



All for One



for All
Acer Corporate Responsibility
Report 2008

About this Report

This is Acer's first Corporate Responsibility Report, serving as a presentation of our perspectives, initiatives taken, performances and future action mandates concerning corporate responsibility and key sustainability issues. The scope of this Report encompasses subsidiaries of Acer Group, but not including equity investments, as some of the performance data are not fully disclosed. The content contained in this Report mainly covers company information from 1 January 2007 to 31 December 2008. This Report follows the framework of the Global Report Initiative's G3 Guidelines.

For financial and further information, please refer to our website, www.acer-group.com

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A Word from the Chairman



“ Despite the changing times and circumstances, we continue to proactively fulfill socially responsible practices, aiming for steady economic growth, environmental protection and social betterment in a robust corporate context of consistent earnings and sustained growth. This is how we define Sustainable Acer. ”

Since the second half of 2008, the world has been swept by global economic woes. This gloomy economic outlook, however, has forced companies to re-examine their Corporate Social Responsibilities (CSR), while green and sustainable industries have been tapped as a way of stimulating economic growth in the future. In the midst of these positive changes, Acer is more firmly committed than ever to continuing and broadening its Corporate Responsibility (CR) policies and operations. We believe that CSR is an essential component for those companies in Taiwan's information and communication technology sector hoping to become first-rate suppliers or achieve a larger market share worldwide.

In the drive for continued growth and profits in this ever-changing world, Acer strives to implement socially responsible practices within the economy, environment, and society. Because of these efforts we are blessed with the fruits of stable economic growth, a protected environment and social advancement; this is how we define Sustainable Acer.

As one of the top three PC brands, we at Acer always strive to make the company an instrumental contributor to the world's sustainable development. We understand the influence of brand positioning on suppliers; and in light of Acer's business integrity philosophy, we encourage suppliers to join the cause in virtue of "engagement". In the annual supplier's conference, we highlight pertinent demands to motivate suppliers in taking up challenges involved in sustainable development. In 2008, we underscored five major themes: "energy and climate change", "green product", "recycling", "supply chain management" and "information disclosure and communication" as an initiative extension of Acer's inaugural year of sustainable development in 2006.

At the end of 2008, we hosted our first international stakeholder meeting as well as a CSR Forum in Taiwan. We believe that the viewpoints from our stakeholders can help us better focus on the vitally important issues to practically and effectively carry out CSR in the marketplace. Acer is committed to holding the CSR Forum in the years to come, thus giving us more opportunities to learn from our domestic

and foreign stakeholders as well as to demonstrate our efforts. The forum—its scope and organization—will be revised annually in order to keep it pertinent and focused on pragmatic, present day issues. We also pursue engagement with local NGO's in hopes of conducting opinion exchanges and discussions over improvement practices in order to reach Acer's goal of sustainable development. We believe that all the above steps can help make us a better company, as well as raise the sustainable competitiveness of Taiwan's ICT industry as a whole.

J.T. Wang

Acer Group CEO and Acer Inc. Chairman

A Word from the CEO



“ As we launch—one by one—our CSR initiatives at home and around the world, we are committed to inspecting all of our actions, thus ensuring that our actions of today will lead to clearer goals of tomorrow. ”

As Acer Inc.'s CEO and Chief Sustainability Officer, I have been a part of leading Acer amidst the dual challenges of a global economic recession and the drive towards sustainable development. As we celebrate a new era of across-the-board implementation and internalization of CSR, I am keenly aware of how much more work needs to be done in this direction.

Facing the challenges of this new era, our focus has turned to

1. the establishment and implementation of sustainable and CSR mechanisms;
2. the creation of task forces to handle oversight and planning;
3. the initiation of engagement among stakeholders; and
4. the creation of free-flowing, effective internal and external communication channels.

We are also committed to implanting a format of regularly reporting CSR-relevant information on our websites. Meanwhile, CSR has been included in the agenda in high-level meetings with suppliers and business allies.

In response to energy conservation and climate change, Acer, in accord with its Spring 2008 integrated strategies, is actively working towards becoming a climate-friendly business, with focus on four areas: GHG emissions inventory, reducing carbon emissions, increasing energy-saving efficiency, and implementation of low-carbon business models. In fact, in our first year of participation in the Carbon Disclosure Project's Supply Chain Leadership Collaboration (CDP SCLC), Acer succeeded in gathering more suppliers to agree to the proposed carbon disclosure model than any other international brand. As for our own greenhouse gas emissions, we are gradually extending regulation and monitoring to include commuting behaviors of our own employees; the next step is to improve the thoroughness of data quality and inquiry procedures, as well as putting our product's inventory distribution through a thorough check.

