

# ACER INCORPORATED CONFLICT MINERALS REPORT

#### **Introduction**

Acer has developed this Conflict Minerals Report (CMR), covering the period from January 1 to December 31 of 2013, for the purpose of describing our due diligence efforts on the source and chain of custody of the gold, columbite-tantalite (coltan), cassiterite, wolframite, tantalum, tin, and tungsten (collectively referred to as "3TG") contained in our products that we have reason to believe may have originated from the Democratic Republic of the Congo ("DRC") or an adjoining country (collectively defined as the "Covered Countries") and may not have come from recycled or scrap sources.

Established in 1976, Acer is a hardware + software + services company dedicated to the research, design, marketing, sale and support of innovative products that enhance people's lives. Acer's product offering includes PCs, displays, projectors, servers, tablets and smartphones — tools our customers need to explore beyond limits and experience more. Acer employs 7,400 people and ranks No. 4 for total PCs globally (IDC 2013). Revenues for 2013 reached US\$12.02 billion. Please visit <a href="https://www.acer.com">www.acer.com</a> for more information

#### Reasonable Country of Origin Inquiry (RCOI)

Acer conducted a reasonable country of origin inquiry (RCOI) that employed a combination of measures to determine whether the necessary 3TG in Acer's products originated from the Covered Countries. As a member of the Conflict-Free Sourcing Initiative (CFSI), Acer's primary means of determining country of origin of necessary 3TG was by conducting a supply-chain survey with direct suppliers using the CFSI Conflict Minerals Reporting Template (CMRT). The smelters or refiners (SORs) that were identified as part of this supply chain survey were compared to the list of known SORs that is maintained by the CFSI and those that have had their mines of origin verified by the Conflict-Free Smelter program (CFSP).

Due to the results of its RCOI, Acer has reason to believe that its necessary 3TG may have originated in the Democratic Republic of the Congo or an adjoining country and has reason to believe that they may not be from recycled or scrap sources. Consequently, Acer has exercised due diligence on the source and chain of custody of its necessary 3TG that conforms to a nationally or internationally recognized due diligence framework, and describes those activities in this CMR.

#### **Design of Acer's Due Diligence Measures**

Acer developed and implemented a due diligence program to help protect human rights and to avoid contributing to conflict as a result of its sourcing decisions. Acer designed its due diligence measures to be in conformance with the internationally recognized due diligence framework in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance") and related Supplements for each of the minerals as they relate to downstream companies in the supply chain.

As a brand company, Acer's supply chain has multiple tiers between the company and the mines. Acer does not purchase raw ore or unrefined 3TG, and does not purchase materials in the DRC or an adjoining country. The origin of 3TG cannot be determined with any certainty once the raw ores are smelted, refined and converted to ingots, bullion or other conflict mineral containing derivatives. The SORs are consolidating points for raw ore and are in the best position in the total supply chain to know the origin of the ores. Our supplier engagement includes the suppliers with which Acer has a direct relationship and has influence over purchasing decisions. These suppliers are considered first tier and we rely on them to help us identify and assess the risk in the supply chain and provide information on the SORs that supply the 3TG contained in our products.

Acer's due diligence includes the following elements of the 5-Step OECD Framework:

- 1. Establish strong company management systems;
- 2. Identify and assess risks in the supply chain;
- 3. Design and implement a strategy to respond to identified risks;
- 4. Carry out independent third-party audit of smelter/refiner's due diligence practices, and;
- 5. Report annually on supply chain due diligence.

### <u>Description of Due Diligence Measures Performed</u>

During the reporting period, Acer performed the following due diligence measures:

- Assembled an internal team to manage all aspects of Acer's conflict minerals due diligence program;
- Developed a conflict minerals policy, available on Acer's sustainability website that sets the stage for how Acer addresses 3TG in its supply chain;
- Developed an internal procedure that identifies the responsible staff, organizational structure, training methods, communication channels, and escalation procedures as well as describes the tools and processes necessary to implement those tools;

