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July 26, 2024

Company name: Appier Group, Inc.
Representative: Chih-Han Yu, Representative Director and CEO
(TSE Prime Code: 4180)
Contact: Koji Tachibana, Senior Vice President of Finance
(TEL. + 81 – 3 – 6435 – 6617)

Announcement on Disclosure Based on the TCFD Recommendations

Appier Group, Inc. (the “Company”) hereby announces that the Company resolved to make disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD "*) at the meeting of the Board of Directors dated July 26, 2024, as follows:

In accordance with the TCFD's disclosure framework, the Company has disclosed the “TCFD Report”, which consists of four categories of "Governance", "Risk Management", "Strategy and Actions", and "Metrics and Objectives" related to climate change.

The details of the report are available in the Appendix of this document or the “ESG - Greener Operation” section of the Company's website.
(Website URL: https://www.appier.com/en/greener-operation-appier)

We will disclose the report continuously and conduct more environmentally friendly business activities to contribute to a sustainable society.

* TCFD (Task Force on Climate-related Financial Disclosures)
An international organization established by the Financial Stability Board (FSB) to encourage companies to disclose specific details of their climate change initiatives.

End

Appier

Appier Group Inc
2023 TCFD REPORT

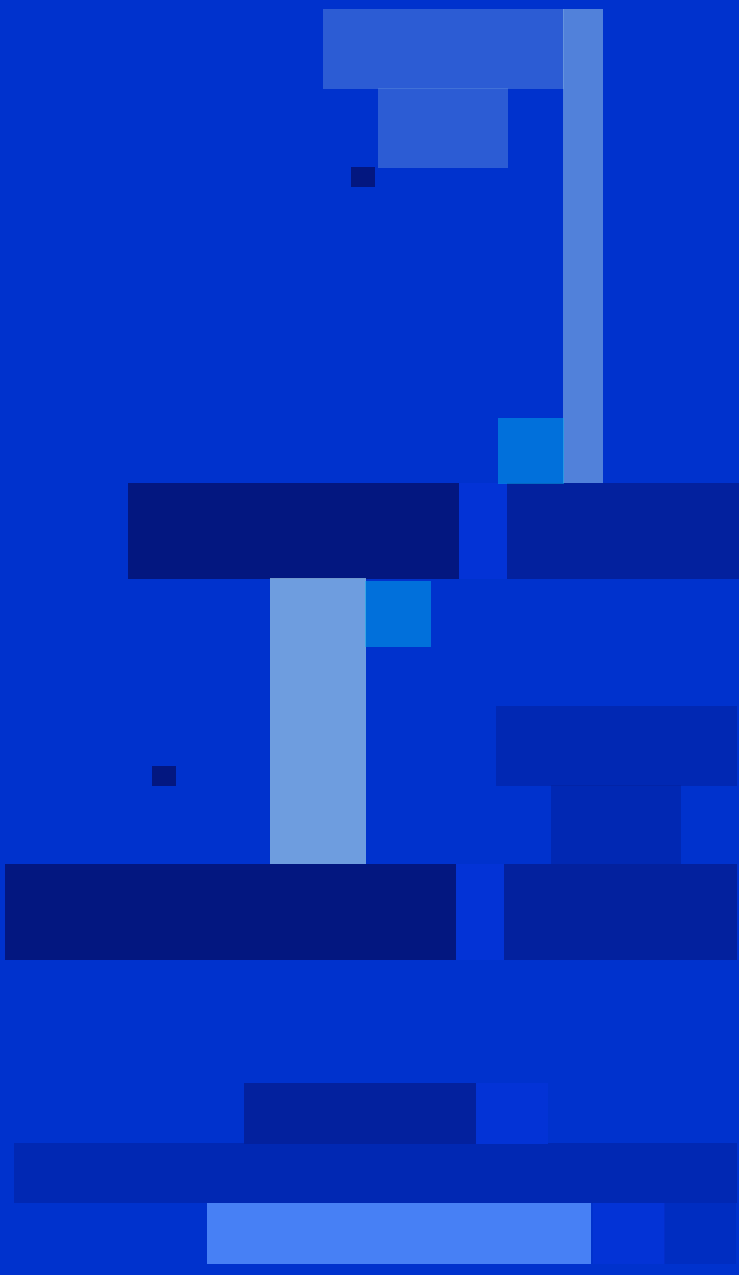


Appier's Task Force on Climate-Related Financial Disclosures (TCFD) report

Appier's Task Force on Climate-Related Financial Disclosures (TCFD) report

In FY2023, for the second year, Appier continues to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Building on our initial efforts from the previous year, we have further refined the process of identifying and analyzing relevant risks and opportunities posed by climate change. Recognizing the increasing concerns from our stakeholders and the capital market about the impacts of climate change, we have intensified our efforts to assess all potential risks and opportunities and disclose corresponding action plans. This section provides detailed information on Appier's climate-related governance, strategy, risk management, and key performance indicators.

