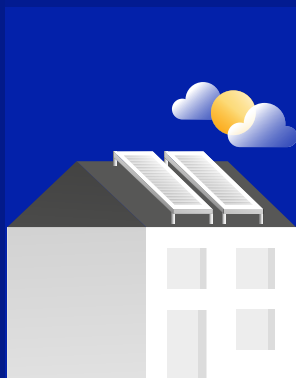
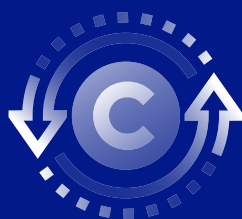
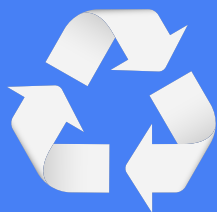


# Appier Group Inc 2024 TCFD REPORT



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

In FY2024, Appier reaffirmed its support for the Task Force on Climate-related Financial Disclosures (TCFD). Building on the groundwork laid last year, we have enhanced our approach to identifying and evaluating climate-related risks and opportunities. As stakeholders and market attention on climate impacts continue to grow, we have strengthened our efforts to assess all potential risks and opportunities, along with corresponding action plans. This section outlines Appier's climate-related governance, strategy, risk management, and performance indicators.

Additionally, Appier has expanded its greenhouse gas (GHG) inventory to closely examine our GHG emissions at the corporate level. We remain dedicated to monitoring our GHG emissions and improving the transparency and robustness of our reporting, in line with 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 our 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, 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 reviewed 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, including benchmark, assessment, and identification. Possible climate-related risks and opportunities faced by the IT industry are collected from ESG information disclosed by domestic or international peers and competitors during the benchmark process. The assessment step will involve Appier's employees from various teams to complete a risk & opportunity form to evaluate the likelihood and magnitude of the impact of risks and opportunities collected in the previous stage. Based on the result of assessment, the most essential climate-related risks and opportunities for Appier are identified. The risk and opportunity matrix is then created to visualize how each risk or opportunity 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

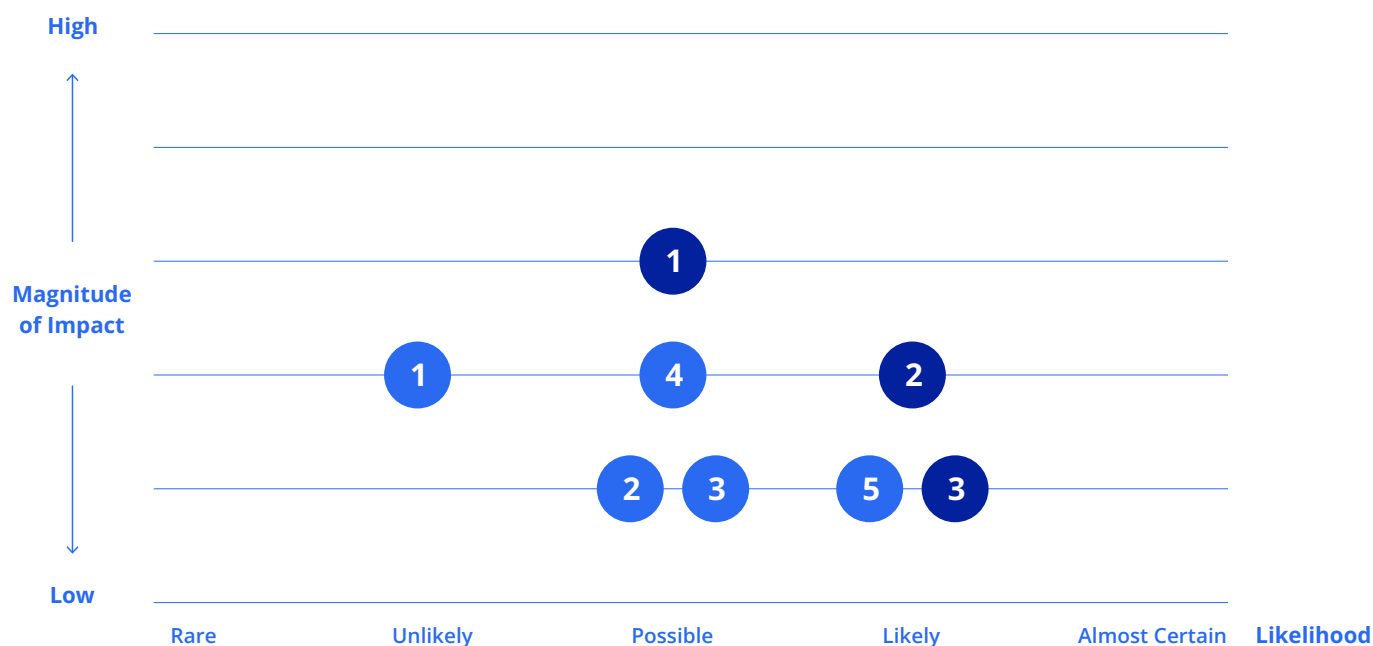
- Identify the climate-related risks and opportunities that are relevant to Appier's operations based on the assessment results
- Deliberate and initiate action plans to address the identified climate-related risks and opportunities

