donation	35
Community Clean-Up & Environmental Promotion	20
Traffic-Safety Helmet Distribution	120
Indonesia Combine Will	
Blood Donation Drives (Multiple Dates)	251
Support to Special-Needs School (SLB PANCA BAKTI MULIA)	45 children
Kindergarten Factory Visit	35 children
Ongoing Support for Orphanages and Youth Homes (multiple sites)	25–117 per event
Cross Region (Mainland China and Indonesia)	
CWII Care Project – Series of visits supporting vulnerable children and youth	30–140 per event
Road-Lighting Electricity Sponsorship	Community benefit

06 PARTNERING FOR GOOD: ADVANCING PHILANTHROPY AND COMMUNITY WELL-BEING (Cont'd)

Championing Public Health and Strengthening Community Resilience

The Group continued to deepen its commitment to public health across its operating regions, partnering with local health authorities, community organisations, and volunteer networks to safeguard community well-being. In 2025, Combine Will organised large-scale blood donation drives, health-education initiatives, and medical support activities that reached thousands of participants. Through these programmes, the Group helped bolster emergency medical resources, enhanced everyday health literacy, and delivered essential supplies to underserved communities. These efforts reflect Combine Will's commitment to improving quality of life, strengthening community resilience, and contributing to healthier, more supportive environments for all.

Providing Clean Water and Community Support

To strengthen basic community infrastructure, Combine Will funded and coordinated the construction of a gazebo and shaded rest area in Karangmalang Village Park, supporting residents and families using the public pool facilities. In remote Papua communities, the Group provided religious and educational materials to improve social well being where access to such resources is limited.

Empowering the Future

The Group partnered with local organisations, universities, and community groups to nurture future generations. Initiatives included industrial learning visits, motivational talks for students, and consistent support to orphanages and youth homes. These efforts aim to build confidence, expand horizons, and encourage young individuals to envision brighter futures.

Supporting Special Needs Schools

Combine Will continued its long standing commitment to special needs education in Indonesia. Through school engagements, cultural celebrations, and the donation of learning materials, the Group created inclusive and supportive environments for children with developmental and learning challenges.



07 CORPORATE GOVERNANCE

Combine Will aspires to set a benchmark in corporate governance by fostering a culture of integrity, transparency, and accountability. The Group maintains a zero-tolerance stance on corruption and bribery, supported by comprehensive risk management and control frameworks.

Through continuous improvement and vigilant oversight, Combine Will aims to build resilient systems that safeguard stakeholders and inspire trust and sustainable growth.

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



07 CORPORATE GOVERNANCE (Cont'd)

7.1 Anti-Corruption and Business Ethics

Zero violations of the Group's Code of Business Ethics,
with no associated litigation or regulatory risks related to ESG disclosures

Achieved **100%** employee participation in anti-corruption training

Ensured **100%** coverage in corruption risk identification and internal audits



Key Considerations

Combine Will is committed to conducting business with the highest standards of integrity and in full compliance with applicable laws and regulations. Failure to uphold anti-corruption standards could result in legal penalties, reputational damage, and loss of stakeholder trust. The Group maintains a zero-tolerance policy toward bribery, corruption, and unethical practices, recognising that ethical conduct is fundamental to sustaining trust, protecting brand reputation, and promoting fair competition.

Management Approach

Combine Will remains committed to upholding the highest standards of integrity, transparency, and accountability across all operations. The Group's Business Ethics Management System, overseen by the Business Ethics Management Team within the Operations Department, provides structured oversight and accountability. This system incorporates internal audits, risk assessments, and continuous monitoring to ensure compliance with established policies. Senior leadership sets the tone from the top, reinforcing ethical behaviour as a core organisational value.

The Group requires the implementation of due diligence processes across its operations and business relationships. This includes supply chain management, overseas operations, particularly at the Indonesian manufacturing facilities, and significant commercial partnerships. Due diligence efforts focus on labour rights, product safety, environmental compliance and anti-corruption practices, supported by regular supplier ESG audits and risk assessments.

Preventive measures are embedded within the Group's ESG risk management framework. The Group has established risk monitoring and early warning mechanisms covering higher risk areas such as supply chain labour compliance, chemical safety in toy production and working hours management at manufacturing facilities. Dedicated control procedures, contingency plans and periodic risk reviews are conducted to identify gaps and implement corrective actions where necessary.