This year, Appier has also advanced its greenhouse gas (GHG) inventory to closely examine our GHG emissions at the corporate level. We remain committed to tracking our GHG emissions and enhancing our reporting framework to uphold our commitment to responsible and sustainable business practices.



Governance

Appier's guiding principle to address climate change is the Appier ESG Communication Playbook, all signed and released by CEO Dr. Chih-Han Yu in FY2021. In order to step up our support for climate adaptation, Appier decided to publicly disclose its climate-related financial information aligned with the TCFD's recommendations for the first time in FY2022.

To assess how severe climate-related weather could affect our operations, this year, Appier collaborated with a team of expert consultants to apply the TCFD framework, which is developed by the Financial Stability Board (FSB). The Finance Department has hosted the Climate Change Risk and Opportunity Workshop, inviting representatives from each function such as Chief Operating Officer, Chief Technology Officer and SVP of Finance, to identify the transition risks, physical risks, and opportunities from climate change. The Board of Directors will oversee the preliminary draft of TCFD, ensuring it is aligned with Appier's purpose, strategy, vision, and culture.



Risk Management

Appier has conducted a comprehensive risk management process to pinpoint the key climate-related risks and opportunities relevant to our business operations. The process was conducted through three steps, benchmark, assessment, and identification. Possible climate-related risks and opportunities faced by the IT industry are collected from ESG information these opportunities will impact Appier. Going forward, we will continue to monitor and evaluate these risks and opportunities and enhance the corresponding countermeasures and action plans.

Risk Management Process

- Collect climate-related risks and opportunities identified by domestic or international competitors in the same industry
- List out all possible climate-related risks and opportunities that are relevant to Appier's business objectives

Benchmark

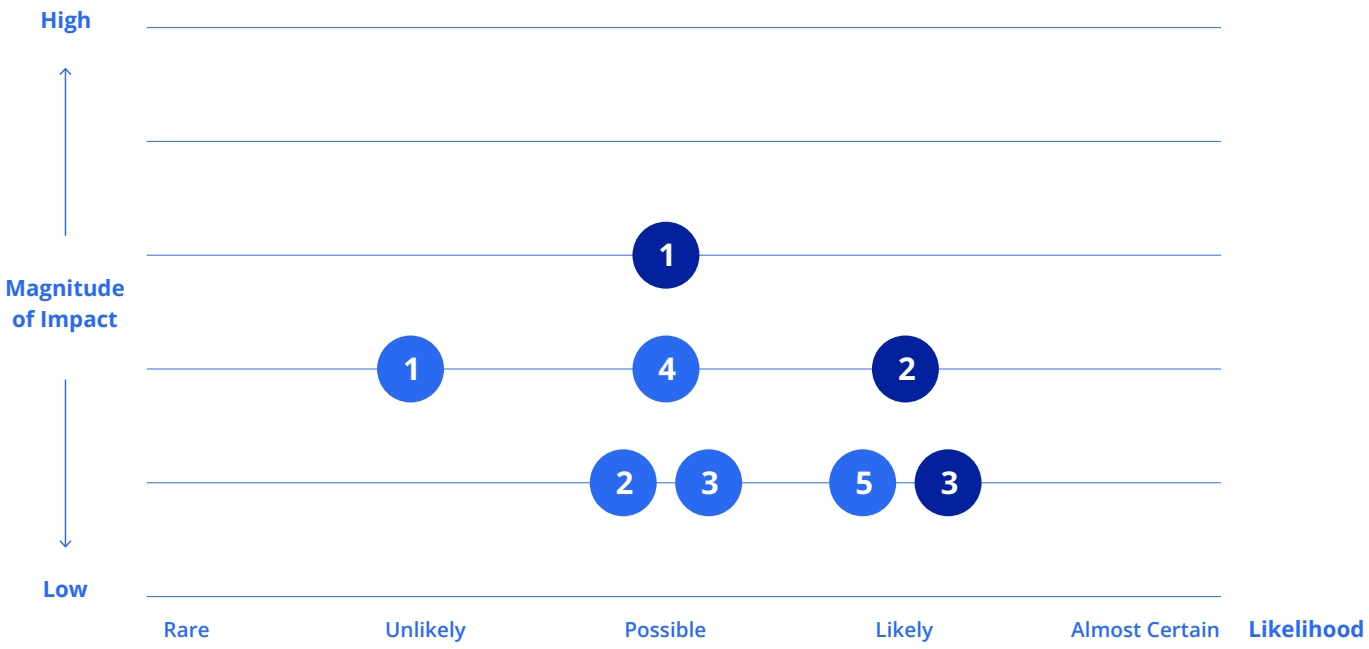
- Invite colleagues from corresponding teams to assess the likelihood and magnitude of impact of the listed climate-related risks and opportunities
- Evaluate the impact of the risks and opportunities on Appier's current and future operations

