

Sustainable Community Development



ABOUT THE REPORT

GRI 102-46, GRI 102-50, GRI 102-52, GRI 102-54

This is the first stand-alone Sustainability Report published by Apex Mining Co., Inc. (Apex) covering the sustainability activities and performance of the Maco Gold Mine from January 1, 2019 to December 31, 2019. This report has been prepared in accordance with the GRI Standards: Core option and provides the baseline data from where stakeholders can track progress in the coming years.

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MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

GRI 102-14

Apex Mining Co., Inc. is proud to present our first Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards. We believe in the value that the discipline of sustainability reporting can add to our industry which will help build trust and support for the practice of responsible mining. Our Company is committed to this journey towards a world where the triple bottom line of people, planet, and profit will have equal importance for all. As an organization, we are focused on continuous improvement as we dedicate ourselves to achieving the goals we have set for the benefit of our people, communities, shareholders, and markets that we serve.

We have always been conscious of our role and accountability to our stakeholders as we stand for our belief in the principles of responsible mining. We put value in the positive impact that we can contribute to their benefit, while we equally consider with seriousness any negative impact that our business operations can have on communities and the environment.

As testament to this, our Company was awarded with the Platinum Award in the Annual National Mine Safety and Environment Conference (ANMSEC) last November 2019. This award is proof that our Company exhibited satisfactory performance in safety and health, environmental protection, and social development and management.

In 2019, we were able to achieve a revenue of Php 5.0 billion, a 7% increase from the previous year's record of Php 4.7 billion. This allowed us to contribute a total of Php 215 million in local business taxes, fees, and other charges, allowing us to take part in the development of our local communities in Maco, the province of Davao de Oro, and the Philippines in general.

We were once again awarded as the No. 1 Business Taxpayer and No. 2 Real Estate Taxpayer by the Maco Municipal Government. Aside from paying our taxes, we also help stimulate the local economy by prioritizing transactions with local suppliers as we have allocated 9% of our spending, amounting to Php 136 million, to suppliers of local goods and services.

We recognize that economic growth and environmental protection should go hand in hand for sustainable development. In line with this is our commitment to achieve world-class environmental standards in our compliance with environmental laws and the protection of natural resources.

This is evident in the 61% increase in our Environmental Protection and Enhancement Program (EPEP) spending, from Php 54.4 million in 2018 to Php 87.8 million in 2019. With this increase in budget, we were able to plant 9,987 seedlings in 11 has. within our tenement, and 28,150 seedlings in 10 has. outside our MPSA area through our reforestation program. Our partnership with our electricity provider Power Sector Assets and

Liabilities Management (PSALM), a local electricity provider, has also enabled us to source 39% of our electricity usage from renewable energy.

Apart from financial and environmental achievements, our Company recognizes the importance of our employees and local communities. We place great value on our 1,898 employees through guaranteed career and personal development, having invested a total of 67,590 hours of training in 2019, as we firmly believe that they are the backbone of our Company. With only a 7% attrition rate for the year 2019, the effectiveness of our employee retention strategies and various employee-focused programs is evident.

With safety being one of the core pillars of our operations, our Company employs numerous training programs and measures to ensure that all our employees are protected and educated on the appropriate protocols for each type of precarious situation including natural disasters. A total of 85 training sessions on health and safety and 13 safety drills have helped us achieve zero fatalities in 2019. Our efforts in maintaining a safe and healthy work environment, led to our Company being awarded the Safest Underground Operation Award during the 66th Annual National Mine Safety and Environment Conference held last November 2019.

We also continue to nurture our relationship with our surrounding communities, especially the Mansaka Tribe, through open communication and capacity building initiatives. For 2019, we spent Php 59.3 million for our Social Development Management Program (SDMP) projects and activities. Through our health programs, we were able to support clinics and municipal health centers that catered to 4,244 patients. For education, we also adopted 16 schools and provided construction materials and school supplies as well as support for the education of 63 scholars. We also provided startup funding for various livelihood organizations having a total of 1,190 members.

We are one with the industry and the country as we seek inclusive progress that would allow our people to care for their families and be empowered to go after their dreams. We recognize the importance of building partnerships among all our stakeholders and that working together with like-minded organizations is essential. We therefore thank our stakeholders for the support you have continuously provided us, and we hope that we may have your continued support as we move forward in our sustainability journey.



Ramon Y. Sy
Chairman of the Board

Luis R. Sarmiento
President & CEO

AWARDS AND RECOGNITIONS



Safest Underground Operation Award



2019 Platinum Achievement Award on the Underground Mining Operation Category



Best Underground Mine Supervisor
Engr. Naser L. Silongan



2019 Search For Outstanding LMC for Industrial Peace (National Finalist)



2019 Search for Outstanding Grievance Machinery for Industrial Peace (National Finalist)



No. 6 Exporter Collection District XII

2019 Search for Outstanding LMC for Industrial Peace (Regional Winner)

2019 Search for Outstanding Grievance Machinery for Industrial Peace (Regional Winner)



Best Underground Miner
Mirantes B. Helario



Best Underground Safety Inspector
Jonathan M. Havana



Champion of the DENR-MGB's Machine Drilling Competition



Token of Appreciation Relief Operations in Tulunan Earthquake



No. 1 Business Taxpayer Municipality of Maco



No. 2 Real Property Taxpayer Municipality of Maco

2019 PERFORMANCE HIGHLIGHTS



Economic

Gross Revenue (thousand Php)

4,975,293

Increase from the 2018 gross revenue

7%



Gold Production (ounces)

64,763



Silver Production (ounces)

369,616



Environmental

87,815,351

Total spending for EPEP (Php)

Rehabilitation efforts

3 — Number of hectares rehabilitated

6,682 — Number of seedlings planted in rehabilitated area

Reforestation efforts

11 — Number of hectares reforested within MPSA area

10 — Number of hectares reforested outside MPSA area

9,987 — Number of seedlings planted within MPSA area

28,150 — Number of seedlings planted outside MPSA area

Pollution control

89,588,097 — Consumption of electricity (kWh)

180,875 — Total fuel consumption – genset (ltrs)

4,260,862 — Total fuel consumption – others (ltrs)

90,196 — Total GHG emissions (tonnes CO2e)

Waste management

70,281 — Volume of solid waste disposed (kg)

72,000 — Volume of used oils (ltrs)

Land use (hectares)

224 — Disturbed

3 — Rehabilitated

Other use (Undisturbed)

1,709 — Forest

17 — Waterways

276 — Land used for extractive use/Active Mining Area

Biodiversity

Biodiversity in Apex-MPSA — Program name

2,234 — Area of coverage (hectares)



Social

Employees

1,898

Number of employees

1,231 — Number of people indirectly employed (through contractors)

238 — Number of indigenous people (IP) hired

0 — Percentage of employees under CBA

16 — Average training hours/employee

Communities

59,310,657

Total spending on SDMP (Php)

12,731 — Population of neighboring communities (Households)

8,692 — Number of IP communities residing near the minesite (Households)

Education

13,599,963

Education Spending (Php)

63 — Number of scholars

Health

2,891,032

Health Spending (Php)

4,244 — Number of patients/cases treated in hospital

1,022 — Number of patients that benefited from medical missions

Health and Safety

24 — Number of employees in health and safety committee

8,015,360 — Total man hours

3% — Incidence rate

6,362 — Total lost days

Livelihood

8,553,244

Livelihood Spending (Php)

17 — Number of organizations that were provided start-up funding

1,190 — Number of members

Infrastructure

16,104,617

Infrastructure Spending (Php)

130,000 — Amount spent for roads constructed (Php)

2,688,313 — Value of other infrastructure projects (Php)

COMPANY OVERVIEW

COMPANY PROFILE

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-45

Apex Mining Co., Inc. is a Philippine-based gold mining company incorporated and registered with the Securities and Exchange Commission (SEC) operating for 50 years now. The Company has been listed in the Philippine Stock Exchange (PSE) since 1974 under the symbol APX.

Apex owns and operates the Maco Gold Mine in Davao de Oro located in Southern Mindanao. Maco was formerly known as "Masara" but the name change was effected in recognition of the entire municipality where mining occurs rather than one particular village near the mine site.

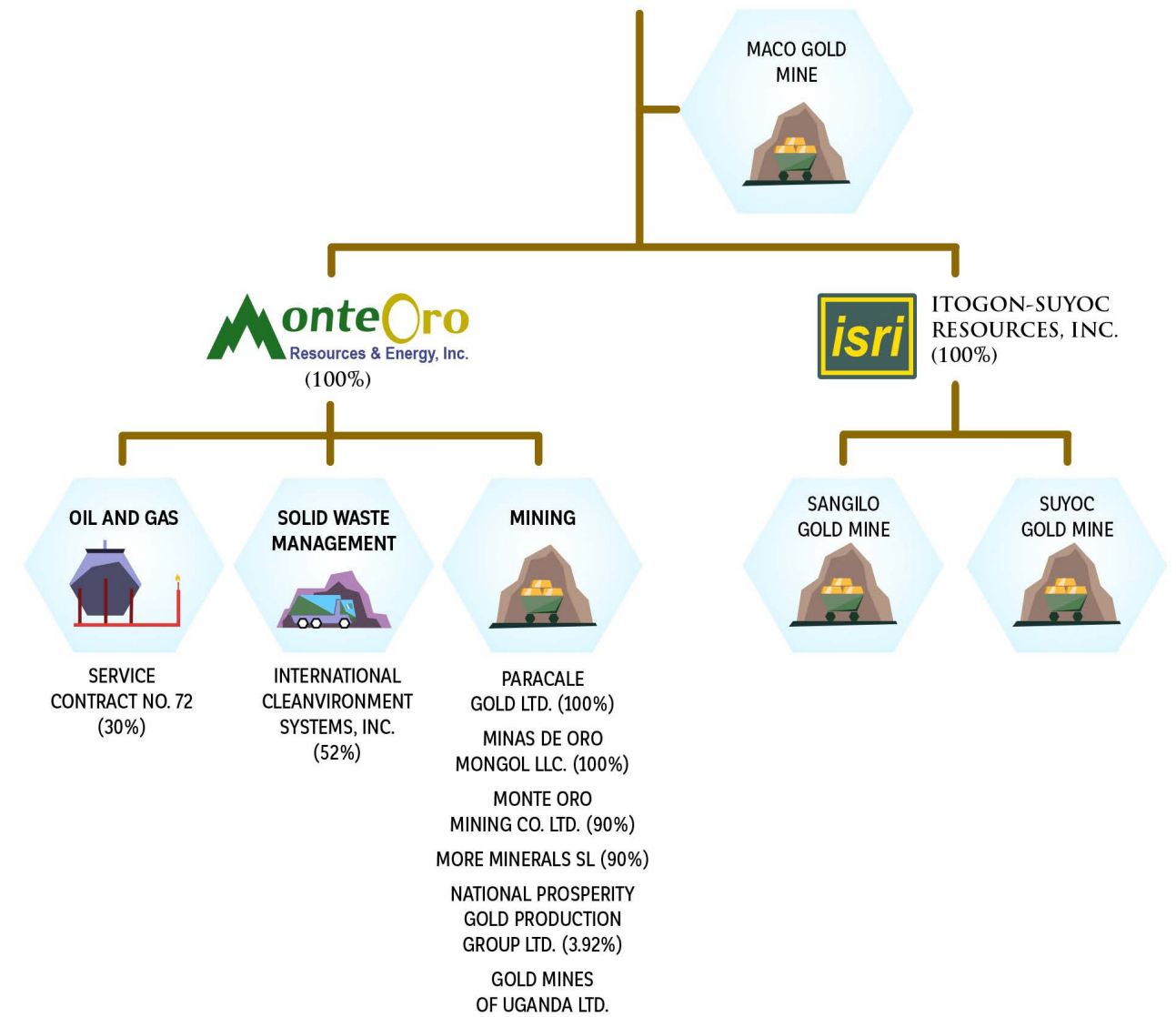
Apex has two wholly-owned subsidiaries, Itogon Suyoc Resources Inc. (ISRI) acquired in 2015 and Monte Oro Resources & Energy, Inc. (MORE) acquired in 2014. ISRI owns the Sangilo mine in Itogon, and the Suyoc Mine in Mankayan, both gold mines located in Benguet Province.

Meanwhile, MORE holds a 30% participating interest in Service Contract 72 (SC72) covering the Sampaguita natural gas field offshore northeast of Palawan, and a 52% interest in a domestic company in solid waste disposal management. Same with ISRI, MORE also has several mining interests located in and outside the Philippines.

These subsidiaries have projects that are still ongoing development and construction works and have not commenced commercial operations yet so they are not included in this report.

Apex Tailings Management Facility

APEX MINING CO., INC.



MISSION AND VISION STATEMENT

GRI 102-16

To promote the well-being of all stakeholders by embracing safety as a way of life, achieving world-class environment standards, and upholding a holistic approach to wellness.

This we do with care and sincere commitment to realize a sustainable, responsible, and globally-recognized mining company.

CORPORATE VALUES

GRI 102-16



Rapid growth of resources is assured.

Conduct exploration activities continuously with diligence and explore new opportunities for gold and other metal resources.



Outstanding mining image is maintained.

Ensure that it employs only high caliber employees who will work productively and efficiently to meet corporate visions.



Optimal production is achieved.

Continuously introduce modern technologies and operational improvements in both the mining and milling operations to meet the challenges of production.



Adequate fund is properly resourced.

Implement careful planning and well-managed financial resources to ensure optimal production will be achieved.



Outstanding external relationships are sustained.

Maintain outstanding relationships with partners from various business, civic, and government groups through honest, transparent, and above-board engagements.



Indigenous peoples' good relations are maintained.

Maintain and sustain the amiable relationship between the Company and the Mansaka Tribe in Davao de Oro by providing employment to their skilled men, supporting their undertakings, and developing them via capacity building programs.



All risks are identified and managed.

Provide safe and secured workplace for the employees through regular inspection of tenement and identification of potential hazards for early remediation and correction.