Respect for human rights forms a core commitment of the Group. The Group complies with international human rights standards and the legal requirements of Singapore, People's Republic of China and Indonesia, and strictly prohibits child labour, forced labour and discrimination. The Group seeks to safeguard employee rights and welfare across employment practices, supply chain management and broader business activities.

07 CORPORATE GOVERNANCE (Cont'd)

The Group's policy commitments have been approved at the Board level and apply across all business activities and business relationships. This includes manufacturing operations, corporate functions and subsidiaries, as well as interactions with suppliers, contractors, customers and other commercial partners. The Group communicates its policy commitments through multiple channels. Employees receive training through onboarding programmes, internal manuals, digital learning platforms and periodic awareness sessions. Business partners are informed through supplier onboarding requirements, contractual provisions and annual ESG assessments, supported by ongoing engagement and capacity building initiatives. Externally, the Group discloses its commitments and implementation progress through its annual ESG report, corporate website and participation in industry engagement platforms.

Code of Conduct

Combine Will's Professional Conduct and Business Ethics Management Procedures define clear standards and disciplinary guidelines across key areas, including anti-bribery and anti-corruption prevention of conflicts of interest, confidentiality and data privacy protection, insider trading restrictions, fair and transparent competition.

These policies are communicated to all employees and form part of mandatory orientation and ongoing training programmes. Compliance is non-negotiable, and any breach is treated as a serious violation, subject to disciplinary action and potential legal consequences.

Anti-Bribery Measures

The Group enforces strict prohibitions against offering or accepting kickbacks, gifts, or personal benefits in business dealings. Gifts exceeding prescribed limits must be surrendered for proper handling. Cash rebates and opaque transactions are strictly forbidden. Higher-risk activities are regularly reviewed and audited to ensure effective controls. Internal audits and corruption risk assessments cover all workplaces and departments.

Supplier Management

Combine Will upholds fairness and impartiality in procurement and supply chain management. All suppliers are required to sign a Supplier Commitment Letter, pledging compliance with the Group's environmental and social responsibility standards. Regular audits verify adherence to these requirements, fostering a responsible and sustainable supply chain. The Group's Supply Chain and Stakeholder Management procedures are described in detail in the 'Sustainable Procurement' section of this Report.

Preventing Unfair Competition

The Group strictly refrains from engaging in anti-competitive practices such as collusion or conspiracy. Preventive measures are actively encouraged to maintain a fair and transparent market environment.

Whistleblowing and Non-Retaliation

Combine Will's Whistleblowing and Non-Retaliation Management Procedures provide secure and confidential channels for employees, suppliers, and stakeholders to report concerns. Reports can be submitted through multiple channels, including email, telephone, and in-person meetings. All reports are investigated promptly, and whistleblowers are guaranteed protection against retaliation.

Methodology

Compliance performance is monitored through internal audits, risk assessments, and training records. Higher-risk operational activities are reviewed regularly, and control measures are evaluated for effectiveness. Whistleblowing reports, if any, are handled confidentially by the Business Ethics Management Team, ensuring impartial investigations and protection against retaliation. Data on training coverage, audit results, and reported incidents is consolidated and reviewed annually to track progress and identify areas for improvement.

Performance

In FY2025, Combine Will continued to demonstrate strong commitment to ethical governance and compliance. The Group achieved 100% employee participation in ethics and anti-corruption training programmes, ensuring that all 21,405 staff were equipped with the knowledge and tools to uphold the highest standards of integrity. Internal audits and corruption risk assessments were conducted across 100% of workplaces/departments, reinforcing the effectiveness of control mechanisms and compliance procedures. In addition, all of the Group's 200 identified business partners received anti corruption communication or training, reinforcing responsible conduct across the value chain.

Throughout the year, Combine Will recorded zero incidents of corruption or unethical conduct. There were zero legal proceedings related to unfair competition, reflecting the Group's proactive approach to risk management and fair business practices. Additionally, the whistleblowing system remained fully operational, with zero reports received and investigated, ensuring transparency and accountability across all operations.

In FY2025, there were zero cases of non-compliance with laws and regulations.

The Group remains committed to upholding high standards of integrity and ethical business conduct. It will continue to maintain zero incidents of non-compliance with anti-corruption laws and regulations and zero violations of its Code of Business Ethics, with no associated litigation or regulatory risks relating to ESG disclosures.

07 CORPORATE GOVERNANCE (Cont'd)

7.2 Sustainable Procurement Practices

In FY2025, Combine Will achieved a **100%** CSR audit rate for its suppliers, with **ZERO** instances of child or forced labour.