To help start saving energy and reducing carbon emissions, we are carrying out a number of pilot programs, including making our office operations in Japan carbon neutral, combining “forestation to reduce carbon emissions” plan with product marketing in New Zealand and Australia, and improving the energy efficiency of our offices in Taiwan.

The social side of Acer's integrated CSR strategy includes active participation in the Electronic Industry Citizenship

Coalition (EICC); implementation of EICC's Corporate Code of Conduct; supply chain management and auditing; and engagement with stakeholders. Through our efforts in these four areas, we are working to create workplace fairness and the protection of human rights. At the end of 2008, we officially launched a mechanism to engage our CSR international stakeholders, in hopes of better understanding their viewpoints, thus helping Acer and its suppliers to set a more pragmatic and effective plan for future action. We believe that any lessons learned through these initiatives should be shared with Taiwan's IT industry which can, in turn, positively benefit the efforts of IT industry worldwide towards sustainable development.

An important part of CSR is giving back to the community. At Acer, we encourage our employees around the world to participate in volunteering for community services. Helping the disadvantaged, bridging the digital divide, participating in ecological conservation and community building, and the investments on the part of Acer Group and Foundation are just some of the ways that Acer and Acer volunteers are helping around the world.

To become an eco-friendly enterprise, Acer is committed to researching “green” designs—studying how to better save energy and resources, and refining supply chain management and environmental information communication. Whereas, areas such chemical substance management, easy disassembly and recycling, and the development of certified environmental products are the main thrust behind our move towards making our products more “green.” We also have joined the Climate Savers Computing Initiative (CSCI) to strengthen research and development on energy-saving products.

Acer's CSR integrated strategy does not forget the importance of recycling. To this end, we are gradually fulfilling extended producer responsibility, going through an analysis of the recycling market, supporting voluntary recycling efforts, holding education and training courses, and implementing audits to ascertain recycling effectiveness. In India, for example, in 2009 we started a voluntary recycling system; the results and lessons learned there will provide us with a good foundation for building similar projects worldwide.

As for non-financial performance reporting, Acer is working towards following Global Reporting Initiative's G3 guidelines, concerning the reporting of economic, environmental and

social surplus information. Now, Acer submitted its first Corporate Responsibility Report, an important milestone in Acer's practice of CSR over the years.

As we launch—one by one—our CSR initiatives at home and around the world, we are committed to inspecting all of our actions, thus ensuring that our actions of today will lead to clearer goals of tomorrow.

Gianfranco Lanci

Acer Inc. CEO & Corp. President

About Acer



**Empowering People
Empowering Technology**

History and Development

Acer's predecessor, Multitech International, was founded in Taiwan in 1976. From our humble beginnings as a computer manufacturer, we have slowly evolved into an integrated information sales brand company. With the successful acquisition of Gateway, Packard Bell and E-Ten from 2007 to 2008, we've furthered positioned ourselves as worldwide players in the global electronics industry.

According to figures released by leading market analyst firm Gartner, in 2008 Acer became the world's third largest PC brand, as well as the world's second-largest laptop maker. Presently Acer has an 11.1% PC market share, with a YoY growth rate of 24%—more than twice the average global growth rate. From 2007 to 2008, Acer's growth in the laptop market reached 38.8%, with a 17.7% global market share.

Looking to the future, with the goal of fulfilling the needs of consumers, we will continue to work through our new business model and cooperate closely with first-class supply chain partners and vendors to create a win-win situation for both Acer and consumers.

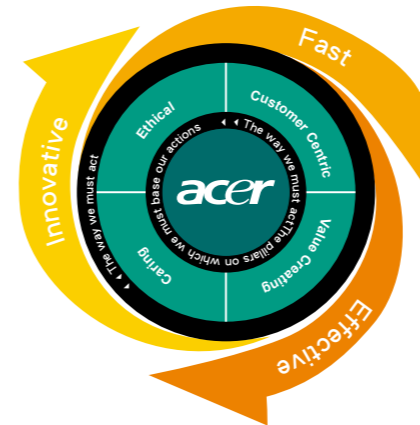
Product and Market Distribution

We focus on brand management of IT products; our business scope includes desktop and notebook computers, servers, handheld devices, digital home electronics (LCD TV's, projectors, etc.), product development and design, as well as marketing and services. Looking towards the future, we are focusing on providing our customers with low cost, high performance, as well as reliable and simple-to-use products.



