



**APEX MINING CO., INC.**

**SUSTAINABILITY REPORT  
FOR FY 2020  
(attachment to SEC Form 17A)**



**MISSION STATEMENT:** *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.*

# Annex A: Sustainability Report Disclosures

## Contextual Information

Company Details	
Name of Organization	Apex Mining Co., Inc. (APX)
Location of Headquarters	3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
Location of Operations	Maco, Davao de Oro
Report Boundary: Legal entities included in this report	Head Office, Pasig City Maco Gold Mine, Davao de Oro
Business Model, including Primary Activities, Brands, Products, and Services	Exploration, mining, and production of gold and silver bullions
Reporting Period	January 1 to December 31, 2020
Highest Ranking Person responsible for this report	Luis R. Sarmiento President and CEO

## Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. <sup>1</sup>
<p>APX’s sustainability report is based on the framework of the Global Reporting Initiative (GRI) standards.</p> <p>Emerging as highly critical are the following: community, corporate governance, employee safety, and environmental management.</p> <p>APX started the process of identifying the most material topics to our business operation and stakeholders in 2019.</p>

<sup>1</sup> See [GRI 102-46](#)(2016) for more guidance.

# ECONOMIC

## Economic Performance

### Direct Economic Value Generated and Distributed

Disclosure	Amount (in thousands)	Units
Direct economic value generated (revenue)	6,253,155	PhP
Direct economic value distributed:		
a. Operating costs	3,201,931	PhP
b. Employee wages and benefits	618,902	PhP
c. Payments to suppliers	3,849,364	PhP
d. Interest payments to loan providers	313,204	PhP
e. Taxes paid to government	1,120,299	PhP
f. Investments in community (e.g. donations, CSR)	53,997	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>APX's operations:</p> <ul style="list-style-type: none"> <li>• provide employment opportunities, direct and indirect, to the host and neighboring communities, and through various contractors and suppliers</li> <li>• generates business for other enterprises</li> </ul> <p>APX pays taxes to the local and national government.</p> <p>APX provides funds for community development and environmental protection and enhancement.</p>	<p>Employees, host and neighboring communities, suppliers, contractors, and local and national government</p>	<p>APX practices sustainable and responsible mining.</p> <p>Its mission is to promote the well-being of stakeholders by embracing safety as a way of life, achieving world-class environment standards, and upholding a holistic approach to wellness.</p> <p>A strategic business plan anchored on APX's core values:</p> <ol style="list-style-type: none"> <li>1. Rapid growth of resources is assured</li> <li>2. Outstanding mining image is maintained</li> <li>3. Optimal production is achieved</li> <li>4. Adequate fund is properly secured</li> <li>5. Outstanding external relationships is sustained</li> <li>6. Indigenous peoples' good relations is maintained</li> </ol>

		<p>7. All risks are identified and managed</p> <p>8. Five-star systems is supported</p> <p>9. World standard environmental practices</p> <p>10. High performance, one team is demonstrated</p>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>General threats:</p> <ul style="list-style-type: none"> <li>• dip in world market prices of gold and silver</li> <li>• lawless groups in the vicinity of the mine sites.</li> <li>• destructive weather conditions</li> <li>• legislations prejudicial to the mining sector</li> </ul> <p>COVID-19 threat:</p> <ul style="list-style-type: none"> <li>• restricted mobility</li> </ul>	<p>Employees, stockholders, lenders, suppliers, host communities</p>	<ul style="list-style-type: none"> <li>• Annual business and strategic planning.</li> <li>• Monthly management review of performance against targets and objectives.</li> <li>• Monitoring of production and operating costs.</li> <li>• Constant virtual meetings between Management and Board of Directors to ensure continuous operations.</li> <li>• APX maintains its security on high alert status, ensures sufficient security forces manning the tenements, and coordinates with Armed Forces of the Philippines (AFP).</li> <li>• Implements regular identification, monitoring and reporting procedures of safety hazards and risks, including threats of unfavorable weather conditions.</li> </ul>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>High prices of gold and silver in world market.</p>	<p>Employees, host communities, suppliers, contractors, and local and national government</p>	<ul style="list-style-type: none"> <li>• Periodic review of short and long term plans to optimize the opportunity of high gold and silver prices.</li> <li>• APX has a short-term gold forward agreement available with refiner/buyer as protection against gold price volatility.</li> </ul>

## Climate-related risks and opportunities<sup>2</sup>

<b>Governance</b> Disclose the organization’s governance around climate related risks and opportunities	
a) Describe the board’s oversight of climate-related risks and opportunities	Enterprise Risk Management (ERM) Committee: <ul style="list-style-type: none"> <li>• composed of members of the Board of Directors (BOD).</li> <li>• ensures effective and integrated risk management process in place</li> <li>• periodically revisits risk management strategies to anticipate emerging or changing material exposures</li> </ul> The VP/Resident Manager of Maco and the VP for Geology & Exploration regularly report to the BOD on business risks, including climate-related risks, that pose material adverse effects to Maco operations.
b) Describe management’s role in assessing and managing climate-related risks and opportunities	Management adheres to best practices in risk management: <ul style="list-style-type: none"> <li>• to ensure safe workplace for employees, and</li> <li>• to protect APX properties</li> </ul>
<b>Strategy</b> Disclose the actual and potential impacts <sup>3</sup> of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate-related risks: heavy rains, floods, landslides, and fire.  Negative impact: reduced revenue due to business interruption, increased costs, higher cost of capital, and non-availability of insurance.
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	Hazards and risks normally encountered in exploration, development and production of precious metals (unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material) could result in damage to, or destruction of, mines and other infrastructures.  Power shortages and outages may lead to increase in generator use and/or shutdown of operations.  Supply chain disruptions may result in delivery delays of supplies and equipment, and services.

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>3</sup> For this disclosure, impact refers to the impact of climate-related issues on APX.

