ESG COMMUNICATION PLAYBOOK
Although it seems that Artificial Intelligence (AI) is everywhere these days, at one point it was considered futuristic and fantastical. Our founders recognize that AI technology has the power to fundamentally change how we work, live, and play for the better. They are on a journey to apply AI expertise to make people’s lives easier and happier.

After some experimentation, trial, and error, Appier was born. Appier is led by a passionate team of computer scientists and engineers with expertise in AI, data analysis, distributed systems, and marketing. Our mission is to empower businesses with AI by transforming software to be more intelligent and supportive of data-driven decisions. Looking ahead, Appier envisions a future where precise, automated, and proactive decision-making is possible through enterprise software powered by AI.

Talented and enthusiastic ‘Appiers’ around the world strive every day to make AI applications accessible to our clients as solutions to real-life business dilemmas. The values embedded in our corporate culture are ambition, open-mindedness, and direct communication. We do not shy away from taking on the challenges our world is facing, through dynamic experiments and innovation empowered by AI, to support digital transformation in the post-pandemic era.

With this mindset, we believe environmental, social, and governance (ESG) aspects should be at the center of our concerns for building a sustainable business to support every one of Appier’s stakeholders. Identifying and managing ESG issues that are material to Appier’s business is not only critical to our existing and potential investors seeking a financially safe and stable investment target, but is also essential for Appier as a caring and accountable business to take full responsibility for our hard-working staff, customers, and esteemed value chain partners.
Following Appier’s listing in the Tokyo Stock Exchange in March 2021, we have become even more determined to make ambitious commitments and proactively engage with our stakeholders in Appier’s journey towards ESG excellence, as this is part of our vision for the future of our business.

We have analyzed sectoral ESG trends and worked with our key stakeholders – investors, customers, employees, value chain partners – in order to identify the most relevant ESG topics for our business. We incorporated these topics into our ESG strategy framework, which will guide Appier in managing these topics and integrating them into our operations and business strategy.

We are pleased to share our ESG aspirations with our stakeholders. This ESG Communication Playbook presents our ESG priorities and the milestones we have achieved, and articulates Appier’s ESG ambitions and strategy for the upcoming years. We are committed and excited to contribute, together with our partners, to the sustainable development of society.
APPIER PRIORITY ESG ISSUES & STRATEGY FRAMEWORK

Materiality Matrix

A materiality assessment was conducted to identify priority ESG topics for our business, according to the following process:

1. Analysing ESG trends for technology & software sector globally and in Asia;
2. Interviewing internal and external stakeholders;
3. Ranking ESG topics which are material to our business based on their relative importance to external stakeholders and to Appier business;
4. Validating the assessment results through engagement with the management.

The result of our materiality assessment is presented as a materiality matrix below, which lays out the 14 ESG topics that have been identified as the most material to our business. Based on their relative importance to Appier’s internal and external stakeholders, these topics are further ranked as either “critical”, “moderate” or “foundational”, which signifies their level of materiality from high to low.

This exercise has allowed us to better understand the key issues ahead of us which present risks or opportunities for Appier to meet our ESG commitment.
### ESG Strategy Framework

Based on the priority ESG topics identified from the materiality assessment, we established this ESG strategy framework to organise our ESG objectives and future work program.

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<tr>
<th>PILLARS</th>
<th>DEFINITION</th>
<th>ESG TOPICS</th>
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| **Greener Operation** (Environment) | We carefully manage the impacts of our operations and business partners to contribute to environmental outcomes. | • Climate Change and Energy Management  
• Operational Eco-Efficiency  
• Environmental Governance |
| **Happier Crew** (Social) | We support the development and wellbeing of our employees and the communities in which we operate. | • Diversity and Equal Opportunity  
• Employee Wellbeing, Health and safety  
• Human Capital Development  
• Human Rights and Labour Rights  
• Local Community Support |
| **Responsible Business** (Governance) | We uphold strong and ethical governance systems to manage risk and deliver responsible products. | • Data Privacy and Cyber Security  
• Innovation & AI for Good  
• Corporate Governance  
• Customer Relationship Management  
• Risk Management  
• Responsible Procurement |
Greener Operation

Our first pillar is “Greener Operation”. We believe that AI software solutions have great potential to improve resource efficiency and environmental performance of our own operations as well as our clients’. In the era of climate change, Appier will join hands with our value chain partners to become part of the global transition towards a low-carbon and resilient economy. This will be achieved by enhancing our environmental governance, with seamless efforts to reduce GHGs and other resource footprints as well as to strengthen our adaptive capacity to climate-related risks.