- Enabled any interested party (e.g. affected person or whistleblower) to raise concerns regarding the extraction and supply of minerals in Acer's supply chain via <a href="mailto:cr@acer.com">cr@acer.com</a>;
- Provided training on its conflict minerals policy and procedure to 100% of the internal personnel with responsibility over conflict minerals program activities as well as 100% of the 1<sup>st</sup> tier suppliers over which Acer has direct influence;
- Established the requirement with its direct suppliers to provide information on their supply chains using the CMRT and received 100% direct supplier response rate to Acer's second supplier CMRT survey (Acer's first CMRT survey was conducted at the end of 2011);
- Consolidated the supplier survey responses and compared the results with the CFSI known SOR lists and the CFSP to verify true SORs, mines of origin, and to determine the conflict-free status when available;
- Provided supplier feedback to improve the response rate as well as improve the accuracy
  of the smelter identification information;
- Published the list of known smelters that have been identified in Acer's supply chain as a result of its due diligence measures;
- Supported the CFSI by conducting research on alleged SORs, contacting them via telephone and/or email to verify them as true SORs, identifying SOR alias names and relating them to alleged or true SORs, contacting alleged SORs via telephone, email or conduct onsite visits to encourage them to cooperate with the CFSI and participate in the CFSP, and assisting SORs with initiating participation in the CFSP;
- Attended the ICGLR-OECD-UN Joint Forum on Responsible Mineral Supply Chains to learn and share experiences with regards to implementing the OECD Guidance and learning more about opportunities to contribute to in-region programs;
- Contributed funding to the Public-Private Alliance for Responsible Minerals Trade (PPA), an organization whose goal is to award funding for in-region programs that seek to spur economic development and develop minerals tracing systems; and
- Reported on Acer's supply chain due diligence via this CMR.

#### <u>Products</u>

Acer designs environmentally friendly products and, with its vendors, has established a green supply chain. The brand's PC-centric product offering includes notebook and desktop PCs, servers and storage, LCD monitors, projectors, and smartphones and tablets.

#### **Product Determination**

As a result of its due diligence measures, Acer was able to identify 181 unique SORs in its supply chain that it has reason to believe are legitimate SORs. Acer based this decision off of the information received through the consolidation of its supplier survey responses and industry information made available to it through its CFSI membership and working group participation. Of those identified, 68 have been either directly validated by the CFSP or have been validated by a similar validation program (e.g., the London Bullion Market Association's *Responsible Gold Programme* or the Responsible Jewelry Council's *Chain-of-Custody Certification Program*).

Acer included the following appendices to this CMR that provide additional details on the direct suppliers and SORs in Acer's supply chain:

- Appendix A Supply Chain Indicators additional metrics Acer has identified to track progress within its supply chain.
- Appendix B Smelter/Refiner List Acer developed a list of the SORs that were confirmed, to be part of Acer's supply chain during the 2013 reporting period, including their location and status.
- Appendix C Countries of Origin Acer developed a list of the known countries of origin for those SORs whose 3TG sourcing origins have been validated by the CFSP.

#### Risk Mitigation and Future Due Diligence Measures

Acer will continue to take steps during the next reporting period to improve the due diligence conducted and further mitigate the risk in its supply chain, including:

- Continue working with suppliers to increase the accuracy of SOR identification and drive them to source from SORs with a conflict-free status;
- Continue to identify and engage true SORs to encourage them to participate in the CFSP, with the goal of obtaining a "conflict- free" status; and
- Develop a supplier audit to evaluate conflict minerals policies and practices within the supply chain downstream from the SORs.

# **Appendix A – Supply Chain Indicators**

Indicator	Result
Number of supplier audits conducted	65
Number of suppliers in compliance with the Acer's policy or program	60
Percentage of suppliers that have adopted a conflict minerals policy	<ol> <li>94% suppliers have a policy in place that includes DRC conflict-free sourcing</li> <li>83% suppliers have a policy publicly available on their websites.</li> </ol>
Percentage of validated smelters in the supply chain that are not sourcing from the covered countries	49%
Percentage of validated smelters in the supply chain that are sourcing from the covered countries	13%

## Appendix B - Smelter/Refiner List

As part of Acer's conflict minerals due diligence efforts, we have published a list of the tantalum, tin, tungsten and gold smelters/refiners that have been confirmed to be present in our supply chain. On an annual basis, this list will be updated with the latest status. For the most current information on each smelter/refiner, please visit the Conflict-Free Sourcing Initiative website at <a href="https://www.conflictfreesourcinginitiative.org">www.conflictfreesourcinginitiative.org</a>.