Key Considerations

Sustainable procurement is a cornerstone of Combine Will's commitment to responsible business practices. The Group relies on a broad network of suppliers for raw materials, components, and packaging. Poor environmental practices or non-compliance among suppliers could expose Combine Will to reputational, operational, and regulatory risks. Strong supplier ESG performance, on the other hand, enhances product quality, builds customer trust, and supports long-term resilience across the value chain.

The Group integrates environmental, social and governance considerations into its procurement processes through supplier onboarding assessments, contractual requirements and periodic performance reviews. Suppliers are expected to comply with the Group's Supplier Code of Conduct and relevant regulatory requirements covering labour practices, environmental management and ethical business conduct. Where practicable, the Group prioritises engagement with suppliers located near its manufacturing operations to enhance supply chain efficiency, support local economic development and reduce transportation related environmental impacts. The Group also seeks to maintain transparent and fair procurement practices, fostering long-term partnerships with suppliers that demonstrate strong compliance and continuous improvement in ESG performance.

Management Approach

Combine Will integrates sustainability into supplier selection, monitoring, and evaluation processes, guided by its Supply Chain and Stakeholder Management Procedures, Code of Business Conduct and Ethics, and Responsible Sourcing Principles. These principles include:

1. Creating economic opportunities for poor and disadvantaged producers to enhance livelihoods.
2. Ensuring transparency and accountability across all procurement and trading operations.
3. Building long-term partnerships with suppliers.
4. Guaranteeing fair pricing for producers.
5. Strictly prohibiting child labour and forced labour in any form.
6. Championing non-discrimination, gender equality, and freedom of association.

7. Providing safe and healthy working conditions for all workers.
8. Empowering producers through capacity-building initiatives.
9. Promoting fair trade practices.
10. Protecting the environment by promoting sustainable and eco-friendly procurement practices.

All suppliers are required to sign the Supplier Commitment Letter, which covers environmental protection, social responsibility, health and safety, anti-terrorism compliance, business ethics, and intellectual property protection. The Group conducts regular and ad-hoc ESG assessments, including questionnaires and on-site audits, to evaluate compliance and drive continuous improvement. Suppliers are encouraged to obtain certifications such as ISO 14001 and ISO 45001. Where performance falls below 80% or serious violations occur, business cooperation is suspended.

Methodology

Combine Will assesses supplier ESG performance through questionnaires, document reviews, and on-site audits where applicable. Data is scored against defined criteria covering environmental impact, labour practices, health and safety, and business ethics. Assessments are conducted during onboarding and periodically based on risk tier. Results are tracked in supplier scorecards, with corrective actions required for scores below 80% and immediate suspension for serious violations. This process ensures consistency and comparability across reporting periods.

Performance

In FY2025, Combine Will sustained its commitment to responsible sourcing with a 100% CSR audit rate across active suppliers. Every supplier signed the Supplier Commitment Letter, reinforcing adherence to environmental, social, and ethical standards. No cases of child labour or forced labour were identified during the year. ESG assessments were completed for all new suppliers and selected existing partners, with no instances requiring suspension of cooperation. The Group continued to promote best practices by encouraging suppliers to adopt internationally recognised certifications, further strengthening environmental and social performance across the supply chain.

07 CORPORATE GOVERNANCE (Cont'd)

The Group will strengthen supplier partnerships to advance ESG performance across its supply chain. Key priorities include implementing stricter environmental standards, promoting clean energy adoption, and supporting carbon reduction initiatives. The Group will also enhance social responsibility through training on labour rights and community engagement, while reinforcing governance with greater transparency, anti-corruption measures, and improved supplier evaluation. These actions aim to elevate sustainability standards and build long-term resilience.

Under the Supplier Commitment Letter, suppliers are required to appoint an individual or team to work with Combine Will representatives during the internal auditing process. If any breach of the clauses in the Supplier Commitment Letter is identified, corrective actions or termination of the partnership may be enforced. This approach ensures accountability and reinforces the Group's commitment to maintaining responsible and ethical supply chain practices.

Supplier Environmental and Social Assessment

	FY2023	FY2024	FY2025
Supplier Environmental Assessment			
Percentage of new suppliers screened using environmental criteria	100%	100%	100%
Number of suppliers assessed for environmental impacts	38	38	38
Number of suppliers identified as having significant actual and potential negative environmental impacts	–	–	–
Number of suppliers suspended or terminated due to having significant actual and potential negative environmental impacts	–	–	–
Supplier Social Assessment			
Percentage of new suppliers screened using social criteria	100%	100%	100%
Number of suppliers assessed for social impacts	38	38	38
Number of suppliers identified as having significant actual and potential negative social impacts	–	–	–
Number of suppliers suspended or terminated due to having significant actual and potential negative social impacts	–	–	–

Procurement Spend on Local Suppliers

"Local" refers to suppliers located within the same country as the operating site where materials are procured, while "significant locations of operation" refer to the Group's manufacturing facilities.

