Sustainability Newsletter

Vol. 03

June 2024

APACHE Group Sustainability Vision & Mission

VISION

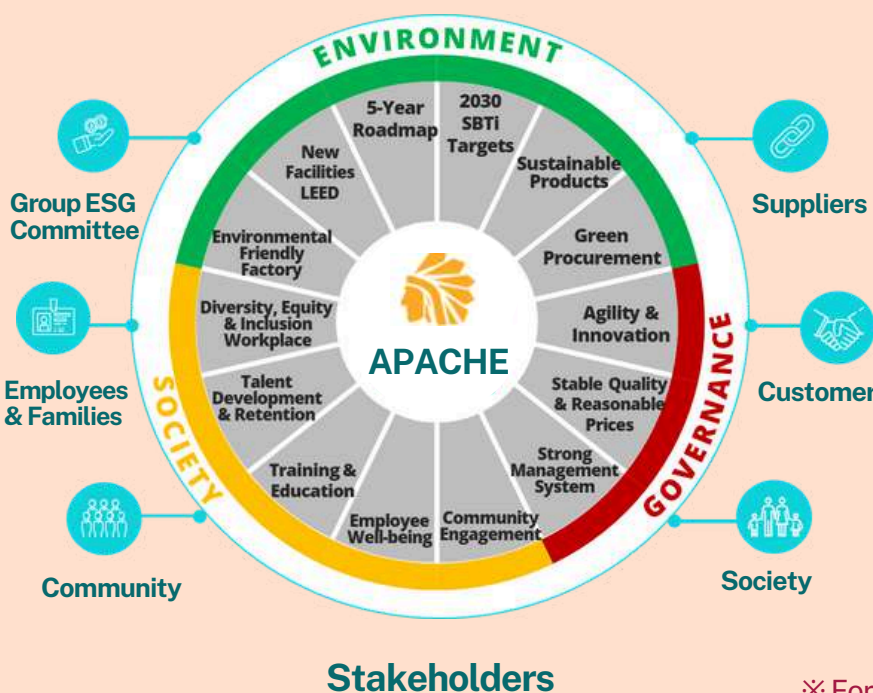❝ **To be the best partner with social and environmental leadership.**

MISSION

❝ **Setting the new best practices and go beyond the compliance standard for corporate sustainability.**

To better achieve our mission and vision, Apache Group is committed to making a positive impact through concrete actions in three key areas environmental protection, social responsibility, and good corporate governance. At the same time, by implementing the group's 5-year roadmap, we aim to achieve the group's sustainability milestones and make significant contributions to the whole society!

Our ESG Strategy

ENVIRONMENT

- 5-Year Roadmap
- 2030 SBTi Targets
- New Facilities LEED
- Sustainable Products
- Environmental Friendly Factory
- Green Procurement
- Diversity, Equity & Inclusion Workplace
- Agility & Innovation
- Talent Development & Retention
- Stable Quality & Reasonable Prices
- Training & Education
- Strong Management System
- Employee Well-being
- Community Engagement

APACHE

SOCIETY · **GOVERNANCE**

- Group ESG Committee
- Employees & Families
- Community
- Suppliers
- Customer
- Society

Stakeholders

Based on the results of the 2022 carbon inventory, the total GHG emissions of the group were 278,793 tCO2e, equivalent to:
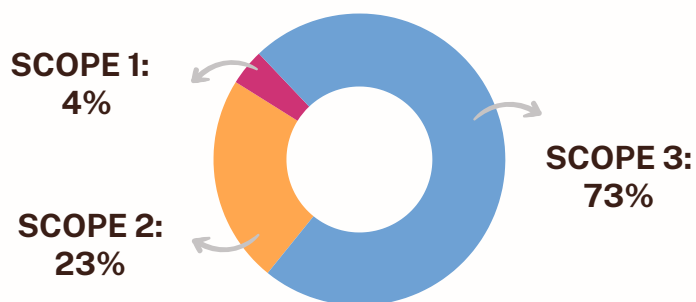
60,607 cars' annual emissions
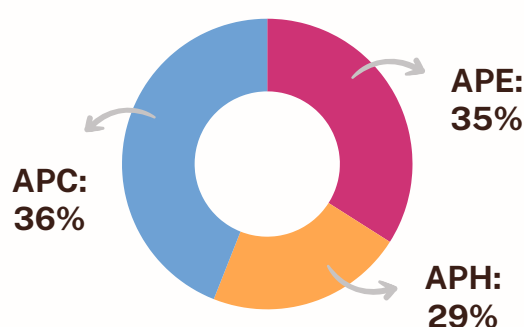
11,616,375 trees' absorption of CO2

After submitting the carbon inventory, we successfully passed SBTi validation in April 2024. The figures below show our carbon emissions across Scopes 1 to 3 and their regional distribution. Particularly notable is Scope 3, which accounts for the main portion of the group's total emissions, emphasizing a key focus for future carbon reduction.

