




泰鼎國際
 泰鼎國際股份有限公司
 APEX INTERNATIONAL CO., LTD.



Apex

International Co., Ltd.

Corporate Social Responsibility Report 2019



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About this Report

This report is the fourth Corporate Social Responsibility (CSR) report issued by Apex International Co., Ltd. (Apex), which will continue to be issued annually in both Chinese and English versions. To learn more about Apex's efforts and achievements in corporate social responsibility, please visit our CSR website.

Reporting Period

The period of information disclosure of this report is FY2019 (January 1 to December 31, 2019), covering our vision and strategies of sustainability, responses to material issues, and specific practices and performance data in the economic, environmental and social dimensions.

Reporting Standard

The Report is compiled in accordance with GRI Sustainability Reporting Standards, published by the Global Sustainability Standards Board (GSSB) and in line with the Integrated Reporting structure from the International Integrated Reporting Council (IIRC). Apex hopes to enhance the quality of the Report, and link the various operational activities in order to conduct a fully integrated communication with stakeholders.

Note: Based on the regulation of industry type and paid-in capital announced by Taiwan Stock Exchange (TWSE), Apex does not need to prepare CSR report, such report is voluntarily prepared by Apex.

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Report Boundaries and Categories

The report boundaries were defined in consideration of the nature of business, industry linkage and the right to control. The financial data is taken from the consolidated financial report of Apex, which has been verified by KPMG Taiwan. For individual of the consolidated statements, please refer to the 2019 consolidated financial report. Environmental and social figures are adopted from Apex and subsidiaries which Apex owns 50% or more of its share, including Apex Circuit (Thailand) Co., Ltd. and Approach Excellence Trading Ltd. The GHG inventory standard of the report is created based on Thailand Green House Gas Management Organization's (TGO) Carbon Footprint for Organization program (CFO program), which is equivalent to ISO14064-1:2006. This standard covers the report of Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O).

The main subjects of this report include operational performance, corporate governance, environmental protection, and social participation, which is in consistent with current international trend toward corporate information disclosure. If the scope or quantitative data measurement is different from the previous version, it will be specifically indicated in the respective paragraph. The statistics provided in the report are derived from Apex's own statistics and surveys and are presented with conventional data description manner.

¹The GHG list of TGO-CFO is the same as The Greenhouse Gas Protocol published by World Business Council for Sustainable Development, the link of the website is as below.
<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>



Letter from the CSR Committee Chairperson

Apex has always believed that a sustainable enterprise must not only excel in its core business and pursue the highest revenues, profits, and shareholder returns, it must also fulfill its responsibilities to the environment and society, and serve as an uplifting force in society.



In 2015, Apex established its Corporate Social Responsibility Policy, aiming to build on a foundation of sustainable operations and carry out our three missions of “Corporate Governance”, “Sustainable Environment”, and “Social Care” in our daily operations. We gain understanding of the key issues of concern for our stakeholders through organizations in our company responsible for these material issues, and try our best to disclose the results of our actions through Company announcements.

Economic Dimension

Apex extended projects of cost control from 2018, continued to improve manufacturing efficiency and cost management that made our margin improved even though revenue was reduced by China-US and Japan-Korea trade wars. It was made by the whole members of Apex.

As the Top 2 rigid PCB manufacturer in Thailand, Apex hopes to leverage its hard-won leadership position in the industry and move our supply chain towards sustainable operations. We were making labor and environmental standards a part of our audits and requiring suppliers to follow the RBA (Responsible Business Alliance) Code of Conduct.

Environmental Dimension

In 2019, in addition to achieving our targets in energy saving, water conservation, waste reduction, and other environmental goals, Apex plans to set up renewable energy supply device, wastewater reuse and carbon footprint inventories and disclosures.

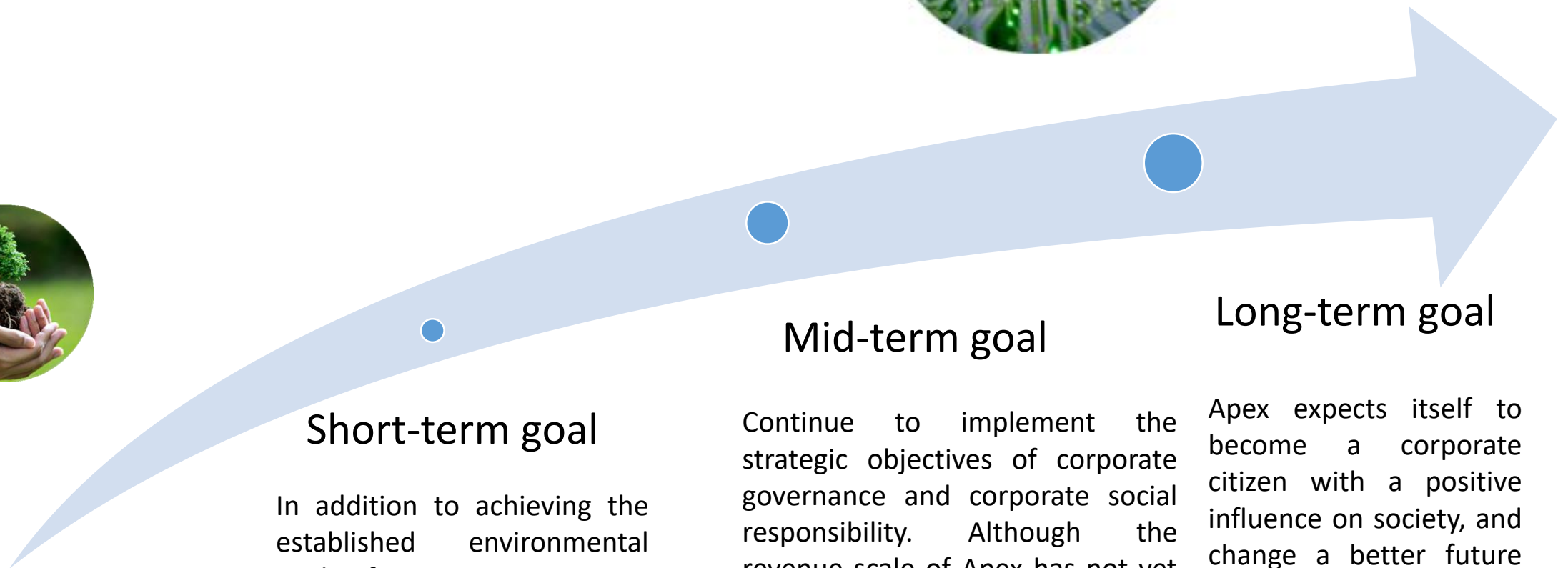
Social Dimension

Our focus is on employee rights and social participation. Employees are Apex’s greatest asset, and we pay close attention to their physical and mental health as well as their work environment. Each factory must maintain the ISO 14001 and the OHSAS 18001 (occupational health and safety) management system standards. In 2019, we provided more than 5,000 job opportunities, and retained talent with competitive compensation, diverse training courses, vacation time above regulatory requirements, and an array of work-life balance measures.

In 2019, Apex provided book donations to schools, blood/money/supplies donation to hospitals, and work opportunities to blind people among other things. Apex spends approximately 310 thousand baht for Community/Social event and donation, total 13 events in 2019. We take the initiative to care for employees, and our employees are happy to give back to society after work, creating a positive cycle to make society better.

Progress towards a Sustainable Future

Corporate Social Responsibility encompasses the three dimensions of economy, society and the environment. In this period of volatility for the global economy and environment, fulfilling corporate social responsibility not only supports the fundamentals of our operations and reduces or eliminates risk, it also builds sustainable value for Apex and its stakeholders.



Short-term goal

In addition to achieving the established environmental goals of energy conservation, water conservation and waste recycling, Apex keeps on setting up renewable energy, research on wastewater recovery programs, and GHG inventory disclosure of Thai factories.

Mid-term goal

Continue to implement the strategic objectives of corporate governance and corporate social responsibility. Although the revenue scale of Apex has not yet become the top 10 comparing to PCB competitors, Apex ranked 6%-20% of all TWSE listing company in TWSE corporate governance evaluation in recent years. It shows that our efforts have been affirmed in corporate social responsibility.

Long-term goal

Apex expects itself to become a corporate citizen with a positive influence on society, and change a better future for the next generation.

Chief Executive Officer
Chou, Jui Hsiang



Competitive Advantages

Excellent Corporate Management

Apex's management team is dedicated to the company, maintains business stability and growth, endeavors in sustenance of internal communication channels, and also adheres to five major management concepts: 1. Best quality 2. Best prices 3. Punctual deliveries 4. Excellent service and 5. Fulfillment of promises.

Diversification of Client Sources and Product Applications

Apex's client spread around Japan, Korea, Europe, America and China and major international manufacturers are among the end-customers. Diversification of client sources reduces the influence of the economic situation of a single country or region on Apex. In the meantime, diversification of product applications, including electronic products, computer-related, communications and automotive products, will enable Apex to stand out as a company capable of meeting the various needs of clients and its product development can also create complementary effects.

Cost Control and Product Price

Complicated production processes and production according to orders are the characteristics in PCB's manufacturing. Hence, precise and effective management are the foundation for maintenance of competitiveness and creation of profit. Whole production processes of PCB are in-house, so Apex can control the scrap rate of each work-station and thus decrease producing cost. At the same time, Apex has centralized sale and procurement so as to reduce time lag. Finally, good cost control has resulted in competitive product price.