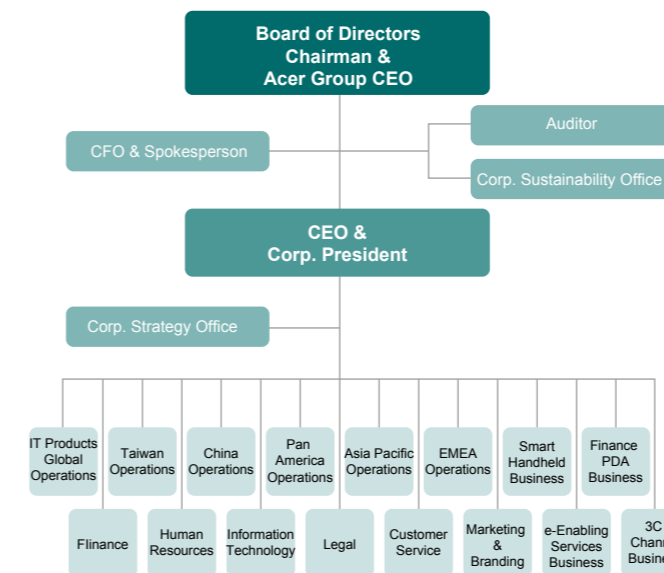
Our Core Values

Creating a corporate value system has been an important step to becoming a successful global brand. Seven core values make up Acer's value system; these values are followed by managers and employees alike and have been instrumental in helping Acer capture long and short-term business niches. The way we must act should be: innovative, fast and effective. The pillars on which we must base our actions include: value-creation, customer thinking, ethics and caring.



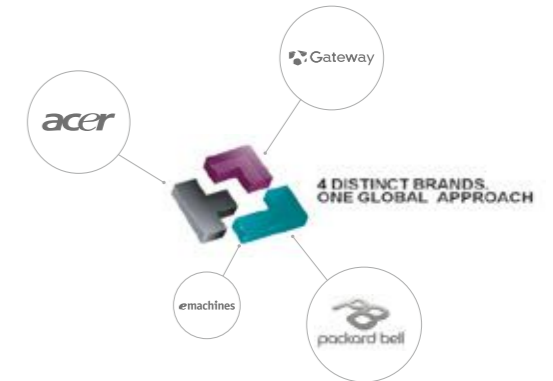
As of December 2008, there were more than 6000 Acer employees worldwide. Although Acer is a small company in terms of employee size, our various worldwide departments and organization work together to create a synergistic effect. Our global operations extend over five continents, with business hubs covering more than fifty countries.

▲ Acer's Organizational Chart



Brand Positioning and Market Recognition

In 2007 to 2008, we successfully acquired Packard Bell, Gateway and E-Ten Information Systems, bringing Acer firmly into an era of multi-branding. To meet new challenges of this era, even more accurate brand positioning and business models will be needed to meet the diverse needs of our customers.



In 2007 and 2008, Acer products not only captured an ever larger percentage of market share, but continued to be recognized worldwide for their quality and reliability. Awards received include Japan's Good Design, Germany's Red Dot, and the Best Choice of Computex Taipei awards for design innovation. Reader's Digest, as well, for ten years running has listed Acer as Asia's most trusted computer brand. Today, through hard work and attention to detail, Acer has become an industry leader and a globally recognized brand name; building on this foundation, we are moving towards becoming a leader of tomorrow in the field of corporate social responsibility.

▲ Honorable Awards and Recognitions



Acer Corporate Responsibility Approach



Accomplishment Highlights in 2007-2008

- CSR Executive Committee and Corporate Sustainability Office Instituted
- Membership on EICC, CDP SCLC and CSCI
- Holding CSR Forum and Communication with Stakeholder

The information and technology boom, globalization, and market demands of the late 20th century have created many multinational IT brands much like Acer. Meanwhile, our society and ecosystems face unprecedented challenges. Acer recognizes that sustainable social and natural environment is the prerequisite for a sustainable enterprise and we intend to assume our corporate social responsibility, act upon our core values, and foster a solid corporate culture to readily deliver sustainable values to our stakeholders.