※ For more details on Scopes 1 to 3, please refer to the back!

2022 Total GHG Emissions (tCO2e)

- SCOPE 1: 4%
- SCOPE 2: 23%
- SCOPE 3: 73%

The % of GHG Emissions at 3 Sites
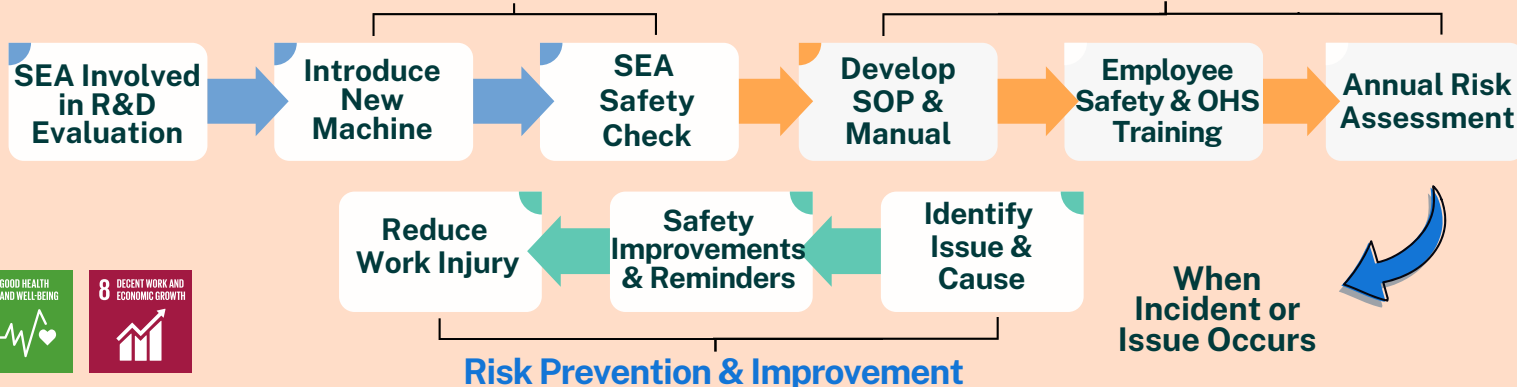

- APE: 35%
- APC: 36%
- APH: 29%

Apache Focus - Environment
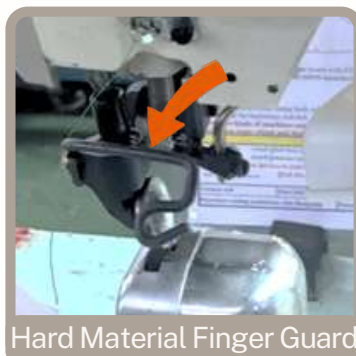## Securing Employee Safety

Apache considers employees as families and prioritizes their health and safety, especially machine safety in the workplace. We have established SOPs, provided training, conducted risk assessments, and implemented management and improvements to reduce workplace injuries.

Risk Identification & Assessment   Risk Management

SEA Involved in R&D Evaluation → Introduce New Machine → SEA Safety Check → Develop SOP & Manual → Employee Safety & OHS Training → Annual Risk Assessment

Reduce Work Injury ← Safety Improvements & Reminders ← Identify Issue & Cause

When Incident or Issue Occurs

Risk Prevention & Improvement

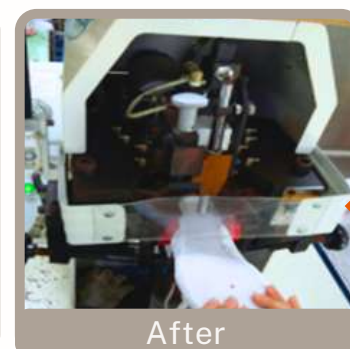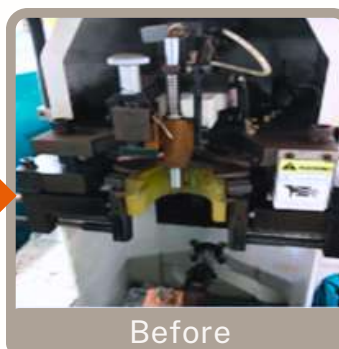3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Besides conducting preventive measures for machines, clear SOPs and safety reminders are posted in the factory. Regular occupational health and safety training sessions ensure our employees are aware of safety procedures, jointly maintaining a safe workplace.