Advantages and Disadvantages of the Development Vision and Favorable Factors for Responding to the Countermeasures

Advantageous Factors

Geography and People of Thailand

Thailand is a transportation hub in Southeast Asia with abundant resources. Being an ASEAN member state, it has regional economic advantages that attract foreign investors. With the integration of AEC in 2015, Thailand will continue to enjoy advantage of exporting into ASEAN countries and doing cross border trade with zero tariffs. In addition, Thailand's people are friendly and loyal, which enables the company to maintain a low turnover rate to maintain production efficiency and quality.



Labor Cost and Labor Consciousness

Despite the Thai government's announcement in recent years raised the minimum wage, Apex has been able to keep management costs at a lower level through cost control. Fully aware that the lower labor cost in Thailand is a major contribution to its gross profit, Apex has therefore continued to increase investment in automation to reduce its dependence on labor in the future. We have also invested in automated equipment to reduce the cost of intensive labor.

Market Share and Demand

Apex understands very well that cost competitiveness, decent service and responsibilities are necessary abilities for the company to survive in the electronics industry, keep customers and develop new sources of clients. We have continued to expand our market share through current customers and seek new ones to fill the production capacity of the new plants. Besides continuous acquisition of machine equipment for the new plants, Apex also makes persistent efforts in development of new products and technologies to bring up production to meet market demand as well as win opportunities to serve more customers and increase business. Apex has price advantages to compete in the market and continues to maintain close relationships with customers and develop new sources of clients.



Competitive Edges of PCB Manufacturers in Asia

In recent years, production costs have kept rising in China as a consequence of growing labor costs which are subject to the policy of the Chinese government. Plus the increasingly strict environmental protection policy, PCB businesses along the eastern coast have begun to relocate to the inland. Although production costs in the Chinese inland are relatively lower, the hardware facilities and logistic services are not as progressive as those in the eastern region. This has created certain pressure on our competitors. Being based in Thailand gives Apex certain relative advantages.



Logistic Advantages in Thailand

Today, the land transportation systems in Thailand have been greatly improved. Moving goods from Thailand to anywhere in China takes only 7-10 days. Delivery time is shortened, costs are reduced, and competitiveness is boosted. For raw materials, there are four suppliers able to provide board materials. Apex also purchases services needed for production from Thailand suppliers to cut down on waiting time.

Disadvantageous Factors Awakening of Environmental Protection Awareness

Apex has implemented a number of projects in recent years, including power and waste water treatment facilities, to reduce environmental impacts. We believe the rate of return on investment of these projects will be worthwhile. Overall, we have seen initial results. We will continue our effort to control costs to ensure that the funds spent on environmental protection will not affect the profitability of the company.

Countermeasures

Apex continues to improve production processes to reduce contamination, adopt environmental strategies and bring in contamination prevention equipment to meet environmental protection regulations, and also commission qualified environmental protection businesses to dispose of contaminated waste to reduce environmental contamination and environmental protection expenses.



Fierce Market Competition

The PCB industry is the mother of the electronics industry. Price reduction pressure from customers never stops and this is the fate of this industry.

Countermeasures

Apex continues to improve sales tactics to maintain plant utilization rates at over 90% and is therefore able to offer competitive prices and ensure reasonable profit. Increased customer demand for multi-layer boards will boost our average sales price and profitability. Production of double-sided boards continues to decrease while that of multi-layer boards is on the rise. This enables us to cope with competition from other regions.

Impact on Profitability from Exchange Rate Fluctuations

Exchange gains/losses will have an impact on the final profit of the company. By adopting natural hedging strategies and cautious operation of certain derivatives, Apex has reduced the likely impact from exchange rate fluctuations by a large margin.

Countermeasures

The finance department tries to cover the purchase and related expenses with the sales income of the same currency to achieve the natural hedging effect. Over time and changes in the foreign exchange market, collect information on the exchange rate market and future trends, exchange in a timely manner to reduce exchange rate risk, and assess the status of foreign exchange contracts and options at any time.



International Raw Material Price Fluctuations

Apex takes active measures to negotiate prices with suppliers of important raw materials, such as CCL, Prepreg, copper foil, solutions and dry film.

Countermeasures

Apex keeps a close watch on price change tendencies and purchases needed quantities in advance when prices are at low points in order to maintain low material costs. We also keep good relationships with suppliers to ensure all material costs achieve our expectations. Apex also conducts cost control through quarterly plans to comply with budget arrangements.

Organization Profile

The main axis of Apex culture is “Oriental Thinking collaborating with Western Management” while working. “Oriental Thinking” means to treat others with sensibility. At the same time, the concept of “benevolence” is definitely helpful for Apex and is the foundation to achieve harmony and tolerance among teams. Apex people have to keep empathy in mind all the time in order to understand the opposite side’s point of view. Then, effectiveness of communication can be created and we can further achieve operating goals. “Western Management” emphasizes spirit of compliance of regulation. Apex people have to comply with laws, regulations and internal control system precisely and carefully as a foundation for maintaining competitiveness.

Apex is a professional manufacturer of PCB and has about 5,700 employees, most of them are of Thai nationality. Apex has two factories in Samutsakhon which is located at south-west of Bangkok. Apex has focused on 2 to 12 layers of PCB’s products. In 2019, the consolidated revenue and operating profit were 10,387 million NT dollars and 830 million NT dollars, respectively.



Business of Apex and its Subsidiaries

The main business operations of Apex Group are production and sales of double-sided and multi-layer rigid printed circuit boards (PCBs). The products are sold locally in Thailand and also exported to 25 countries in different countries of the world, including China, Korea, Latin America, South Africa, Russia, Tunisia, Europe and USA.

Consumer electronics makers that are clients of the group include Samsung, Arris, Technicolor, Hewlett-Packard (HP), Canon, Toshiba and Western digital. The PCBs produced by the group are mainly applied in LCD TVs, set top boxes (STBs), hard disks, printers, wireless transmitters, TF panels, and multimedia products for automobiles.

New Product and Service Items to be Developed

The consumer products like LCD TV, STBs and home entertainment market continue its moderate growth. Almost all Japanese brand manufacturer are facing such decreasing market share. We have already started to approach and/or develop new products for automotive parts, mini WI-FI, RF application products and PCB transformer products, etc. These products enable us to take advantage of our new facility and upgraded manufacturing capabilities, and based on the existing orders of Korean customers for LCD TVs and set-top boxes, to develop new orders of their home appliances, and hope to see more improvements in the future.

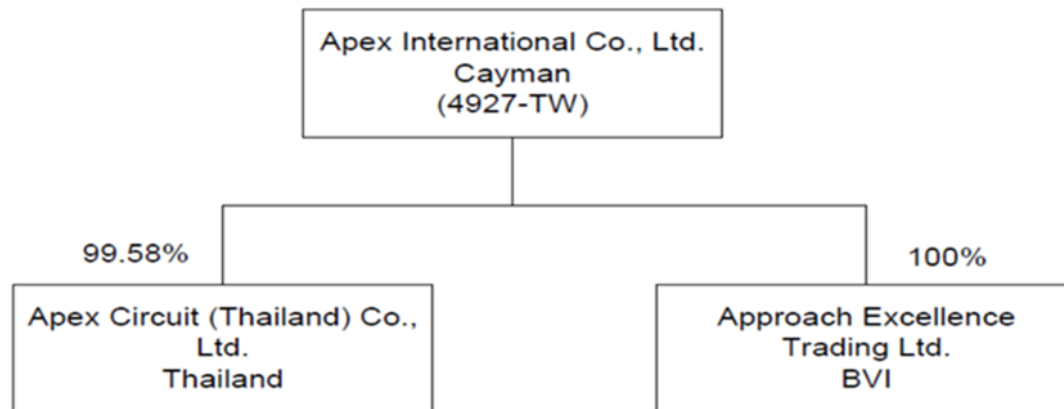
On the other hand, we will build a manufacturing retrospective system to improve quality and risk control, and develop automated processes to improve quality stability.



Company Profile and Operation Base

Company Overview

Apex was established on October 28, 2009 and is registered in the Cayman Islands. The company's main business projects are the manufacture and sale of double-sided, multi-layer, printed circuit boards (PCBs). Applications include LCD TVs, video converter boxes, Set -Top Box, STB, hard disk, printer, satellite communication equipment and multimedia equipment for vehicles. The following are the headquarters location, operation base and investment structure of Apex and the main business items of each base:



| Company Type | Country | Company Name | Hereinafter referred to as | Address |
|----------------------------------|---------|-----------------------------------|----------------------------|---|
| Headquarter | Taiwan | Apex International Co., Ltd. | API | Rm. 503, 5F., No. 205, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan Tel: +886-2-27170032 |
| Subsidiary | Taiwan | Approach Excellence Trading Ltd. | AET | 1F., No. 21, Ln. 1314, Chunri Rd., Taoyuan Dist., Taoyuan City 330, Taiwan Tel: +886-3-316-9896 |
| Operating headquarter and plants | Taiwan | Apex Circuit (Thailand) Co., Ltd. | APT | APEX 1 : 39/234-236 Moo2, Rama 2 Rd., Bangkrachao, Amphur Muang, Samutsakhon 74000, Thailand Tel: +66-34-490537 APEX 2 : 30/101,102 Moo 1, Sinsakhon Industrial Estate Chetsadawithi Rd., Khok Kham, Muang, Samutsakhon 74000, Thailand Tel: +66-34-119225 |

Main Business Operations of Each Subsidiary

1. Apex is mainly a holding company and conducts no actual business activities.
2. APT is 99.58% owned by Apex. It was founded in September 2001 to be the production and operating center of the group. The PCBs APT produces are mostly exported to Japan, Korea and China to be used principally in consumer electronic products and office equipment and then in STBs, communications equipment, computer equipment and auto parts.
3. AET is a wholly-owned subsidiary of Apex. A Taiwan branch was set up to be in charge of procurement of machine equipment and raw materials and shipment in the Taiwan area.