Five-star systems is supported.

Practice the five star systems standards to pursue the Company's advocacy of being a responsible mining company.



World standard environmental practices are demonstrated.

Endeavour to achieve world excellence in its compliance with environmental laws and protection of the country's natural resources.



High performance one team is demonstrated.

Value its employees highly by providing them education, training, safe working place, safety awareness, environmental care, health programs, and protection to allow them to grow with the Company.

MEMBERSHIP IN ASSOCIATIONS

GRI 102-12, GRI 102-13

Organization

Philippine Mine Safety and Environment Association (PMSEA)

Mindanao Association of Mining Engineers, Inc. (MAEM)

Alliance of Responsible Miners of Region 11 (ARMOR XI)

Association of Labor Management Cooperation Practitioners (ALMACOP) under DOLE-LMC

People Management Association of the Philippines (PMAP)

Participation

PMSEA advocates for sustainable development and promotes best practices in Safety, Environment, Health, and Community Development in the Philippine Mining Industry.

Luis R. Sarmiento, Apex President and CEO, is the 2019 PMSEA President.

Apex was the Diamond Sponsor for the 2019 Annual National Mine Safety and Environment Conference.

As an advocate of responsible mining, MAEM holds an annual conference for mining engineers of Mindanao to which Apex participates in by sending delegates each year.

ARMOR XI promotes responsible mining in Region XI, where the Company's operation is located.

Atty. Rodulfo A. Palma, Apex VP for Legal and Mine Compliance, is the current ARMOR XI President.

ALMACOP promotes industrial peace in various industries in the Philippines.

The Company's AMCINERO Labor Management Council, composed of representatives from different areas of operation elected by employees to represent them in discussing employee concerns with the top management, takes part in ALMACOP proceedings and initiatives.

PMPA promotes best practices in people management, providing trainings and seminars to help companies in developing their human resources capabilities and help them with the upskilling and professional growth of employees.

ABOUT THE MACO GOLD MINE

The Maco Gold Mine, which was known as Masara before its name change in recognition of the municipality of Maco where its mining operation occurs, is situated in the municipalities of Maco and Mabini of the Davao de Oro.

Bordering Davao del Norte to the west, Agusan del Sur to the north, and Davao Oriental to the east, the province houses several ethnic tribes such as the Mansaka, Mandaya, Manobo, Mangguangan, Dibabawaon, Aeta, Kamayo, Davaweño and Kalagan as its original inhabitants. The current population, however, is composed of descendants from migrants of Luzon and Visayas.

Agricultural products such as rice, coconut, cacao, coffee, papaya, mango, pineapple, durian, and banana serve as the primary source of livelihood for Maco's 37 barangays. The municipality is also well known for its epithermal gold and porphyry copper deposits from where its long history of production originated.

Explored by a geologist from Manila in 1934, gold ores present an estimated \$1.8 billion worth of gold reserves that remain untapped in the 5,000-hectare area of Mt. Diwalwal. The mine is under two Mineral Production Sharing Agreements (MPSA) with the government, namely:

MPSA 225-2005-XI – granted in 2005 covering 679 hectares, valid for a 25 - year term until 2030, renewable for another 25 years thereafter; and
MPSA 234-2007-XI – granted in 2007 covering 1,558 hectares, valid for a 25 year term until 2032, renewable for another 25 years thereafter.

The Maco mine initially operated as a copper mine from 1970 until 1975 when it was converted into a gold mining operation. Now the mine is vein-type, adopting underground trackless and conventional mining methods, with a current milling capacity of up to 1,800 tonnes per day employing the carbon-in-leach gold extraction process.

Underground Mine Drilling

ESTIMATED MINERAL RESOURCES

@ Cut-off grade of 1.5 Au GPT

Category	Tonnes ('000)	Au Grade (gpt)	Estimated Gold (in ounces)
Measured	430	6.5	90,138
Indicated	910	5.4	159,159
Inferred	1,130	4.9	179,503
Total/Average	2,470	5.4	428,800

From the technical report dated December 2016 compliant with the Philippine Mineral Reporting Code prepared and submitted by Geologist Rolando E. Pena, Registered Geologist, CP Exploration Results and Mineral Resource Estimation, PMRC/GSP CP Reg. No. 07-08-08.

ESTIMATED ORE RESERVES

@ Cut-off grade of 3.0 Au GPT

Category	Tonnes ('000)	Grade (gpt)	Estimated Gold (in ounces)
Proven	269	8.1	69,735
Probable	1,100	6.9	242,811
Total/Average	1,369	7.1	312,546

From the 2017 technical report dated April 2017 compliant with the Philippine Mineral Reporting Code prepared and submitted by Engineer Raul B. Cezar Registered Mining Engineer, PMRC CP Reg. No. EM 01709-20/11.

CERTIFICATIONS

The Maco Gold Mine is run efficiently and professionally, as certified by the following standards:

- **ISO 9001:2015** – Quality Management System
- **ISO 14001: 2015** – Environmental Management System
- **OHSAS 18001:2007** – Occupational Health and Safety Assessment Series

The scope of the certifications includes exploration, underground mining, milling, and recovery of gold and silver using carbon-in-leach process, mine waste and mill trails management, and all support services, valid for three years until March 2021 subject to satisfactory results of annual audits.





CORPORATE GOVERNANCE

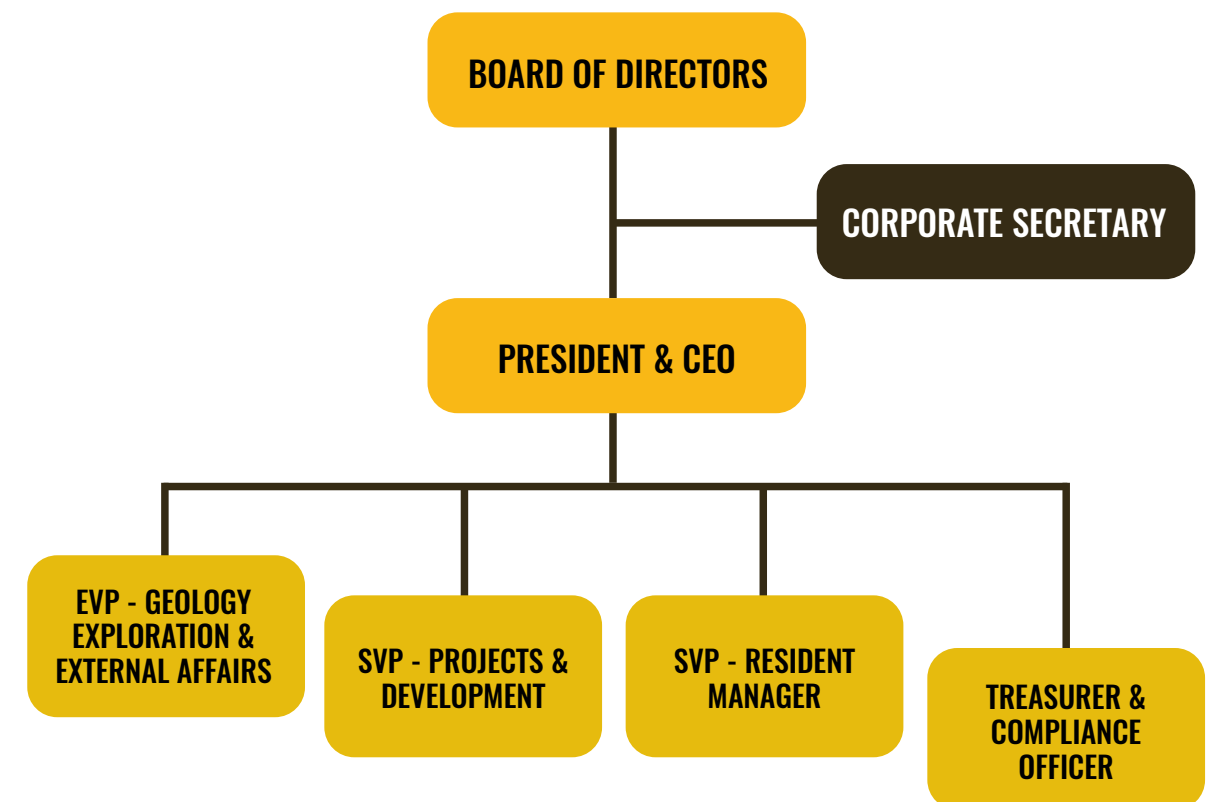
Apex believes that good corporate governance is anchored on the principles of fairness, accountability, and transparency which optimizes long-term value for the Company and our shareholders, as well as recognizes the role of our various stakeholders.

Through Corporate Governance, the system of stewardship and control to guide organizations in fulfilling their long term economic, moral, legal, and social obligations towards their stakeholders, Apex assures our stakeholders that the Company will always act in the interest of sustainable growth that is aligned with our corporate values.

Apex First Aid Team



ORGANIZATIONAL CHART



GOVERNANCE STRUCTURE

GRI 102-18, GRI 102-22, GRI 102-23



Ramon Y. Sy Chairman of the Board

He has been in the Board of Directors of the Company since October 2013. His knowledge and experience in the banking sector is beyond compare having been the Vice Chairman of Metropolitan Bank and Trust Corporation; Chairman and President of United Coconut Planters Bank; Philippine Country Manager of Bank of America; and President and CEO of International Exchange Bank. He is now the Vice Chairman of Asia United Bank Corporation, a publicly listed company, and a Director of SPC Corporation, a publicly listed company, Travelman, Inc., Asian Alliance Holding and Development Corp., Asian Alliance Investment Corp., Phil Equity, MORE, and ISRI.

Walter W. Brown Director Chairman Emeritus

He has been in the Board of Directors of the Company since October 2013. He earned his Doctorate degree in Geology, Major is Geochemistry, from Stanford University after finishing his Master's degree in Economic Geology in the University of the Philippines. His experience encompasses a wide spectrum of industries from mining to the energy and power sector all the way to real estate business. Aside from his roles in the Company, he is also the Chairman of ABrown Company Inc. (ABCI), a publicly listed company, and ISRI; and Chairman of Palm Concepcion Power Corporation which has a 2x135 MW coal-fired power plant in Concepcion, Iloilo; a Director of MORE; and the President of Minas de Oro (Mongolia) and MORE - Sierra Leone (Africa). Mr. Brown was former President of Philex Mining Corporation, a publicly listed company, and National Grid Corporation of the Philippines.

Luis R. Sarmiento Director, President and CEO

He is the President of MORE. Prior to joining the Parent Company, he was the President of Orica Explosives Philippines, Inc., a publicly listed global mining services company headquartered in Melbourne, Australia. He served Orica in various capacity for 34 years, and became its highest ranking Filipino officer. He was also the President of Orica Nitrates, Inc. and a Director of Nitro Asia Company, Inc. A licensed mining engineer, Mr. Sarmiento served as President of the Philippine Mine Safety and Environment Association, President of the Philippine Association of Industrial Explosive, Inc., and Director of the Chamber of Mines of the Philippines. Previously, he was with the Mining Group Machinery Division of Engineering Equipment, Inc. He was conferred as Outstanding Mapuan Awardee in the field of mining engineer in 2005, as Outstanding Mining Engineer Awardee by the Philippine Society of Mining Engineer in 2008, and as Outstanding Mining Engineer of the Year Awardee by the Professional Regulations Commission in 2012. Mr. Sarmiento is a graduate of Mapua Institute of Technology with a degree of Bachelor in Science in Mining Engineering in 1979.

Jose Eduardo J. Alarilla Director

He is the Chairman of Mega Equipment International Corp.; Vice Chairman of Bloomberry Resorts Corporation, a publicly listed company; President and CEO of Mega Subic Terminal Services, Inc.; and President of Manila Holdings and Management, Inc., LVHI, DEI, Eiffle House, Inc., Alpha Allied Holdings Ltd., and Sureste Properties, Inc. He is also a Director of Bloomberry Resorts and Hotels, Inc., MORE, and International Cleanenvironment Systems, Inc. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University and a Master's degree in Business Management from the Asian Institute of Management.



Roel Z. Castro Director

He is the President and Chief Operating Officer of MORE Electric and Power Corporation. Previously, he was the President and CEO of ABCI, a publicly listed company, President of Palm Thermal Consolidated Holdings Corp., Palm Concepcion Power Corp., Peakpower Energy Inc. and Hydro Link Power Corp. He was Head of Corporate Affairs and Special Assistant to the President/CEO of National Grid Corporation of the Philippines (NGCP). He finished BS Agricultural Business from UP Los Baños and Master's Degree at the Asian Institute of Management.

Joselito H. Sibayan Independent Director

He has been Independent Director of the Company since June 2014. He is the President and CEO of Mabuhay Capital Corporation, a firm which provides financial advisory services and capital raising solutions to its clients. He was Vice-Chairman of Investment Banking Philippines; Philippine Country Manager for Credit Suisse First Boston; and Director of Philippine Postal Savings Bank. He is concurrently an Independent Director of SM Prime Holdings, Inc., and a Director of ABCI, both publicly listed companies. He obtained Bachelor of Science in Chemical Engineering degree from De La Salle University Manila and his Master's degree from the University of California in Los Angeles.

Valentino S. Bagatsing Independent Director

He was Principal Investment Officer for the International Finance Corporation (IFC), the private sector investment arm of the World Bank Group. Mr. Bagatsing was in-charge of Real sectors business development and relationship management for the Philippines. Prior to his return to Manila, he served as Resident Representative and Country Head for Nepal where he was concurrently Program Leader for Nepal Hydropower Joint Implementation plan of the World Bank group. Previously, he led IFC investment teams through landmark transactions in the Philippines and Lao PDR. He worked at the World Bank group from June 2006 to April 2019. He has also served various senior capacities in Investment, Mortgage and Commercial banking in the Philippines (1993-2006) and in the United States (1982-1992). A Certified Public Accountant, Mr. Bagatsing earned his MBA in Finance at the McLaren School of Business, University of San Francisco and his accounting degree at San Beda College, Manila. He is also a member of the Society of Fellows of the Institute of Corporate Directors (ICD) and the Financial Executives Institute of the Philippines (FINEX).