<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p>	<p>APX has a Central Safety, Health and Environment Committee (CSHEC):</p> <ul style="list-style-type: none"> <li>• composed of department heads from key functional areas of APX's operation, and Employees' Representatives</li> <li>• headed by a Chairman as Chief Risk Manager</li> <li>• has oversight responsibilities regarding risk management</li> </ul>
<p><b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks</p>	
<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>Management evaluates the risk management plan proposed by CSHEC.</p> <p>The CSHEC reviews the risk management strategies in view of emerging risk exposures.</p>
<p>b) Describe the organization's processes for managing climate-related risks</p>	<p>The CSHEC meets monthly to identify, assess, and report on the different safety and climate related risks which would impact the mining operations, or have already taken place:</p> <ul style="list-style-type: none"> <li>• risks are rated as to priority - high, medium, and low</li> <li>• high risks are immediately discussed and control measures are set-up</li> <li>• committee reports are submitted to top management and disseminated to all departments for information and action</li> </ul>
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>The risk management processes are integrated into the organization as proven by the following certifications:</p> <ul style="list-style-type: none"> <li>• ISO 9001 : 2015 for Quality Management System</li> <li>• ISO 14001 : 2015 for Environmental Management System</li> <li>• OHSAS 18001 : 2007 for Occupational Health and Safety Assessment Series (granted in March 2018 by Certification International, valid for three years until March 2021 subject to satisfactory results of annual audits)</li> </ul>
<p><b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	
<p>a) Disclose the metrics used by the organization to assess climate-related risks and</p>	<p>Below are the metrics being used to assess the magnitude of climate-related impacts on its operations:</p> <ul style="list-style-type: none"> <li>• Hours of generator use</li> </ul>

opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> <li>• Number of days of operations interruption due to climate-related risks</li> <li>• Rainfall and flooding alerts</li> <li>• Delays in deliveries/number of times that stock outs were experienced</li> <li>• Safe Man Hours</li> </ul>
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Constant monitoring and reporting of resource utilization and consumption aim to produce optimal resource efficiencies and safe man hours.
	Constant monitoring of logistics and supply chain performance aims to produce an optimal and efficient model to secure reliable supply and inventory of materials and parts

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*.	7	%

*\*Local suppliers are those selling locally produced materials and services.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>In 2020, APX procured Php 80.9 million (7% of its total purchases) from local suppliers supported by management in prioritizing engagement with local suppliers</p> <p>Example of procured services and products from local community are ventilation tubes, mine and office uniforms, corporate giveaways, timber products, food supplies, and other services such as vehicle maintenance, pest</p>	<p>Local Supplier</p> <p>End-user</p> <p>Buyer</p>	<p>Prioritize and deal with local suppliers who comply with business regulatory requirements and APX quality policy.</p>

control, and septic tank cleaning.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>Continuity and capability of local suppliers to provide materials and services.</p> <p>During the pandemic, risks include:</p> <ul style="list-style-type: none"> <li>Limited production capacity and product availability</li> <li>Logistics and trucking</li> </ul>	<p>End-users</p> <p>Suppliers</p>	<p>Provide initial assistance to set-up production facility.</p> <p>Include in the sourcing initiative alternative local suppliers.</p> <p>Continuously improve material forecasting and purchasing plans to consider production and delivery lead-times, (e.g. Timber).</p> <p>Entered into Vendor Managed Inventory (VMI) (e.g. V-Belts and splicing services).</p> <ul style="list-style-type: none"> <li>Reduced delivery lead-time.</li> <li>Reduced Safety stock level.</li> </ul> <p>Full compliance to Covid19 protocol on logistics and trucking:</p> <ul style="list-style-type: none"> <li>Engaged local trucking for direct delivery to mine site.</li> </ul> <p>Maintained regular trips of company supply trucks to Tagum Warehouse.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Livelihood opportunities	Local Community	Provide support for local livelihood programs through the SDMP.

### Anti-corruption

#### Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%



Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

*Employee Code of Conduct was discussed during employee onboarding.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>APX's Code of Conduct:</p> <ul style="list-style-type: none"> <li>• printed brochures and electronic (on Apex website)</li> <li>• disseminated to all employees across the organization</li> </ul> <p>The members of the Board of Directors are veteran businessmen and experienced chief executives of utmost integrity.</p> <p>The Directors attend Corporate Governance seminars every year.</p>	<p>Employees</p> <p>Suppliers/Contractors</p>	<p>Year-round campaign to remind employees of key policies and ensure that awareness remains high:</p> <ul style="list-style-type: none"> <li>• anti-corruption policies and procedures are discussed during employee onboarding</li> <li>• channels to reach employees: pep talks, meetings, email blasts, intranet, website</li> <li>• policies on Related Party Transactions (RPT) and Conflict of Interest (COI) Disclosure Policies are communicated to all vendors through Dun &amp; Bradstreet</li> <li>• any material infraction in the Code of Conduct and Ethics is reported and discussed during the Board meetings</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>a. Company reputation - if the corruption incident is made public</p> <p>b. Financial loss to APX – if incident involves purchases</p> <p>c. Demoralization among employees - if incident is not immediately addressed</p>	<p>Employees</p> <p>Suppliers/Contractors</p>	<p>The HR Dept. monitors employees' compliance to the Code of Conduct &amp; Ethics.</p> <p>In 2020:</p> <ul style="list-style-type: none"> <li>• Zero cases of corruption</li> <li>• 81 Code violations investigated: <ul style="list-style-type: none"> <li>- 19 absences without leave</li> <li>- 25 property damages</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>- 8 theft</li> <li>- 1 working under the influence of alcohol</li> <li>- 10 safety disobedience,</li> <li>- 18 negligence</li> </ul>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX is always seeking fresh ways to communicate its anti-corruption policies to the employees.	<p>Employees</p> <p>Suppliers/Contractors</p>	<p>Utilize communication technology.</p> <p>More pep talks to remind employees of the Code of Conduct Policy.</p>

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There were no incidents of corruption for 2020.	None	<p>Institutional policies:</p> <ul style="list-style-type: none"> <li>• Code of Business Conduct and Ethics</li> <li>• Conflict of Interest Policy</li> <li>• Fair Dealings/ Insider Trading Policy</li> <li>• Material Related Party Transactions</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>

Financial loss Substandard material deliveries Penalties for violations of law	Employees Suppliers Contractors	Strict implementation of penalties and sanctions for violators.  Vision- Mission-Goal and The Malasakit Values orientation.  Policies disseminated to accredited suppliers and those applying for accreditation: <ul style="list-style-type: none"> <li>• Conflicts of Interest</li> <li>• Disclosure Agreements</li> <li>• Related Party Transaction</li> <li>• Data Privacy Act</li> <li>• No gift giving policy</li> </ul>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Zero-tolerance for corruption can lead to: <ul style="list-style-type: none"> <li>• more stringent safety and security procedures; and</li> <li>• conduct of investigation and interrogation for speculative or unconfirmed information</li> </ul>	Employees Suppliers Contractors	Review of policies and procedures during Management meetings, IMS Committee and Management reviews, and monthly CSHEC meetings.

## ENVIRONMENT

### Resource Management

#### Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	38,608*	MWh
Energy consumption (gasoline)	33,895	liters
Energy consumption (LPG)	none	GJ
Energy consumption (diesel)	3,949,109	liters
Energy consumption (electricity)	79,623	MWh

\*By sourcing energy through Power Sector Assets and Liabilities Management (PSALM).

## Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>APX recognizes efficient use of all energy resources.</p> <p>In 2020, APX consumed 38,608 MWh of electricity from renewable sources, which is 48% of the total 79,623 MWh electricity consumption.</p>	<p>Energy Suppliers</p> <p>Local Community</p>	<p>Implements energy-saving programs:</p> <ul style="list-style-type: none"> <li>• turning off lights, computers, and air-conditioning units when not in use</li> <li>• generator sets are used as standby units for when there are unexpected power outages and scheduled repairs only.</li> </ul>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Unavailability of cheap sources of power and fuel.</p> <p>Alternative energy sources may entail higher cost, and untested networks or systems.</p>	<p>Energy Suppliers</p> <p>Local Community</p>	<p>APX extensively evaluates suppliers' systems before securing long-term contracts.</p> <p>APX continuously implements cost reduction initiatives through its Integrated Management System's Energy Conservation Program (EnerCon).</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>With so many suppliers, APX can negotiate for favorable terms for power and fuel supplies.</p>	<p>Energy Suppliers</p> <p>Local Community</p>	<p>APX maintained an 11MW contracted capacity for FDC (4MW) and PSALM (7MW) in 2020.</p>

Negotiated contracts plus internal generator capability allow APX to optimize its energy mix.		
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	67,581,488	Cubic meters
Water consumption	7,766,118	Cubic meters
Water recycled and reused	464,649	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
In 2020, APX consumed a total of 7,766,118 cubic meters of water for domestic, industrial and UG (underground) use.	Employees Local community	Water-saving initiatives: <ul style="list-style-type: none"> <li>• faucet and gate are installed in all outlets and controlled by a maintenance plumber during non-peak hours to ensure that the supply of water will be supervised and will be made available only when it is needed</li> <li>• catch basins and reservoirs</li> <li>• drainage of clean excess water directly back to bodies of water</li> <li>• regular monitoring of water discharge through the flowmeter device and bucket method</li> </ul>
Water naturally flowing out in the underground mines is	Employees	APX constructed dewatering sumps for excess water coming

pumped out to allow underground mining: <ul style="list-style-type: none"> <li>in 2020, 67,278,890 cubic meters of water was pumped out to prevent flooding of the underground mine.</li> </ul>	Local community	from underground. The pumped-out water passes through the constructed series of underground silt traps to allow settlement of suspended solids, then in a large settling pond located at the main portal, and finally released to the river.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Underground operations may develop leakages that can lead to soil and groundwater contamination.	Employees Local community	Mitigations: <ul style="list-style-type: none"> <li>contaminated water from underground pass through silt traps and sumps before being discharged</li> <li>bund walls in critical areas at the Mill Plant to contain possible spillages</li> </ul>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX recycles water for its day-to-day operations.	Employees Local community	Clear water is discharged from the tailings storage facility (TSF) through its toe drain. The discharged water or excess water is then recycled and delivered back to the Mill Plant for use in operations.

#### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
a. Renewable (Water)	464,649	Cubic meters
b. non-renewable (Sodium Cyanide)		
<ul style="list-style-type: none"> <li>Sodium Cyanide</li> </ul>	1,301,270	Kg
<ul style="list-style-type: none"> <li>Activated Carbon</li> </ul>	82,275	Kg
<ul style="list-style-type: none"> <li>Lime</li> </ul>	936,400	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services (water)	6	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Interruption of milling and mining operations.	Employees Local Community Suppliers	Enhancement and protection of water shed and tributaries.  Secure short and long term supply agreements for reagents  Optimum usage of materials used in the operation.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Depleted water supply during dry season  Shortage in supply due to market demand	Employees Local Community Suppliers	Regular monitoring of water level and identification of alternative water sources.  Secure short and long term supply agreements for reagents.  Maintain 3-month inventory level.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Process improvement to reduce materials consumption and increase gold and silver recovery	Operations Local Community Suppliers	Attend conferences regarding new mining technologies.  Organize the Corporate Technical Services department focusing on process improvements among others.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1	#

Habitats protected or restored	<ol style="list-style-type: none"> <li>1. Mangrove Forests in Bucana, Maco (3 ha)</li> <li>2. Bongabong, Pantukan (7 ha)</li> </ol>	ha
IUCN <sup>4</sup> Red List species and national conservation list species with habitats in areas affected by operations	<ol style="list-style-type: none"> <li>1. Malayabas (<i>Tristanniopsis decorticata</i>)</li> <li>2. Kalantas (<i>Toona calantas Merr.</i>)</li> <li>3. Yakal (<i>Shorea astylosa</i>)</li> <li>4. Apitong (<i>Dipterocarpus grandiflorus</i>)</li> <li>5. Red Lauan (<i>Shorea negrosensis</i>)</li> <li>6. White Lauan (<i>Shorea contorta</i>)</li> <li>7. Mayapis (<i>Shorea palosapis</i>)</li> <li>8. Almaciga (<i>Agathis philippinensis</i>)</li> <li>9. Narra (<i>Pterocarpus indicus</i>)</li> <li>10. Batikuling (<i>Litsea leytensis</i>)</li> <li>11. Alupag (<i>Euphoria didyma</i>)</li> <li>12. Pahutan (<i>Mangifera monandra</i>)</li> <li>13. Antipolo (<i>Artocarpus blancoi</i>)</li> <li>14. Tree Fern (<i>Cyathea contaminans</i>)</li> <li>15. Kalingag (<i>Cinnamomum mercadoi</i>)</li> <li>16. Dawn Bat (<i>Eonycteris robusta</i>)</li> <li>17. Philippine Sailfin Lizard (<i>Hydrosaurus pustulatus</i>)</li> </ol>	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There are no significant impacts identified.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Top three risks: <ul style="list-style-type: none"> <li>• wildlife hunting</li> <li>• slash-and-burn farming</li> <li>• illegal cutting of trees by the neighboring communities</li> </ul>	Employees  Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)  Local communities	APX's biodiversity conservation efforts: <ul style="list-style-type: none"> <li>• guards against illegal activities within the tenement to preserve the foraging and roosting sites of avifaunal species (in partnership with the DENR-MGB)</li> <li>• information education campaign (IEC) on the</li> </ul>