Numbers of Employees

All workforces are under contractual agreement with Apex. No significant variation in employment number. The table below showed their average length of service, average age and educational level in all offices.

| Year | | FY2018 | FY2019 |
|---------------------------|--------------------------|-----------------|-----------------|
| Number of Employees | Managers | 71 | 99 |
| | Production Departments | 4,298 | 3,498 |
| | Common Employees | 2,128 | 2,103 |
| | Total | 6,497 | 5,700 |
| Position | Manager level or above | 81 ³ | 99 ³ |
| | Common Employees | 6,416 | 5,601 |
| Gender | Male | 2,790 | 2,498 |
| | Female | 3,707 | 3,202 |
| Regional | Taiwan | 10 | 9 |
| | Thailand | 6,487 | 5,691 |
| Employee structure | Over 50 years old | 61 | 63 |
| | 30-50 years old | 2,604 | 2,523 |
| | Under 30 years old | 3,832 | 3,114 |
| Average age | | 29.33 | 30.33 |
| Average length of service | | 3.37 | 4.32 |
| Education Level | Master and above | 7 | 8 |
| | University | 380 | 379 |
| | Senior high School | 3,439 | 3,045 |
| | Below senior high school | 2,671 | 2,268 |

²47 of this position is Thai employees, accounts for 58.02% of employee of the manager level.

³54 of this position is Thai employees, accounts for 54.55% of employee of the manager level.



Identified Material Aspects and Boundaries

Apex has established its corporate social responsibility best practice principles; they have been approved by the Board of Directors and the results of implementation are reviewed by BOD meeting regularly. The RBA committee then review the issue raised by stakeholder engagement process, mapping to GRI aspect as below.

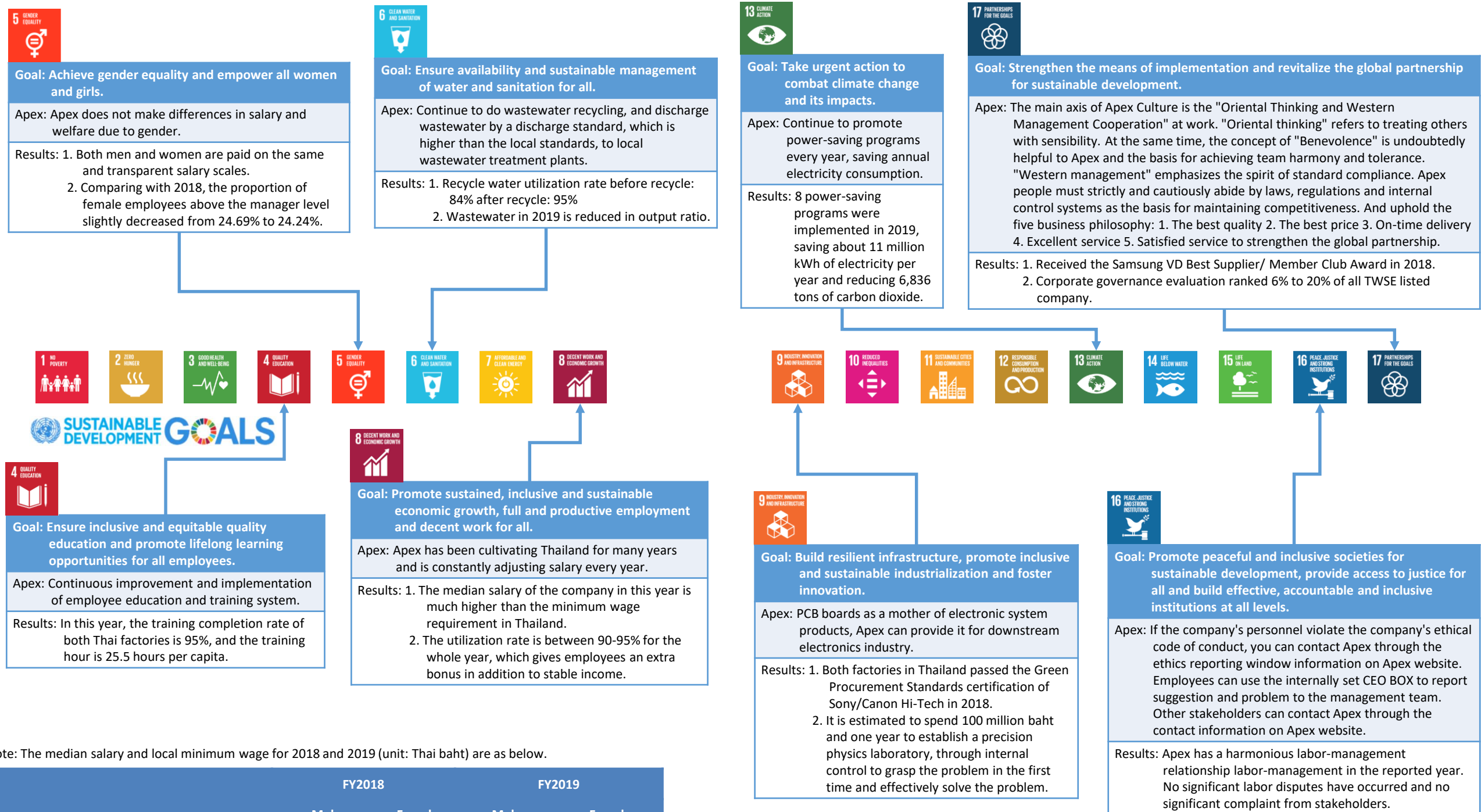
Through stakeholder inclusiveness, sustainability context, materiality, and completeness, Apex recognizes the GRI Standard principle that is applicable for Apex to define the core content of the Report. Apex demonstrated these principles by means of stakeholder engagement processes which is done by various departments who made directed contacted with those parties.

Apex has engaged with stakeholders to capture current issues regarding their interest and concern with Apex. These include, but are not limited to GHG emission reductions, Environment management, Green products and employees' welfare and the competitors' review of materiality issues, to make a conclusion on Apex materiality.

This Report context provides sustainable action taken i.e., reduction in waste generated and improvement in GHG emission. Top management as well as RBA committee also review and endorse the materiality issues to ensure the significance to company and stakeholders as well as the 360-degree view for stakeholders.

Major Identified Issues and Boundaries Corresponding to the UN's 17 Sustainable Development Goals (SDGs)

17 Sustainable Development Goals (SDGs) have been set up. Apex can combine 8 target requirements based on its core competencies.



Note: The median salary and local minimum wage for 2018 and 2019 (unit: Thai baht) are as below.

| | | FY2018 | | FY2019 | |
|----------------------------------|--------|-----------|-----------|-----------|-----------|
| | | Male | Female | Male | Female |
| Assistant Manager level or above | Median | 57,205.38 | 48,268.15 | 71,687.10 | 50,000.00 |
| Common Employees | Median | 11,007.23 | 12,736.66 | 11,505.00 | 13,000.00 |
| Local minimum wage | | 323 /Day | | 331/Day | |

Initially Identified Risks and Opportunities of Climate Change and Apex's Response

Global warming is an important environmental issue that we face. As temperature rises, the abnormal climate pattern will keep on deteriorate over time. More powerful cyclones, irregular rainfall, severe droughts and floods will become more and more frequent. Bangkok used to be a marshland about 1.5 meters from the sea level, and is expected to become one of the most severely affected urban areas in the world, making the Thai government pay more attention to environmental issues in recent years.

Thailand has 3 seasons throughout the year, which is the rainy season, the cool season and the hot season. The annual rainfall is concentrated in the rainy season, so it often meets flood disasters during the rainy season, and is easily to have water shortage during the cool season and the hot season. According to World Bank report, due to extreme rainfall and changes in weather patterns, "nearly 40%" of Bangkok is likely to be inundated by 2030. Greenpeace's Tara Buakamsri also said that Bangkok is sinking slowly now, while the sea level of the adjacent Gulf of Thailand is rising slowly and is above Global average. Large-scale flooding may occur in the near future.

Apex has set up factories in Thailand for more than ten years, and has experienced the worst flood disaster in Thailand in decade in 2011. Apex deeply understands the risks and opportunities brought about by climate change and has begun to pay attention to environmental issues. Apex has made the identification of climate change risk and opportunity lists according to the Climate-Related Financial Disclosure Recommendation (TCFD)⁴ and the reference to the manufacturing climate change adaptation guideline⁵, and adopt the corresponding measures, as shown in the following table:

Apex Climate Change Risk Lists and Corresponding Measures

| Risk Type | Disclosure | Identify the Risk | Corresponding Measures |
|-----------------|-----------------------------|--|--|
| Transition Risk | Policy and Regulation Risks | Thai government pay more attention on environmental issues and regulations become stricter | Apex's water discharge standards are higher than the regulations, and regular sampling before discharging to ensure compliance |
| | Technical Risk | Low-carbon equipment cost | Apex has purchased energy-saving and waste chemical treatment equipment. The payback period is within an appropriate range. |
| Physical Risk | Immediate Risk | Flooding in the rainy season | The foundation of newly built factory is raised and drainage system was strengthened in response to the strong rainfall. |
| | | Water shortage in cool and hot seasons | Apex has established Business Continuity Plan to make a SOP for water shortages to reduce operational risks. |
| | Long-term Risk | Sea-level rise | The foundation of newly built factory is raised and drainage system was strengthened in response to the strong rainfall. |

⁴Task Force on Climate-related Financial Disclosures (TCFD) is officially published by Financial Stability Board (FSB) on June, 2017.