Happier Crew

The second pillar of our ESG framework is “Happier Crew”. As a digital solution provider, our “employees” are the most important assets for our company. The solutions we offer require intensive and specialised AI knowledge to be developed. In the highly competitive high-tech industry, attracting and retaining skilled staff is the first and foremost task for Appier. We take care of the wellbeing of our employees through a set of benefits and supporting mechanisms. Our human resource management is people-centred with a culture that offers equal opportunities to all members of our community regardless of their gender, nationality, race or any other attributes irrelevant to their competence. Moreover, to proactively encourage advancement in AI research, Appier has partnered with academic institutions to provide funding initiatives for young talents.
Responsible Business

“Responsible Business” is the third pillar of our ESG framework, which covers elements to build an ethical, transparent and accountable business that is trustworthy and reliable to our clients and a wider group of stakeholders.

Given the nature of our business, several material issues surrounding governance have been identified in our materiality assessment. Data security and privacy is a critical topic for Appier. Since our operations involve a large amount of data which can be sensitive to our clients and end users, it is a top priority to have safeguarding measures in place such that no one’s privacy will be intruded. In addition, we seek to develop our AI solutions with innovative ideas that address real-life challenges, while emphasizing essential concepts such as “explainability” and responsibility of AI applications. Although AI technologies can be extremely powerful for human advancement, they are not always understandable to their human users, which may create distrust and suspicion. There are also concerns around how AI could be misused and become detrimental to our society. Therefore, ensuring our solutions powered by AI are explainable and responsible to end users is crucial not only to the success of Appier’s business but also to the overall development of AI technologies.

Corporate governance and customer relationship management are other important topics for Appier. We are committed to conducting our business in an ethical and responsible way through policy development and good practices. These are also reflected in our procurement and risk management approach.
APPIER’S APPROACH TO MANAGING OUR PRIORITY ESG ISSUES

The three tables below (Table 1, Table 2, Table 3) present our ESG strategy framework, with the definition of each material ESG issue and its importance to Appier. We also describe Appier’s current management approach and initiatives relating to each topic. Appier will continue to improve its ESG performance with more strategic goals and measures for each ESG topic in the future.
**Greener Operation**
We carefully manage the impacts of our operations and value chain to contribute to environmental outcomes

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<td>Climate Change and Energy Management</td>
<td>Managing and accounting for GHG emissions and energy usage, transitioning to renewable energy and managing climate risks and opportunity – within our operations and supply chain.</td>
<td><strong>Minimizing the impact of our operations</strong>: Green &amp; sustainable office → 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. The building achieved a 48 LEED scoring criteria, including sustainable sites, energy and atmosphere, water efficiency, materials and resources, indoor environmental quality, etc.</td>
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<td>Operational Eco-Efficiency</td>
<td>Managing environmental impacts of operations, addressing water and waste through efficiency, conservation, and reduction.</td>
<td><strong>Supporting low carbon economy transition</strong>: Our AI solutions support smart working¹, and contribute to our customers’ GHG reductions.</td>
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<td>Environmental Governance</td>
<td>Policies, guidelines and management systems to manage environment-related topics and ensure compliance with regulatory requirements.</td>
<td><strong>Progressive enhancement of environmental governance</strong>: Appier recognizes the importance of enhanced environmental governance in the era of climate change. We are studying good environmental practices and will progressively integrate them into our ESG strategy.</td>
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¹. Definition of smart working: a new flexible working method based on advanced technologies to improve the performance and satisfaction obtained from the job.
## Human Capital Development

Hiring, managing, professionally developing and retaining the right people with the right skills to achieve Appier’s business strategy.