The Board of Directors (the “Board”) is primarily responsible for the governance of the corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board is composed of seven directors who are elected by the stockholders in accordance with the law and the by-laws.

The Company has in place a Training Policy for Directors and Officers covering the orientation program for first-time directors and continuing training of incumbent directors. The same is embodied in the Company’s Corporate Governance Manual that is published on the Company’s official website at www.apexmines.com.

The Corporate Governance Manual states that “the Board shall promote attendance of directors in annual continuing training and development program to keep the directors abreast of the developments in business and regulatory environment. An orientation program for first-time directors shall be established.”

BOARD COMMITTEES

NOMINATION COMMITTEE

The Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board’s processes and procedures in the election or replacement of directors. The policy shall promote transparency of the Board’s nomination and election process.

Members

Ramon Y. Sy (Chairman)
Walter W. Brown
Joselito H. Sibayan (Independent)

COMPENSATION COMMITTEE

The Compensation Committee shall align the remuneration of key officers and board members with the long-term interests of the Company. It shall formulate and adopt a formal and transparent procedure for developing a policy remuneration of directors and officers to ensure that their compensation is consistent with the corporation’s culture, strategy and the business environment in which it operates.

Members

Ramon Y. Sy (Chairman)
Joselito H. Sibayan
Valentino S. Bagatsing (Independent)

AUDIT COMMITTEE

The Audit Committee shall assist the Board in the performance of its oversight responsibility for financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

MEMBERS

Joselito H. Sibayan (Chairman/Independent)
Valentino S. Bagatsing (Independent)
Jose Eduardo J. Alarilla

ENTERPRISE RISK MANAGEMENT COMMITTEE

The Enterprise Risk Management Committee shall assist the Board in ensuring that there is an effective and integrated risk management process in place to arrive at well informed decisions, taking into consideration the risk related to significant business activities, plans and opportunities.

Members

Jose Eduardo J. Alarilla (Chairman)
Joselito H. Sibayan (Independent)
Valentino S. Bagatsing (Independent)
Luis R. Sarmiento

RELATED PARTY TRANSACTION COMMITTEE

The Related Party Transaction (RPT) Committee shall assist the Board in reviewing all material related party transactions of the Company.

Members

Ramon Y. Sy (Chairman)
Joselito H. Sibayan (Independent)
Jose Eduardo J. Alarilla

The Board of Directors elect all Officers of the Company and the following Executive Officers had been duly appointed:

EXECUTIVE OFFICERS

Walter W. Brown

Chairman Emeritus

Ramon Y. Sy

Chairman of the Board

Luis R. Sarmiento

President and CEO

Gil A. Marvilla

SVP for Project Development

Rodulfo A. Palma

VP for Legal, Mine Compliance & Risks

Magellan G. Bagayao

VP and Resident Manager for Itogon-Suyoc Resources Inc.

Eric S. Andal

VP for Geology & Exploration

Emelita C. Fabro

VP for Corporate Administration

Renato N. Migrino

VP for Finance, Treasurer & Compliance Officer

Silverio Benny J. Tan

Corporate Secretary

Elisa R. Dungca

Asst. Corporate Secretary & AVP for Corporate Affairs

KEY MANAGEMENT TEAM

Robert F. Wagtingan

AVP and Resident Manager for Maco Operations

Alejandro Lito R. Aprieto

AVP for Supply Chain Management

Ramon Adrian R. Besa

AVP for Corporate Technical Services

Sherwin T. Gabrinez

AVP for Corporate Security Services

Ramon Deogracias P. Halog

AVP for Corporate Engineering Services

Billy G. Torres

AVP for Corporate Finance & Treasury

CONFLICT OF INTEREST POLICY

All employees are expected to act in the best interest of the Company.

Under the Company’s conflict of interest policy, all transactions, which are or may have the potential of, being deemed as Conflict of Interest transactions are prohibited. All business decisions must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.

In case of conflict, the policy requires the director, senior management and employees to disclose any actual or potential instances and/or situations where they may have a Conflict of Interest or the appearance of a Conflict of Interest as soon as they become aware of such actual or potential instances and/or situations.

ANTI-CORRUPTION

GRI 103-1, GRI 103-2, GRI 103-3

The Company's reputation is one of our most valuable assets and is founded largely on the upright and ethical behavior and professional decorum of our employees who represent the Company at all times and in all places.

The Company, therefore, promulgates a set of policies that guides our employees' actions and decisions, influencing them to do what is right, even when no one is looking and these are institutionalized into the Code of Business Conduct and Ethics which is implemented together with the Code of Discipline which contains the disciplinary processes for violations.

The Code shall serve as guidance on how our employees conduct dealings and interactions with colleagues, peers, vendors, government agencies, community members, and other stakeholders. It is thus the Company's objective that the underlying ethical principles in the Code be integrated into daily activities and promote a culture of accountability, transparency, and mutual respect.

The Code comprehensively covers the following anti-corruption and other related policies:

- Whistleblower Protection Policy and Grievance Policy
- Conflict of Interest Policy
- Fair Dealings/Insider Trading Policy
- Material Related Party Transactions

The Management, Department Managers, Supervisors, and Human Resource (HR) personnel are responsible for ensuring the implementation and dissemination of the Company's Code of Business Conduct and Ethics.

The Company's anti-corruption policies and procedures are discussed upon employee on-boarding. Follow-through activities include meetings, email blasts, memos posted on strategic locations, online posts, and pep talks. These activities can include policy reminders or updates and the dissemination of new policies.

RISK MANAGEMENT

GRI 102-11

It is the policy of the Company to achieve best practice in the management of all risks that threaten to adversely impact our operations, employees, customers, assets, functions, business objectives, and members of the community where we operate. The Board has an Enterprise Risk Management (ERM) Committee, composed of at least three directors, which assists the Board in ensuring that there is an effective and integrated risk management process in place to arrive at well-informed decisions on all risks that may affect business activities, plans, and opportunities.

Apex, therefore, endeavors to identify all risks and properly manage these risks, to ensure a safe workplace for the employees and protect our properties. This also includes identifying potential environmental threats and other hazards to operations based on world standards and best practices.

The Company has set up a sound risk management framework to effectively identify, analyze, monitor, assess, and manage key business risks. The successful implementation of the policy requires a consistent and systematic approach to risk management at all levels of the organization. Risk Management is a major component of strategic, operational, and line management responsibilities and is integrated into the business planning processes of the Company.

The table on the next page shows the Company's risk exposures, management policies, along with the objectives behind the policy for each kind of risk and the different controls that departments put in place to monitor, address, and take necessary actions to resolve the risks.

Risk Exposure	Policy	Objective	Control
Liquidity	Proper utilization of available funds, bank credit lines and other potential sources of financing.	To maintain a balance between continuity of funding and flexibility through their optimum use.	Daily cash reports, monthly cash programs, annual operating and cash flow budgets, and payable accounts analyses.
Security	Provide personal safety to all of the Company's employees and staff and to provide security to the Company's assets and properties.	To deploy well trained security personnel and establish/maintain effective intelligence and communication systems.	Deployment of well-trained security personnel and intelligence establishment of structured monitoring and control systems with all of the Company departments and staff.
Energy Shortage	Plan for optimum and efficient power and energy consumption, and assure power supply for operating needs of the mines.	To negotiate long-term contracts with various power producers, and adequately maintain the stand-by power units of the mines.	The Power Generation Department of the mine has in place institutionalized monitoring, reporting, and data gathering systems in place to address current and future power needs. It also manages the Company's stand-by-power generating capacity as backup supply in case of power shortage.
Supply Chain	Develop adequate pool of suppliers that can provide competitive, reliable and steady source of suppliers.	To expand supplier base from both local and international sources that can provide supplies at reasonable and competitive pricing as and when needed by the Company.	Contacts with accredited suppliers is being maintained and accounts kept moving to provide reliable and adequate supply of materials and parts as and when needed.

Climate-Related Risks and Opportunities

Apex recognizes the impacts of climate change and how it can affect our operations. Therefore, we have identified two priority climate-related risks: energy shortage and supply chain disruptions. Extreme typhoons and flooding resulting in landslides can also greatly affect our Company's day-to-day operations.

Failing to prepare for these risk situations may deliver a great blow not only to the Company's reputation but also to our operations. Power shortage and outage may lead to an increase in generator use and/or shutdown of operations while supply chain disruptions may result in delays in the deliveries of supplies and restocking or unavailability of critical supplies. Strong typhoons, flooding, and landslides, on the other hand, may result in damages in the Company's facilities and equipment which, in turn, may lead to a halt in operations.

As part of our controls, the Company evaluates the impacts of climate-related risks through the following metrics: hours of generator use, number of days of operation interruption, rainfall and flooding alerts, delays in deliveries, number of times that stock-outs were experienced, and safe man hours. We continuously monitor and report resource utilization and consumption to produce optimal resource efficiencies and monitor logistics and supply chain performance to produce an optimal and efficient model to secure a reliable supply and inventory of materials and parts.

SUSTAINABILITY FOR APEX

Our conduct of sustainability reporting has formalized our sustainability practices that are embodied in our Integrated Management System (IMS) policy, also known as our Quality, Environment, Safety, and Health (QESH) Policy.

With this, we have committed to sustainable development through the continuous improvement of our business practices as a responsible mining company.

Guided by our QESH policy and mission and vision, we developed our Sustainability Framework consisting of five main pillars that focus the programs and initiatives into measurable goals with the most significant impact for stakeholders:



CONTRIBUTION TO THE ECONOMY

Responsibly manage financial assets to generate positive income for the benefit of the Company's stakeholders.



ACHIEVING WORLD-CLASS ENVIRONMENT STANDARDS

Pursue excellence in compliance with environmental laws and protection of the country's natural resources.



HOLISTIC APPROACH TO WELLNESS

Value employees by providing them education, environmental care, health programs, and protection.



SAFETY AS A WAY OF LIFE

Provide a safe workplace through safety awareness, trainings, 5-star systems, and standards.



SUSTAINABLE COMMUNITY DEVELOPMENT

Nurture relationships among Company, local communities, and the Mansaka Tribe through honest, transparent, and above-board engagements, and by providing employment, supporting their undertakings, and developing them via capacity building programs.

MATERIALITY ASSESSMENT

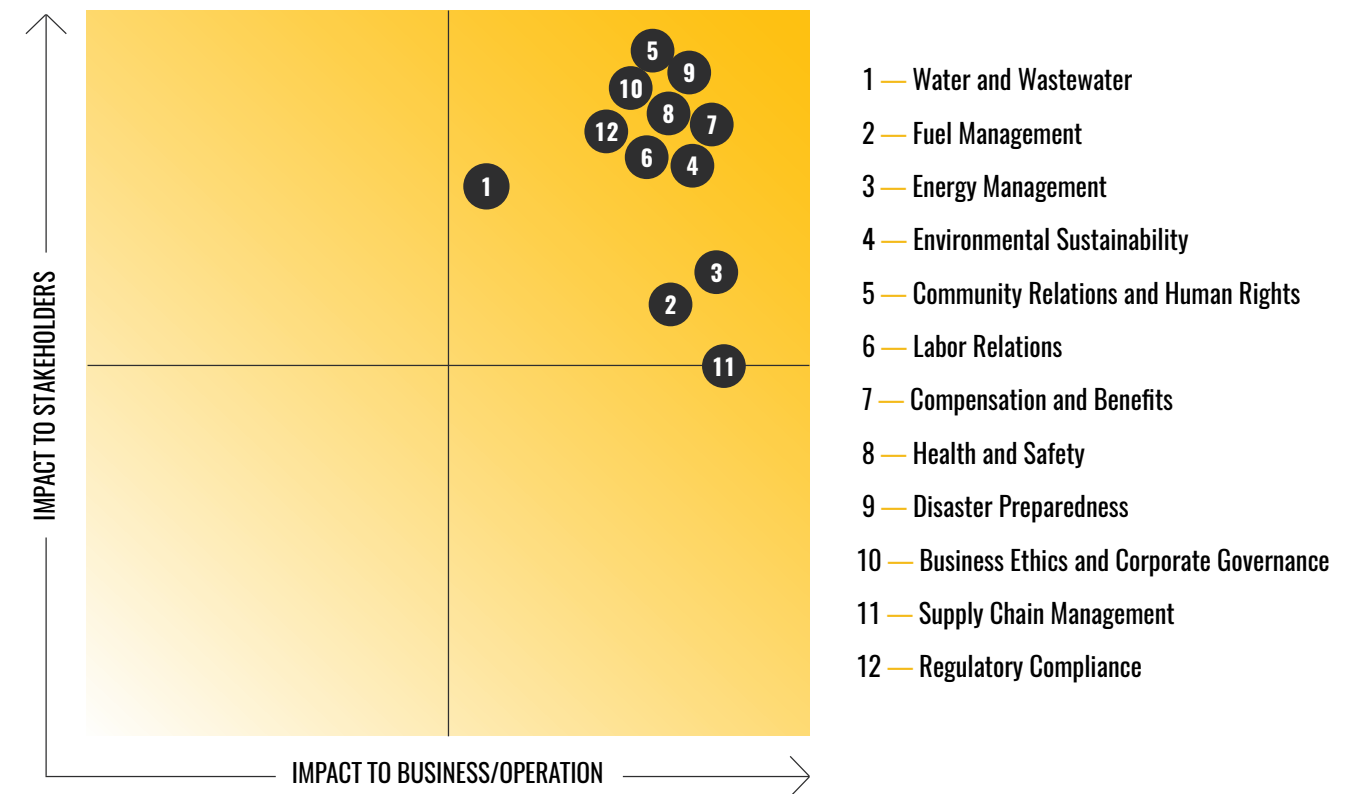
GRI 102-47

For this Sustainability Report, the Company took guidance from the Global Reporting Initiative (GRI) Standards whose approach is based on the principles of materiality which requires organizations to report on significant economic, environmental, and social impacts that are deemed material by stakeholders.