⁵Manufacturing climate change adaptation guideline is established by the Taiwan Green Productivity Foundation, and directed by the Industrial Development Bureau, Ministry of Economic Affairs.

Apex Climate Change Opportunity Lists and Current Measure/Future Goal

| Type | Opportunity Identification | Current Measure/Future Goal |
|---------------------|--|---|
| Resource Efficiency | Resource recycling | Increased equipment investment which improve Apex's waste chemical recycling volume. |
| | Use energy-saving equipment | Apex continues to purchase energy-saving equipment to increase resource efficiency. |
| | Pursue a paperless office environment | Increase the server and storage equipment to reduce Apex's document printing rate. |
| Toughness | Cultivate ability to adapt to climate change | The company has established a Business Continuity Plan procedure, hope to be able to properly respond to disasters. |



Stakeholder Engagement

Apex has established a working group called “RBA committee” to perform stakeholder engagement process - applying internal panel approach i.e. Brainstorming the issue to form response departments to get needs and expectations from stakeholders and then align issues in term of GRI standard’s aspects.

All of the data are kept at relevant departments included but not limited to customer survey, minutes of meeting with stakeholders, questionnaire on the subject of concern of stakeholders on the company website and all kinds of feedback and information gained through the whole year.

Hence the sale operations in Taiwan and China are under the control of the Thailand management team, therefore, the engagement processed with mentioned International customers and all information gathering from overseas offices is then consolidated at Thailand Office. These initial issues are the reviewed and endorsed by RBA committee as Apex’s aspects for the year 2019.



| Stakeholder | Concerned Issues | Response Department | Way of Communicating and Interacting | Frequency |
|-----------------|---|---------------------------------|--|---|
| Society | <ul style="list-style-type: none"> Compliance with laws Environmental protection Waste water management Eliminate the gap between urban and rural education Volunteer service Donation activity | RBA committee, ADM | <ul style="list-style-type: none"> Local wastewater treatment plant inspection Community activity | Irregular |
| Customer | <ul style="list-style-type: none"> Product quality Product delivery Good service Reasonable pricing Green products Non-conflict mineral resources audit Protection of confidential information | Sales, CQM, ADM, R&D | <ul style="list-style-type: none"> Telephone, Email Meeting, Bilateral visit Internal and external audits Customer satisfaction survey | <ul style="list-style-type: none"> Frequent on weekdays Irregular More than 2 times a year More than once a year |
| Employee | <ul style="list-style-type: none"> Employee welfare Occupational safety and health | Employee welfare committee, ADM | <ul style="list-style-type: none"> Telephone, Email Facebook fan page Internal website and announcement Welfare Committee CEO BOX Regular and irregular meetings | <ul style="list-style-type: none"> Frequent on weekdays Frequent on weekdays Irregular More than once a month Irregular Irregular |

| Stakeholder | Concerned Issues | Response Department | Way of Communicating and Interacting | Frequency |
|--------------------|--|--------------------------------|--|--|
| Government | <ul style="list-style-type: none"> Green products Greenhouse gas reduction Waste water management Energy and electricity reduction Regulations compliance | Taiwan branch, Accounting, ADM | <ul style="list-style-type: none"> Official letters Social media Website Email Market Observation Post System (MOPS) | <ul style="list-style-type: none"> Irregular Irregular Irregular Irregular In accordance with relevant regulations |
| Shareholder | <ul style="list-style-type: none"> Competitive advantages Growth potential Dividend policy | Taiwan branch, Accounting | <ul style="list-style-type: none"> Shareholders' meeting Investor Conference Contact window of Spokesman MOPS Company website | <ul style="list-style-type: none"> Once a year Irregular Frequent on weekdays In accordance with relevant regulations Irregular |
| Supplier | <ul style="list-style-type: none"> Supply chain management Corporate governance | Purchase \ ADM \ Production | <ul style="list-style-type: none"> Field review Phone, Email Meeting | <ul style="list-style-type: none"> At least once a year Frequent on weekdays Irregular |



Corporate Governance

Apex already built the following CSR related internal regulation:

1. Principle of Corporate Governance
2. Principle of Corporate Social Responsibility
3. Ethical Corporate Management Best Practice Principles / and its Guidelines for Conduct
4. Rules for Election of Directors / Rules of Procedure for Board of Directors Meetings / BOD Performance Evaluation Procedure
5. Rules for Control Audit Committee / Compensation Committee
6. Regulation of the Scope of Duties of Independent Director



In Apex, Internal audit office is in charge of the CSR managing issues and reporting to BOD meetings. APT already set up RBA Committee and Energy Conservation Committee.

Although the revenue scale of Apex has not yet become the top 10 comparing to PCB competitors, Apex ranked 6%-20% of all TWSE listing company in TWSE corporate governance evaluation in recent years. It shows that our efforts have been affirmed in corporate social responsibility.

Ethics & Integrity

The “Ethical Corporate Management Best Practice Principles” and its guidance policy of Apex stipulate the types of unethical conduct, improper benefits and the whistleblower channel for both insiders and outsiders. All Apex workers are requested to act in accordance with business ethics and their responsibility to the public and stakeholders. At the same time, the members of the Board of Directors and the management all carry out their duties with integrity and fulfill their obligations as good managers. They also abide by the code of conduct for directors and managers and adopt strict self-discipline and cautious attitudes when exercising their duties.

The company policy already included the whistleblower system to have independent directors and internal audit manager to take the responsibility of ethical issue and inspection. The channel was as below:

1. Internal: CEO box
2. External: Company official website to disclose the contact method of internal audit manager. There was no case of ethical issues through the whistleblower system in this year, and no abnormal issue through regular internal audit report related to any of the topics below:

- Benefit provided by outsider
- Commitment to outsider
- Political contributions
- Large donation
- Business secrets or intellectual property
- Private transactions
- International regulation compliance
- Stock insider trading
- Customer/Supplier ethical issue

Regulation Compliance

1. Apex has established its Corporate Governance Best Practice Principles. The Principles have been disclosed on the Corporate Governance page on the company website after being approved by the Board of Directors.
2. Apex has established Principle of Corporate Governance as the guidelines in the internal control system for processing shareholder inquiries and matters in relations to shareholders’ rights and interests. At the same time, there is a spokesperson and two deputy spokespersons to provide prompt replies to questions from shareholders.
3. The insider lists of Apex is compliant and files the shareholding status of the principal shareholders each month as regulated.
4. The division of management authority, contact and transactions between Apex and its subsidiaries and affiliates are all conducted according to the regulations of the internal control system and relevant operating procedures.
5. Apex has established regulations on prevention of insider trading and also regularly reminds company personnel such conduct is prohibited.
6. The composition of the Board of Directors has taken professional background, gender, age and education into consideration and also diversified for the purpose of complementation to increase the overall capacity of the board.
7. In addition to the Remuneration Committee and the Audit Committee, committees of other functions has been created in accordance with the company’s business development and related regulations.
8. Apex has established regulations on evaluation of the performance of the Board of Directors. The approaches of evaluation and performance evaluation will be conducted accordingly. Please refer to the company’s official website for the evaluation results.
9. Apex evaluates the independence of CPAs annually, ensuring that they are not Board member, Remuneration member, shareholder or stakeholders of the Company. The 2019 Assessment of performance and independence of CPA were approved by Audit Committee and Board of Directors on March 5, 2019. Please refer to Section 5 “To review the independence of the CPA periodically and the items of evaluation”, in Chapter VIII Supplementary Information of Apex FY2019 annual report for details.
10. Apex has already set up the Corporate Government Team under BOD meeting who is in charge of corporate government, corporate social responsibility and ethical affairs. Every December, the team will directly report to the BOD meeting about the implementation and the plan of next year.
11. Apex has set up a stakeholder section on our corporate website, and the information about various financial operations and corporate governance are also revealed on the website. Apex also set up the contact window for stakeholders and has disclosed the contact information on the website.
12. Apex has commissioned a professional shareholder services agency to handle the affairs of the shareholders’ meeting.
13. Apex has already set up an English website. Questions in relation to Apex are replied by the spokesperson or the deputy spokesperson. The related departments and the spokesperson or deputy spokesperson are in charge of collecting and disclosing company information. If there are any institutional investors’ conferences, the information will be posted on the company’s website and the MOPS.

Employee Rights and Employee care

1. Employment equality: Job seekers and employees are treated equally, regardless of their gender, ethnic background, religion, political affiliation or marital status. Employment of child labor is forbidden. Pregnant employees are given provisions and longer breaks.
2. Besides conducting physical checkups for employees regularly, Apex values the health and safety conditions in the work environment for employees and has passed the Occupational Health & Safety Adversary Services certification OHSAS 18001 and the External Audit Certification of the Environment Management System ISO14001.
3. The Employee Welfare Committee organizes at least one activity for full-time employees each year and a welcoming party for new employees each month. The head of each department is invited to participate in interactive games to upgrade employees' sense of belonging and engagement.
4. Recruiting blind people to the factory to provide massage service for Apex employee each month, which provides job to blind people and relaxes the working pressure of Apex employee as well.

Investor Relations

In order to assure the rights of Apex's shareholders, Apex has set up contact window to deal with the issues raised by shareholders. Apex also set up the Chinese/English website to provide the following information:

1. The information of the Articles of incorporation and corporate governance.
2. Documents related to shareholder's meeting. (At least the latest annual report, meeting notice, meeting agenda and meeting minutes of the Annual General Meeting.)
3. Company profile, including company history, product, service provided, company organization, and management team.
4. Major shareholder information (Including names of shareholders in possession of more than 5% of total shares or ranking among the top ten shareholders, the amounts of shares held and shareholding ratios)

Besides, Apex also set up a stakeholder section on our website, in order to understand the key CSR issues which our stakeholders care.