**Benchmark****Assessment****Identificatin**

- 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



# Climate Risks and Opportunities Matrix



## 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 tax. 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	<ul style="list-style-type: none"> <li>• Reduce electricity consumption by formulating internal company standards</li> <li>• Strict compliance with laws and regulations</li> </ul>
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 price and thus raise the cost of procuring electricity.	Long-term	<ul style="list-style-type: none"> <li>• Reduce electricity consumption by formulating internal company standards</li> <li>• Promote energy saving</li> </ul>
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	<ul style="list-style-type: none"> <li>• Proactive ESG-related information disclosure on Appier's website to ensure transparency in our climate change strategy</li> </ul>

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	<ul style="list-style-type: none"> <li>• Assess potential risks and conduct regular monitoring following company-wide risk management procedures (Regulation for Risk Management)</li> <li>• Implement measures such as greater multi-sourcing</li> <li>• Evaluate the machine performance requirement precisely to save the cost of idle equipment and devices</li> <li>• Choose the data center provider using renewable energy</li> <li>• 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</li> </ul>
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	<ul style="list-style-type: none"> <li>• Promote internal energy and water saving</li> </ul>

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	<ul style="list-style-type: none"> <li>• Develop more efficient learning algorithms that predict events more precisely for our customers</li> <li>• Continuous innovations towards high performance results for our customers</li> </ul>
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	<ul style="list-style-type: none"> <li>• Proactive ESG-related information disclosure on Appier's website with more comprehensive reporting framework and data</li> </ul>
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	<ul style="list-style-type: none"> <li>• Encourage Appier's employees to adapt hybrid working mode</li> <li>• Minimize unnecessary business travels</li> </ul>

**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 FY2024, Appier completed the calculation of a greenhouse gas (GHG) emissions inventory for our main offices worldwide, including Japan, Taiwan, Korea, Singapore. The inventory covered Scopes 1, 2, and 3 and totaled 1,854.4 metric tons CO<sub>2</sub>e. Purchased goods and services accounted for 60.1% of total emissions, followed by purchased electricity at 28.2%. The increase in "purchased goods and services" is attributable to the growing usage of cloud data centers. Appier's current focus for GHG reduction is Scope 2 emissions.

Appier's GHG Emissions Inventory <sup>*1*2</sup>				
FY2023			FY2024	
Emission Source	(t-CO <sub>2</sub> )	Percentage of Total Emissions	(t-CO <sub>2</sub> )	Percentage of Total Emissions
Total Scope 1 Emissions	217.4	13.5%	217.4	11.7%
Refrigerant Equipment	217.4	-	217.4	-
Total Scope 2 Emissions	530.4	32.9%	522.3	28.2%
Procured Electricity	530.4	-	522.3	-
Total Scope 3 Emissions	864.2	53.6%	1,114.7	60.1%
Purchased Goods and Services <sup>*3</sup>	864.0	-	1,114.4 <sup>*4</sup>	-
Water Consumption	0.3	-	0.3	-
Total Emissions	1,611.9	100%	1,854.4	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 FY24 Annual Securities Report (1,108.0 t-CO<sub>2</sub>) were based on actual data from January to November, with December figures estimated. These figures have since been updated with 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.