Following such guidance, Apex conducted a materiality assessment workshop to determine the topics and aspects of the business that are material or important to the stakeholders. The list of topics was chosen from the different aspects of the sustainability universe such as the

environment, social capital, human capital, leadership and governance, and business model and innovation. These were then evaluated by key managers and staff during the workshop, assessing them in terms of their perceived impact on the business and on the Company's relationship with stakeholders.

Emerging as highly critical are topics in relation to the community, corporate governance, employee safety, and environmental management. The results dovetailed closely to the framework that is currently being used and therefore validates its continued relevance and effectiveness.



STAKEHOLDER ENGAGEMENT

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

Apex recognizes that the sustainability framework can only work with effective collaboration with our stakeholders. The Company, therefore, ensures to provide the necessary venues and platforms and create opportunities for transparent and open communications with its various stakeholders.

Stakeholders	Engagement Method	Frequency	Key Concerns	Company's Response
Employees	<ul style="list-style-type: none"> Kapehan sa Minahan Supervisory development programs Job evaluation Employee Counselling Program 	<ul style="list-style-type: none"> Once a year As necessary 	<ul style="list-style-type: none"> Salary and benefits Workplace safety Continuing education Performance evaluation Personal problems 	<ul style="list-style-type: none"> Towers Watson Salary Review In-house Training and Employee Development Behavioral-based safety training Counseling
Communities	<ul style="list-style-type: none"> Community Technical Working Group Meeting Mine visit and study tours Community consultation and implementation of Annual SDMP Information drives and advocacy campaigns Apex at Your Service (Apex AYoS) 	<ul style="list-style-type: none"> Monthly As necessary Annually Every five years 	<ul style="list-style-type: none"> Project requests Concerns on mining operations Prioritization of SDMP programs Legal concerns Medical and health concerns 	<ul style="list-style-type: none"> Inclusion of project requests in SDMP planning Information drives Pre-planning consultation with concerned agencies and regulatory bodies Encourage SDMP partner beneficiaries Free Apex AYoS (Medical, HR, and legal consultations, feeding programs, etc.)
Academe and mining-related institutions	<ul style="list-style-type: none"> Memorandum of Understanding 	<ul style="list-style-type: none"> As necessary 	<ul style="list-style-type: none"> Lack of funding for capital expenditures 	<ul style="list-style-type: none"> Provision of capital expenditures
Contractors	<ul style="list-style-type: none"> Flag ceremony host rotation Sportsfest Christmas party Safety Weeks Environmental activities 	<ul style="list-style-type: none"> As necessary Annually Twice a year 	<ul style="list-style-type: none"> Appreciation Inclusion in company activities 	<ul style="list-style-type: none"> Recognition Inclusion in company activities
Local Government	<ul style="list-style-type: none"> Coordination Meetings Friendship/Invitational Games 	<ul style="list-style-type: none"> As necessary 	<ul style="list-style-type: none"> Continuous partnership Peace and order Foster good relationship 	<ul style="list-style-type: none"> Attendance to socio-cultural activities Close coordination Participation in basketball tournaments Presenting plaques of appreciation

Stakeholders	Engagement Method	Frequency	Key Concerns	Company's Response
Regulatory Bodies	<ul style="list-style-type: none"> Multi-partite Monitoring Team (MMT) meeting and field validation Mine Rehabilitation Fund Committee (MRFC) meeting and field validation Internal and External Audit of the Integrated Management System 	<ul style="list-style-type: none"> Quarterly Annually Semi-annually Every five years 	<ul style="list-style-type: none"> Achievement of targets Compliance with regulations Submission of requirements Compliance with MGB regulations 	<ul style="list-style-type: none"> Compliance monitoring Constant communication Regular submission of reports Secure renewal of permits Continual Improvement of IMS
Suppliers	<ul style="list-style-type: none"> Meetings 	<ul style="list-style-type: none"> Annually As necessary 	<ul style="list-style-type: none"> Appreciation 	<ul style="list-style-type: none"> Presenting plaques of appreciation Performance review
Industry Associations	<ul style="list-style-type: none"> Convention and Seminars 	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> Continuing Education IECs Development of mining technology and geosciences 	<ul style="list-style-type: none"> Attendance of employees in events
Customers	<ul style="list-style-type: none"> Electronic mail Telephone calls Convention/office visit 	<ul style="list-style-type: none"> Weekly Annually 	<ul style="list-style-type: none"> Sale of metals Business updates 	<ul style="list-style-type: none"> Appointment of personnel for coordination and transaction purposes Attendance in meetings
Investors	<ul style="list-style-type: none"> Annual Stockholders Meeting (ASM) Electronic/postal mail Telephone calls Head Office visits 	<ul style="list-style-type: none"> Annually Monthly Twice a year 	<ul style="list-style-type: none"> Immediate response to issues and concerns Timely disclosure 	<ul style="list-style-type: none"> Timely and accurate disclosures Prompt response to communication with investors



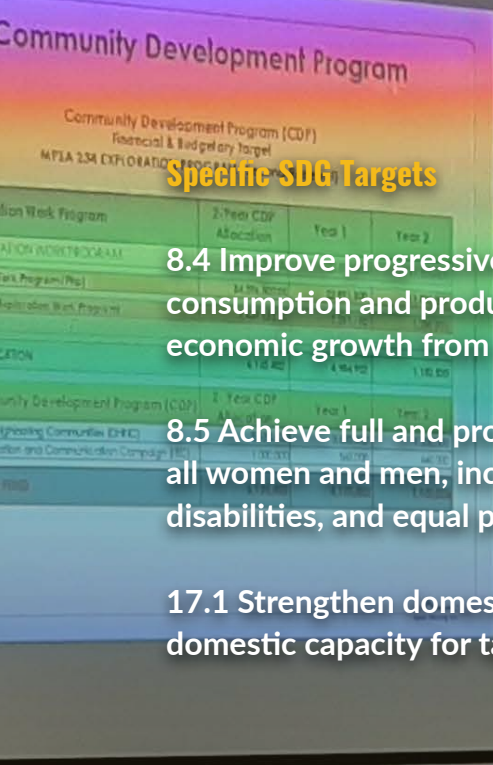
SUSTAINABILITY PERFORMANCE

Committed to the principles of responsible mining, we undertake to monitor, measure, and report on the progress of our sustainability journey.

We are determined to pursue continuous improvement in our processes and programs as we seek to deliver meaningful results for our stakeholders. This is the mindset and energy we bring to work every day because we believe in our shared future as a company that cares for the community and the environment.

CONTRIBUTION TO THE ECONOMY

GRI 103-1, GRI 103-2, GRI 103-3



8.4 Improve progressively the global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation

8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

17.1 Strengthen domestic resource mobilization to improve domestic capacity for tax and other revenue collection



Php 215 million

Tax paid to the government



0

Notice of Violations from government and non-government Agencies

SDMP Planning with MGB

ECONOMIC PERFORMANCE

2019 saw a strong financial performance from the Company, enabling us to continue providing a robust contribution to the economy, both directly and indirectly, in terms of employment, dividends, taxes, and programs for the community.

Metal prices averaging \$1,389 per ounce for gold and \$16 per ounce for silver, the highest in recent years, established a new record for the Company's annual revenue of Php 5.0 billion in 2019. This was higher by 7% than the previous record revenue reported in 2018

of Php 4.7 billion from the average prices of \$1,260 and \$15 per ounce for gold and silver, respectively. Prudent financial management coupled with operational efficiency has allowed the Company to have these positive results.

Apex's tax payments reached Php 215 million for 2019, leading to the Company being recognized as the No. 1 Business Taxpayer and No. 2 Real Property Taxpayer by the Maco Municipal Government for the ninth consecutive year.

Economic Value Generated and Distributed

GRI 201-1

Disclosure	Amount (in thousands Php)
Direct economic value generated (revenue)	4,975,293
Direct economic value distributed:	
a. Operating costs	2,444,879
b. Employee wages and benefits	567,360
c. Payments to suppliers, other operating costs	1,017,440
d. Interest payments to loan providers	235,916
e. Taxes paid to government	215,125
f. Investments to community	59,310

SUPPLY CHAIN MANAGEMENT

GRI 102-9, GRI 102-10, GRI 204-1

An essential aspect of operational efficiency has been a strategic supply chain management approach that was implemented in 2019. The Procurement Department, Inventory Control, Warehouse Department, Logistics, Vendor Management, and Supply Contract Administration were placed under the leadership of the Assistant Vice President for Corporate Supply Chain Management (AVP-SCM).

The procurement process was systematized: It starts when an end-user creates a Purchase Request which should then be duly approved by the Department/Division Manager and the Assistant Vice President-Resident Manager. The Purchasing Officer will thereafter secure competitive quotations and create a bid summary. The bid summary will be reviewed by the Senior Purchasing Officer (SPO) and Account Purchasing Manager (APM) and approved by the AVP-SCM.

The winning bid summary will be processed into a Purchase Order through the SAP system, undergoing approval by the Assistant Vice President-Resident Manager for Visayas and Mindanao-based suppliers

and by the AVP-SCM and/or the President and CEO for Luzon- and foreign-based suppliers. Purchased items are then delivered to the mine site through the consolidator at Manila port and staging warehouse in Tagum warehouse.

The Company has a roster of 163 suppliers, 44 of whom are local vendors, those that supply local products and services. Whenever possible, Apex prioritizes these local vendors as they offer lower logistics cost, shorter delivery lead time, and more accessible after-sales services. In 2019, 9% of supplier expense amounting to Php 136 million was funneled to local suppliers, which also helps to stimulate the local economy and support its progress.

As part of managing the supply chain, Apex continuously improves our material forecasting and purchasing plans to consider production and delivery lead-times. We also entered into a Vendor Managed Inventory (VMI) initiative with critical suppliers, especially for fuel and equipment spare parts, to prevent stock-outs and mitigate the risk of supply unavailability.

ACHIEVING WORLD-CLASS ENVIRONMENT STANDARDS

Specific SDG Targets

6.3 Improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse

7.2 Increase substantially the share of renewable energy in the energy mix

12.4 Achieve the environmentally sound management of all wastes throughout their life cycle and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment

12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse

13.2 Integrate climate change measures into policies, strategies and planning

15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands

15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation

15.4 Ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity, and protect and prevent the extinction of threatened species



4th year
of IMS-14001 Environmental
Management System certification

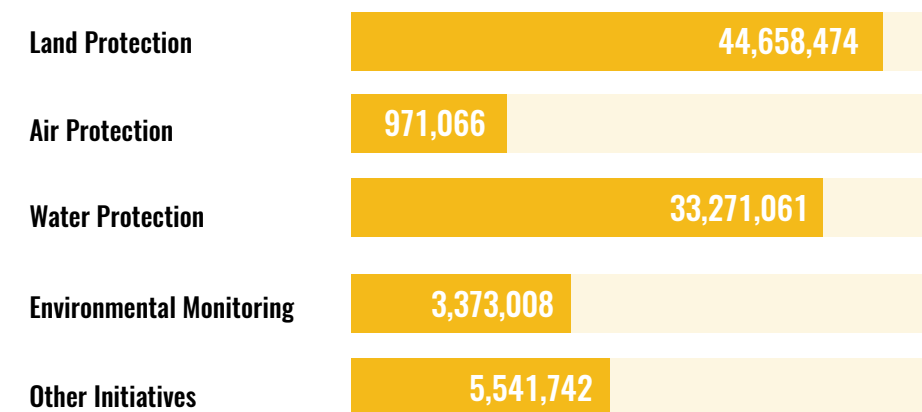


10.71
hectares reforested

Apex recognizes and supports the principles of responsible mining which advocates for stewardship of the environment where the Company operates. The mandated Annual Environmental Protection and Enhancement Program (AEPEP) set by the Mining Act of 1995 has been implemented by the Company and accomplished with faithfulness to the spirit of the law.

In 2019, around Php 88 million was spent in the implementation of various EPEP activities, with 51% of the total allocated for progressive rehabilitation, forest protection, and construction of the necessary infrastructure and facilities to ensure the protection of the environment. Furthermore, the Mine Environmental Protection and Enhancement Office (MEPEO) group enhanced the Company's continued support for the Department of Environment and Natural Resources (DENR) programs, namely the National Greening Program, Adopt-an-Estero Waterbody Program, and Adopt-a-Mangrove Forest. The Company also participated in the tree planting activity and river clean-up drive during the celebration of the National Annual World Water Day and World Environment Health Day.

Environmental Protection and Enhancement Program (EPEP) Breakdown (in Php)



ENERGY CONSUMPTION

GRI 103-1, GRI 103-2, GRI 103-3

Apex recognizes the importance of proper management of valuable resources.

We increased our contracted capacity with our electricity provider, PSALM, from 4MW to 7MW to meet the mine site's load requirements. This ensures that we can continuously operate with a lower risk of power interruptions.

It has also been our practice to be efficient in our use of all resources, particularly energy. This includes the Company's Integrated Management System's Energy Conservation Program, which allowed us to reduce costs related to energy use. In line with this, we also implement energy-saving programs such as turning off lights, computers, and air conditioning units when not in use. Generator sets are used as standby units for when there are unexpected power outages and scheduled repairs only.

Given these efforts, the Company has consumed around four million liters of fuel and under 90,000 MWh of electricity. Around 39% of our electricity use is sourced from renewable sources, made possible through PSALM's energy mix portfolio. Thus, even with the increase in the Company's contracted capacity, we were able to reduce potential greenhouse gas emissions.

Electricity Consumption (in MWh)

GRI 302-1

89,588 ELECTRICITY from Local Supply
628 ENERGY Generated by Genset

Fuel Consumption (in liters)

GRI 302-1

VEHICLES	GENSET
4,227,994 Diesel	180,875 Diesel
32,868 Gasoline	

WATER WITHDRAWAL AND DISCHARGE

GRI 103-1, GRI 103-2, GRI 103-3, GRI 303-1, GRI 303-2

Apex withdrew around 142 million cubic meters of water for operational and domestic water use. The Company ensures that this resource is managed efficiently which is why we implement several water-saving initiatives: faucet and gate valves were installed on all outlets to ensure that the supply is supervised and only made available when needed; and catch basins and reservoirs were constructed and installed so clean excess water can be drained back directly to bodies of water.