Definition and Vision

Sustainable Acer: Our Definition

We hope to actively meet our corporate social responsibility (CSR) within the context of stable profit and sustainable growth. Above all, we are dedicated to seeing the world grow as a whole by pursuing global economic growth, environmental protection, and social progress.

Corporate Governance and CR Governance

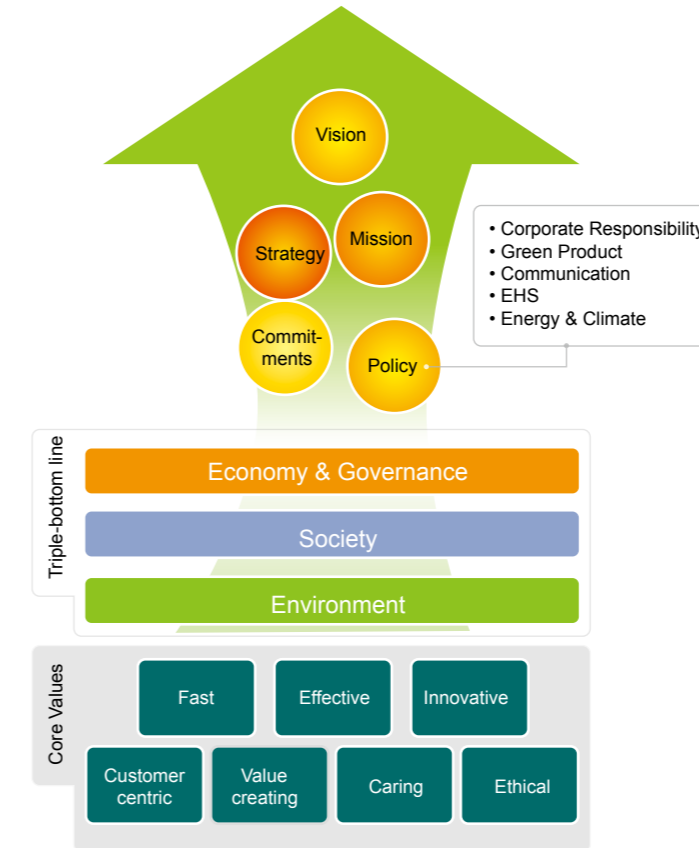
Sound corporate governance is built on information transparency and clear divisions of labors and duties. Acer holds true to our philosophy of honesty, integrity and transparency; we fully disclose and publish our enterprise governance framework and operations in annual reports and on our website. Channels of communication for company stakeholders—shareholders, upstream, and downstream partners—are also in place to facilitate dialogue.

Acer takes financial transparency seriously. We have unified accounting standards for our locations around the globe and have strict requirements for supply chain transparency. Through such practices, we've established a culture of mutual trust with our suppliers, effectively enhancing our technical capability and strengthening our overall competitiveness.

At Acer, business ethics has long been one of its core corporate values. We believe that sound corporate governance lays the groundwork for realizing corporate social responsibility. CSR is no longer just a charitable act, but has become a part of regular business operations, and may even be the key to sustained growth.

Mencius, an ancient Chinese philosopher, once said: "Virtue alone is not sufficient for governance; laws alone are not enough to sustain society"; this is particularly true when enterprises implement CSR. That is why in spring 2008, Acer set up various CSR divisions to function at different levels, including a CSR Executive Committee in the Board of Directors, a Corporate Sustainability Officer, a Corporate Sustainability Office (CSO), CSR issues Working Groups, and CSR Committees at Regional Headquarters—all with goal of zeroing in on the shaping and management of CSR issues. We look forward to using a more systematically structured governance to quickly respond to major issues in this ever-changing world. With these new core values at heart, we will be able to take concrete actions to fulfill our CSR commitments.