Hiring and training people with the ESG mindset that Appier values and strives for: Appier is working to build a culture within our community that values long-term growth and sustainability. We believe that corporate sustainability is a unique value to retain forward-looking talents. In the meantime, we constantly provide training to upskill internal resources and embed this mindset into our day-to-day operations.

## Diversity and Equal Opportunity

Developing a workforce, which is supportive of individuals of varying gender, religion, race, age, ethnicity, sexual orientation, education, and other attributes. This includes ensuring equal opportunity for all, including fair treatment and remuneration for all employees.

Diversity, Equity, and Inclusion (DE&I) as a core value:
- The DE&I of Appier’s team composition is built on the fact that Appier has offices in 17 markets, where local staff is hired and offered benefits and equal opportunities based on merits, regardless of personal characteristics, such as gender, religion, race, age, marital status, etc.
- DE&I is also highlighted in Appier’s Code of Conduct, so that it becomes part of the formalized policy across the company.
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<td>Employee Well-being, Health and Safety</td>
<td>Protecting employees’ well-being, health, and safety, including occupational health and safety and the broader social, economic, psychological, and physical well-being.</td>
<td>Safe, healthy, and caring work conditions:&lt;br&gt;• Appier provides a wide range of support and benefits for its employees, such as competitive compensation, group medical insurance, referral bonus, better-than-standard annual paid leave plan, spacious and flexible work place, on-the-job training, and fun activities.&lt;br&gt;• Working in a risk-free environment is included in Appier’s Code of Conduct. A reporting channel is available to employees in case of any violence, abuse, or potential danger that may threaten their health and safety.</td>
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<td>Human Rights and Labour Rights</td>
<td>Upholding strong human rights and labour rights practices in our operations and supply chain.</td>
<td>Zero tolerance of human rights violations: As a business rooted in a democratic society, Appier strongly supports human rights and labour rights in the workplace. It strictly complies with the related laws and regulations, and even goes beyond. While no occurrences have taken place, Appier will not tolerate any violation, deprivation, or discrimination of these rights, should any such event occur.</td>
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| **Local Community Support** | Building community relations including CSR efforts to engage local communities and creating positive social impact for communities connected to Appier’s business activities. | Sponsoring talents through an industry-university cooperation:  
  • Since 2016, Appier has sponsored the Top Research Awards Program for Artificial Intelligence and Information Technology, valued at 5 million NTD (approximately 180,000 USD). The program inspired higher education students to cultivate a macro vision and actively participate in international innovative technology exchanges during their studies.  
  → Impact: 104 students published their research at top international academic conferences.  
  • In addition to students, Appier donated in 2020 the ‘Appier AI Chair Professor Program’ to the College of Electrical Engineering and Computer Science (EECS) of National Taiwan University (NTU) to reward outstanding AI experts and to facilitate research development in artificial intelligence.  
  → Impact: Cutting-edge and critical AI research made possible in the long run. |
**Responsible Business**
We uphold strong and ethical governance systems to manage risks and deliver responsible **products**.