Procurement Budget (million HK\$)

FY2025		
Budget Spend on Local Suppliers	Total Budget	Procurement Budget Spend on Local Suppliers (%)
401.8	698.7	57.5%

07 CORPORATE GOVERNANCE (Cont'd)

7.3 Customer Privacy and Data Protection

In FY2025, Combine Will recorded **zero** complaints relating to customer privacy violations, data loss, or leakage.

Key Considerations

Customer privacy and data protection are integral to Combine Will's reputation as a trusted ODM/OEM partner. Effective safeguards reduce the risk of data loss, leakage, and unauthorised access, protecting confidential client information such as designs, blueprints, and technical documents. Strong performance in this area preserves customer trust, sustains business continuity, and ensures compliance with contractual obligations and applicable regulations, thereby supporting long-term competitiveness and operational resilience.

Management Approach

Combine Will maintains a Group-wide framework for information security and data protection to safeguard customer confidentiality and ensure the secure handling of sensitive information. Confidentiality agreements with customers clearly define responsibilities and obligations relating to data protection, while physical security controls in server rooms and other sensitive areas are enforced through strict access management to ensure that only authorised personnel can access critical information.

During FY2025, the Group further strengthened its information security and customer privacy practices through the continued digitalisation and standardisation of core business systems. The implementation of the Quality Management System ("QMS") enables centralised management of quality standards, inspection processes and non-conformance handling, supporting accurate record keeping, end-to-end traceability and enhanced protection of customer-related quality information. The deployment of the Advanced Planning and Scheduling ("APS") system improves the secure management of customer order, production and delivery data through controlled information sharing, enhanced planning transparency and improved data consistency.

To ensure business continuity and strengthen cyber resilience, the Group maintains a multi-layered network security architecture comprising advanced firewalls, intrusion detection systems and structured backup and recovery procedures. In FY2025, data protection measures were further reinforced through scheduled database backups designed to mitigate risks arising from system failures, cybersecurity incidents or human error, enabling timely restoration of critical business data where required. The continued rollout of Manufacturing Execution System ("MES") platforms, including the deployment of Black Lake MES 3.0 across manufacturing facilities, supports real-time monitoring, traceability and secure preservation of production and customer-related information.

Endpoint security controls were enhanced through the introduction of IP-Guard terminal security management software, which strengthens centralised oversight of employee devices and restricts unauthorised applications and external storage devices. These measures reduce the risk of data leakage and reinforce the protection of customer information at the endpoint level. The Group also continues to prioritise employee awareness by conducting regular information security and cybersecurity training to strengthen understanding of data protection requirements and improve the ability to prevent and respond to potential incidents.

Higher risk processes and operational sites are reviewed periodically, with control measures assessed for effectiveness and updated where necessary.

Methodology

Customer privacy performance is monitored through internal audits, incident reporting systems, and compliance checks against contractual and regulatory requirements. Data is collected from IT security logs, training completion records, and whistleblowing channels. Metrics include the number of privacy-related complaints, confirmed breaches, and employee training coverage. Results are reviewed annually to identify risks, strengthen controls, and ensure alignment with global cybersecurity standards.

Performance

In FY2025, Combine Will reported zero complaints relating to customer privacy violations, data loss, or data leakage. Group wide training on cybersecurity awareness achieved full coverage of relevant personnel, and no substantiated whistleblowing cases concerning data protection were recorded.

Looking ahead, the Group plans to build a centralised, group-wide data system within the next three years to improve operational efficiency and promote the intelligence of manufacturing processes. Key initiatives include deploying an updated MES across the group to unify data management in all factories and implementing a group-wide Office Automation ("OA") system to create an efficient and collaborative approval and workflow process. These measures are expected to strengthen cybersecurity resilience, increase management transparency, and elevate operational efficiency across the Group.

07 CORPORATE GOVERNANCE (Cont'd)

7.4 Risk Management and Internal Control

Combine Will maintains a robust risk management and internal control system anchored by its ERM Framework, designed to strengthen organisational resilience and ensure the stability and sustainability of operations. In FY2025, the Group continued to assess, monitor, and enhance the system's effectiveness and maturity, embedding risk awareness into strategic planning and decision-making.