Sustainable Acer



Sustainable Acer: Our Vision

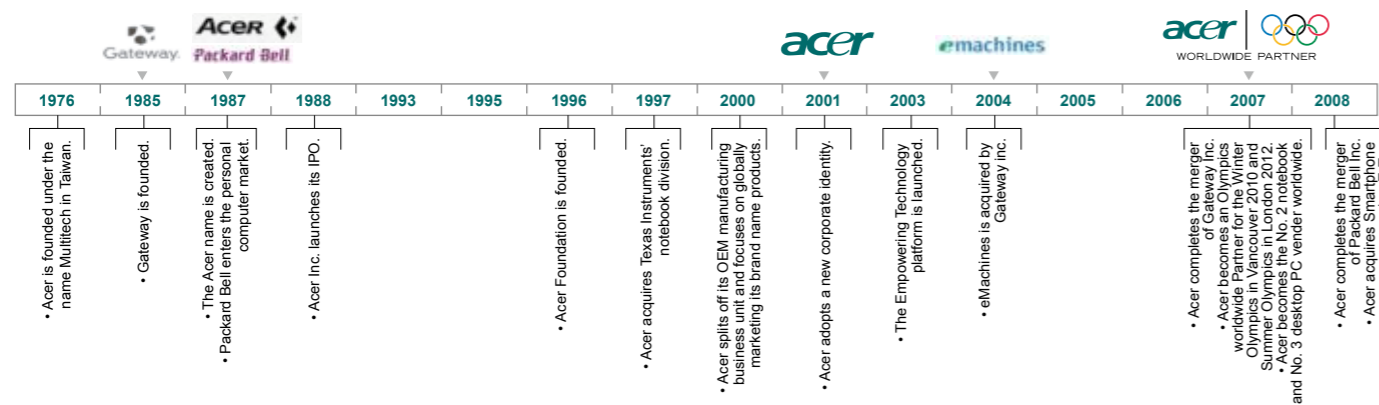
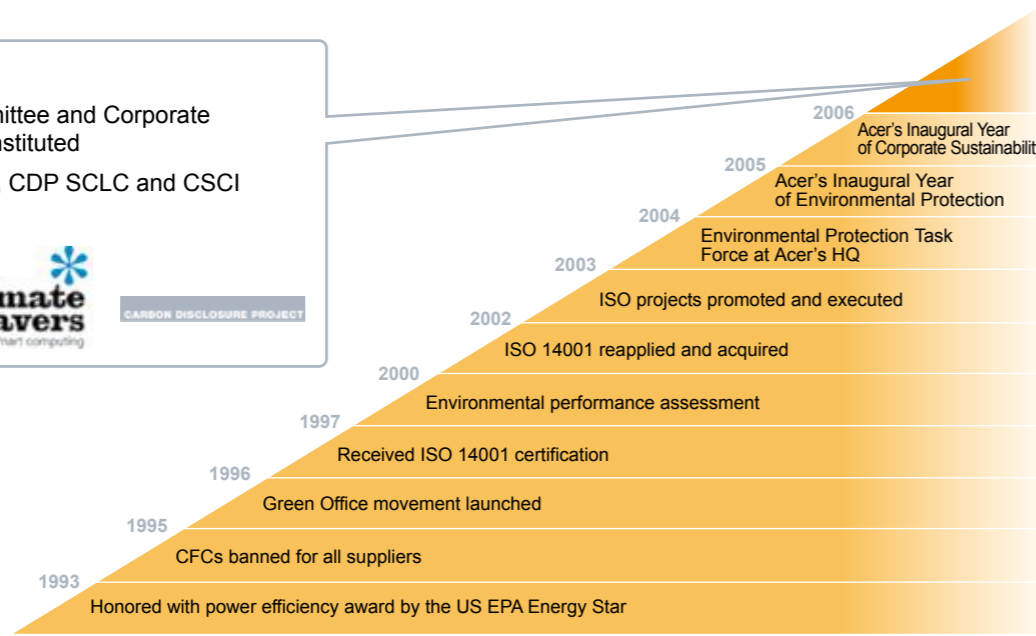
The vision of a sustainable Acer is achieved through taking responsibility, innovation, increasing profitability, and operating our businesses with an eye towards efficiency and sustainability. Hand in hand with our customers and business partners, Acer has become a leader in the global IT industry. We also aspire to, step by step, adopt responsible management practices to secure a sustainable future for this life-giving planet.

CR Policies and Integrated Strategies

Since our restructuring in 2000, Acer has turned its focus to IT product marketing, and in turn developed our one-of-a-kind New Channel Business Model. At present, Acer has a full grasp of branding, marketing, technology, and products, as well as a comprehensive control of our global operations and service capabilities to meet the demands of our customers. We are keen to share our profits with our partners and stay on top of the game in a very competitive market.