Relations with Suppliers

The main operating entity of Apex has built up close relationships with suppliers and both sides reciprocate based on mutual trust to achieve the win-win policy.

Stakeholders' Rights

Apex maintains smooth communication channels with correspondent banks, employees, customers and suppliers and also respects and sustains their rights and interests.

Director and Manager Training

Please refer to Section 5 "Continuing Education for Directors and Managerial Personnel" in Chapter VIII Supplementary Information of Apex FY2019 annual report for details .

Implementation of Risk Management Policy and Risk Assessment Criteria

Please refer to Section 6 "Risks" in Chapter VII Review and Analysis of Financial Status and Performance and Risks of Apex FY2019 annual report for details.

According to the categories and requirements of the Corporate Governance Evaluation held by TWSE each year, Apex proceeds self-assessment and report the performance to BOD meeting. In year 2019, Apex perform 88.47 score of the evaluation, which means Apex was ranked within 6%~20% of all companies listed in TWSE.

Execution of Customer Policy

Apex has set up a customer service department and a permanent customer service contact person to process customer complaints and communicate and understand the needs of customers in order to make improvements. Also, customer satisfaction surveys are administered through regular visits and irregular contact. Adjustments are then made according to the survey results so that the company can continue to provide the best service to customers.

Enrollment of Liability Insurance for Directors

Since 2012, Apex has taken directors' and officers' liability insurance. The insured amount in 2019 was US \$5 million.

Personnel associated with Financial Information Transparency have Acquired Required Certificates

Two certified public accountant in Thailand.



Environment Protection

Apex products produce four common waste products, including greenhouse gases, waste chemicals, printed circuit board waste, and wastewater.

GHG Emission

Apex is aware of global concerns on climate change and Green House Gases (GHG) emissions and materiality for all organizational departments to take action on GHG emission reduction. Apex has established the first GHG inventory as initial review for materiality in this issue since 2016. This information then leads to company objective in energy conservation and GHG emission reduction as tentative for 5% GHG emission reduction within the next 5 years.

Apex operations mainly consumed electrical energy for manufacturing and power supply, working on energy conservation program led to gradual decrease in both energy consumption and GHG emission.

2019 annual energy saving implementation:

1. Both plants focused on improving air pressure/air conditioning/ice water systems and replacing energy-saving bulbs to improve the energy efficiency of the system by 20%.
2. In 2019, Apex process 8 energy saving project and saved 11,000,000kWh, i.e., reducing 6,836 ton CO2 emission.

Other type of GHG concerns are from the supply chain, so Apex chose to establish GHG scope 3 inventory for premium freight as initial information. Apex is expecting to expand the inventory for all mode of transportation and evaluate appropriate work with supplier to control GHG scope 3.

Apex has applied TGO-CFO (Thailand Green House Gases Management Organization - Carbon footprint for Organization) scheme (as equivalent to ISO14064-1:2006) as reporting standard and formulated the GHG inventory list. This standard covers the report of Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O) as applicable to consolidation of Apex's operational control approaches. The following is the GHG inventory (report in tCO2e) of Apex 2018 and 2019:

| Category | FY2018 | | FY2019 | |
|--------------|-------------------|-------------------|-------------------|-------------------|
| | GHG | Scope 1 & 2 Ratio | GHG | Scope 1 & 2 Ratio |
| Scope 1 | 10,608.60 | 6.90% | 10,818.34 | 6.34% |
| Scope 2 | 142,537.51 | 92.75% | 153,029.30 | 89.69% |
| Scope 3 | 518.28 | | 6,781.14 | |
| Biomass Fuel | 7.92 | | - | |
| Total | 153,672.30 | 99.66% | 170,628.79 | 96.03% |

When consider GHG intensity, Apex take account of GHG Scope 1 and Scope 2 which demonstrated 15.77 tCO2/Million NT\$ revenue for the year 2019.

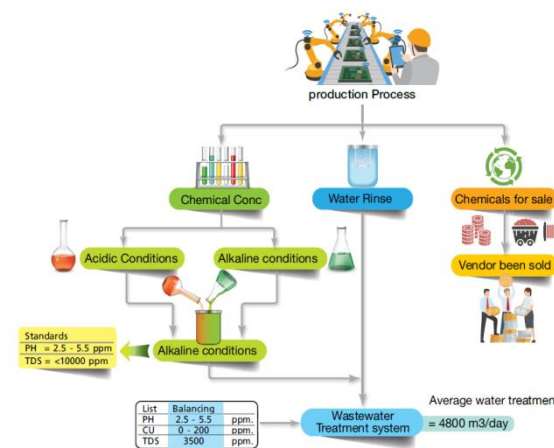
Waste Chemical / Water and PCB

Apex keeps focusing on improvement of waste chemicals treatment through the recovery of effluents. With new investment in the Copper recovery facilities, the collected copper from waste chemicals totaled 777 tons in 2019, and 100% recycle Spent AL Etching chemical, total 9,157 tons recovery respectively. These metals recovered then are sold back to supplier as recycling materials. For PCB scrap, this material then led to secured landfill with total disposal weight of 342 tons in the year 2019.

Water Resources

All environmental protection policies made by Apex's Corporate Social Responsibility Management Committee are based on different environmental regulations. The wastewater discharge inspection standards of Apex is stricter than those imposed by the Ministry of Industry of Thailand for wastewater discharge system quality control in industrial zones in order to reduce the impact of production activities on the environment. The following table reveals the standards of wastewater discharge in industrial zones:

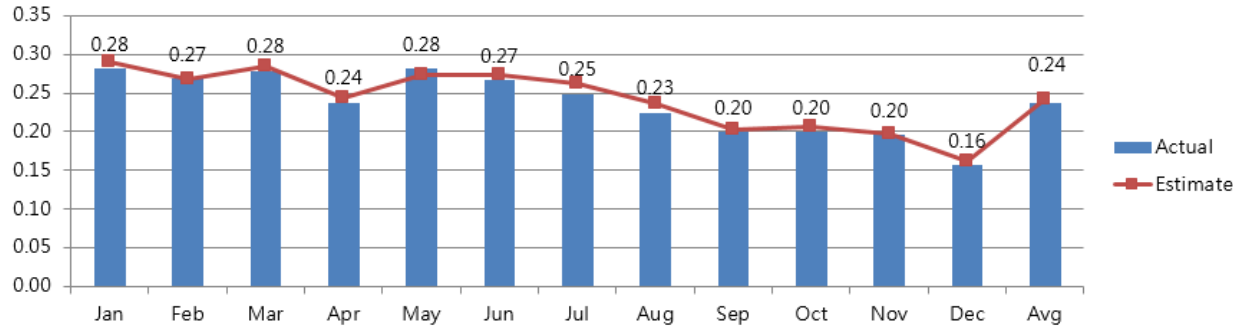
| Parameter | Unit | Recommended Standard | Apex Standard | Detection Method |
|------------------------------|------|----------------------|---------------|--|
| pH | | 5.5-9.0 | Compliant | Electrometric Method |
| Total Dissolved Solids (TDS) | Mg/l | 3,000 | Compliant | Dried at 103-105°C |
| Suspended Solids (SS) | Mg/l | 200 | Compliant | Dried at 103-105°C |
| BOD | Mg/l | 500 | Compliant | 5-Day BOD test, Azide Modification |
| COD | Mg/l | 750 | Compliant | Closed Reflux, Colorimetric Method |
| Copper (Cu) | Mg/l | 2.0 | Compliant | Nitric Acid Digestion and Direct Air Acetylene Flame : AAS |
| Oil & Grease | Mg/l | 10 | Compliant | Soxhlet Extraction Method |



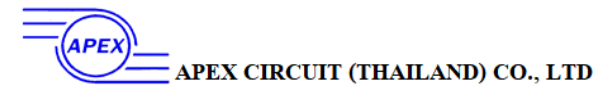
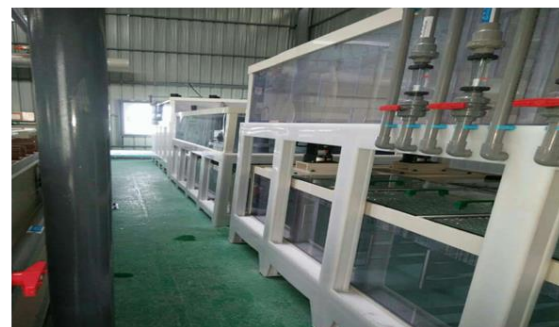
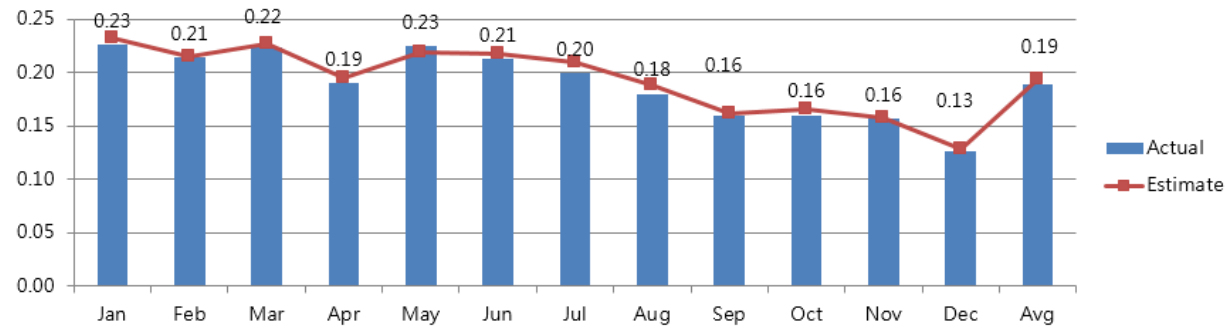
Wastewater recycle flow chart- before discharging to Sinsakhon Industrial Estate wastewater treatment plant

According to Sinsakorn Industrial Estate, Apex is obligated to control waste water in accordance to standard parameter prior discharge waste water to the wastewater treatment system of Industrial Estate. In 2019, Apex consumed around 2.84 million cu.m of water. The volume of waste water discharge is approximately 2.27 million cu.m. Apex Thai factory has projected to recycle water utilization rate before recycle: 84%; after recycle:95 %.