<sup>4</sup> International Union for Conservation of Nature



		Protection of Wildlife and other identified man-made illegal activities (e.g. kaingin, poaching and illegal cutting of trees) directed at employees and the residents of the host and neighboring communities
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX conducts biodiversity-focused programs as part of its Annual Environmental Protection and Enhancement Plan (AEPEP).	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>APX has monitoring/surveillance personnel tasked to ensure the proper implementation of wildlife protection initiatives within its tenement.</p> <p>2020 activities:</p> <ul style="list-style-type: none"> <li>• developed 11.58 hectares</li> <li>• planted 7,281 seedlings of fast-growing species, Bamboo and Dipterocarp species.</li> <li>• donated 15,411 assorted seedlings to farmers and government agencies under the National Greening Program</li> </ul>

## Environmental Impact Management

### Air Emissions

#### GHG

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Direct (Scope 1) GHG Emissions	10,503	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	39,711	Tonnes CO <sub>2</sub> e
Emission of ozone-depleting substances (ODS)	0	Tonnes CO <sub>2</sub> e

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX emitted a total of 50,242 Tonnes CO <sub>2</sub> e of GHG in 2020.	<p>Employees</p> <p>Regulatory bodies:</p>	APX's GHG Reduction Plan is currently being implemented and will be evaluated after three years to determine significant results.

	Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)  Local communities	APX mitigation activities: <ul style="list-style-type: none"> <li>• limit the use of ozone-depleting substances in all activities and equipment.</li> <li>• Pollution control devices</li> <li>• regular maintenance of equipment is conducted</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There are no significant risks identified		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Reduction of GHG emissions through the effective implementation of GHG reduction programs/ projects and policies.	Employees  Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)  Local communities	APX's Action Plan to reduce its GHG emissions includes both short- and long-term efforts: <ul style="list-style-type: none"> <li>• maintain existing reduction measures using energy and cost-saving technologies</li> <li>• improve the productivity of logistical facilities and equipment</li> <li>• implement low-carbon mine design and processes.</li> <li>• use low-carbon transport management system</li> <li>• conduct an audit of energy and GHGs tracking systems</li> <li>• forest rehabilitation, protection, and management</li> <li>• energy conservation education and promotion</li> <li>• community energy planning</li> <li>• energy efficiency financing assistance program</li> </ul>

#### Air Pollutants

Disclosure	Quantity	Units
<b>PARTICULATE MATTER 10<math>\mu</math>g (PM 10)</b>		
Salakot Area	62	$\mu$ g/Nm <sup>3</sup>
Masarita Main substation	7	
Maligaya Area	76	
Level 2 Area	28	
Level 840/870 area	25	

Tailings Dam Area	31	
Level 4 Area	31	
Tagbaros (Level 363) Area	46	
<i>DENR Regulatory Limit</i>	<i>150</i>	
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg

Note: *NOx and SOx measurement for the CY-2020, there were no source emission monitoring conducted by third party contractor due to covid-19 pandemic. However, in-house PM10 monitoring was conducted by APX in (8) locations within the mine site. A request letter was endorsed to EMB-RXI for the postponement and rescheduling of the said activity on 1<sup>st</sup> semester of CY-2021.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX ensures that our air emissions are within the regulatory limits set by the DENR.	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>APX's strategies in managing air pollutants:</p> <ul style="list-style-type: none"> <li>• water spraying on haul roads</li> <li>• silt scraping</li> <li>• installation and maintenance of tire wash</li> <li>• installation and maintenance of dust boxes (dust collector system at prep. lab.)</li> <li>• motor vehicle maintenance</li> <li>• observance of speed limits</li> <li>• air quality monitoring</li> <li>• tree planting along barangay and mine access roads</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There are no significant risks identified.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Conduct regular monitoring of air emissions to better assess the effectiveness of our efforts to maintain good air quality in the mine site and in the surrounding communities.	<p>Employees</p> <p>Regulatory bodies: (DENR-MGB)</p> <p>Local communities</p>	APX conducted an in-house ambient air quality monitoring using a PM10 measuring device (third-party source emission testing was not possible due to COVID-19 pandemic).

## Solid and Hazardous Wastes

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	72,004	kg
Reusable	0	kg
Recyclable	10,004	kg
Composted	56,000	kg
Incinerated	0	kg
Residuals/Landfilled	6,000	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>APX has an effective solid waste management system in place.</p> <p>In 2020:</p> <ul style="list-style-type: none"> <li>78% of solid waste were composted</li> <li>14% were recycled</li> <li>8% were disposed of in landfills.</li> </ul>	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>Proper waste disposal:</p> <ul style="list-style-type: none"> <li>biodegradables are turned into vermicompost or mulch to augment mine rehabilitation activities</li> <li>recyclables are sold to third-party buyers</li> <li>residual waste are transported and temporarily stored at the Maco Residual Containment Area.</li> </ul>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are no significant risks identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>APX recycles and reuses materials that are still in good condition.</p>	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p>	<p>Rock bolts and worn-out pipes are recycled and reused for ongoing engineering projects.</p>
<p>APX seeks to contribute to the decrease in the amount of waste being landfilled and generate income at the same time.</p>		<p>APX sells scrap waste to third-party buyers to divert waste from the scrap yard and the MRF.</p> <p>In 2020, a total of 266,234 kilos of scrap and recyclable materials was sold to a third party buyer.</p>

### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		
Used batteries	424	Pcs
Oil contaminated materials	100	Drums
Pathological waste	57	Kg
Busted lamps	159	Pcs
Used oil	55,000	Liters
Waste with cyanide	647,329	Tons
Total weight of hazardous waste transported*	50,400	Liters

\*For 2020, only used oil was transported to accredited third-party transporters and treaters as other hazardous waste are still stored until they reach the required quota.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APX's operation generates hazardous waste.	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>Hazardous waste management strategies:</p> <ul style="list-style-type: none"> <li>• three-chamber oil-water separator facility and temporary used oil storage area at mechanical shops</li> <li>• assay laboratory chemical waste treatment</li> <li>• hazardous waste segregation</li> <li>• temporary hazardous waste storage facility</li> <li>• DENR-accredited hazardous waste transporter and treater</li> <li>• The cyanide neutralization process involved the treatment of Sodium Metabisulfite (SMBS) at tailings hopper before it was being pumped at the TSF for final disposal.</li> </ul>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Hazardous wastes are a health risk to people and a threat to the surrounding flora and fauna.	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>Hazardous waste management mitigation measures:</p> <ul style="list-style-type: none"> <li>• process optimization</li> <li>• use of new emission-control technologies.</li> </ul>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>APX generates income from used batteries and used oil.</p> <p>Lessen storage of hazardous materials</p>	<p>Employees</p> <p>Accredited buyers</p> <p>Local Community</p>	<p>APX is exploring the use of environment-friendly and biodegradable materials to reduce its generation of hazardous waste.</p> <p>APX has contracted a government-accredited third-party transporter and treater for the disposal of hazardous waste (ex. oil and used lead acid batteries).</p>

### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	59,815,370	Cubic meters
Percent of wastewater recycled	6	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>In 2020, APX discharged 59,815,370 cubic meters of water into TSF.</p>	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>APX ensures water resource efficiency by managing and reducing the amount of water discharge through the recycling of wastewater from the TSF and utilizing it for milling operations.</p> <p>APX also monitors the volume of water discharge through the</p>

		<p>flowmeter device installed in the TSF toe drain and through the bucket method for other discharge outlets.</p> <p>In 2020, the volume of recycled water from the toe drain back to the mill plant was about 464,649 cu.m. (6 % the total vol. of water discharged).</p>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>In the future, stricter government regulations on the quality of water discharges by mining companies which may incur additional cost.</p>	<p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>APX continuously monitors its water discharge parameters and improves existing practices by employing new technologies and better controls.</p> <p>Employed and maintained existing structures such as oil/water separator facility, settling ponds, polishing pond and earth sumps to mitigate the impact of water pollution in nearby water bodies.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>Employ continuous improvement in managing its natural resources and hazardous wastes.</p>	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	<p>APX has 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.</p> <p>It also has a TSF, which is a containment facility for wastewater discharges from milling operations.</p>

## Environmental Compliance

### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There are no significant impacts identified.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are no significant risks identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Strict compliance to the government's environmental regulations ensures that APX is able to maintain its good reputation and promote responsible mining. Non-issuance of notice of violations by regulatory bodies would ensure that APX's operations will proceed smoothly.	<p>Employees</p> <p>Regulatory bodies: Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)</p> <p>Local communities</p>	APX presents its environmental initiatives and programs through its AEPEP.



## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

*Employee Data (as of December 31, 2020)*

Disclosure	Quantity	Units
Total number of employees <sup>5</sup>	1,728	#
a. Number of female employees	136	#
b. Number of male employees	1,592	#
Attrition rate <sup>6</sup>	10.92	%
Ratio of lowest paid employee against minimum wage	0	%
Total number of workers through contractors	1,231	#
a. Number of female workers	141	#
b. Number of male workers	1,090	#

#### Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	95	98
PhilHealth	Y	95	99
Pag-ibig	Y	95	98
Parental leaves	Y	10	7
Vacation leaves	Y	100	100
Sick leaves	Y	47	65
Medical Benefits (aside from PhilHealth)	Y	45	59
Housing assistance (aside from Pag-ibig)	Y	17	5
Retirement fund (aside from SSS)	Y	1	3
Work from home (20 employees)	Y		
Flexible-working Hours (9am to 5pm for Head Office Only)	Y	0.6	1.1

<sup>5</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<sup>6</sup> Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>APX provides competitive salary and benefits packages.</p> <p>In 2020, APX provided productive employment to 1,729 people.</p>	<p>APX enhances its competitive salary and benefits packages with the following:</p> <ul style="list-style-type: none"> <li>• Medical, dental and hospitalization</li> <li>• Meal allowance for supervisor employees and Rice Allowance for Rank &amp; File employees</li> <li>• Free Uniform for surface and underground employees</li> <li>• Mobile Phone allowance ranging from 500 to 2,000 per month</li> <li>• Medicine &amp; Laboratory reimbursement annually of up to 8,000 per month</li> <li>• Hospitalization Benefit according to Job Level which ranges from 100k to 250. These includes also their dependents.</li> <li>• St. Peter Life Plan in case of Employee Death</li> <li>• Mortuary Fund Benefit</li> </ul> <p>In 2020, HR re- aligned employee benefits to allow for flexibility in the process of salary pay-outs and to accommodate several re-designed policies.</p> <p>Mitigation measures against COVID-19:</p> <ul style="list-style-type: none"> <li>• flexible work arrangement</li> <li>• work-from-home schemes</li> <li>• reduced number of working hours</li> <li>• freeze hiring</li> </ul> <p>Offered voluntary retirement to Employees, paying 1.5 months for every year of service. 79 Employees availed.</p>
What are the Risk/s Identified?	Management Approach
<p>a. Employee attrition in 2020 was 10.92%</p> <p>b. Reduced manpower in the mine site</p>	<p>Employee engagement programs:</p> <ul style="list-style-type: none"> <li>• Supervisory Development Program - 63 employees participated in 2020</li> <li>• Health Wellness Programs - gym, Zumba sessions, non- body contact sports (tennis, badminton, walking and biking)</li> </ul>

What are the Opportunity/ies Identified?	Management Approach
<p>APX provides employment opportunities to its host and neighboring communities.</p>	<p>APX provides scholarship programs and skills training to residents of its host and neighboring communities. Upon completion of the program or training, they are hired either directly by APX or indirectly through contractors when their particular skill set is required by APX.</p> <p>2020 highlights:</p> <ul style="list-style-type: none"> <li>• APX absorbed 33 scholars of the Center for Industrial Technology and Enterprise (CITE)</li> <li>• P13.89 million spent in support of various school activities and scholarships in the local communities</li> </ul>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	30,184	Hours
a. Female employees	1,872	Hours
b. Male employees	28,312	Hours
Average training hours provided to employees		
a. Female employees	43	hours/employee
b. Male employees	40	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>Training opportunities to employees - technical operations of equipment; development of soft skills; continuing education for professional/licensed employees</p>	<p>In 2020, APX provided 30,184 hours of training to its employees.</p>