2008

- CSR Executive Committee and Corporate Sustainability Office Instituted
- Membership on EICC, CDP SCLC and CSCI
- Holding CSR Forum



As we expand our business horizons, Acer became all the more aware of the heavy corporate responsibility that comes with the glamour of a multinational. In addition to the pursuit of business growth, Acer endeavors to give back to the community for a robust corporate development, only through which can we achieve sustainable growth. Thus, we are committed to working with our business partners in furthering our R&D and finding a way to operate that not only meets the needs of today, but more importantly, causes no harm to future generations.

Innovation and care represent the backbone of Acer's core values. We spare no efforts in ensuring the well-being of our employees and shareholders, while also allowing our consumers to enjoy the latest technology. At the same time, we are devoting ever more energy into endeavors concerning environmental protection, safeguarding human rights, supplier management, community interaction, social welfare, and other issues. To this end, Acer designated 2005 as our inaugural year of environmental protection and 2006 as the inaugural year of sustainable development. Our ultimate goal is to move closer to becoming a sustainable company through comprehensive and meticulous planning and research.

In 2006, in view of launching an inclusive mechanism for Acer's sustainable development, we collected and analyzed challenges faced by the global electronics industry, as well as the commercial implications of these issues to our business. In 2007, we conducted a consensus-building meeting of our Board Members regarding sustainability and CSR. During the meetings, board members deliberated on the priority of CSR and looked into which angle of involvement would be most appropriate. Our Board Members and senior executives came to an understanding that a sustainable Acer should be based on the following core values:

1. Speed and efficiency
2. Co-operation and teamwork
3. Openness and communication
4. Walking the talk

To sum up, Acer's CR policy states:

1. We strive to meet the expectations of our stakeholders – a goal we endeavor after continuously. And we will persist in improving our day-to-day operations, establishing better communications with our stakeholders and gaining market recognition and support.
2. We will take a top-down approach, where our highest leadership will be in charge of promoting the CSR, as well as mapping out feasible action plans for marketing our products and services.
3. We will effectively monitor and manage the risks derived from sustainability-related issues through our regional and branch offices, thus making use of inherent opportunities.

4. We will work side by side with our suppliers to promote business ethics, minimize climate risk, and improve resource efficiency.

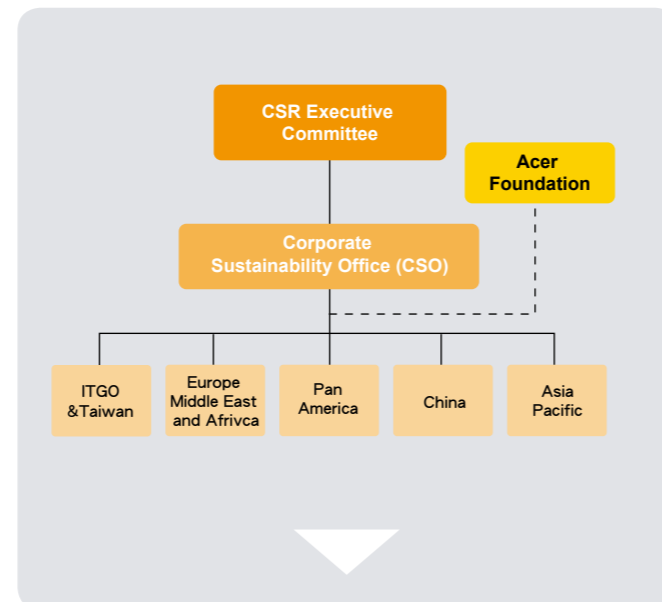
At the end of 2007, we decided to focus our short-term agenda on Energy and Climate Change, Green Products, Recycling, Supply Chain Management, and Reporting—these five areas were laid out in Acer's 2006 sustainability plan.

We are committed to: Meeting the Electronic Industry Code of Conduct (EICC CoC) to achieve global standards on human and labor rights; Achieving more constructive internal and external communications based on an open door policy for learning by sharing; Taking proactive measures on the restriction of hazardous substances in producing of green products; Taking actions in ensuring the Individual Producer Responsibility (IPR) by implementing a stepwise voluntary recycling system; Supporting global efforts to effectively reduce greenhouse gas emissions and negotiate a sound climate policy framework.