APC
Annual OHS Training

APH
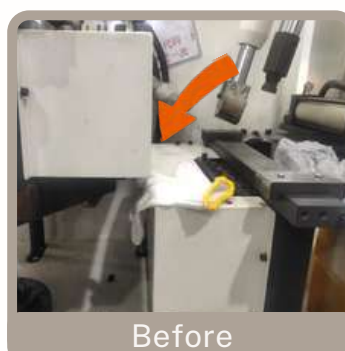Posting Safety Reminders

Limit Switch

Hard Material Finger Guard

Example 1
While changing the needle, the limit switch stops the machine to ensure safety, and the hard material needle guard prevents tampering and breakage.

Example 2
Sensors or shields were added to the injury-prone heel lasting machine to prevent hand injuries.

Before

After

Before

After

Example 3
The original walled-sole attaching machine has shear gaps on both sides. Adding raised working platforms with pressure-sensitive protective panels prevents the risk of hands being caught in the machine.

Apache Focus - Soical
Support and Care for Pregnant Employees

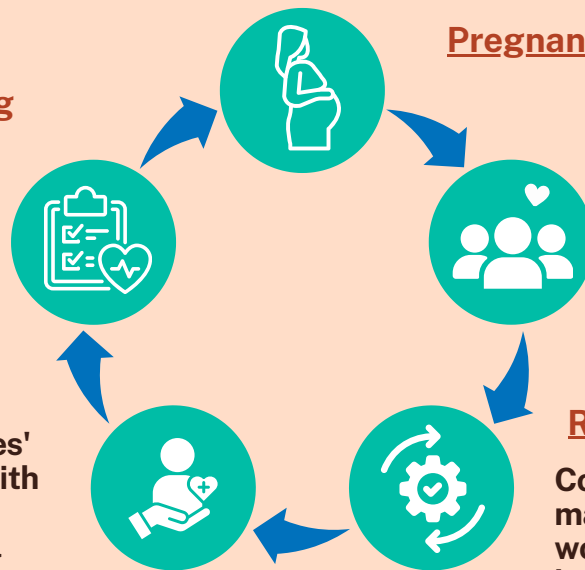**APC: Health Awareness Session Conducted by External Doctors**

At Apache, we prioritize our employees' health and well-being, especially understanding the needs of pregnant employees in the workplace. HR, SEA, and relevant departments work closely to provide the best care for them through hazard assessments, job adjustments, equitable salary and benefits measures. For example, in APH, we provide monthly child-rearing allowances to female employees; in APC, nutritious meals with fresh fruits are offered; and in APE, separate dining area is offered for pregnant women. We are committed to offering the best care and support, creating the most supportive workplace environment for expectant mothers.

Pregnant Employee

Monitoring and Tracking

Regular health checks while ensuring a healthy workplace for employees.

Pregnancy Notification

Notify HR, SEA, and relevant supervisory departments

Benefits and Care

- Ensure pregnant employees' rights and benefits align with government policies.
- Offer professional medical consultations and health awareness sessions.

Risk Assessment

Conduct health risk assessments and make job adjustments to mitigate workplace risks, such as night shifts, heavy lifting, high temperatures, or noisy environments.

APH

Clinic doctor provides consultations

APE

Pregnancy and lactation period seminars

APC

Separate dining area

Apache's Sustainability Learning Hub - Carbon Footprint Verification, CFV

"We Have Only One Earth. It's Time To Act!"

As a key strategic partner of adidas, we actively support and in line with global sustainability initiatives. We have joined SBTi and initiated a group-wide carbon footprint assessment in 2022. Using this year as our baseline, we've set reduction targets for Scopes 1 to 3 by 2030, demonstrating our dedication to sustainable development through concrete actions.
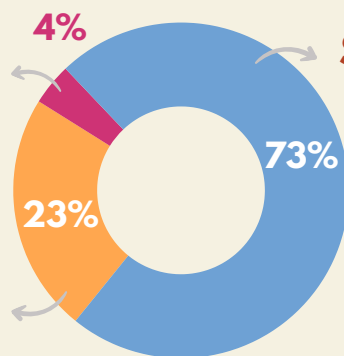
Scope 1: Direct

Emissions from production processes, like manufacturing, facilities and transportation.

Scope 2: Indirect

Emissions from external sources of energy, such as purchased electricity.

4%

73%

23%

Scope 3: Other Indirect

All indirect upstream and downstream emissions in a company's value chain.

★ **By 2030 Target**

From a 2022 base year, reduce scope 1 and 2 GHG emissions

42%

★ **By 2030 Target**

From a 2022 base year, reduce scope 3 GHG emissions

51.6%

per million USD of value added

🎯 Our Next Step

As a member of SBTi, Apache actively takes concrete actions to uphold environmental sustainability. Moving forward, we will:

#1	#2	#3	#4
Conducting 2023 group carbon inventory	Develop carbon reduction strategies and implement reduction measures for Scopes 1 to 3	Disclose Apache 2023 carbon reduction report	Continue implementing our 5-Year Sustainability Roadmap