Apex continuously monitors water discharge parameters and improves existing practices by employing new technologies and better controls to ensure that we can accommodate stricter water quality regulations.

The Company prevents soil, surface water, and groundwater contamination through several technologies. We have a Water Treatment Facility equipped with a settling pond and an oil-water separator installed in

significant discharge points such as mechanical repair bays and used oil storage facilities. We also have silt traps and sumps for contaminated water from our underground operations. For our milling operations, we have constructed bund walls in critical areas to contain possible spillages, and a tailings dam to contain wastewater discharges. Clear water is discharged from the tailings dam through the toe drain and is recycled and delivered back to the Mill Plant for usage.

The Company also monitors effluents from different established sampling station points throughout the year to ensure that the DENR standards are met. Piezometer monitoring was also continuously conducted by the Tailings Management Facility (TMF) department and evaluated by Engineering Development Corporation of the Philippines (EDCOP) at the tailings pond for information and reference. All safety measures and maintenance works were undertaken to ensure the smooth operations of tailings conveyance to the disposal area.



7 AFFORDABLE AND CLEAN ENERGY

38.9%
of electricity supply from renewable sources

6 CLEAN WATER AND SANITATION

1,408 WMT
silt collected

Water Quality Testing and Monitoring Masara River desilting

Water Withdrawal and Discharge (Underground)

GRI 303-3, GRI 303-4

Water	Affected Water Body	Amount (cu. m.)
Extraction	Lamingag Creek	4,784,516
	Maubog Creek	11,838,714
	P-jac Creek	22,310,638
	L700 DNF UG Reservoir	16,293,499
	St. Francis Reservoir	20,521,921
	L880 UG Reservoir	10,292,685
	TOTAL	86,041,973
Discharge	L870 Portal	4,237,605
	L840 Portal	15,229,914
	L731 Portal	87,337
	L590 Portal	3,757,992
	L530 Portal	68,059,506
	TOTAL	91,372,354
Silt collected/discharged (WMT)		1,408

Water Withdrawal and Discharge (Above Ground)

GRI 303-3, GRI 303-4

Water	Affected Water Body	Amount (cu. m.)
Extraction	St. Francis Reservoir	405,376
	Maubog Creek	224,718
	Level 4 Creek	485,862
	Makausok Creek	376,181
	Lumanggang Creek 2	68,888
	Admin Spring	131,804
	Masara Spring (Salakot)	28,177
	Bunlang Creek	53,634,960
	Toe Drain	453,126
		TOTAL
Discharge	St. Francis Reservoir	296,044
	Maubog Creek	141,768
	Level 4 Creek	477,827
	Makausok Creek	366,137
	Lumanggang Creek 2	61,925
	Admin Spring	124,438
	Masara Spring (Salakot)	28,177
	Bunlang Creek	3,337,219
	Toe Drain	453,126
		TOTAL

AIR EMISSION

GRI 103-1, GRI 103-2, GRI 103-3

The Company recognizes the importance of monitoring and reducing GHG emissions, which lead us to hire a third-party consultant for the conduct of a GHG, Carbon Footprint, and Carbon Stock study every three years, as recommended by regulatory bodies.

The Company worked out an action plan which includes short- and long-term efforts to prevent the further increase of GHG emissions. This includes the maintenance of existing energy and cost reduction measures; productivity improvement of logistical facilities and equipment; utilization of low-carbon transport management, and mine design and processes; forest rehabilitation, protection, and management; and implementation of energy efficiency financing assistance program.

Aside from monitoring GHG emissions, Apex also ensures that there is an adequate supply of clean air within the mine site. In the underground area, a good ventilation system is being utilized and maintained to preserve a healthy working environment for our workers.

The Company also verifies that air emissions from our operations are within the regulatory limits set by the DENR. In-house emission opacity monitoring was done using the Ringelmann Chart on stationary sources for generator sets and boilers. Meanwhile, we also contracted a third-party laboratory, Ostrea Mineral Laboratory Incorporated, to conduct a confirmatory stack sampling test for our boilers and standby generators sets in June 2019 and results showed that measured parameters are within the DENR standards. Ambient air quality, particularly PM10, is also monitored within the mine site.

Our results showed that the particulate matter concentration is within DENR standards for 2019. Aside from air quality and noise level monitoring, Apex uses different strategies in the management of air emissions such as road spraying to suppress dust particles triggered by moving vehicles and equipment; silt scraping; installation and maintenance of tire wash, windbreakers, and dust boxes; motor vehicle maintenance; and tree planting along barangay and mine access roads. We also require our drivers to observe speed limits to prevent dust and noise pollution.



Ambient Air Sampling and Air Quality Monitoring

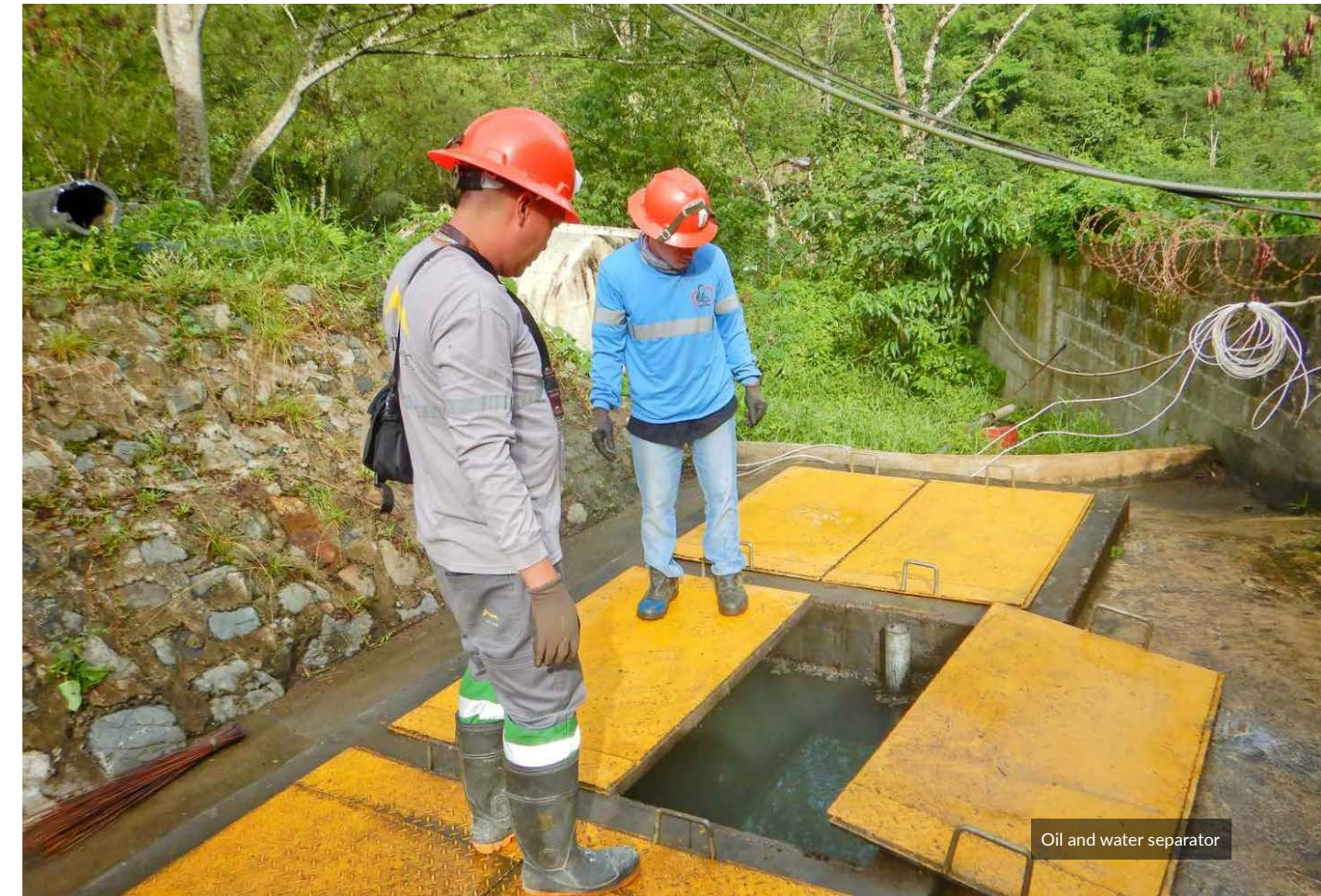
GHG and Stack Emissions

GRI 305-1, GRI 305-2, GRI 305-7

Indicator	Amount
Scope 1 GHG Emissions (in Tonnes CO ₂ e)	11,939
Scope 2 GHG Emissions (in Tonnes CO ₂ e)	78,528
Particulate matter (PM10) (in ug/Nm³)	
Boiler	26
Furnace	52
DENR Regulatory Limit	150
Nitrogen Dioxide (NO₂) (in ug/Nm³)	
Boiler	18
Furnace	23
Kiln	29
Generator Set (1.5 MW)	345
Generator Set (2 MW)	337
Generator Set (500 kW)	400
DENR Regulatory Limit	500
Sulfur Dioxide (SO₂) (in ug/Nm³)	
Boiler	10
Furnace	2
Kiln	31
DENR Regulatory Limit	700
Carbon Monoxide (CO) (in ug/Nm³)	
Boiler	2
Furnace	5
Kiln	102
Generator Set (1.5 MW)	143
Generator Set (2 MW)	106
Generator Set (500 kW)	142
DENR Regulatory Limit	500

SOLID AND HAZARDOUS WASTE MANAGEMENT

GRI 103-1, GRI 103-2, GRI 103-3



Oil and water separator

In compliance with RA 9003 or the Ecological Solid Waste Management Act of 2000, the Company conducts regular collection and hauling of domestic wastes within the mine site, and four host Barangays. We also established a new integrated material recovery/scrap materials storage facility situated at Level-805.

Apex promulgates a policy of “No segregation, No collection” as part of waste management. Collected garbage is delivered to the Barangay Teresa materials recovery facility (MRF) which was constructed to facilitate proper segregation. This effective solid waste management plan is evident in the 78% and 14% of the total amount of solid wastes that were composted and recycled, respectively, while only 8% were disposed of in landfills.

The Company employs different modes of disposal for each category of waste material. Biodegradables are turned into vermicompost or mulch to augment mine rehabilitation activities. Recyclables are sold to third-party buyers while some, such as rock bolts and worn-out pipes, are being

recycled and reused for ongoing engineering projects. Residual wastes, on the other hand, are transported and temporarily stored at the Maco Residual Containment Area.

Meanwhile, in compliance with RA 6969 or the Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990, the Company practices proper handling and disposal of hazardous waste generated from our various operations. This includes our use of three chamber oil-water separator technology and assay laboratory chemical waste treatment. We also have a temporary hazardous waste storage facility and chemical waste storage pit where hazardous wastes are stored before disposal. Then, we engage the services of DENR-accredited third-party disposal groups with permission from the EMB. During the year, a total of 72,000 liters of used oil were disposed of.



Road watering and dust suppression



Garabage Bins strategically placed around the minesite

Waste Management

GRI 306-2, GRI 306-4

Waste Generated	Amount	Disposal Method
Biodegradable waste (kg)	54,750	For vermiculture
Residual Waste (kg)	5,650	Disposed to Maco Residual Containment Area (RCA)
Recyclable Waste (kg)	9,881	Disposed to Third-party Buyer
Hazardous Waste		
Used Batteries (pcs)	265	Disposed to Third-party Environment Management Bureau (EMB) Accredited treater/transporter
Oil contaminated materials (drums)	36	Stored at temporary hazardous waste storage facility, for disposal to 3rd party accredited treater
Pathological Waste (kg)	165	
Busted lamps (pcs)	437	
Used Oil (ltrs)	72,000	Disposed to Third-party EMB Accredited treater/transporter
Waste with cyanide (tons)	173,594	Stored at Maco Tailings Management Facility



Central Nursery

LAND USE AND BIODIVERSITY PROTECTION

GRI 103-1, GRI 103-2, GRI 103-3

Apex vigorously implements our Mining Forest Program (MFP) that started in the year 1995. To date, over 550 hectares have been rehabilitated and reforested with more than 410,000 seedlings planted. Of that figure, around 14 hectares, with over 16,600 seedlings planted, were accomplished in 2019.

The Company has emphasized the use of native or endemic tree species on our planting program in support of the government's biodiversity conservation program. Providing the planting material for our requirements is Apex's central nursery, which cultivates native or endemic tree seedlings. For 2019, around 15,000 seedlings were produced from both Central and Satellite Nurseries.

The Company also sustained support for the National Greening Program (NGP) through donation of plantable and healthy seedlings in 2019, providing over 38,000 forest and mangrove seedlings to the DENR-Community Environment and Natural Resources Office (DENR-CENRO) Maco, Maco Municipal Environment and Natural Resources Office (MENRO), and impact Communities. To date, over 268,000 seedlings were donated to NGP since 2014.

Apex has also adopted a Mangrove Eco-Tourism Forest Project with partners DENR-CENRO and Maco-MENRO. From 2018 to 2019, we have donated a total of 13,900 seedlings to support the replacement and enrichment of essential mangroves in Barangay Bongabong (7 hectares) and Bucana (2 hectares). This project allowed the Company to contribute to protecting and maintaining mangroves in the barangays.

The Company is fully committed to our Policy on the Protection of Wildlife within the Tenement. In partnership with DENR, Apex regularly conducts identification of priority hotspots in the MPSA area to preserve the foraging and roosting sites of avifaunal species. An intensive information, education, and communication (IEC) campaign is also organized to protect and preserve the fauna, giving special attention to those that are listed as under the conservation statuses of threatened and endemic.