Risk Identification and Control

The Audit Department collaborates closely with Management to systematically identify, assess, and manage operational risks across the Group's activities. To mitigate key risks, a structured risk control framework and strategic response mechanisms are maintained, ensuring that controls remain fit-for-purpose as the operating environment evolves. Regular reviews of the risk management and internal control system are conducted, and the implementation of risk management procedures is monitored to verify effectiveness and timely remediation where needed. To supplement the Group's risk management capabilities, a risk matrix is implemented and adopted to identify and document the impact of risks and the Group's responses. All risk assessment and control issues documented in the risk matrix are communicated to Management and Group employees.

Management System Certifications

Combine Will operates a suite of internationally recognised certifications that underpin disciplined risk management and continuous improvement across core domains:

- ISO 9001 – Quality Management Systems
- ISO 14001 – Environmental Management Systems
- ISO 45001 – Occupational Health and Safety Management Systems
- ISO 50001 – Energy Management Systems
- FSC™ Certification
- GRS Certification – Global Recycled Standard
- ISCC PLUS Certification
- ESCP Certification – Supply Chain Responsibility Standards

These certifications strengthen the Group's ability to manage quality, environmental, health and safety, energy, and supply chain risks while supporting compliance and stakeholder expectations.

Internal Audit System

The internal audit system encompasses finance, operations, compliance, and risk management. The audit department employs a dual audit strategy, combining regularly scheduled audits with ad-hoc reviews to ensure

comprehensive oversight. An annual internal audit plan covers critical business processes and departments, while targeted audits are performed for high-risk areas or in response to unforeseen incidents. This approach enables prompt identification of issues and corrective actions to address root causes.

Audit Reporting and Continuous Improvement

Audit activities adhere to international auditing standards to uphold independence, objectivity, and quality. The audit team prepares detailed reports outlining findings, recommending actionable improvements to enhance internal controls, and tracking the implementation and closure of corrective actions. In recent years, the Group has continued to observe progressive improvement in internal audit outcomes and a reduction in compliance violations, reflecting the increasing maturity and effectiveness of its internal control mechanisms.

Climate-Related Risk Management

The Group's approach to climate-related risk management is embedded within its ERM Framework, involving systematic identification, assessment, prioritisation, and mitigation of climate-related risks. This process is supported by scenario analysis and ongoing monitoring to ensure resilience against climate-related disruptions. Further details on governance, processes, and specific risk assessments are provided in the dedicated 'IFRS S2 Climate-related Disclosures' section of this Report.



APPENDIX I: GRI-SGX INDEX

Statement of Use	Combine Will International Holdings Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI Standard	GRI 1: Foundation 2021

GRI Standard	Disclosure	SGX	Page	Remarks
GRI 2: General Disclosures				
1. The Organisation and its Reporting Practices				
GRI 2-1	Organisational details		Sustainability Report pg 8-10 ; 2025 Annual Report 'Corporate Governance'	
GRI 2-2	Entities included in the organisation's sustainability reporting		Pg. 3	
GRI 2-3	Reporting period, frequency and contact point		Pg. 3	
GRI 2-4	Restatements of information		Pg. 3	
GRI 2-5	External assurance	PN7.6-5.4-5.7	Pg. 3	
2. Activities and Workers				
GRI 2-6	Activities, value chain and other business relationships		Sustainability Report pg 8-12 ; 2025 Annual Report 'Corporate Governance'	
GRI 2-7	Employees		Pg. 53-55	The Group did not employ any temporary or non-guaranteed hours employees
GRI 2-8	Workers who are not employees		N/A	
3. Governance				
GRI 2-9	Governance structure and composition	PN7.6-3.1, LR711B-1e	2025 Annual Report 'Corporate Governance'	For more information, refer to the 'Corporate Governance' section of 2025 Annual Report
GRI 2-10	Nomination and Selection of the highest governance body			
GRI 2-11	Chair of the highest governance body			
GRI 2-12	Role of the highest governance body in overseeing the management of impacts		Pg. 14-15	
GRI 2-13	Delegation of responsibility for managing impacts		Pg. 14-15	
GRI 2-14	Role of the highest governance body in sustainability reporting	PN7.6-3.3	Pg. 14-15	
GRI 2-15	Conflicts of interest		2025 Annual Report 'Corporate Governance'	
GRI 2-16	Communication of critical concerns			
GRI 2-17	Collective knowledge of the highest governance body			
GRI 2-18	Evaluation of the performance of the highest governance body			
GRI 2-19	Remuneration policies			
GRI 2-20	Process to determine the remuneration			
GRI 2-21	Annual total compensation ratio		N/A	Not disclosed due to confidentiality