Assessment

- Identify the climate-related risks and opportunities that are relevant to Appier's operations based on the assessment results
- Deliberate and initiate action plans to address the identified climate-related risks and opportunities

Identificatin

Climate Risks and Opportunities Matrix



Risks

Opportunities

Transitional Risks
1. Increased pricing of GHG emissions
2. Increased cost of raw materials
3. Increased stakeholder concern or negative stakeholder feedback

Physical Risks
4. Increased severity of extreme weather events
5. Rising mean temperatures

1. Development of sustainable products and services
2. Enhanced reporting infrastructure that results in increased stakeholders' confidence
3. Use more efficient work modes

Strategies and Actions

Based on the results of our risk scenario analysis, we recognize the impact climate change could have on our operations and the importance of being transparent and proactive to manage those risks and opportunities with direct impact to our business.

In the tables that follow, we identify climate-related risks and opportunities with potential impact to our business over short- (0–3 years), medium- (3–10 years), and long-term (more than 10 years) time horizons, as well as our strategies to manage and mitigate each risk and opportunity.

Financial Impact Analysis of Risks and Opportunities

Transitional			
Risk Category	Risk Description	Time Horizon	Our Response to Climate Transitional Risks
Increased pricing of GHG emissions	In response to the transformation of a low-carbon economy, many countries have implemented or plan to implement carbon pricing or carbon taxation. The introduction of such regulations in jurisdictions where Appier operates would result in an increase in operation costs, as well as the risks of lost corporate value if unable to comply with such laws or regulations.	Long-term	• Reduce electricity consumption by formulating internal company standards • Strict compliance with laws and regulations
Increased cost of raw materials	Energy policies may demand higher percentage of renewable energy in the energy mix, such as the Strategic Energy Plan by the Japanese government, which will increase electricity prices and thus raise the cost of procuring electricity.	Long-term	• Reduce electricity consumption by formulating internal company standards • Promote energy saving
Increased stakeholder concern or negative stakeholder feedback	Growing concern and requests to tackle climate change from investors or customers have imposed pressure on companies to take actions to meet stakeholders' expectations, otherwise losing existing or new business opportunities. Responding to demands from stakeholders also raises operation costs.	Medium-term	• Proactive ESG-related information disclosure on Appier's website to ensure transparency in our climate change strategy

Physical			
Risk Category	Risk Description	Time Horizon	Our Response to Climate Physical Risks
Increased severity of extreme weather events	Climate change increases the intensity and frequency of extreme weather events, such as typhoons, that could damage Appier's facilities and interrupt business operations. Recovery costs are likely to increase when our business operation or our products and services are interrupted by abnormal weather events.	Medium-term	• Assess potential risks and conduct regular monitoring following company-wide risk management procedures (Regulation for Risk Management) • Implement measures such as greater multi-sourcing • Evaluate the machine performance requirement precisely to save the cost of idle equipment and devices • Choose the data center provider using renewable energy • Locally sourcing physical assets for our internal use to prevent the high costs of long-distance transportation and avoid damage to those assets during transit
Rising mean temperatures	Rising temperature and prolonged dry spells lead to an increase in the amount of energy and water consumed, which drives operational costs upward.	Medium-term	• Promote internal energy and water saving