The Company's policy enjoins the organization to protect wildlife from illegal hunting, catching, and destruction of their habitat and to improve wildlife species diversity in the area and enhance ecological balance.

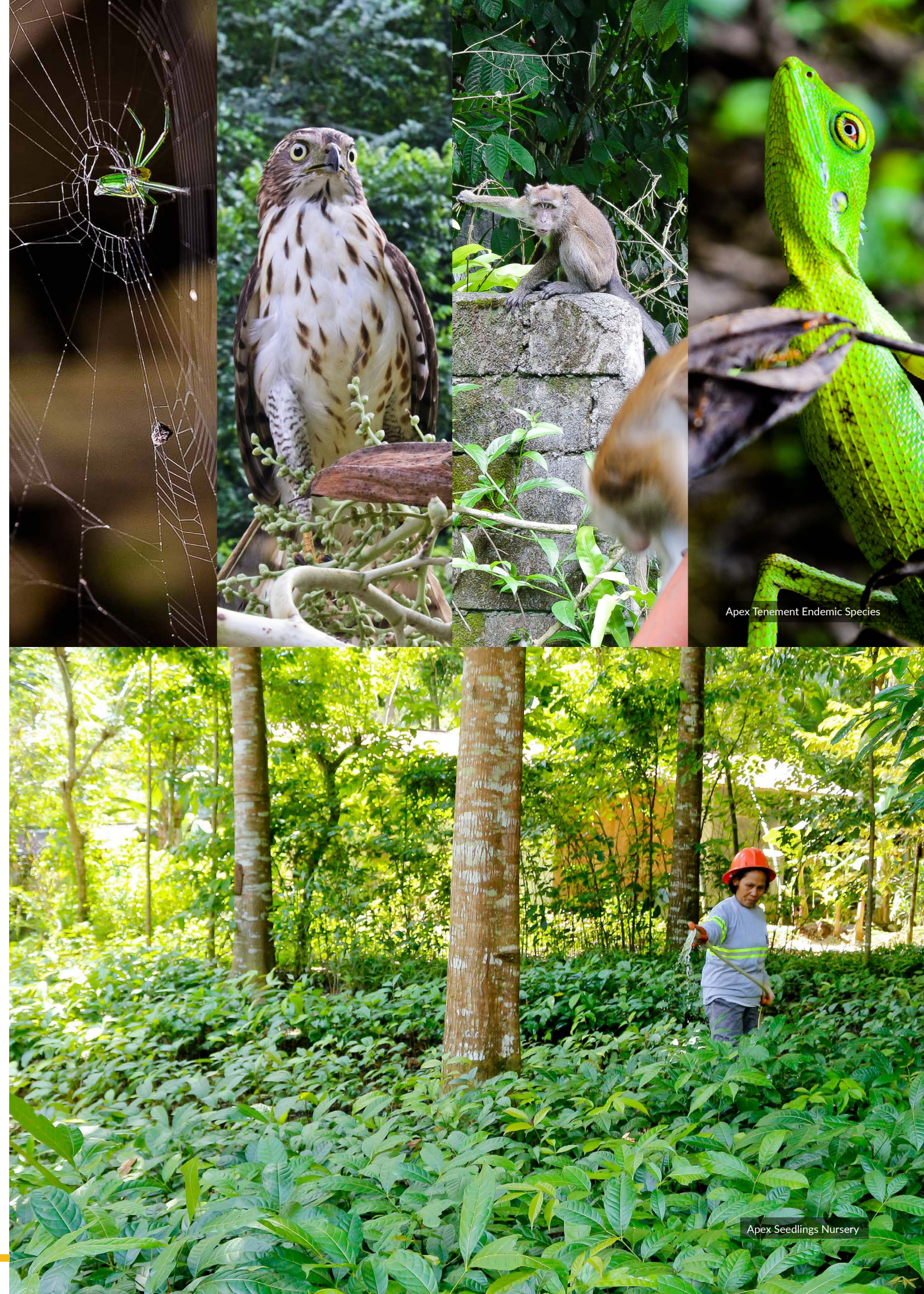
Land Use and Biodiversity Protection

GRI 304-1, GRI 304-3, GRI 304-4

Indicator	Amount
Total Area Disturbed for MPSA 225 and 234 (hectares)	224
Mine Camp/Facilities (Vertical Structure)	40
Waste Stockyard	5
Tailings pond	8
Mineral Processing Plant	2
Road Networks (Access and Hauling Roads)	68
Exploration area	102
Area Rehabilitated (hectares)	3
Area Reforested (hectares)	11
Area of land used for extractive use/ Active Mining Area (hectares)	276
% of land requiring biodiversity management plans	77% (1,726 has.)
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas	AMCI MPSA 225-2005-XI, MPSA 234-2007-XI in Masara, Maco, Davao de Oro
Habitats protected or restored	10

IUCN Red List species and national conservation list species with habitats in areas affected by operations

Malayabas (*Tristaniopsis decorticata*)
 Kalantas (*Toona calantas* Merr.)
 Yakal (*Shorea astylosa*)
 Apitong (*Dipterocarpus grandiflorus*)
 Red Lauan (*Shorea negrosensis*)
 White Lauan (*Shorea contorta*)
 Mayapis (*Shorea palosapis*)
 Almaciga (*Agathis philippinensis*)
 Narra (*Pterocarpus indicus*)
 Batikuling (*Litsea leytensis*)
 Alupag (*Euphoria didyma*)
 Pahutan (*Mangifera monandra*)
 Antipolo (*Artocarpus blancoi*)
 Tree Fern (*Cyathea contaminans*)
 Kalingag (*Cinnamomum mercadoi*)
 Dawn Bat (*Eonycteris robusta*)
 Philippine Sailfin Lizard (*Hydrosaurus pustulatus*)



Apex Tenement Endemic Species

Apex Seedlings Nursery

HOLISTIC APPROACH TO WELLNESS



Specific SDG Targets

4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life

8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8 DECENT WORK AND ECONOMIC GROWTH

1,898
Number of employees

238
Employees from IP Communities

Sponsorship of Continuing Education for Licensed Professionals

5 GENDER EQUALITY

8
women in managerial positions

Workshops during the SDP

EMPLOYEE HIRING AND BENEFITS

Apex, being an all-Filipino mining company, is one of the biggest contributors of jobs in the Municipality of Maco.

We provide equal employment opportunities while also giving priority to locals from surrounding communities, especially to local settlers and indigenous communities within the Municipality of Maco who live below the poverty line.

As of December 31, 2019, Apex provided productive employment to 1,898 employees, 238 of whom are indigenous people, offering them competitive salary and benefits packages.

The Company continues to seek applicants to backfill any attrition. Along with numerous training and learning opportunities and a comfortable work environment, it is the competitive salary and benefits packages that get the applicants' attention. This is because the Company also supplements the government mandated benefits by providing the following:

- Medical, dental and hospitalization
- Meal allowance for supervisor employees and Rice Allowance for Rank & File employees
- Free Uniform for surface and underground employees
- Mobile Phone allowance ranging from Php 500 to Php 2,000 per month
- Medicine & Laboratory reimbursement annually of up to Php 8,000 per month
- St. Peter Life Plan in case of Employee Death
- Mortuary Fund Benefit

Apex remains one of the highest paying employers within the Davao Region, providing competitive benefits packages for employees and their dependents. However, even with these, the lure of foreign mining and infrastructure companies offering project-based jobs with compensation beyond what local markets can provide is a major factor for attrition among underground machine and equipment operators.

To address this, the Company strengthened our retention programs and reviewed our salary and benefits packages, incentives, employee engagement programs, rewards and recognition program, and promotions policy to ensure that we can offer the best employee experience possible and keep our people engaged for the long-term.

Among the key employee engagement programs we implement are Kapehan sa Minahan, a meet-and-greet meeting with miners where concerns and issues in and outside their employment are discussed and addressed, and the Supervisory Development Program, a ladderized program to develop and update the supervisors' essential skills to prepare them for bigger responsibilities or promotions.

THE 2019 AMCI SERVICE AWARDS



The 2019 Apex Service Awards

THE 2019 AMCI SERVICE AWARDS



THE 2019 AMCI SERVICE AWARDS



Employee Breakdown

GRI 102-7, GRI 102-8, GRI 405-1

By Contract Type and Gender

Disclosure	Male		Female		Total
	Head Office	Mine Site	Head Office	Mine Site	
Regular/Probationary	23	1,719	11	124	1,877
Seasonal	0	13	0	7	20
Project-based	0	1	0	0	1
Total	23	1,733	11	131	1,898

By Position and Age Group

Position	Below 30 yrs old		30 to 50 yrs old		Over 50 yrs old		Total
	Head Office	Mine Site	Head Office	Mine Site	Head Office	Mine Site	
Senior Management	1	0	1	1	8	5	16
Middle Management	0	3	1	29	4	22	59
Supervisors	3	70	10	252	2	71	408
Rank and File	1	345	2	922	1	144	1,415
Total	5	418	14	1,204	15	242	1,898

By Position and Gender

Position	Male		Female		Total
	Head Office	Mine Site	Head Office	Mine Site	
Senior Management	9	5	1	1	16
Middle Management	5	48	0	6	59
Supervisors	7	333	8	60	408
Rank and File	2	1,347	2	64	1,415
Total	23	1,733	11	131	1,898

New Hires and Turnovers

GRI 202-1, GRI 401-1

Disclosure	Male		Female		Total
	Head Office	Mine Site	Head Office	Mine Site	
New Hires	1	58	0	12	71
Attritions/Turnover	5	108	1	22	136
Attrition Rate	22%	6%	9%	17%	7%
Salary of lowest paid employee	537	396	537	396	
Minimum wage	537	396	537	396	
Ratio of the lowest-paid employee against minimum wage	1:1	1:1	1:1	1:1	

Availment of Benefits

GRI 401-2

List of Benefits	% of Male Employees who Availed for 2019		% of Female Employees who Availed for 2019	
	Head Office	Mine Site	Head Office	Mine Site
SSS	78	99	100	94
PhilHealth	87	99	100	94
Pag-IBIG	74	99	100	94
Vacation Leaves	96	100	100	98
Sick Leaves	26	65	64	46
Medical benefits (aside from PhilHealth)	0	60	0	49
Housing assistance (Aside from Pag-IBIG)	0	5	0	18
Retirement fund (Aside from SSS)	13	2	0	2
Flexible working hours (HO only)	100		100	

Parental Leaves

GRI 401-3

Disclosure	Male		Female		Total
	Head Office	Mine Site	Head Office	Mine Site	
Total employees who took parental leave	0	116	0	14	130
Number of employees who returned to work after parental leave	0	116	0	14	130
Return to work rate (%)	N/A	100	N/A	100	100
Number of employees who took parental leave in 2018 and are still employed one year after their return from parental leave	N/A	110	1	6	117
Retention rate (%)	N/A	100	100	75	98



EMPLOYEE TRAINING AND DEVELOPMENT

GRI 404-2

Apex offers training opportunities to our employees depending on their duties and responsibilities. Examples of training are technical operations of equipment and the development of soft skills. The Company was able to provide a total of 67,590 hours of training to our employees which was a key contributor to the increase in productivity and efficiency.

Among the internal training programs offered:

- Personality Development Program**
 Designed for the year's batch of service awardee employees across all ranks and positions, allowing the employees a break from the everyday work routine, to focus on self-improvement and wellness. The program is initiated in coordination with the Employee Welfare Office.
- Supervisory Development Program**
 In a series of supervisory capacity building and development training initiatives, the Company rolled out the first of the three-part supervisory development program called, SDP1 Fundamentals of Leadership. Without discrimination to every supervisory nature, the program was offered to all supervisory level positions both for supervisors managing subordinates and individual contributors.

- Behavioral-Based Safety Training**
 Facilitated through a certified training vendor, the Behavioral-Based Safety (BBS) Training was rolled out with JCR ESH Consultancy. The training was initially made available to employees in Mine and Mill operations and other departments.

There are also other training and seminars sponsored by the Company such as Continuing Education for employees whose licenses are used in their professions at the mine site. For instance, Mining Engineers participate in the PMSEA Annual National Mine Safety and Environment Conference (ANMSEC), Geologists participate in the Annual Geological Convention (GeoCon) at the University of the Philippines National Institute of Geological Sciences (UP NIGS), Metallurgists attend conferences by the Society of Metallurgical Engineers of the Philippines (SMEP), and Accountants attend Philippine Institute of Certified Public Accountant (PICPA) trainings. Other professionals of the Company such as Electrical Engineers, Mechanical Engineers, and Foresters also participate in annual seminars sponsored by their respective national organizations.

Total Training Hours

GRI 404-1

Disclosure	Male		Female		Total
	Head Office	Mine Site	Head Office	Mine Site	
Total Training Hours	224	65,238	256	2,232	67,590
Number of Employees Trained	7	4,233	8	81	4,329
Average Training Hours	32	15	32	28	16

GOOD LABOR PRACTICES

GRI 402-1

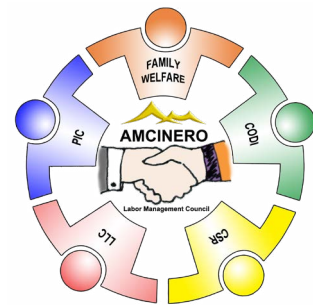
Apex is a non-unionized organization. Nevertheless, the Company ensures channels and communication lines are open and good relationships with workers are actively built.

The Company strengthens our relationship with workers through the Labor Management Cooperation Council called AMCINERO. Employee representatives are elected for each department to represent their fellow employees in social dialogues and help the Company in policymaking. Through the AMCINERO, the Company can encourage the involvement of employees in decision making and policy making.