Metal	Smelter Name	Country
Gold	Aida Chemical Industries Co. Ltd.	JAPAN
Gold	Allgemeine Gold- und Silberscheideanstalt A.G.	GERMANY
Gold	Almalyk Mining and Metallurgical Complex (AMMC)	UZBEKISTAN
Gold	AngloGold Ashanti Mineração Ltda	BRAZIL
Gold	Argor-Heraeus SA	SWITZERLAND
Gold	Asahi Pretec Corporation	JAPAN
Gold	Asaka Riken Co Ltd	JAPAN
Gold	Atasay Kuyumculuk Sanayi Ve Ticaret A.S.	TURKEY
Gold	Aurubis AG	GERMANY
Gold	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)	PHILIPPINES
Gold	Boliden AB	SWEDEN
Gold	Caridad	MEXICO
Gold	Cendres & Métaux SA	SWITZERLAND
Gold	Chimet SpA	ITALY
Gold	Chugai Mining	JAPAN
Gold	Daejin Indus Co. Ltd	KOREA, REPUBLIC OF
Gold	Do Sung Corporation	KOREA, REPUBLIC OF
Gold	Dowa	JAPAN
Gold	FSE Novosibirsk Refinery	RUSSIAN FEDERATION
Gold	Heimerle + Meule GmbH	GERMANY
Gold	Heraeus Ltd Hong Kong	HONG KONG
Gold	Heraeus Precious Metals GmbH & Co. KG	GERMANY
Gold	Hwasung CJ Co. Ltd	KOREA, REPUBLIC OF
Gold	Inner Mongolia Qiankun Gold and Silver Refinery Share Company Limited	CHINA
Gold	Ishifuku Metal Industry Co., Ltd.	JAPAN
Gold	Istanbul Gold Refinery	TURKEY
Gold	Japan Mint	JAPAN
Gold	Jiangxi Copper Company Limited	CHINA
Gold	Johnson Matthey Inc	UNITED STATES
Gold	Johnson Matthey Limited	CANADA
Gold	JSC Ekaterinburg Non-Ferrous Metal Processing Plant	RUSSIAN FEDERATION
Gold	JSC Uralectromed	RUSSIAN FEDERATION
Gold	JX Nippon Mining & Metals Co., Ltd	JAPAN

Metal	Smelter Name	Country
Gold	Kazzinc Ltd	KAZAKHSTAN
Gold	Kojima Chemicals Co. Ltd	JAPAN
Gold	Korea Metal Co. Ltd	KOREA, REPUBLIC OF
Gold	Kyrgyzaltyn JSC	KYRGYZSTAN
Gold	L' azurde Company For Jewelry	SAUDI ARABIA
Gold	LS-Nikko Copper Inc	KOREA, REPUBLIC OF
Gold	Materion	UNITED STATES
Gold	Matsuda Sangyo Co. Ltd	JAPAN
Gold	Metalor Technologies (Hong Kong) Ltd	HONG KONG
Gold	Metalor Technologies SA	SWITZERLAND
Gold	Metalor USA Refining Corporation	UNITED STATES
Gold	Met-Mex Peñoles, S.A.	MEXICO
Gold	Mitsubishi Materials Corporation	JAPAN
Gold	Mitsui Mining and Smelting Co., Ltd.	JAPAN
Gold	Moscow Special Alloys Processing Plant	RUSSIAN FEDERATION
Gold	Nadir Metal Rafineri San. Ve Tic. A.Ş.	TURKEY
Gold	Navoi Mining and Metallurgical Combinat	UZBEKISTAN
Gold	Nihon Material Co. LTD	JAPAN
Gold	Ohio Precious Metals LLC.	UNITED STATES
Cold	OJSC "The Gulidov Krasnoyarsk Non-Ferrous Metals Plant" (OJSC	DUCCIAN EEDEDATION
Gold	Krastvetmet)	RUSSIAN FEDERATION
Gold	OJSC Kolyma Refinery	RUSSIAN FEDERATION
Gold	PAMP SA	SWITZERLAND
Gold	Prioksky Plant of Non-Ferrous Metals	RUSSIAN FEDERATION
Gold	PT Aneka Tambang (Persero) Tbk	INDONESIA
Gold	PX Précinox SA	SWITZERLAND
Gold	Rand Refinery (Pty) Ltd	SOUTH AFRICA
Gold	Royal Canadian Mint	CANADA
Gold	Sabin Metal Corp.	UNITED STATES
Gold	SAMWON METALS Corp.	KOREA, REPUBLIC OF
Gold	Schone Edelmetaal	NETHERLANDS
Gold	SEMPSA Joyeria Plateria SA	SPAIN
Gold	Shandong Zhaojin Gold & Silver Refinery Co. Ltd	CHINA
Gold	SOE Shyolkovsky Factory of Secondary Precious Metals	RUSSIAN FEDERATION
Gold	Solar Applied Materials Technology Corp.	TAIWAN
Gold	Sumitomo Metal Mining Co. Ltd.	JAPAN
Gold	Tanaka Kikinzoku Kogyo K.K.	JAPAN
Gold	The Great Wall Gold and Silver Refinery of China	CHINA
Gold	The Refinery of Shandong Gold Mining Co. Ltd	CHINA