	Type of Training Intervention/s	PAX																																																		
	<p style="text-align: center;"><b>INTERNAL TRAININGS CONDUCTED</b></p> <table border="1"> <tr> <td>Effective Memo Writing Seminar/Workshop</td> <td>50</td> </tr> <tr> <td>Supervisory Development Program 2 - Essentials of Performance</td> <td>63</td> </tr> <tr> <td>Jumbo Drill Operation Training</td> <td>14</td> </tr> <tr> <td>Miner Training</td> <td>5</td> </tr> <tr> <td>UG Equipment Operation Training (LHD/LPT, Jumbo Drill)</td> <td>19</td> </tr> <tr> <td>MT220 Operation Training (AC Type)</td> <td>45</td> </tr> <tr> <td>Volvo Truck FM4 Drivers' Training</td> <td>7</td> </tr> <tr> <td>Single Toggle Jaw Crusher Training</td> <td>7</td> </tr> <tr> <td>Jumbo Drill Operation Refresher Course</td> <td>43</td> </tr> <tr> <td>Miner Blaster Refresher Course</td> <td>97</td> </tr> <tr> <td>LHD/LPT Refresher Course</td> <td>133</td> </tr> <tr> <td>Defensive Driving Technique</td> <td>135</td> </tr> <tr> <td>Safe Heavy Equipment Refresher Course</td> <td>46</td> </tr> <tr> <td>Shotcrete/Mixcrete Operation Refresher Course</td> <td>44</td> </tr> <tr> <td>Forklift Operation Refresher Course</td> <td>15</td> </tr> <tr> <td>Backhoe Loader Operation Refresher Course</td> <td>20</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>EXTERNAL TRAININGS</b></td> </tr> <tr> <td>Management Essentials</td> <td>5</td> </tr> <tr> <td>Road Safety Webinar</td> <td>2</td> </tr> <tr> <td>PMRC: Elements of Mining Feasibility Studies</td> <td>8</td> </tr> <tr> <td>Forest Trek (A deep Search into the Forest for the Nation's Healing and Recovery)</td> <td>3</td> </tr> <tr> <td>Proactive Labor Relations in Non-unionized Environment</td> <td>3</td> </tr> <tr> <td>SANOFI Global/Local SCM Approach in Response to COVID-19</td> <td>7</td> </tr> <tr> <td>IIEE 45th Virtual Annual Convention</td> <td>21</td> </tr> <tr> <td>Virtual GeoCon 2020: 75 Years of Geosciences in the Philippines: Opportunities, Advances and Frontiers</td> <td>18</td> </tr> </table>	Effective Memo Writing Seminar/Workshop	50	Supervisory Development Program 2 - Essentials of Performance	63	Jumbo Drill Operation Training	14	Miner Training	5	UG Equipment Operation Training (LHD/LPT, Jumbo Drill)	19	MT220 Operation Training (AC Type)	45	Volvo Truck FM4 Drivers' Training	7	Single Toggle Jaw Crusher Training	7	Jumbo Drill Operation Refresher Course	43	Miner Blaster Refresher Course	97	LHD/LPT Refresher Course	133	Defensive Driving Technique	135	Safe Heavy Equipment Refresher Course	46	Shotcrete/Mixcrete Operation Refresher Course	44	Forklift Operation Refresher Course	15	Backhoe Loader Operation Refresher Course	20	<b>EXTERNAL TRAININGS</b>		Management Essentials	5	Road Safety Webinar	2	PMRC: Elements of Mining Feasibility Studies	8	Forest Trek (A deep Search into the Forest for the Nation's Healing and Recovery)	3	Proactive Labor Relations in Non-unionized Environment	3	SANOFI Global/Local SCM Approach in Response to COVID-19	7	IIEE 45th Virtual Annual Convention	21	Virtual GeoCon 2020: 75 Years of Geosciences in the Philippines: Opportunities, Advances and Frontiers	18	
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<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>																																																			
<p>Technical employees are not familiar with latest technology.</p>	<p>Performance monitoring</p> <p>Skills effectiveness assessments</p> <p>Training</p>																																																			
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>																																																			
<p>Performance evaluation</p> <p>Recognition of exemplary work</p>	<ul style="list-style-type: none"> <li>• Annual performance reviews in November</li> <li>• exemplary employees are sent to attend national trainings and even to visit supplier factories abroad</li> <li>• 360-Degree Performance Review for candidates for promotion.</li> </ul> <p>Special recognitions: Safest Worker and Honesty</p>																																																			

## Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
APX is a non-unionized organization.	<p>APX strengthens its relationship with its workers through the AMCINERO:</p> <ul style="list-style-type: none"> <li>• Labor Management Cooperation Council (in compliance with the mandate of the Mines and Geosciences Bureau)</li> <li>• employee representatives are elected from each department to represent their fellow employees in social dialogues</li> <li>• help APX in policymaking</li> </ul>
What are the Risk/s Identified?	Management Approach
Mismanaged labor relations could lead to employee conflict, and a high rate of attrition (which is costly for APX).	<p>Industrial Relations Office and an Industrial Relations Officer handle workers' disputes and grievances.</p> <p>A designated Counselor handles counselling to employees.</p> <p>Strategic communication of new policies to employees:</p> <ul style="list-style-type: none"> <li>• multi-channel (email, bulletin boards, pep talks)</li> <li>• new policies are only implemented two (2) weeks after it has been cascaded to employees</li> </ul> <p>In 2020, HR assigned a staff dedicated to answer employee queries on the uncertainties brought about by the pandemic.</p>

<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
APX gives value to employee feedback.	Through the AMCINERO, APX is able to encourage the involvement of its employees in decision-making and policymaking. This active involvement also allows the employees a more thorough understanding of changes that are set to be generated by such new policies.

### Diversity and Equal Opportunity

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of females in the workforce	7	%
% of males in the workforce	93	%
Number of employees from indigenous communities and/or vulnerable sector*	13	%

*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The high percentage of male employees (versus females) in APX is a function of the mining industry's nature to be typically male-dominated and not due to a preference for a specific gender.	APX is non-discrimination recruitment and promotion.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There is no significant risk identified.	APX provides equal treatment to all and nurtures a work environment that is free from any form of discrimination.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Equality and non-discrimination policies must be applied to all aspects of the business.	APX's inclusive policy applies to its recruitment, training, promotion, working conditions, compensation, benefits, and all other aspects of employment and employee relations.

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total Man-Hours	6,399,739	Man-hours
No. of work-related injuries/illnesses	34	#
No. of work-related fatalities	0	#
No. of safety drills	4	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<p>APX has a Comprehensive Safety Program:</p> <ul style="list-style-type: none"> <li>• zero fatalities in 2020</li> <li>• policies and guidelines against COVID-19 were formulated following IATF guidelines</li> </ul>	<p>The Comprehensive Safety Program is comprised of the following:</p> <p>A. Leadership and Administration Management provides a safe and healthy workplace; leads in the implementation of safety policies.</p> <p>B. Organizational Rules and Policy (core safety values):</p> <ul style="list-style-type: none"> <li>• Quality, Environment, Safety and Health Policy</li> <li>• Employee Safety Orientation</li> <li>• HIV/AIDS Workplace Policy and Program</li> <li>• Drugs and Alcohol Policy</li> <li>• TB Treatment and Prevention Control Policy</li> </ul> <p>C. Safety Meetings – monthly; to identify safety points that can be incorporated into daily work routines</p> <p>D. Management and Employee Training – new worker orientation, refresher course, skill safety training, or in-house/external training sessions</p> <p>E. Proper Housekeeping - 5S</p> <p>F. Health Control and Services – APX provides first aid and minor medical treatment to its employees and host and neighboring communities; employs physicians, nurses, dentists, dieticians, pharmacists, and midwives; has an ambulance on-site</p> <p>G. Provision of Personal Protective Equipment (PPE)</p> <p>H. Monitoring - safety officers inspect and</p>