Recognizing the value of transparency for keeping employees engaged, new policies are communicated to employees through several avenues via email, postings at Bulletin Boards, and pep talks. New policies are only implemented two weeks after they have been cascaded to employees as this gives more time for feedback. Moreover, the Company has an Industrial Relations Officer who handles disputes and grievances from workers. The Company's Industrial Relations Office ensures that workers have an avenue to raise

their concerns. We also have a designated Counselor who handles counseling for people who have concerns about work and family problems that might affect their performance. Because of our robust grievance mechanisms, Apex was awarded as a finalist in the 2019 Search for Outstanding Grievance Machinery for Industrial Peace.

The Company also ensures its compliance with labor laws. In our hiring process, we are non-discriminative that we encourage all genders to apply regardless of the nature of work. We strictly observe the non-hiring of children below 21 years old, resulting in a certification as a Child Labor-Free Establishment by the Department of Labor and Employment Region 11 (DOLE-ROXI).



Mission, Vision, and Work Culture Cascading

KETKAI CENTER CAGAYAN DE ORO CITY

Special Award on ENHANCED CORPORATE VIABILITY

AMCINERO

APEX MINING COMPANY, INC.



Employee Representatives with the Apex Management During the LMC Awarding

SAFETY AS A WAY OF LIFE

GRI 103-1, GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7



Specific SDG Targets

3.3 End the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases



2,096 participants in The Hazards of Smoking seminar

3.4 Reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being



NO smoking workplace

8.8 Protect labour rights and promote safe and secure working environments for all workers including those in precarious employment

ZERO fatalities
8,015,360 total man hours

Our people will always be the priority for Apex, and people's safety is of paramount importance and the top consideration in business decisions and everyday operations.

The Company has a Comprehensive Safety Program and through this, we were able to achieve zero fatalities for 2019. We have an Emergency Response and Preparedness Manual consisting of safety protocols, procedures, guidelines, and programs essential during emergencies. This manual is constantly reviewed and updated and is annually submitted to the Mines and Geosciences Bureau (MGB) for approval. Once approved, it becomes the framework of the Safety Department and employees in the application of a safe workplace.

Critical to the provision of a safe and healthy workplace in Apex is the responsibility and accountability of the Management. This ensures the proper implementation of the following safety policies:

- Quality, Environment, Safety and Health Policy
- Employee Safety Orientation
- HIV/AIDS Workplace Policy and Program
- Drugs and Alcohol Policy
- TB Treatment and Prevention Control Policy

These policies provide the Company's safety core values and guidelines for the safe conduct of our operations.

The Company conducts monthly safety meetings to identify safety points that can be incorporated into daily work routines. The safety department has also assigned safety officers to inspect and monitor working areas. They may stop any activities on-the-spot if unsafe acts or conditions are observed and may only issue resumption upon application of appropriate controls.

Moreover, the Training and Development Department supports the Safety Department in spreading safety awareness and promoting a safety-conscious culture. This ensures that each employee is aware of the safe conduct of their respective job functions. Safety related training is conducted through the following means: new worker orientation, refresher course, skill safety training, or in-house/external training sessions. Other departments may also request skills assessment and refresher courses that are immediately responded to and conducted in the field and classroom set-up. Due to the higher risk in the underground mines, greater

attention is provided to the training of underground equipment operators and miners. Actual coaching sessions are conducted every second week of the month.

In 2019, the Company was able to provide 78 training sessions on health, safety, and disaster preparedness. These include trainings on first aid, blasting, refresher courses for operators, JHA, mechanized lifting, scaffolding, fire safety, working at height, electrical safety, BBS, and SDP. Training for disaster preparedness such as incident command system (ICS), mine rescue, rope rescue, and water search and rescue are also provided. Our IEC campaigns on earthquake awareness, geohazard seminars, and the like are extended to our host and neighboring communities which usually take place in their schools, and barangay and tribal halls.

Other initiatives to prevent accidents in the workplace include the issuance of Personal Protective Equipment (PPE) depending on the hazards encountered by the employees on their posts. Facilities with known hazards have proper signages on display to show the need for PPE. Apex also follows 5S, a workplace organization method. Its main principle is maintaining a clean work area will prevent accidents.

In case of emergencies, we are equipped to provide first aid and minor medical treatment to our employees and host and neighboring communities. We employ physicians, nurses, dentists, dietitians, pharmacists, and midwives. We also have an ambulance to transport patients with serious injuries to nearby hospitals in Tagum and Davao.

To encourage the employees in committing to safe practices, the Company provides monetary incentives to those who apply the best safety practices in the workplace. This initiative is conducted under the leadership of the Central Safety, Health, and Environment Council Chairman. Exemplary employees are nominated by the Safety Department with validated safety records and are awarded quarterly.

As a testament to the Company's safe practices, Apex was given the Safest Underground Operation award during the 66th Annual National Mine Safety and Environment Conference (ANMSEC) held on November 2019. Our Safety Officer, Mr. Jonathan M. Havana, was also recognized as the Best Underground Safety Inspector. The Company also participated in the Safety Field Competition where we were able to bag the championship in the Machine Drilling Competition and was the runner-up in the Tug-of-Peace Competition.

Safety Data

GRI 403-9, GRI 403-10

Disclosure	Head Office	Mine Site	Total
No. of employees in health & safety committee	1	23	24
Total Man Hours	32,956	7,982,404	8,015,360
Safe Man Hours	32,956	0	32,956
Lost time accidents	0	10	10
Number of occupational injuries	0	27	27
Number of occupational ill-health	0	0	0
Incidence Rate	0	3	3
Severity Rate	0	797	797
Lost days	0	6,362	6,362
Fatalities	0	0	0
Work-related fatalities	0	0	0
Number of safety drills	1	12	13

Trainings on Health and Safety

GRI 403-5

Topics	No. of attendees
Jumbo drill operators' refresher course (last batch)	4
Scissor lift operators' refresher course	20
Light vehicle driver skill assessment	4
Skill assessment Load Haul Dump (LHD)/Low Profile Truck (LPT)	12
Skill assessment for UG Compactor operator	1
Skill assessment mine transporter driver	5
Skill assessment for surface concrete mixer driver	3
Light vehicle refresher course	78
Heavy equipment operators' refresher course surface (1st batch)	46
Forklift operators' refresher course	15
Skill assessment	1
Emergency Response Training refresher course	16
Safe patient handling refresher course training	6
Scaffold safety training	23
LHD/LPT operation	157
Jumbo drill operation	47

Topics

No. of attendees

Miners/Blaster	118
Dump truck driving	3
Boom truck operation	1
Light vehicle driving	8
Mine transporter driving	1
Surface concrete mixer driving	3
Fuel tank driving	1
LHD/LPT training	12
Mechanized lifting safety training	77
Safety attitude & behavioral safety culture	20
12S for stress	77
Safety permitting program	99
Recognizing hidden dangers - Office safety	20
Food & kitchen safety	16
Incident/Accident reporting, investigation, analysis & follow-up	51
Materials handling & ergonomic health (Mechanized Lifting)	77
Dengue awareness seminar	20
Critical incident stress debriefing	17
Basic safe patient handling	80
Chemical safety	64
Mill plant safety	66
Women In Safety & Health (WISH) - Women's health and workplace hazard	33
Working at heights (Mill Personnel)	75
The hazards of mining work	15
Working at heights for underground workers, electrical personnel, and construction group	51
Electrical safety	25
The hazards of smoking & the benefits of stopping	2,096
The new dad - A work (and life) in progress	15
Palibhasa Lalake - Raising awareness on men's masculinity and its effect on OSH implementation	15
Fire safety training	27
Advanced training on fire brigade	13
Basic Orientation on Safety and Health (BOSH)	37
Basic first aid training	30
Job hazard analysis (JHA) and healthy lifestyle	238
Incident/Accident investigation, reporting, analysis and follow-up	215

SUSTAINABLE COMMUNITY DEVELOPMENT

GRI 103-1, GRI 103-2, GRI 103-3, GRI 203-2, GRI 413-1

Specific SDG Targets

- 3.1 Reduce the global maternal mortality ratio
- 3.8 Access to quality essential health-care services and safe, effective, quality, and affordable essential medicines and vaccines for all
- 3.C Substantially increase health financing and the recruitment, development, training, and retention of the health workforce
- 4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education
- 4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises
- 11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- 11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

Apex Village, Elizalde, Maco, Davao de Oro

Apex's priority Programs, Projects, and Activities (PPAs) for the development of host and neighboring communities are Health & Medical Assistance, Educational Support, Livelihood Program, Public Infrastructure Programs, and Socio-culture and Religious Support, or, in short, HELPS.

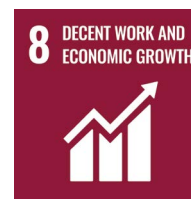
All these PPAs which are under the Company's mandated Social Development Management Program (SDMP) and voluntary Corporate Social Responsibility (CSR) had been put together through community planning workshops and consultations, closely aligning to the needs of our host and neighboring communities. There is a Community Technical Working Group (CTWG), comprised of representatives from regulatory agencies, academe, local government units (barangay, municipal and provincial levels), religious sector, and indigenous people's groups, among others, that helps ensure that our programs are relevant and impactful. The PPAs are also monitored by the Multi-partite Monitoring Team (MMT) with quarterly reporting on performance and progress.



Php 3M
investment in health programs



63
Scholars supported



Php 9M
investment in livelihood programs

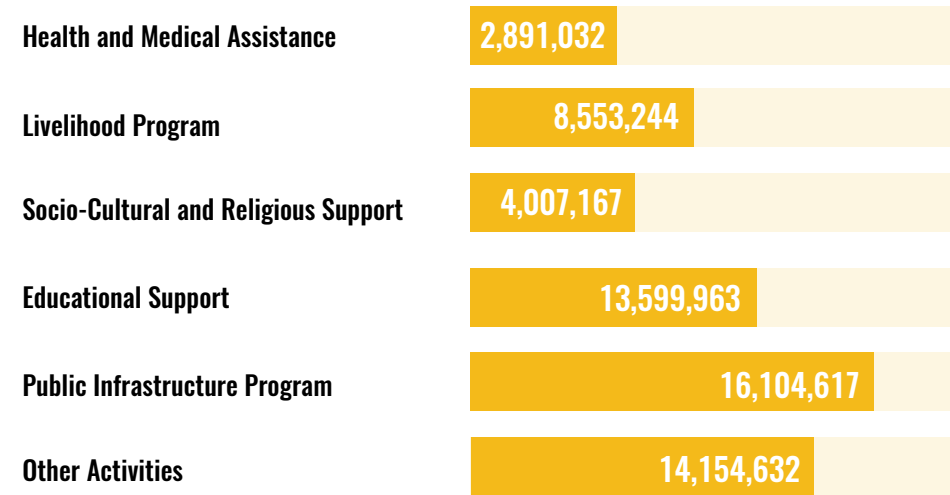


44
occupants resettled

Php 4M
investment in socio-cultural and religious programs



SDMP Breakdown (in Php)



Resident Physician catering to the employees and communities

Impacts on Local Communities

GRI 413-2

Operations with significant impacts on local communities	Vulnerable groups	Collective or individual rights that have been identified that are of particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Mining operations	PWDs, financially disadvantaged	Right to work	The Company's operations provide employment opportunities to far-flung areas, including its surrounding communities with limited employment options
Underground Mining Operation	Children and youth, elderly, PWDs, poor	Right to a healthy environment	Wastewater discharge is monitored in various strategic locations inside the tenement to ensure that it is within the Department of the Environment and Natural Resources (DENR) Standards.
Milling Operations	Children and youth, elderly, PWDs, poor	Right to a healthy environment	The Company engaged the expertise of Sta. Clara International and Engineering Development Corporation of the Philippines (EDCOP) in the design, engineering, and construction of a multi-million Tailings Containment Dam in the mine site. The Tailings Dam is closely monitored by the Company, Sta. Clara and EDCOP to ensure that its construction and operation is in accordance with the national and global standards.

HEALTH AND MEDICAL ASSISTANCE

The Company's health and medical assistance programs aim to improve the health and wellbeing of host and neighboring communities by improving their access to health services and medicine. The implemented programs for 2019 amounted to over Php 3 million and are grouped into three categories: support for medical personnel, support for community clinics and health centers, and other medical assistance.

Apex provides financial support to the community's medical personnel to ensure that there are readily available health practitioners to man the clinics and health centers. This program includes the retainer doctors, nurses, and midwives of Elizalde Infirmary Clinic; community doctor at AMCI Clinic; and dentist at Municipal Health Center of Maco and Elizalde Infirmary Clinic. The medical personnel in Elizalde Infirmary Clinic also conducts medical outreach to host and neighboring barangays, while the community doctor at the AMCI clinic conducts medical visits to the Barangay Health Centers of the host barangays.

The Company also supports and maintains the services of AMCI Clinic and Elizalde Infirmary Clinic, through the provision of free medical consultation, medicine, and vitamins. In 2019, the AMCI clinic was able to serve 2,435 patients, 144 of which were transported through the Company Ambulance for referrals to a tertiary hospital in Tagum City. Meanwhile, the Elizalde Infirmary Clinic served 1,809 patients, including those who

availed free pre-natal, birthing, and post-natal services. Apex also donated Php 100,000-worth of medicine to the Municipal Health Center of Maco and Municipal Health Center of Mabini.

Other intervening medical assistance for the community includes Medical and Dental Outreach Programs conducted in January, February, and August 2019, benefitting a total of 1,038 patients; Operation Tuli for 144 individuals; and Support for Family Health Fair for 500 locals in Barangay Tagbaros.



Annual Operation Tuli at AMCI Clinic ground



Bridaga Eskwela sponsored by Apex

EDUCATIONAL SUPPORT

Apex supports the local community's goal of preparing its youth for a productive career through quality education.

In 2019, the Company's educational assistance programs amounted to almost Php 14 million which was spent for five major programs: Adopt-a-School Program, student transportation, scholarship grants, Apprenticeship Program, and Special Program for the Employment of Students (SPES).

For the Adopt-a-School Program, Apex supported and participated in the Brigada Eskwela activity of our 16 adopted elementary and secondary schools. The schools were provided with construction materials and cleaning tools for the improvement and beautification of their grounds and facilities. We also distributed school bags with school supplies and hygiene kits to 2,100 elementary pupils from nine of our adopted schools.