APPENDIX I: GRI-SGX INDEX (Cont'd)

GRI Standard	Disclosure	SGX	Page	Remarks
4. Strategy, Policies and Practices				
GRI 2-22	Statement on sustainable development strategy	PN7.6-3.3, LR711B-1d	Pg. 5	
GRI 2-23	Policy commitments		Pg. 11-76	
GRI 2-24	Embedding policy commitments		Pg. 11-76	
GRI 2-25	Processes to remediate negative impacts		Pg. 11-76	
GRI 2-26	Mechanism for seeking advice and raising concerns		2025 Annual Report 'Corporate Governance'	
GRI 2-27	Compliance with laws and regulations		Pg. 71-72	
GRI 2-28	Membership association		Pg. 8	
5. Stakeholder Engagement				
GRI 2-29	Approach to stakeholder engagement	PN7.6-3.5	Pg. 19	
GRI 2-30	Collective bargaining agreements		Pg. 53	
GRI 3: Material Topics 2021				
GRI 201: Economic Performance 2016				
GRI 201-1	Direct economic value generated and distributed		Pg. 11	
GRI 201-2	Financial implications and other risks and opportunities due to climate change		Pg. 35-41	
GRI 201-3	Defined benefit plan obligations and other retirement plans		N/A	Percentage contribution rates by employer and employee are not disclosed due to jurisdiction specific schemes and data confidentiality.
GRI 201-4	Financial assistance received from government		Pg. 11	
GRI 204: Procurement Practices 2016				
GRI 204-1	Proportion of spending on local suppliers		Pg. 74	
GRI 205: Anti-corruption 2016				
GRI 205-1	Operations assessed for risks related to corruption		Pg. 71-72	
GRI 205-2	Communication and training on anti-corruption policies and procedures		Pg. 71-72	
GRI 205-3	Confirmed incidents of corruption and actions taken		Pg. 71-72	
GRI 301: Materials 2016				
GRI 301-1	Materials used by weight or volume		Pg. 24	Not disclosed due to insufficient data
GRI 301-2	Recycled input materials used		Pg. 24	
GRI 301-3	Reclaimed products and their packaging materials		N/A	
GRI 302: Energy 2016				
GRI 302-1	Energy consumption within the organisation		Pg. 25-26	
GRI 302-2	Energy consumption outside the organisation		Pg. 25-26	
GRI 302-3	Energy intensity		Pg. 25-26	
GRI 302-4	Reduction of energy consumption		Pg. 25-26	
GRI 302-5	Reductions in energy requirements of products and services		N/A	Not relevant due to the nature of the Group's products

APPENDIX I: GRI-SGX INDEX (Cont'd)

GRI Standard	Disclosure	SGX	Page	Remarks
GRI 303: Water and Effluents 2018				
GRI 303-1	Interactions with water as a shared resource		Pg. 33-34	
GRI 303-2	Management of water discharge-related impacts		Pg. 33-34	
GRI 303-3	Water withdrawal		Pg. 33-34	
GRI 303-4	Water discharge		Pg. 33-34	
GRI 303-5	Water consumption		Pg. 33-34	
GRI 305: Emissions 2016				
GRI 305-1	Direct (Scope 1) GHG emissions		Pg. 27-29	
GRI 305-2	Energy indirect (Scope 2) GHG emissions		Pg. 27-29	
GRI 305-3	Other indirect (Scope 3) GHG emissions		Pg. 27-29	
GRI 305-4	GHG emissions intensity		Pg. 27-29	
GRI 305-5	Reduction of GHG emissions		Pg. 27-29	
GRI 305-6	Emissions of ozone-depleting substances (ODS)		Pg. 27-29	
GRI 305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		N/A	Not disclosed as NOx and SOx emissions are assessed as immaterial, considering the nature of the Group's activities
GRI 306: Waste 2020				
GRI 306-1	Waste generation and significant waste-related impacts		Pg. 30-32	
GRI 306-2	Management of significant waste-related impacts		Pg. 30-32	
GRI 306-3	Waste generated		Pg. 30-32	
GRI 306-4	Waste diverted from disposal		Pg. 30-32	
GRI 306-5	Waste directed to disposal		Pg. 30-32	
GRI 308: Supplier Environmental Assessment 2016				
GRI 308-1	New suppliers that were screened using environmental data		Pg. 73-74	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		N/A	
GRI 401: Employment 2016				
GRI 401-1	New employee hires and employee turnover		Pg. 48-51	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Pg. 52	The Group did not employ any temporary or non-guaranteed hours employees
GRI 401-3	Parental leave		Pg. 48-51	
GRI 402: Labour/Management Relations 2016				
GRI 402-1	Minimum notice periods regarding operational changes		Pg. 65	
GRI 403: Occupational Health and Safety 2018				
GRI 403-1	Occupational health and safety management system		Pg. 56-59	
GRI 403-2	Hazard identification, risk assessment, incident investigation		Pg. 56-59	
GRI 403-3	Occupational health services		Pg. 56-59	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		Pg. 56-59	