Metal	Smelter Name	Country
Gold	Tokuriki Honten Co. Ltd	JAPAN
Gold	Torecom	KOREA, REPUBLIC OF
Gold	Umicore Brasil Ltda	BRAZIL
Gold	Umicore SA Business Unit Precious Metals Refining	BELGIUM
Gold	United Precious Metal Refining, Inc.	UNITED STATES
Gold	Valcambi SA	SWITZERLAND
Gold	Western Australian Mint trading as The Perth Mint	AUSTRALIA
Gold	Xstrata Canada Corporation	CANADA
Gold	Yokohama Metal Co Ltd	JAPAN
Gold	Zhongyuan Gold Smelter of Zhongjin Gold Corporation	CHINA
Gold	Zijin Mining Group Co. Ltd	CHINA
Tantalum	Conghua Tantalum and Niobium Smeltry	CHINA
Tantalum	Duoluoshan	CHINA
Tantalum	Exotech Inc.	UNITED STATES
Tantalum	F&X	CHINA
Tantalum	Gannon & Scott	UNITED STATES
Tantalum	Global Advanced Metals	UNITED STATES
Tantalum	H.C. Starck GmbH	GERMANY
Tantalum	Hi-Temp	UNITED STATES
Tantalum	JiuJiang JinXin Nonferrous Metals Co. Ltd.	CHINA
Tantalum	JiuJiang Tambre Co. Ltd.	CHINA
Tantalum	Kemet Blue Powder	UNITED STATES
Tantalum	Mitsui Mining & Smelting	JAPAN
Tantalum	Ningxia Orient Tantalum Industry Co., Ltd.	CHINA
Tantalum	Plansee	AUSTRIA
Tantalum	RFH	CHINA
Tantalum	Solikamsk Metal Works	RUSSIAN FEDERATION
Tantalum	Taki Chemicals	JAPAN
Tantalum	Tantalite Resources	SOUTH AFRICA
Tantalum	Telex	UNITED STATES
Tantalum	Ulba	KAZAKHSTAN
Tantalum	Zhuzhou Cement Carbide	CHINA
Tin	CNMC (Guangxi) PGMA Co. Ltd.	CHINA
Tin	Cookson	UNITED STATES
Tin	Cooper Santa	BRAZIL
Tin	CV Duta Putra Bangka	INDONESIA
Tin	CV JusTindo	INDONESIA
Tin	CV Makmur Jaya	INDONESIA
Tin	CV Nurjanah	INDONESIA

Metal	Smelter Name	Country
Tin	CV Prima Timah Utama	INDONESIA
Tin	CV Serumpun Sebalai	INDONESIA
Tin	CV United Smelting	INDONESIA
Tin	EM Vinto	BOLIVIA
Tin	Fenix Metals	POLAND
Tin	Geiju Non-Ferrous Metal Processing Co. Ltd.	CHINA
Tin	Gejiu Zi-Li	CHINA
Tin	Huichang Jinshunda Tin Co. Ltd	CHINA
Tin	Jiangxi Nanshan	CHINA
Tin	Kai Unita Trade Limited Liability Company	CHINA
Tin	Linwu Xianggui Smelter Co	CHINA
Tin	Liuzhou China Tin	CHINA
Tin	Malaysia Smelting Corporation (MSC)	MALAYSIA
Tin	Metallo Chimique	BELGIUM
Tin	Mineração Taboca S.A.	BRAZIL
Tin	Minmetals Ganzhou Tin Co. Ltd.	CHINA
Tin	Minsur	PERU
Tin	Mitsubishi Materials Corporation	JAPAN
Tin	Novosibirsk Integrated Tin Works	RUSSIAN FEDERATION
Tin	OMSA	BOLIVIA
Tin	PT Alam Lestari Kencana	INDONESIA
Tin	PT Artha Cipta Langgeng	INDONESIA
Tin	PT Babel Inti Perkasa	INDONESIA
Tin	PT Babel Surya Alam Lestari	INDONESIA
Tin	PT Bangka Kudai Tin	INDONESIA
Tin	PT Bangka Putra Karya	INDONESIA
Tin	PT Bangka Timah Utama Sejahtera	INDONESIA
Tin	PT Bangka Tin Industry	INDONESIA
Tin	PT Belitung Industri Sejahtera	INDONESIA
Tin	PT BilliTin Makmur Lestari	INDONESIA
Tin	PT Bukit Timah	INDONESIA
Tin	PT DS Jaya Abadi	INDONESIA
Tin	PT Eunindo Usaha Mandiri	INDONESIA
Tin	PT Fang Di MulTindo	INDONESIA
Tin	PT HP Metals Indonesia	INDONESIA
Tin	PT Mitra Stania Prima	INDONESIA
Tin	PT Refined Banka Tin	INDONESIA
Tin	PT Sariwiguna Binasentosa	INDONESIA
Tin	PT Stanindo Inti Perkasa	INDONESIA