Apex also provides four student service vehicles for students and teachers in our host and neighboring communities. This safe and convenient mode of transport helped motivate the students as they would not need to walk far distances or spend money on their commute.

The Company supports the education of college and technical vocational students. For 2019, we had 38 senior high school graduates from the Banilad Center for Professional Development (BCPD). The students took up Hotel and Restaurant Services courses and the majority of them are already employed at the fine hotels and restaurants where they had their on-the-job training.

Meanwhile, we are currently supporting 63 scholars. Eight of these scholars are under our SDMP College Scholarship Program and are taking mining and non-mining related courses in the universities of Davao and Tagum Cities. The rest of the scholars have only started in 2019, 22 of them enrolled at BCPD and 33 enrolled at the Center for Industrial Technology and Enterprise (CITE).

We also provide an Apprenticeship Program in partnership with the Technical Education and Skills Development Authority (TESDA) Davao de Oro. Five male graduates of Automotive Servicing NCII underwent an apprenticeship program with the Company from May to November 2019. The program helped the students gain practical knowledge in their field and increased their employability to the Company and other industries as well. We also provided the apprentices with allowance amounting to 75% of the minimum wage as well as SSS and PhilHealth benefits.

Aside from the Apprenticeship Program, we also provide other avenues for students to have on-the-job trainings with the Company. In 2019, we welcomed 24 students for their 20-day work exposure through the SPES. This was done in partnership with DOLE Davao de Oro, in which the Company shouldered 60% of their wage while the remaining 40% was covered by DOLE Davao de Oro.

In 2019, the Company also strengthened coordination and linkages with TESDA through efforts of the Community Relations Department as we aim to establish an Institute of Technology to be registered with SEC, offering the following competencies: Automotive Servicing NCII, Driving NCII, Shielded Metal Arc Welding NCII, Electrical Installation NCII, Motorcycle Small Engine Servicing NCII, and Maintenance NCII. We plan to eventually develop modules and training programs customized for mining. Regular meetings and strategic planning sessions are ongoing for this new initiative.



Regular Shuttle Bus for the high school and elementary students of the host barangays of Apex



BCPD Scholars as visited by the President and CEO of Apex in Cebu City

LIVELIHOOD PROGRAMS

Apex supports the community's pursuit of economic freedom through endeavors to create and maintain sustainable alternative sources of livelihood for its members.

At the same time, the Company helps promote cohesion among members of the community by helping to organize them into an association or cooperative, so they can more efficiently generate employment and income from the identified Income Generating Projects (IGP).

Our key programs for 2019 are institutional assistance and organizational capacity building, provision of starter kits, improvement of the cacao processing facility, livelihood training center and demo farm, and temporary employment generation.

The Company promotes organizational capacity building by providing 25 training workshops on useful topics such as cacao production, piggery production, entrepreneurship training, eco-tourism, food processing, and chocolate-making. The workshops also included a cooperative seminar on managing risk and conflict to ensure that our supported cooperatives could manage on their own.

Apex also provides starter kits or start-up capital funding to different organizations. In 2019, we were able to support 17 organizations with around 1,190 members. These include the construction of a food terminal, construction of fermentation boxes, provision of sewing equipment, and provision of seedlings.



Levelling up Artisan Chocolate Making at Apex Level 4 Training Center



The participants at the Swine Production Training actual demo at Barangay Elizalde, with 54 participants on August 23, 2019.

For 2019, Apex also strengthened our communities' Cacao Processing Facility through innovative technology demonstration and improvement of the processing facility to sustain the livelihood of our beneficiaries. We were able to procure a roasting machine, grinding machine, vacuum sealer, and two air conditioning units. The Company plans to establish venues for trainings and skills enhancement of our organized associations and farmers. In 2019, we allocated funds for the construction of a livelihood training center, development of integrated diversified demonstration farm, and provision of manpower.

Another way that the Company helps with the communities' livelihood is by providing alternative livelihood programs to people previously engaged in sluicing and other forms of destructive mining methods. We provide temporary employment such as for roadside brushing activities, maintenance for the transmission line, and haulers and trenchers, among others.



Assistance to LGU Festivities

PUBLIC INFRASTRUCTURES

GRI 203-1

Included in the SDMP is an allocation for the construction and repair of public infrastructures such as roads and community facilities that have long-term benefits to community members.

A major undertaking for the year was in support of the resettlement site at Barangay Elizalde. The Company provided financial assistance for the site acquisition and development of the Apex Village and ongoing construction of houses. The resettlement site provides the residents safe and comfortable housing away from geohazards such as landslides. It also allows them to have their property at a minimal cost. The resettlement also has eight cottages constructed for rent in the eco-tourism site, providing additional income to Barangay New Leyte.

Other projects accomplished in 2019 include support to the construction projects of two churches – Immaculate Conception of Mary Parish Church and Foursquare Gospel Church. We also supported the Tribal Hall projects of the Tribal Groups of Elizalde and Golden Valley. We also improved basic utilities in Barangay Masara and Tagbaros through the electrification and improvement of water system projects. The Company also increased accessibility through the improvisation of the road in Barangay Teresa and developed the Mainit Hotspring to help in ecotourism.



On-going development of Apex Village at Barangay Elizalde, Maco, Davao de Oro



On-going construction of Tribal Hall Building at Barangay Golden Valley

SOCIO-CULTURAL AND RELIGIOUS SUPPORT

Apex recognizes the importance of a vibrant culture in establishing a resilient and sustainable community life. The Company, therefore, ensures to provide support for our eight host communities, namely Teresa, Masara, Tagbaros, Mainit, Elizalde, New Barili, New Leyte, and Golden Valley in their community activities that promote and strengthen the local culture.

Activities supported included meaningful celebrations such as Patronal Fiestas, Araw ng Barangay, Araw ng Tribu, and the like. Community support initiatives such as blood donation drives and Nutrition Month celebrations were also supported by the Company. Apex also provides support to the socio-cultural needs of our host municipalities, Maco and Mabini, and the Province of Davao de Oro. We participated in Mabini's Parochial Town Fiesta and Kadayawan Festival, and Maco's Araw ng Maco, Kaimonan Festival and Parochial Town Fiesta. For Davao de Oro, we provided support in their Bulawan Festival and Founding Anniversary.



MGB and Apex visits the Immaculate Conception of Mary Parish Church, Brgy. Elizalde

DISASTER PREPAREDNESS AND RESPONSE

Aside from the projects under HELPS, the Company also found it important to support disaster preparedness initiatives as well as disaster response of our host communities.

The Company, through the Pusong Minero Program, extended support to affected communities in Davao Del Sur and Cotabato provinces that were hit by the series of earthquakes last October 2019. Apex distributed relief goods, donated temporary shelters, and helped provide clean water supply in the evacuation centers. This earned the Company a Token of Appreciation from the Mines and Geosciences Bureau Region 12 (MGB-RXII).

Meanwhile, throughout 2019, Apex also conducted information, education, and communication campaigns on important topics such as Earthquake Awareness and Preparedness, Kaingin/Fire Safety Awareness, and Geohazards: Landslides and Flashfloods. These seminars were attended by hundreds of community leaders and residents from the different barangays who were the target audience of the campaigns.



Apex personnel during the distribution of relief goods to the affected residents of earthquake in Cotabato on November 6, 2019

SAFETY FIRST

STAY SAFE ALL THE TIME



Apex Emergency Response Team



Apex First Aid Team - PMSEA 2019

MOVING FORWARD

We, at Apex strive to fulfill our mission and vision to embrace safety as a way of life, achieve world-class environment standards, and uphold a holistic approach to wellness by practicing responsible mining, sustainable community development, and responsible employee management. We aim for the parallel growth and development of the Company and our host and neighboring communities.

As 2020 marks our golden anniversary, we will strive earnestly to strengthen our sustainability journey by continuing and improving our efforts on contributing to the economy, protecting and enhancing the environment, implementing good labor practices, and developing our host and neighboring communities, among others.

Our sustainability journey won't end there as we commit to focus on the triple bottom line for the years to come.



Hon. Jayvee Tyron L. Uy
Governor of Davao de Oro

Engr. Luis R. Sarmiento
Apex President and CEO

Apex's mining operation has minimal disturbance on the environment with the greeneries surrounding the tenement being enhanced continuously, making our overall carbon footprint negative. Our 2018 carbon study showed that with our 2018 emission and forest stand, the Company is carbon negative by 420,697 metric tons.



GRI CONTENT INDEX GRI 102-55

"IN ACCORDANCE" – CORE OPTION

Disclosure		Page numbers and/or direct answers
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
GRI 102-1	Name of the organization	8
GRI 102-2	Activities, brands, products, and services	8
GRI 102-3	Location of headquarters	8
GRI 102-4	Location of operations	8
GRI 102-5	Ownership and legal form	8
GRI 102-6	Markets served	One Customer (Heraeus)
GRI 102-7	Scale of the organization	44
GRI 102-8	Information on employees and other workers	44
GRI 102-9	Supply chain	29
GRI 102-10	Significant changes to the organization and its supply chain	29
GRI 102-11	Precautionary Principle or approach	20
GRI 102-12	External initiatives	11
GRI 102-13	Membership of associations	11
Strategy		
GRI 102-14	Statement from senior decision-maker	2
Ethics and Integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	9
Governance		
GRI 102-18	Governance structure	16
GRI 102-22	Composition of the highest governance body and its committees	16
GRI 102-23	Chair of the highest governance body	16
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	24
GRI 102-41	Collective bargaining agreements	Apex had 0 collective bargaining agreement with our employees in 2019.
GRI 102-42	Identifying and selecting stakeholders	24
GRI 102-43	Approach to stakeholder engagement	24
GRI 102-44	Key topics and concerns raised	24
Reporting Practice		
GRI 102-45	Entities included in the consolidated financial statements	8
GRI 102-46	Defining report content and topic Boundaries	1
GRI 102-47	List of material topics	23
GRI 102-48	Restatements of information	N/A; This is Apex's first Sustainability Report
GRI 102-49	Changes in reporting	
GRI 102-50	Reporting period	1
GRI 102-51	Date of most recent report	N/A; This is Apex's first Sustainability Report
GRI 102-52	Reporting cycle	1
GRI 102-53	Contact point for questions regarding the report	72
GRI 102-54	Claims of reporting in accordance with the GRI standards	1
GRI 102-55	GRI content index	68
GRI 102-56	External assurance	N/A

Disclosure		Page numbers and/or direct answers	
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	GRI 103-3	Evaluation of the management approach	28
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	29
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	45
GRI 203: Indirect Economic Impacts 2016	GRI 203-1	Infrastructure investments and services supported	61
	GRI 203-2	Significant indirect economic impacts	54
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	29
Compliance			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	20
	GRI 103-2	The management approach and its components	20
	GRI 103-3	Evaluation of the management approach	20
GRI 205: Anti-corruption 2016	GRI 205-3	Confirmed incidents of corruption and actions taken	Apex had 0 cases of corruption in 2019.
GRI 307: Environmental Compliance 2016	GRI 307-1	Non-compliance with environmental laws and regulations	Apex was compliant to all relevant environmental laws and regulations in 2019.
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental data	Key Suppliers
Energy			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	32
	GRI 103-2	The management approach and its components	32
	GRI 103-3	Evaluation of the management approach	32
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	32
Water			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	33
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	GRI 103-3	Evaluation of the management approach	33
GRI 303: Water 2018	GRI 303-1	Interactions with water as a shared resource	33
	GRI 303-2	Management of water discharge-related impacts	33
	GRI 303-3	Water withdrawal	34
	GRI 303-4	Water discharge	34
Biodiversity			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	39
	GRI 103-2	The management approach and its components	39
	GRI 103-3	Evaluation of the management approach	39
GRI 304: Biodiversity 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	40
	GRI 304-3	Habitats protected or restored	40
	GRI 304-4	IUCN Red List species and national conservation list of species with habitats in areas affected by operations	40

Disclosure		Page numbers and/or direct answers	
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GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG Emissions	35
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GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	37
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	GRI 103-3	Evaluation of the management approach	37
GRI 306: Effluents & Waste 2016	GRI 306-2	Waste by type and disposal method	38
	GRI 306-3	Significant spills	N/A
	GRI 306-4	Transport of hazardous waste	38
Labor Practices & Employee Relations			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	42
	GRI 103-2	The management approach and its components	42
	GRI 103-3	Evaluation of the management approach	42
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	42
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
	GRI 401-3	Parental leave	46
GRI 402: Labor/Management Relations 2016	GRI 402-1	Minimum notice periods regarding operational changes	48
GRI 404: Training & Education 2016	GRI 404-1	Average hours of training per year per employee	47
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	47
GRI 405: Diversity & Equal Opportunities 2016	GRI 405-1	Diversity of governance bodies and employees	44
GRI 406: Non-discrimination 2016	GRI 406-1	Incidence of discrimination and corrective actions taken	Apex had no discrimination incidents in 2019.
GRI 407: Freedom of Association & Collective Bargaining 2016	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 411: Rights of Indigenous Peoples 2016	GRI 411-1	Incidents of violations involving rights of indigenous peoples	No grievances were filed

Disclosure		Page numbers and/or direct answers	
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	GRI 103-2	The management approach and its components	50
	GRI 103-3	Evaluation of the management approach	50
GRI 403: Occupational Health & Safety 2018	GRI 403-1	Occupational health and safety management system	50
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	50
	GRI 403-3	Occupational health services	50
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	50
	GRI 403-5	Worker training on occupational health and safety	52
	GRI 403-6	Promotion of worker health	50
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	50
	GRI 403-9	Work-related injuries	52
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	Community Development		
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	54
	GRI 103-2	The management approach and its components	54
	GRI 103-3	Evaluation of the management approach	54
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	54
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	56
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria	N/A
GRI 419: Socioeconomic Compliance 2016	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Apex had no non-compliance to any social and economic laws and/or regulations in 2019.

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GRI 102-53

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