APACHE
FOOTWEAR GROUP

Sustainability Newsletter

APACHE FOOTWEAR GROUP

" To be the best partner with social and environmental leadership!

2024 Marked a Milestone Year for Apache!

We were honored with the adidas 'Affirmative Pioneer Award', while all three sites achieved ISO 14064 Greenhouse Gases certification, reaffirming our commitment to sustainability.

In 2024, Apache Group achieved ISO 14064 certification across all three sites, highlighting our continued dedication to carbon reduction and GHG management. We also disclosed our carbon inventory results on our website, achieving key milestones in sustainability.

At the 2025 adidas North Asia Supplier Summit, our China site was honored with the 'Affirmative Pioneer Award,' recognizing our commitment to environmental responsibility and reinforcing our strong partnership with the brand in advancing sustainability.

APH

APC

Apache not only actively responded to adidas global sustainability initiatives but also exceeded interim requirements by committing to the SBTi and launching our annual carbon inventory. By the end of 2024, we published our first carbon inventory report on the website, highlighting our achievements and carbon reduction plans with data and transparency, reflecting our commitment to environmental protection.

**Apache Group & Three Sites
ISO 14064
Greenhouse Gas Certification**

Apache Focus - Environment

Fire and Electrical Safety Management Mechanism

Compliance & Continuous Improvement

- Conduct regular / nonregular fire safety audits, and ensure electrical equipment meets standards.
- Utilize digital monitoring systems (IoT tech) for real-time detection of fire and electrical anomalies.

Work Safety Management Digitalization

Using EHS software to manage fire and electrical safety inspections, employee training records, and incident reports.

Emergency Response & Crisis Management

- Define fire response roles, conduct regular drills, and ensure evacuation routes and assembly points.
- Establish fire and electrical incident reporting system and conduct root cause analysis.

Governance & Leadership

- Establish a Fire and Electrical Safety Committee.
- Monthly meetings to review safety performance and improvement.
- Develop safety policy and ensure compliance with national and local regulations.

Fire & Electrical Risk Assessment

- Identify fire hazards and conduct safety audits regularly.
- Develop fire risk mitigation plan and implement the Lockout / Tagout procedure.

Training & Awareness

- Conduct regular safety training to enhance awareness and emergency response skills.
- Establish Fire and Electrical Safety Library

Engineering & Technical Controls

- Install fire alarms, smoke detectors, and conduct inspections regularly.
- Use surge protectors, circuit breakers, and ensure proper grounding of electrical systems.

APH: Fire Drill

APE: On-Site Firefighting Team

APC: Fire Extinguisher Training

Apache Focus - Social

Fostering a Listening & Supportive Workplace Culture

Employee Relations & Social Engagement

Friendly Workplace

- Cultural events and sports activities.
- Foster an inclusive culture in a positive, barrier-free workplace.
- Facilitate cross-cultural and cross-functional communication.
- Conduct regular employee satisfaction surveys for continuous policy improvement and review.

Learning & Development

- Diverse learning resources to empower employees.
- Clear promotion and career growth paths.
- Support new employees with mentorship and buddy programs.
- Develop internal trainers to foster collective growth.

Social Responsibility & Engagement

- Engage in community services to support local development.
- Regular employee home visits, donations and assist in building houses.
- Offer scholarships to local young talents.
- On-Site Firefighting Team for emergencies.
- Employees organize charity fundraising to give back to society.
- Actively support global environmental initiatives.

Employee Care

- Regular health checks and medical support.
- Provide childcare and parental support for work-family balance.
- Fair compensation and benefits.
- Optimize OHS system and emergency drills to ensure workplace safety.

Recognition & Motivation

- Annual incentive program to recognize employee contributions.
- Regular excellent employee recognition events with rewards.
- Strengthen talent retention and long-term incentives.

APH: Mentor and Buddy Program Closing Ceremony

APC: Crèche Celebrates Children's Day

APE: Conduct Employee Emergency Trainings

Apache's Sustainability Learning Hub -- COP (Conference of Parties)

The Journey of Key Climate Summits: Leading to COP 29

COP 3: Kyoto
The first concrete emission reduction target, the **Kyoto Protocol**, was signed, requiring developed countries to commit to emission cuts.

COP 1: Berlin
COP meets annually to discuss climate policies and tackle climate change. The first meeting **urged members to set legally binding emission reduction targets**.

COP 21: Paris
Includes emission reduction commitments from both developed and developing countries through the **Paris Agreement**, aiming to **limit warming to 1.5°C** through global cooperation.

COP 15: Copenhagen
Attempted to establish a new emission reduction framework but failed to reach a binding agreement. The **Copenhagen Green Climate Fund** was also established.

COP 29: Baku
Focus on **climate finance, new funding targets, carbon market mechanisms**, and **energy transition**, while also addressing **inclusivity**.

COP 26: Glasgow
Strengthen emission reduction targets, accelerate coal phase-out, and increase climate funding.

COP 29 Key Discussion Topics

1 New Climate Finance Targets
Parties are negotiating the **New Collective Quantified Goal (NCQG)** for climate finance. **Developed nations pledged $300 billion annually by 2035**, but funding sources, formats, and implementation remain disputed.

2 Establish Carbon Market Mechanisms
The Paris Agreement's Article 6 enables carbon credit trading for funding and climate action, through two mechanisms:
1. Bilateral Carbon Trading
2. Carbon Market Mechanism

3 Coordinate Global Energy Transition
The COP 29 Presidency marked Energy Day with the launch of three energy initiatives:
1. **Global Energy Storage and Grids Pledge**
2. **Green Energy Zones and Corridors Pledge**
3. **Hydrogen Declaration**

4 Loss and Damage Fund (FRLD)
Launched at COP 28, the fund has secured over $720m in commitments as of 2024. Disbursement is set to begin in 2025 to **help vulnerable nations, including developing countries, tackle climate impacts.**

COP 30: To Be Held in the Gateway to the Amazon — Belém, Brazil!

The next climate summit in November 2025 will be crucial for achieving the Paris Agreement goals, focusing on the following topics and impacts:

1. Strengthen climate finance mechanisms: Ensuring the fulfillment of the "New Collective Quantified Goal (NCQG)" and financial commitments to developing countries.

2. Accelerate energy transition and carbon reduction: Revisit COP 28's fossil fuel phase-out and expand renewable energy, focusing on 2030 and 2035 targets.

3. Strengthen carbon markets: Ensure transparency, prevent double counting and greenwashing. Stricter regulations may raise carbon credit costs, requiring businesses to adjust reduction strategies.

4. Forest and carbon sink protection: With the meeting in the Amazon, discussions will focus on forest preservation and reducing deforestation. Businesses may need to raise sustainable sourcing standards.

Source: COP 29 Baku Azerbaijan Official Website