Metal	Smelter Name	Country
Tin	PT Sumber Jaya Indah	INDONESIA
Tin	PT Tambang Timah	INDONESIA
Tin	PT Timah	INDONESIA
Tin	PT Timah Nusantara	INDONESIA
Tin	PT Tinindo Inter Nusa	INDONESIA
Tin	PT Yinchendo Mining Industry	INDONESIA
Tin	TinRui Da Hung	Taiwan
Tin	Thaisarco	THAILAND
Tin	White Solder Metalurgia	BRAZIL
Tin	Yunnan Chengfeng	CHINA
Tin	Yunnan Tin Company Limited	CHINA
Tungsten	A.L.M.T. Corp.	JAPAN
Tungsten	ATI Tungsten Materials	UNITED STATES
Tungsten	Chaozhou Xianglu Tungsten Industry Co Ltd	CHINA
Tungsten	China Minmetals Nonferrous Metals Co Ltd	CHINA
Tungsten	Chongyi Zhangyuan Tungsten Co Ltd	CHINA
Tungsten	Dayu Weiliang Tungsten Co., Ltd.	CHINA
Tungsten	Fujian Jinxin Tungsten Co., Ltd.	CHINA
Tungsten	Ganzhou Grand Sea W & Mo Group Co Ltd	CHINA
Tungsten	Global Tungsten & Powders Corp	UNITED STATES
Tungsten	HC Starck GmbH	GERMANY
Tungsten	Hunan Chenzhou Mining Group Co	CHINA
Tungsten	Hunan Chun-Chang Nonferrous Smelting & Concentrating Co., Ltd.	CHINA
Tungsten	Japan New Metals Co Ltd	JAPAN
Tungsten	Jiangxi Rare Earth & Rare Metals Tungsten Group Corp	CHINA
Tungsten	Jiangxi Tungsten Industry Group Co Ltd	CHINA
Tungsten	Kennametal Inc.	UNITED STATES
Tungsten	Tejing (Vietnam) Tungsten Co Ltd	VIETNAM
Tungsten	Wolfram Bergbau und Hütten AG	AUSTRIA
Tungsten	Wolfram Company CJSC	RUSSIAN FEDERATION
Tungsten	Xiamen Tungsten Co Ltd	CHINA
Tungsten	Zhuzhou Cemented Carbide Group Co Ltd	CHINA

# Appendix C – Countries of Origin

Angola	Lao People's Democratic Republic
Argentina	Luxembourg
Australia	Madagascar
Austria	Malaysia
Belgium	Mongolia
Bolivia	Mozambique
Brazil	Myanmar
Burundi	Netherlands
Central African Republic	Nigeria
Chile	Peru
China	Portugal
Colombia	Republic of Congo
Côte D'Ivoire	Republic of Korea
Czech Republic	Russian Federation
Democratic Republic of the Congo	Rwanda
Djibouti	Sierra Leone
Egypt	Singapore
Estonia	South Africa
Ethiopia	South Sudan
France	Suriname
Germany	Switzerland
Guyana	Tanzania
India	Thailand
Indonesia	Uganda
Ireland	United Kingdom
Israel	United States
Japan	Zambia
	Zimbabwe