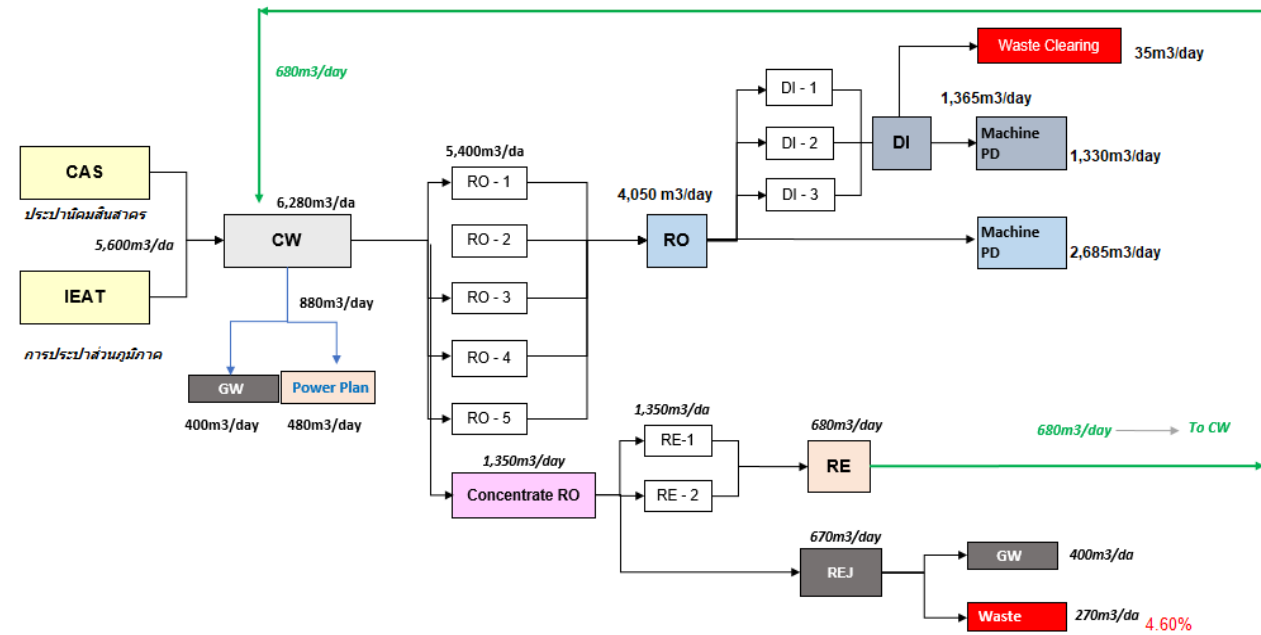
Water Consumption (million cu.m)



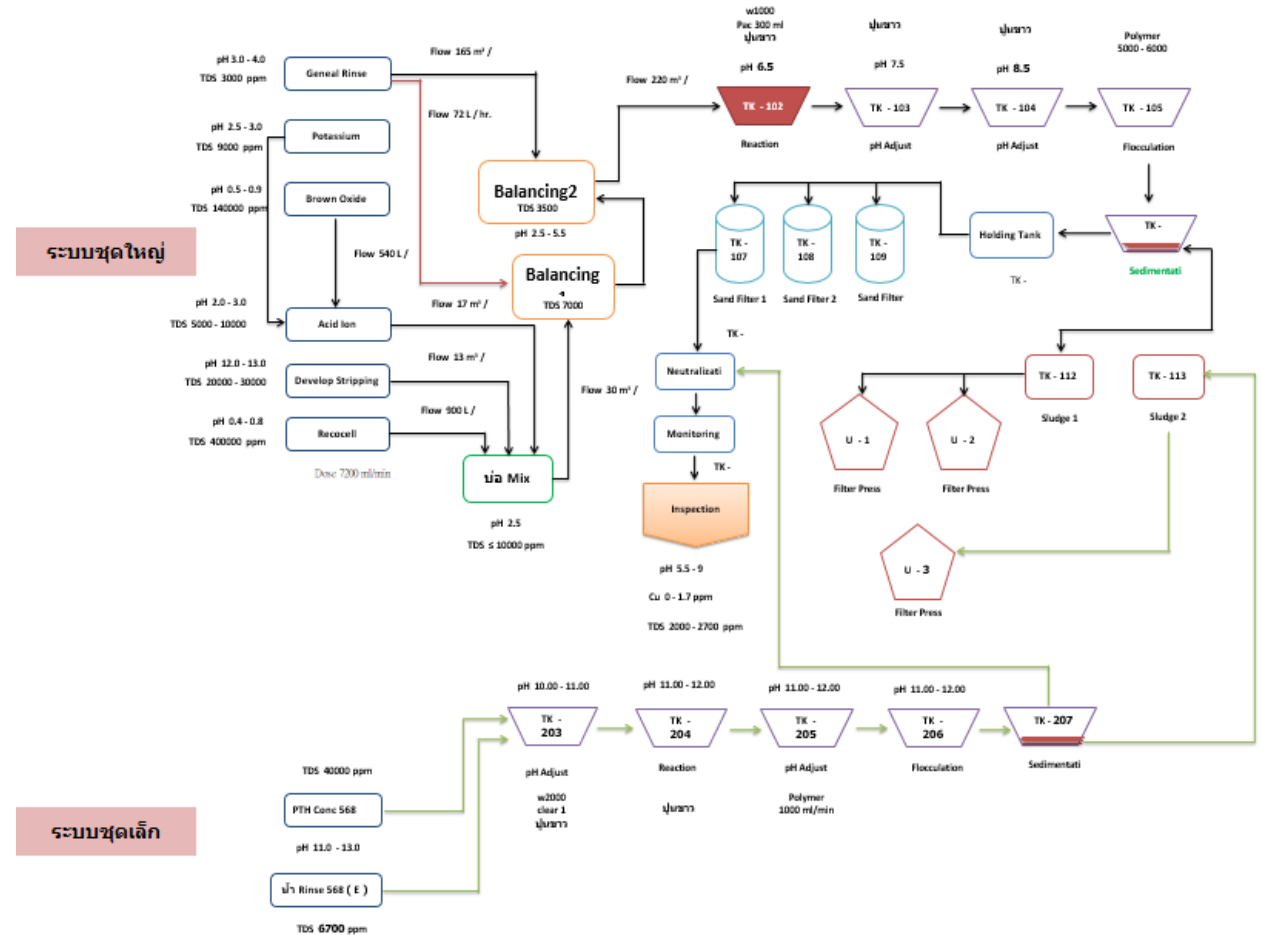
Waste Water Discharge (million cu.m)



Water System flow chart



Waste Water Treatment



Social Investment

Apex will move forward from philanthropy to social investment approach as the management recognized the late King Rama 9's "Self-sufficiency philosophy" where education and essential infra-structure will enhance community to create social value by their own.

Care for Vulnerable Groups

1. Establish scholarships and awards, and present the ceremony to Apex's outstanding but economically disadvantaged employee's children.
2. Provide job opportunities for the blind, come to the factory to provide massage services every month, and pay labor costs of about THB 870,000.
3. Held a charity fair and set up an emergency fund for employees from the revenue of charity sale.
4. Donate food to vulnerable patients and prisoners.



Community Activities

1. The Songkran Festival in Thailand invites monks to pray and donate food to maintain local traditional culture and enhance regional identity.
2. Donate candles, drink water to the temples around the Thai factory, and sponsor their traditional blessings.
3. Donate scholarships to neighboring primary schools and provide material sponsorship community activities.
4. Cooperate with local hospitals every season to hold employee blood donation activities.
5. Sponsored Sinsakhon Industrial Estate Mini Marathon.



Environmental Protection

1. Adopt the greening project around the factory.
2. Organize the planting of mangroves.



In the year 2019, Apex allocated 310 thousand Baht to support social activities, mainly to communities' needs. Apex takes the initiative to care for employees, and our employees are happy to give back to society after work, creating a positive cycle to make society better.

Happy and Safe Workplace

Apex's top management put Safety, Occupation & Health issues as top priority for all employees and third parties working on Apex's operations. The 5,700 employees in Apex are an important resource for successfully maintaining Apex operations, with the theme "Apex and Employees cannot be apart". Thus, Apex's operational target aim at Zero accidents.

Apex's working rule and regulation follow the spirit of International Bill of Human Rights with the following major concerned items:

- A. Elected Welfare Committee;
- B. Caring for vulnerable group and hold occasional donations;
- C. Prohibiting the use of child labor;
- D. Human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status;
- E. Achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

Employees can offer suggestions and point out problems to the management team through the CEO Box and other channels. In the year 2019, no significant employees' complaints occurred. The labor-management relationship in Apex is harmonious; no significant labor-management disputes have ever occurred. Apex has established a reasonable salary and remuneration policy and performance evaluation systems; achievement of corporate social responsibility work targets is included in performance evaluation.