Opportunities			
Opportunity Category	Opportunity Description	Time Horizon	Our Approach to Climate Opportunities
Development of sustainable products and services	Developing and supplying products and services that are highly energy-efficient can help create new business opportunities and increase sales. More efficient algorithms and models may also result in improved product performance and/or lower infrastructure costs, which makes our products and services more competitive in the market.	Short-term	• Develop more efficient learning algorithms that predict events more precisely for our customers • Continuous innovations towards high performance results for our customers
Enhanced reporting infrastructure that results in increased stakeholders' confidence	Investors are becoming increasingly attentive to climate-related issues and the means by which companies are tackling them. Improvement in the transparency of ESG disclosure and communication efficiency will help stakeholders better understand our ESG strategy, which elevates Appier's brand image and brings more investment opportunities.	Medium-term	• Proactive ESG-related information disclosure on Appier's website with more comprehensive reporting framework and data
Use more efficient modes of work	Hybrid working mode can save the daily commute time and provide more flexibility for employees while reducing carbon footprint. Reduced frequency of business travel due to technology enablement also helps lower Appier's environmental impact.	Short-term	• Encourage Appier's employees to adapt hybrid working mode • Minimize unnecessary business travels

Note:
Time horizon is defined to assess the period that a specific climate-related risk or opportunity will impact the company. Short-term, medium-term, and long-term refer to 0~3 years, 3~10 years, and more than 10 years, respectively.

Metrics and Objectives

In FY2023, Appier completed the GHG inventory covering Scope 1, 2, and 3 for our main offices worldwide, including Japan, Taiwan, Korea, Singapore, and total emissions were 1,611.9 metric tons CO2e as shown in the table below. The main sources of greenhouse gas emissions were purchased goods and services, accounting for 53.6% of the total, followed by purchased electricity, which contributed 32.9%. The rise in procured electricity was mainly attributed to the expansion of our office space by an additional floor in Taiwan. At the current stage, we primarily focus on GHG reduction in Scope 2.

Appier's GHG Emissions Inventory[1] [2]				
	FY2022		FY2023	
Emission Source	(metric tCO2e)	Percentage of Total Emissions	(metric tCO2e)	Percentage of Total Emissions
Total Scope 1 Emissions	**151.9**	**10.1%**	**217.4**	**13.5%**
Refrigerant Equipment	151.9	-	217.4	-
Total Scope 2 Emissions	**466.1**	**31.0%**	**530.4**	**32.9%**
Procured Electricity	466.1	-	530.4	-
Total Scope 3 Emissions	**883.5**	**58.8%**	**864.2**	**53.6%**
Purchased Goods and Services[3]	883.2	-	864.0[4]	-
Water Consumption	0.3	-	0.3	-
Total Emissions	**1,501.5**	**100%**	**1,611.9**	**100%**

1. We follow the GHG Protocol to calculate Scope 1, 2 and 3 emissions.
2. We use an operational control approach to define our boundary.
3. These are the emissions associated with Appier's use of cloud data centers.
4. The figures disclosed in the Annual Securities Report (854.2 t-CO2) for FY23 were based on actual data from January to November and an estimated amount for December. These figures have been updated with the finalized data in this report.

To contribute to environmental outcomes, Appier has committed to green and sustainable office operations. For instance, Appier's Taipei office is located in the Hua Nan Commercial Bank Corporate Plaza, which received LEED Gold certification in 2015 and Taiwan EEWH Diamond certification in 2016, ensuring our daily business activities are operating on a sustainable basis. At the same time, as Appier recognizes the importance of enhanced environmental governance in the current era of climate change, we are also studying good environmental practices to progressively integrate them into our ESG strategy.

Looking forward, Appier will continue to keep track of our GHG emissions, refine our methodologies to better analyze our impacts on the environment, and disclose the relevant information through our official website.