APPENDIX I: GRI-SGX INDEX (Cont'd)

GRI Standard	Disclosure	SGX	Page	Remarks
GRI 403-5	Worker training on occupational health and safety		Pg. 56-59	
GRI 403-6	Promotion of worker health		Pg. 56-59	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		N/A	
GRI 403-8	Workers covered by occupational health and safety system		Pg. 56-59	
GRI 403-9	Work-related injuries		Pg. 56-59	
GRI 403-10	Work-related ill health		Pg. 56-59	
GRI 404: Training and Education 2016				
GRI 404-1	Average hours of training per year per employee		Pg. 60-64	
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes		Pg. 60-64	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		Pg. 60-64	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405-1	Diversity of governance bodies and employees		Pg. 53-55	
GRI 405-2	Ratio of basic salary and remuneration of women to men		Pg. 53-55	
GRI 406: Non-discrimination 2016				
GRI 406-1	Incidents of discrimination and corrective actions taken		Pg. 53-55	
GRI 408: Child Labour 2016				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour		Pg. 71-74	
GRI 409: Forced or Compulsory Labour 2016				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Pg. 71-74	
GRI 413: Local Communities 2016				
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes		Pg. 67-69	
GRI 413-2	Operations with significant actual and potential negative impacts on local communities		N/A	The Group did not identify any operations with significant actual and potential negative impacts on local communities.
GRI 414: Supplier Social Assessment 2016				
GRI 414-1	New suppliers screened using social criteria		Pg. 73-74	
GRI 414-2	Negative social impacts in supply chain and actions taken		N/A	
GRI 416: Customer Health and Safety 2016				
GRI 416-1	Assessment of health and safety impacts of product and service categories		Pg. 45-46	
GRI 416-2	Incidents of non-compliance concerning health and safety impacts of products and services		Pg. 45-46	
GRI 418: Customer Privacy 2016				
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Pg. 75-76	

APPENDIX II: IFRS S2 INDEX

The Group has prepared this Report with reference to IFRS S2 Climate-related Disclosures and FY2025 represents the first year of adoption. Disclosures are provided to the extent practicable, with explanations for any requirements not yet fully met and commitments to progressive enhancement in future reporting.

Classification	IFRS S2 Climate-Related Disclosures	Page Reference	Remarks
Governance			
6	An entity shall disclose information about:		
6 (a)	The highest decision-making body overseeing climate-related risks and opportunities	Pg. 13-14	
6 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities	Pg. 13-14	
6 (b)	Executives managing climate-related risks and opportunities	Pg. 35	
6 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Pg. 35	
Strategy			
10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:		
10 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Pg. 38-39	
10 (b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Pg. 38-39	
10 (c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur	Pg. 38-39	
10 (d)	Explain how the entity defines 'short term', 'medium term' and 'long term'	Pg. 35	
10 (d)	How these definitions are linked to the planning horizons used by the entity for strategic decision-making	Pg. 35	
13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:		
13 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model	Pg. 38-39	
13 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's value chain	Pg. 38-39	
13 (b)	A description of where in the entity's business model climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Pg. 38-39	
13 (b)	A description of where in the entity's value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Pg. 38-39	

APPENDIX II: IFRS S2 INDEX (Cont'd)