Apex has set up a safety division which regularly inspects whether the work environments comply with safety regulations to minimize workplace safety hazards. Apex also regularly provides employees with physical checkups, hoping that they can be aware of their health condition and employees' physical and mental health can be improved. Apex's subsidiary APT has also passed the OHSAS 18001 certification because of the fine healthy and safe work environment it created.



Labor-management Relationship

Apex is in the electronic industry, which is labor intensive. Thus labor-management relationship is very important and our stakeholders and operators in the supply chains shared the same expectation on this issue. To address and respond to this issue, Apex has declared and disclose information related to labors regulation and practice in industrial sectors e.g. TLS, Responsible Business Alliance (RBA) and has improved working conditions to meet international practice, aiming to have zero complaints on labor issues. Apex has fair and equal treatment to all employees and the application for working overtime is on voluntary basis.

The Human Resource Department assists the head of each department to set up annual training programs in accordance with each department's work targets and function requirements. It has also established the promotion evaluation standard for each level to ensure the company can achieve the goal of cultivating talents, retaining talents and using talents.



Employees' Welfare System

- (1) Multiple shuttle bus routes providing transportation for employees to go to work and go home
- (2) Employee uniforms
- (3) Employee cafeterias providing three meals a day
- (4) Full attendance rewards
- (5) Sickness and funeral subsidies
- (6) Employee loans
- (7) Annual employee athletic events and parties
- (8) Senior employee citations and awards
- (9) Special treatment to pregnant employees



Continuing Education and Training

Good employee continuing education programs can not only enhance employees' work capacity but also help the company attract talents. From the first day employees entering the company, Apex provides complete training courses and continuing education programs to cultivate their sense of belonging and teamwork culture. Apex also encourages employees to participate in special project planning to stimulate their self-expectations and thus enhance the company's competitiveness.

Apex employee training achievements in 2019 are as follows :

| Project | Hours | Amount of Training | Number of Trainees |
|-------------------------------|----------------|--------------------|--------------------|
| New Employee Training | 37,822 | 1,384,000 | 13,840 |
| Professional Training | 107,437 | | 39,217 |
| Director and Manager Training | 107 | 63,000 | 33 |
| Total | 145,366 | 1,447,000 | 53,090 |

1. New employee training is internal training, and the weekly accomplishment rates reached over 95%.
2. Professional Training including internal training and external training. According to type of program, it could be divided into law/regulation, quality system, quality and efficiency, attitude adjustment, leadership, CSR and courses regulated by competent authority. The achievement rate is above 95%.
3. The training of directors and managers shall be conducted in accordance with the provisions of the Taiwan Decree, with a completion rate of 100%.
4. Retirement system and implementation. The employee retirement system is conducted in accordance with local regulations.
 - A. Thailand area: The Company provides defined benefit retirement welfare to employees by following Section 118, Chapter 11 of the Thai Labor Protection Act. Employees who are qualified for retirement could get reasonable retirement fund corresponding to service years and salary level. The Company has booked related liability according to actuarial report issued by Thai certificated actuary.
 - B. Taiwan area: Employees in Taiwan all adapt to Taiwan Labor Pension Act. The Company allocates 6% of each employee's salary to personal retirement fund under custody of Taiwan Bureau of Labor Insurance.
5. Protective measures for employees' rights and interests:

Harmonious and pleasant workplace ambiance is an important condition for effective teamwork. To ensure smooth exchanges of ideas between the management team and employees and achievement of consensus, Apex has always regarded reasonable pay scales, decent work environments and effective communication channels as priority tasks. Apex Group adopts the following measures to communicate with employees:

 - A. CEO box: Employees can make their suggestions and problems known to the management team by using the CEO box.
 - B. Weekly meetings: Apex round up all the employees once a week to convey company policies to employees to make sure consensus is achieved and all employees move toward the same goal.
 - C. Regular convention of inter-division meetings: Apex's Employee Welfare Committee helps to protect employees' rights and interests to ensure the win-win target of mutual trust and mutual benefit between labor and management can be achieved.

The labor-management relations in Apex are harmonious. No significant labor-management dispute has ever happened. Apex highly values employees' welfare, pays attention to changes in the subjective and objective environments and establishes various welfare measures accordingly to satisfy the needs of employees. While we have no Trade Union in Apex operations, Apex established 2 main working committees as joined management-worker groups namely OHSAS 18001 working groups and Safety & Occupational committee (as per Thai regulation) which total a number of 284 employees joined these committees to represent 4.98% of total employees. The OHSAS 18001 committee is also responsible for establishing, implementing and maintain all OHSAS regulation and practices related to Apex operations.

Safety Committee :

| | APEX 1 | APEX 2 |
|----------------------------------|-----------|-----------|
| Assistant Manager level or above | 26 | 21 |
| Common Employees | 33 | 25 |
| Total | 59 | 46 |

OHSAS Committee:

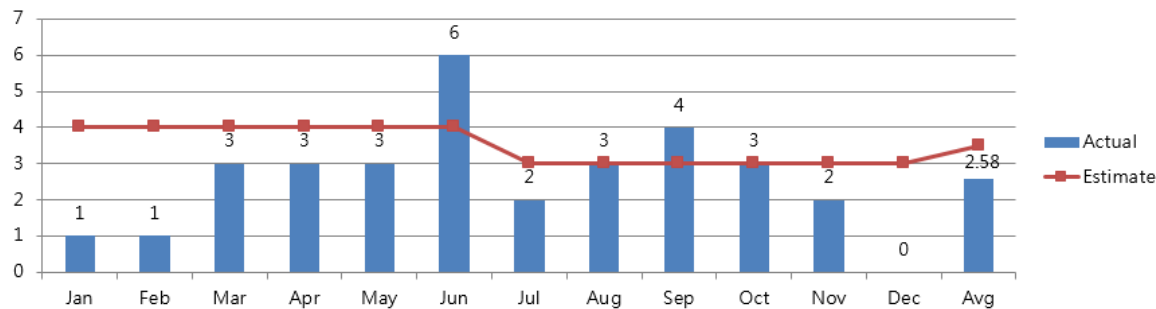
| | APEX 1 | APEX 2 |
|----------------------------------|--------|--------|
| Assistant Manager level or above | 82 | 97 |



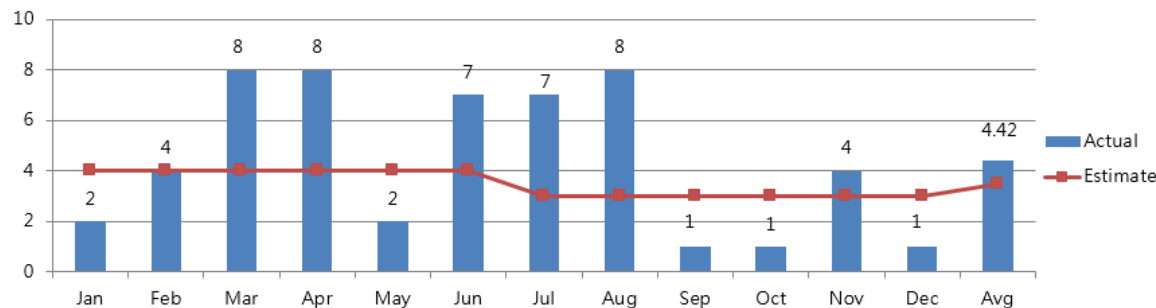
Protective Measures for Work Environments and Employees' Safety

Apex has an OHSAS 18001 committee and a safety and professional committee which regularly inspects whether the work environments comply with safety regulations to minimize workplace safety hazards. Apex also regularly provides employees with physical checkups, hoping that they can be aware of their health condition and employees' physical and mental health can be improved.

Number of Accident – Apex I



Number of Accident – Apex II



The Statistical Indicators of Safety and Health in FY2018 and FY2019

| Statistical Indicators | Gender | FY2018 | | FY2019 | | Unit |
|----------------------------|--------|---------------|--------|---------------|--------|------------------|
| | | Male | Female | Male | Female | |
| Working injury | Male | 51 | | 54 | | Number of cases |
| | Female | 32 | | 29 | | Number of cases |
| Occupational hazard | Male | 0 | | 0 | | Number of cases |
| | Female | 0 | | 0 | | Number of cases |
| Total working injury leave | Male | 105 | | 178 | | Days |
| | Female | 43 | | 110 | | Days |
| Total absence days | Male | 11,101 | | 12,966 | | Days |
| | Female | 14,809 | | 15,740 | | Days |
| Total working hours | Male | 6,271,465 | | 5,280,636 | | Hours |
| | Female | 8,471,417 | | 6,934,235 | | Hours |
| Total working days | Male | 2,187,173,244 | | 1,648,218,355 | | Man Day |
| | Female | 3,925,442,852 | | 2,776,294,338 | | Man Day |
| Death toll | Male | 0 | | 0 | | Number of people |
| | Female | 0 | | 0 | | Number of people |

| Calculated Indicators | Gender | 200,000 hours | | Million hours | |
|---------------------------|--------|---------------|--------|---------------|--------|
| | | FY2018 | FY2019 | FY2018 | FY2019 |
| Injury rate | Male | 1.63 | 2.05 | 8.13 | 10.23 |
| | Female | 0.76 | 0.84 | 3.78 | 4.18 |
| Occupational disease rate | Male | - | - | - | - |
| | Female | - | - | - | - |
| Lost day rate | Male | 26.79 | 53.93 | 133.94 | 269.66 |
| | Female | 8.12 | 25.38 | 40.61 | 126.91 |
| Absentee rate | Male | | | 1.42% | 1.96% |
| | Female | | | 1.40% | 1.82% |