	<p>monitor working areas; may stop any activities on-the-spot if unsafe acts or conditions are observed</p> <ul style="list-style-type: none"> <li>I. Emergency Response and Preparedness Program (ERPP) – MGB-approved ERPP is the framework of APX’s safety in the workplace</li> <li>J. Safety Promotions – IEC for the employees and communities</li> <li>K. Safety Incentives – monetary incentives to employees who apply the best safety practices in the workplace</li> <li>L. COVID-19 Guidelines and Protocols</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<p>The risks associated with its operations are classified into four types:</p> <ol style="list-style-type: none"> <li>1. <u>Chemical</u> <ul style="list-style-type: none"> <li>- This includes excessive airborne concentrations of acids/mist, solvents/vapors/gases, dust/particulates, heavy metals or fumes.</li> </ul> </li> <li>2. <u>Physical</u> <ul style="list-style-type: none"> <li>- This includes noise, inadequate illumination, extreme temperatures, radiation, extreme pressure, vibration, poor ventilation.</li> </ul> </li> <li>3. <u>Biological</u> <ul style="list-style-type: none"> <li>- This includes bacteria, virus, fungi, molds, and microorganisms.</li> </ul> </li> <li>4. <u>Ergonomic</u> <ul style="list-style-type: none"> <li>- This includes improperly designed tools or work areas, improper lifting or reaching, poor visual conditions, and repeated motion in an awkward position.</li> </ul> </li> </ol>	<p>APX applies the Hazard Identification, Risk Assessment and Control (HIRAC) and Job Hazard Analysis (JHA) in its operations.</p> <p>Hazard control measures are:</p> <ol style="list-style-type: none"> <li>1. <u>Elimination</u> <ul style="list-style-type: none"> <li>- The hazard is eliminated through design.</li> </ul> </li> <li>2. <u>Substitution</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized by using a different equipment or tool.</li> </ul> </li> <li>3. <u>Engineering controls</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through isolation and guarding.</li> </ul> </li> <li>4. <u>Administrative controls</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through training and work scheduling. This prevents mistakes caused by lack of knowledge or adequate rest.</li> </ul> </li> <li>5. <u>PPE</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through the use of PPEs. This is considered as a last resort by APX.</li> </ul> </li> </ol> <p>For cases of human negligence or non-compliance, APX issues a disciplinary action.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>



Improvement of the Comprehensive Safety Program through continuous training and consultation during the formulation of the Annual Safety & Health Program (ASHP).	In 2020, APX provided 25 training activities on health, safety, and disaster preparedness (first aid, blasting, refresher course for operators, mechanized lifting, scaffolding, fire safety, working at height, electrical safety, behavior-based safety (BBS), and supervisor development program, mine rescue, rope rescue, water search & rescue).
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## COVID-19 RESPONSE AND PROTOCOL

Disclosure	Quantity	Units
Positive in 2020	84 (62-AMCI; 22-Contractor)	Person
Recovered / Cleared as of 2020	28 (22-AMCI; 6-Contractor) <i>As of 27 January 2021, all positive cases have recovered.</i>	Person
Death	0	Person

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Policies and guidelines to mitigate negative impact of COVID-19 were implemented and updated in accordance with the guidelines set by Company's COVID Management Team (CMT), the Local & National IATF and the Regulatory Agencies.	Employees, Suppliers	APX coordinated with LGUs, MHOs and other government agencies for the proper guidance and implementation of measures to contain the transmission of COVID-19 virus.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Failure of production	Employees, contractors, suppliers, and host & neighboring communities	APX implemented the following: <ul style="list-style-type: none"> <li>• Isolation of positive cases and quarantine of employees identified as close contacts</li> <li>• Lock down and applied skeletal force / manpower</li> <li>• Applied 7-7 work schedule during skeletal force/manpower</li> <li>• - COVID-19 protocols</li> </ul>

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Continued operations despite lockdowns	Employees, contractors, suppliers, and host & neighboring communities	Implemented all established guideline and procedures for COVID 19

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in APX policy
Forced labor	Y	Republic Act 9208 (Anti-Trafficking in Persons Act) Philippine Constitution (Sec. 18.(2), Article III of the Constitution) - prohibition on involuntary servitude
Child labor	Y	Anti-Child Labor Policy Republic Act 7658 (An Act Prohibiting the Employment of Children below 15 Years of Age in Public and Private Undertakings) Republic Act 9231 (Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act)
Human Rights	Y	Philippine Constitution (Article III “Bill of Rights” of the Constitution) Anti-Sexual Harassment in the Workplace Policy, including the amendment to Republic Act 7677 (Safe Streets and Public Spaces Act) Republic Act 11313 (Bawal Bastos Law)
Security of Tenure	Y	Labor Code of the Philippines Book 6 Article 279

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<p>APX's Code of Business Conduct and Ethics is aligned with labor laws and human rights policies.</p> <p>APX was recognized by the Department of Labor and Employment (DOLE) Region XI as a Lifetime awardee of "Child Labor-Free Establishment"</p>	<p>APX's Code of Business Conduct and Ethics is implemented in conjunction with other company policies and Philippine Labor Laws.</p> <p>APX treats all employees equally, recognizing the diversity (age, gender, ancestry, culture, religion, education, physical and mental abilities) of its workforce.</p>
<p>APX has two active labor cases as of June 2020, involving illegal dismissal and salary incentives.</p>	<p>The AMCINERO foster harmonious relationship between employees and management.</p> <p>In cases of violations, APX continues to execute administrative proceedings affording due process to erring employees. It also respects the right of dismissed employees to file a labor case, if they deem it necessary.</p>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<p>Non-utilization of the grievance channels by the employees will limit APX's capability to resolve their concerns – potentially leading to a high attrition and low employee morale.</p>	<p>Employee Welfare Office under the Human Resources (HR) Department:</p> <ul style="list-style-type: none"> <li>• venue where for employees raise their concerns and arrange for dialogues and consultations</li> <li>• counseling sessions are also done to ensure emotional and psychological stability of the concerned employee</li> </ul> <p>Grievance Committee:</p> <ul style="list-style-type: none"> <li>• composed of representatives from Human Resources, Legal, concerned Department Managers</li> <li>• implements provisions of the Grievance Policy</li> <li>• ensures a transparent and respectful process of addressing grievances</li> </ul>

People intentionally ignoring the policies and violating the rules.	<p>APX follows due process for cases of policy violations:</p> <ul style="list-style-type: none"> <li>• serving the twin notices: notice to explain and schedule of hearing and notice of decision</li> <li>• violators are sanctioned based on the Employee’s Code of Discipline after</li> </ul> <p>Whistleblowers are protected by APX Whistleblower Protection policy.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There are no significant opportunities identified.	

## Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Yes

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in APX policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human Rights	N	
Bribery and corruption	Y	Conflict of Interest (COI) Disclosure, Related Party Transaction (RPT) Code of Business Conduct & Ethics

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management Approach</b>
No instance of bribery and corruption in 2020.	<p>Part of the Accreditation policy includes:</p> <ul style="list-style-type: none"> <li>• Accomplishment of COI disclosure and RPT form.</li> <li>• Supplier compliance to PO Terms &amp; Conditions.</li> <li>• Supplier compliance to regulatory requirements, APX Code of Business Conduct and Ethics.</li> </ul>

What are the Risk/s Identified?	Management Approach
<p>Accreditation Process does not include review of supplier’s Environmental performance, Forced Labor, Child Labor and Human Rights policy.</p>	<p>Suppliers are required to comply to the regulatory requirements and submit a copy documenting compliance to APX prior to engaging such suppliers to mitigate risks.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>APX will improve its accreditation process to include review of supplier’s Environmental Performance, Forced Labor, Child Labor and Human Rights Policy.</p>	<p>As part of improving pre-qualification accreditation process through Dun &amp; Bradstreet, the accreditation form will now include supplier information on their Environmental Performance, Forced Labor, Child Labor and Human Rights Policy and submission of relevant documents from regulating agencies.</p>

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impact on indigenous people (Y/N?)	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Mining operations	Masara, Maco, Davao de Oro	<p>PWDs</p> <p>Financially disadvantaged</p> <p>Indigenous peoples (IPs)</p>	Yes	Right to work	<p>APX employs 226 individuals belonging to indigenous communities and 283 from far-flung areas that have, otherwise, limited employment options.</p> <p>To mitigate the impact of air emissions to the surrounding communities. APX</p>

				<p>Right to a healthy environment</p>	<p>implemented the following control measures, to wit:</p> <ul style="list-style-type: none"> <li>-Road watering/ spraying using water tanker truck at mine access road during prolonged dry season to control dust emissions brought about by moving vehicles and equipment;</li> <li>-Regular Preventive Maintenance Schedule (PMS) of Service Vehicle, Equipment and Stationary Air Pollution Sources (e.g. Generator sets and Boilers);</li> <li>-Installed Air Pollution Control Device (e.g. Lead fume scrubber, Acid scrubber and dust collector system at Mill plant, Assay and Sample Prep laboratory; and</li> <li>-Conducted Enrichment Planting and Tree Planting within the Tenement.</li> </ul> <p>Moreover, AMCI has a Carbon footprint of 50,242 TonnesCO<sub>2</sub>e while the total carbon stock or the capacity to absorb carbon emission is 476,827 C. This means that the present emission of AMCI and its current forest stand. AMCI is carbon negative by 426,585 TonnesCO<sub>2</sub>e.</p> <p>Finally, generated hazardous waste from the operations was safely stored at the Hazardous waste storage facility located</p>
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					<p>within the vicinity of APX.</p> <p>To comply with the Government regulations, APX hired a third-party Accredited Transporter and Treater which is the GENETRON MARKETING INT'L to handle properly the transporting, disposal, and treatment of hazardous waste. For 2020, a total of 252 drums of used oil were disposed and treated.</p>
Underground Mining Operation	Masara, Maco, Davao de Oro	Children and youth, elderly, PWDs, financially disadvantaged	Yes	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	Masara, Maco, Davao de Oro	Children and youth, Elderly, PWDs, Financially disadvantaged	Yes	Right to a healthy environment	APX's Tailings Containment Dam 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 APX, Sta. Clara and EDCOP to ensure that its construction and operation is in accordance to the national and global standards.

*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_

<b>Certificates</b>	<b>Quantity</b>	<b>Units</b>
FPIC process is still undergoing	0*	#
CP secured	1	#

*\*FPIC process was completed for MPSA 225 and MPSA 234 before APX started its operations and resulted to a Certificate of Precondition*

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The absence of an FPIC from the community, LGU, IPs, and other stakeholders is a violation of RA 7942 and will compromise APX's operations and reputation.	<p>The Management went through the FPIC process with all stakeholders before it started its operations in 2006.</p> <p>The Management received proper consent to operate with the signing of the Mineral Production Sharing Agreement (MPSA) with the stakeholders.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
APX's collaboration with the mining community where it operates -- from the planning of development programs, projects and activities to its implementation and monitoring, deepens their sense of belongingness and ownership to the projects which encourages them to give full support to APX's operation even during the pandemic.	APX ensures strict compliance to all regulatory and statutory laws by integrating them into its Mission, Vision and Work Culture.

## Customer Management

### Customer Satisfaction

<b>Disclosure</b>	<b>Score</b>	<b>Did a third party conduct the customer satisfaction study? (Y/N)</b>
Customer Satisfaction	Excellent	N



<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
APX deals with only one buyer of the gold and silver bullions it produces.	A quarterly survey is being conducted for the customer satisfaction as part of the requirements of APX's Integrated Management System.  APX is covered by a refining and transportation agreement renewable every two years.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Non-renewal of refining and transportation agreement with current buyer.	There are other available refiners/customers who may accept, refine and buy the Company's product since gold and silver are high demand commodities.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
None	

### Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The bullions are shipped to only one buyer.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
N/A	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
N/A	

## Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
APX deals with only one buyer of the bullions that it produces.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
N/A	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
N/A	

## Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
APX deals with only one buyer of the bullions that it produces.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
N/A	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
N/A	

## Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
APX deals with only one customer	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
N/A	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
N/A	

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product of Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

<b>Key Products and Services</b>	<b>Societal Value / Contribution to UN SDGs</b>	<b>Potential Negative Impact of Contribution</b>	<b>Management Approach to Negative Impact</b>
Gold and Silver Bullions	#8 Decent Work and Economic Growth  #9 Industry, Innovation, and Infrastructure	Production of gold and silver bullions requires opening of underground tunnels, removal of ores from the source and milling them until the metals are extracted. Management ensures resources are available and deployed to minimize the impact of APX's operation on the environment and nearby community. It strictly complies with existing mining laws and ordinances and regularly coordinates with the relevant government agencies for monitoring, reporting and other administrative tasks.	

*\*None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*