Classification	IFRS S2 Climate-Related Disclosures	Page Reference	Remarks
14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:		
14 (a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation	Pg. 38-39	
14 (b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a)	Pg. 40	
14 (c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a)	Pg. 40	Quantitative assessment is not disclosed in the first year of IFRS S2 application due to data and methodology limitations.
16	Financial position, financial performance and cash flows affected		
16 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	N/A	Quantitative assessment is not disclosed in the first year of IFRS S2 application due to data and methodology limitations. The Group plans to progressively enhance disclosure as internal capabilities improve.
16 (b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	N/A	
16 (c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	N/A	
16 (d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation)	N/A	
22	Climate Resilience		
22 (a)	The entity's assessment of its climate resilience as at the reporting date	Pg. 40	
22 (b)	How and when the climate-related scenario analysis was carried out	Pg. 40	
Risk Management			
25	An entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities		
25 (a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	Pg. 41	
25 (b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Pg. 35-41	
25 (b)	How the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Pg. 35-41	
25 (c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Pg 41	

APPENDIX II: IFRS S2 INDEX (Cont'd)

Classification	IFRS S2 Climate-Related Disclosures	Page Reference	Remarks
Metrics and Targets			
29 (a)	Scope 1 greenhouse gas emissions	Pg. 28-29	
29 (a)	Scope 2 greenhouse gas emissions	Pg. 28-29	
29 (a)	Scope 3 greenhouse gas emissions	Pg. 28-29	
29 (b)	Climate-related Transition Risks		
29 (b)	The amount and percentage of assets vulnerable to climate-related transition risks	N/A	Quantitative assessment is not disclosed in the first year of IFRS S2 application due to data and methodology limitations.
29 (b)	The amount and percentage of business activities vulnerable to climate-related transition risks	N/A	
29 (c)	Climate-related Physical Risks		
29 (c)	The amount and percentage of assets vulnerable to climate-related physical risks	N/A	Quantitative assessment is not disclosed in the first year of IFRS S2 application due to data and methodology limitations.
29 (c)	The amount and percentage of business activities vulnerable to climate-related physical risks	N/A	
29 (d)	Climate-related Opportunities		
29 (d)	The amount and percentage of assets aligned with climate-related opportunities	N/A	Quantitative assessment is not disclosed in the first year of IFRS S2 application due to data and methodology limitations.
29 (d)	The amount and percentage of business activities aligned with climate-related opportunities	N/A	
29 (e)	Capital Deployment		
29 (e)	The amount of capital expenditure, financing, or investments deployed to address climate-related risks and opportunities	Pg. 22	
29 (f)	Internal Carbon Prices		
29 (f)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)	N/A	Internal carbon pricing is not applied in FY2025.
29 (f)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions	N/A	
29 (g)	Remuneration		
29 (g)	A description of whether and how climate-related considerations are factored into executive remuneration	N/A	Management remuneration is not currently linked to climate-related considerations. The Group will review remuneration structures as climate governance matures.
29 (g)	The percentage of management remuneration recognised in the current period that is linked to climate-related considerations	N/A	
33	Climate-related Targets		
33 (a)	The metric used to set the target	Pg. 16-18	
33 (b)	The objective of the target	Pg. 16-18	
33 (c)	The part of the entity to which the target applies	Pg. 16-18	
33 (d)	The period over which the target applies	Pg. 16-18	
33 (e)	The base period from which progress is measured	Pg. 16-18	

APPENDIX II: IFRS S2 INDEX (Cont'd)

Classification	IFRS S2 Climate-Related Disclosures	Page Reference	Remarks
33 (f)	Any milestones and interim targets	Pg. 16-18	
33 (g)	If the target is quantitative, whether it is an absolute target or an intensity target	Pg. 16-18	
33 (h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	N/A	
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including		
34 (a)	Whether the target and the methodology for setting the target has been validated by a third party	N/A	Targets are not validated by a third party
34 (b)	The entity's processes for reviewing the target	Pg. 15	
34 (c)	The metrics used to monitor progress towards reaching the target	Pg. 16-18	
34 (d)	Any revisions to the target and an explanation for those revisions	N/A	
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance	Pg. 16-18	
36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose		
36 (a)	Which greenhouse gases are covered by the target	Pg. 28-29	
36 (b)	Whether scope 1, scope 2 or scope 3 greenhouse gas emissions are covered by the target	Pg 16-18	
36 (c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to Separately disclose its associated gross greenhouse gas emissions target	Pg. 16-18	Interim greenhouse gas emission targets are measured against gross emissions, while the 2050 target is set on a net emissions basis.
36 (d)	Whether the target was derived using a sectoral decarbonization approach	N/A	Emissions targets were not derived using a sectoral decarbonisation approach in FY2025. The Group will review the applicability of such approaches in future target-setting.
36 (e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target		
36 (e)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	N/A	Current emissions targets do not rely on the use of carbon credits. This approach will be reviewed as climate strategies evolve.



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)