Glossary and Calculation formula

- Working Injury: Injured by working, including car accidents.
- Occupational hazard: The worker has suffered from diseases by the working place, product, and so on.
- Total working injury leave: The worker take the sick leave because injured by working.
- Total absence days: Total absence days is the sum of sick leave, working injury leave, personal leave, excluding annual leave, official leave, marriage leave, funeral leave, maternity leave and paternity leave.
- Total working hours: For daily workers is the total working hours per month, for monthly workers is the total working days*8hrs* the number of monthly workers in-service.
- Total working days: the number of working people on December 31 of the year*total working hours / 8 hours
- Injury rate: total work injury (pieces) / total working hours *200,000
- Occupational disease rate: total number of occupational diseases (number of pieces) / total working hours *200,000
- Lost day rate: Working Injury leave days * 8 hours / total working hours *200,000
- Absentee rate: total absence days * 8 hours / total hours worked
- The coefficient of 200,000 is calculated from each 100 employees works 50 weeks a year and 40 hours a week.
- Data Source: Apex Administration Department

Customer Services

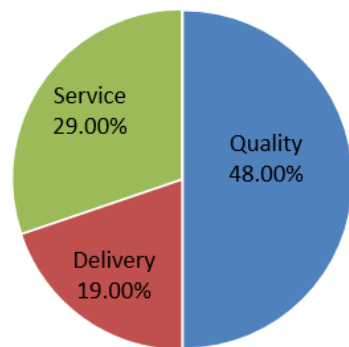
Apex valued customers' needs and expectation and continue to improve their satisfaction. Through customer's feedback, Apex improves internal process and has passed ISO 9001. All of these effort keeps Apex in the top supplier list - in view of customer, relationship management and business growth.

Apex has engaged with customers through the day to day operations as well as implemented customer satisfaction survey on a 6-month basis. This survey, which covers top 10 customers of Apex's PCB products, considers feedback in 3 dimensions including quality, fast delivery of products as well as services. The results of surveys were then analyzed, and reported directly to top management for Apex responsiveness to customer inquiry, and established the next year targets and improved internal and external processes.

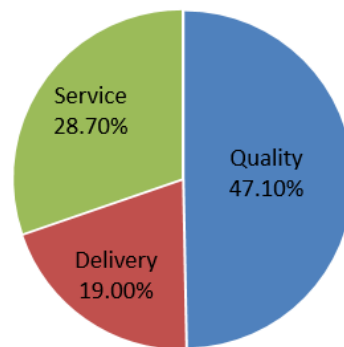
Apex has set up a service window to handle all kinds of customer satisfaction at the earliest time and also provides customers with complete product information.

Apex's product labeling is conducted in accordance with related regulations and international standards i.e., RoHS and HF. No significant illegal incidents occurred in 2019.

APEX 1/2019



APEX 2/2019



Apex 1/2019 Satisfaction Rating: 96.00% Apex 2/2019 Satisfaction Rating: 94.80%

Note: The total score of Quality satisfaction rating, Service satisfaction rating and Delivery is 50%, 30% and 20%, respectively.

Supplier Co-operation

Apex has "Ethical Corporate Management Best Practice Principles / and its Guidelines for Conduct, which stipulates the types of unethical behaviors and improper interests and reporting channels. All of Apex's employees are required to abide by business ethics and responsibilities to the public and stakeholders. At the same time, the members of the Board of Directors and management all perform their duties in good faith and abide by the codes of conduct of directors and managers. They exercise strict self-discipline with caution when performing their duties. Apex's procurement department conducts supplier evaluation and audits regularly and insists that all products must comply with the RBA or ISO 14001 standards so that both sides can jointly fulfill the social responsibility of achieving quality and environmental protection at the same time.

Top 10 of Apex's suppliers have already signed the Commitment Letter to comply with the company's social responsibility policy. If the supplier is found in violation of the company's corporate social responsibility policy and result in significant impact on the environment and society, Apex may terminate or cancel the contract at any time.

General Standard Disclosures

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|----------------------------------|--|--------------------|---|
| General Disclosures | | | |
| 1. Organizational Profile | | | |
| 102-1 | Name of the organization | Page 1 | |
| 102-2 | Activities, brands, products, and services | Page 6 | |
| 102-3 | Location of headquarters | Page 7 | |
| 102-4 | Location of operations | Page 7 | |
| 102-5 | Ownership and legal form | Page 7 | |
| 102-6 | Markets served | Page 6 | |
| 102-7 | Scale of the organization | Page 6 | |
| 102-8 | Information on employees and other workers | Page 8 | |
| 102-9 | Supply chain | No disclosure | No major changes compared to the previous year |
| 102-10 | Significant changes to the organization and its supply chain | No disclosure | No major changes compared to the previous year |
| 102-11 | Precautionary Principle or approach | Page 5, 10 | |
| 102-12 | External initiatives | No disclosure | No participation in external initiatives |
| 102-13 | Membership of associations | No disclosure | Participate only in the Taiwan Circuit Board Association (TPCA) |
| 2. Strategy | | | |
| 102-14 | Statement from senior decision-maker | Page 2-3 | |
| 102-15 | Key impacts, risks, and opportunities | Page 4-5, 10,13 | |
| 3. Ethics and integrity | | | |
| 102-16 | Values, principles, standards, and norms of behavior | Page 12-13 | |
| 102-17 | Mechanisms for advice and concerns about ethics | Page 12-13 | |

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|----------------------------|---|--------------------|--|
| General Disclosures | | | |
| 4. Governance | | | |
| 102-18 | Governance structure | Page 12 | |
| 102-19 | Delegating authority | Page 12 | |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | Page 12 | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | Page 11 | |
| 102-22 | Composition of the highest governance body and its committees | No disclosure | No major changes, please refer to the second section of "Directors, General Manager, Deputy General Manager, Associate, Department and Branch Directors of the Corporate Governance" of Apex 2019 Annual Report. |
| 102-23 | Chair of the highest governance body | No disclosure | It is chairman |
| 102-24 | Nominating and selecting the highest governance body | Page 12 | |
| 102-25 | Conflicts of interest | Page 12 | |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Page 12 | |
| 102-27 | Collective knowledge of highest governance body | Page 12 | |
| 102-28 | Evaluating the highest governance body's performance | Page 12 | |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Page 8-10 | |

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|----------------------------------|--|--------------------|---|
| General Disclosures | | | |
| 4. Governance (Cont'd) | | | |
| 102-30 | Effectiveness of risk management processes | Page 12 | |
| 102-31 | Review of economic, environmental, and social topics | Page 8-10 | |
| 102-32 | Highest governance body's role in sustainability reporting | Page 12 | |
| 102-33 | Communicating critical concerns | Page 11 | |
| 102-34 | Nature and total number of critical concerns | Page 8-10 | |
| 102-35 | Remuneration policies | No disclosure | No significant changes |
| 102-36 | Process for determining remuneration | No disclosure | No significant changes |
| 102-37 | Stakeholders' involvement | Page 11 | |
| 102-38 | Annual total compensation ratio | No disclosure | Please refer to the Apex Consolidated report footnote 12 "Others" in Chapter IX, Appendix of Apex 2019 Annual Report for details. |
| 102-39 | Percentage increase in annual total compensation ratio | No disclosure | Same as above |
| 5. Stakeholder Engagement | | | |
| 102-40 | List of stakeholder groups | Page 11 | |
| 102-41 | Collective bargaining agreements | Page 13, 17 | |
| 102-42 | Identifying and selecting stakeholders | Page 11 | |
| 102-43 | Approach to stakeholder engagement | Page 11 | |
| 102-44 | Key topics and concerns raised | Page 11 | |

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|------------------------------|--|--------------------|-----------------------|
| General Disclosures | | | |
| 6. Reporting Practice | | | |
| 102-45 | Entities included in the consolidated financial statements | Page 7 | |
| 102-46 | Defining report content and topic boundaries | Page 1 | |
| 102-47 | List of material topics | Page 8-10 | |
| 102-48 | Restatements of information | No disclosure | No restatement issues |
| 102-49 | Changes in reporting | No disclosure | No restatement issues |
| 102-50 | Reporting period | Page 1 | |
| 102-51 | Date of last report | No disclosure | June 2019 |
| 102-52 | Reporting cycle | Page 1 | |
| 102-53 | Contact person for questions regarding the report | Page 1 | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Page 1 | |
| 102-55 | GRI content index | Page 20-22 | |
| 102-56 | External assurance | Page 1 | |

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|---------------------------------|--|--------------------|--|
| Material Topic | | | |
| 1. Economic Topics | | | |
| 1.1 Corporate Governance | | | |
| 103-1 | Explanation of the material topic and its boundary | Page 8-10 | |
| 103-2 | The management approach and its components | Page 8-10 | |
| 103-3 | Evaluation of the management approach | Page 8-10 | |
| 201-1 | Direct economic value generated and distributed | Page 6 | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Page 5, 10 | |
| 201-3 | Defined benefit plan obligations and other retirement plans | No disclosure | Please refer to the Apex Consolidated report footnote 6(15) "Employee benefit" in Chapter IX, Appendix of Apex 2019 Annual Report for details. |
| 201-4 | Financial assistance received from government | No disclosure | Please refer to the Apex Consolidated report footnote 6(16) "Income Tax" in Chapter IX Appendix of Apex 2019 Annual Report for details. |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Page 9 | |
| 202-2 | Proportion of senior management hired from the local community | Page 8 | |

| GRI Standard Number | Disclosure Item | Page number (Link) | Note |
|--------------------------------|---|--------------------|------|
| Material Topic | | | |
| 2. Environmental Topics | | | |
| 2.1 Water and Effluents | | | |
| 303-1 | Interactions with water as a shared resource | Page 14-15 | |
| 303-2 | Management of water discharge-related impacts | Page 14-15 | |
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