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<td><strong>Data Privacy and Cyber Security</strong></td>
<td>Protection of private, confidential, or sensitive information and data through building secure information systems and networks to collect, store, process, use, and share data. It also includes tracking developments in the cyber threat landscape and updating our cyber-security systems to be always relevant.</td>
<td>Certified under the ISO/IEC 27001:2013 standard to ensure digital security: Since 2020, Appier has obtained ISO/IEC 27001:2013 certification, which covers information and security management activities over the whole lifecycle of our AI cloud-based audience behavior marketing platforms (AIQUA, AIXON, AiDeal, and CrossX). General Data Protection Regulation (GDPR compliance): To comply with GDPR, Appier has set up a responsible team composed of members across functions. It ensures we meet all legislative and contractual obligations associated with GDPR. We introduced policies on security, data access, and breaches and trained our employees on these topics. Achieving Trust-worthy Accountability Group (TAG) Certified Against Fraud Seal: The purpose of TAG is to fight criminal activities and increase trust in the digital advertising industry. It aims to eliminate fraudulent traffic and share threat intelligence. Appier believes that these are essential efforts to enhance cyber security and promote greater transparency across the digital advertising supply chain.</td>
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<td>Innovation and AI for Good</td>
<td>Ensuring our innovative AI solutions are developed upon the principles of accountability, fairness and transparency to enhance explain-ability and trustworthiness, as well as designed to drive positive impacts on the environment and society in a responsible way.</td>
<td><strong>Precise marketing to reach the right people at the right time with the right message:</strong> With the AI solutions that Appier offers, businesses can precisely identify the needs of end-users and provide the marketing content most related to their top interests, rather than send multiple random campaigns that risk being considered spam or even an invasion of people’s privacy.</td>
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<td><strong>AI as a catalyst for digital transformation in the post-COVID era:</strong> Appier is working to offer innovative solutions powered by AI to trigger a profound transformation in the business world, where digital applications like online transactions, data analytics, and automation are not just advantages but necessities for business continuity and growth in post-pandemic times.</td>
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<td><strong>Explainable AI to foster trust:</strong> Appier’s AIXON (data science platform) is capable of presenting and visualizing the most important variables for decision making. This enables our customers to understand the rationale of our AI-driven decisions.</td>
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| Corporate Governance                 | Conducting business ethically and responsibly, through sound and reliable business policies and practices, including how business is conducted with all stakeholders, wherever we operate. Responsible governance includes financial crimes prevention mechanisms, transparency effort, anti-fraud, anti-corruption and anti-competition mechanisms, respect for intellectual property and responsible tax principles. | **Formalized internal policy to enhance ethical and responsible governance:**  
• Appier has integrated the Global Code of Conduct with an anti-corruption and anti-bribery policy.  
Direct and open communication is encouraged internally to ensure that no misbehavior is hidden, nor misunderstanding occurs at any level regarding what good governance means to Appier and how every member of Appier’s community should practice it.  
• In case of a breach of conduct, grievance redress mechanisms are available.                                                                                                                                 |
<p>| Customer Relationship Management     | Ensuring customer satisfaction and customer rights, including responsible marketing and selling practices that clearly and fully explain Appier’s services. This topic includes monitoring customer satisfaction and incorporating their feedback and complaints.       | <strong>Targeted solutions to solve customers’ challenges:</strong> Appier aims to identify the core issues that customers face, and offer pertinent solutions based on its AI expertise. This not only facilitates customers’ operations, and adds value to their products/services, but also helps to enhance their competitiveness against peers.                                         |</p>
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<td><strong>Risk Management</strong></td>
<td>Risk management focuses on the financial stability and the management of related systemic risks and exposures. This includes technology disruptions, political conditions, demographic changes, market and reputational changes, and catastrophic or other events with an influence on business such as climate change.</td>
<td><strong>Formalized requirements to enhance risk management:</strong> Appier enacted the Regulations for Risk Management, which set forth basic requirements for company-wide risk management procedures. This ensures that in the event of any incident that may expose Appier to a material risk, the concerned parties (anyone from top management to general staff) know how to respond with due care to minimize the company's losses.</td>
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<td><strong>Responsible Procurement</strong></td>
<td>Sustainable procurement practices will help ensure environmental and social objectives, including climate action, waste reduction, contribution to decent working conditions and human rights throughout the value chain.</td>
<td><strong>Formalized supplier management procedures:</strong> As an internet-based company, Appier’s supplier management procedures put great emphasis on data security and compliance to GDPR. In the selection of suppliers, due diligence and a site visit must be performed before approval. Moreover, while it is not yet a written criterion, Appier would take into consideration any renewable energy targets set forth by candidate suppliers providing cloud services.</td>
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**APPIER’S ESG JOURNEY**

While Appier has started our ESG journey in 2021, we plan ahead in the coming years to complete our ESG goal setting, roadmap and most importantly, to integrate ESG into all aspects of our business decisions and day-to-day operations. In the meantime, we are committed to scaling up our activities in collaboration with wider stakeholders including our value chain partners and relevant communities. Eventually, we look forward to develop ESG best practices for AI industry and publish annual sustainability reports with many more successful stories to share along this exciting journey.