Starting 2008, we have begun to reconsider our approach on energy conservation through integrating energy and climate change strategies; we want to lead by example and have invited our suppliers to join us.

Framework

In 2008, the CSR Executive Committee and the Corporate Sustainability Office (CSO)—a unit specifically responsible for internal CSR management—were set up to carry out company-wide promotion of CSR-related operations.



CSR Executive Committee

- Planning yearly CSR strategy, approving action plans, setting goals; in charge of performance management and resource allocation.
- Committee Members include Acer's Chairman, CEO, and the highest ranking executives at regional headquarters.
- This Committee works alongside the existing Executive Committee, but its areas of governance tend towards economic, environmental and social issues.

Corporate Sustainability Office (CSO)

Corporate Sustainability Office is directly subordinate to Acer's CEO. It handles social responsibility and sustainable management issues. The current Corporate Sustainability Officer is the CEO of Acer.

Its Functions

- Submitting reports to the Executive Committee for review on a regular basis regarding the trends and impacts of CSR, execution performance, mission analysis, and strategy plans.
- Being Responsible for sustainability or CSR-related communications in and outside the company.
- Linking different working groups with the Executive Committee and regional CSR Committees.
- Assisting working groups and regional CSR Committees to draw up yearly CSR strategies and action plans to be passed by the Executive Committee.
- Implementing CSR education and training programs at headquarters around the globe.

Regional CSR Committee

- Responsible for local management of issues related to CSR and sustainability.
- The Chairperson shall be the highest ranking executive at each regional headquarters, whereas committee members will be comprised of senior managers from various departments.
- Each regional office will also have full-time CSR personnel to assist in the execution of CSO operations.

Its Functions

- Identifying regional CSR and sustainability issues to report to the CSO for risk assessment.
- Engaging in dialogues with local stakeholders to identify their concerns about CSR.
- Executing action plans approved by the CSR Executive Committee and conducting analysis on regional sustainable development for use by the CSO.
- Assisting and managing the execution of each regional working group.
- Facilitating internal and external communications on local CSR and sustainable issues.

Communication with Stakeholders

When communicating with our stakeholders, we not only step-by-step practice what we preach about CSR, we also leverage our "brand architecture". What this means is that the Acer brand functions as an exchange platform, and through which, we share reasonable profits and create sustainable growth with our suppliers, agents and partners. We adopt the same model for CSR, in which ICT industry stakeholders can exchange opinions, expectations, experiences and demands for sustainable growth using our platform. By virtue of such process, strengths of each stakeholder is consolidated, and together we build a sustainable future. This is where the spirit of "One for all and All for one" lies.

Policy

We are convinced that only by allowing open-minded internal and external communications will our stakeholders understand our commitment to CSR. In communicating with our stakeholders, we will:

1. Continue to engage in dialogues with stakeholders about Acer's CSR performance.
2. Establish communication channels to facilitate stakeholder engagements and conversations with our business partners.
3. Dedicate ourselves to openly sharing our experiences and practices.

Acer's stakeholders

Acer's stakeholders can be divided into primary and secondary stakeholders. Our primary stakeholders include employees, consumers, suppliers, investors, NGOs, government agencies, the media; while secondary stakeholders comprise trade and industrial organizations, local communities and academic institutions.



Results

The breadth of our CR policies and its influence on our stakeholders is large. At present, we're focused on implementing CSR to secure equality and human rights in the workplace, increasing environmental responsibility, enhancing dialog, engagement and partnership among our stakeholders. This agenda will be reflected in its implementation: the transformation of CSR into day-to-day operations through a top-down planning process; also, we enlist the influences exerted by the stakeholders to step-by-step promote prioritized CSR plans in Acer's worldwide operating locations. We'll also strengthen the sustainability of our horizontal collaboration through supply chain management through effective management.

After having formulated a 2008-2010 CSR action plan, on December 16 and 17, 2008, we organized our very first International Meeting for Stakeholder Communication at Taiwan's Longtan Aspire Park. High-level executives from both Acer and our suppliers were invited to speak face-to-face with Acer's international stakeholders, providing the perfect chance for us to understand their views on sustainable development and CSR issues. At the same time, an open forum gave our stakeholders the opportunity to share their opinions on where sustainable development is headed, as well as their expectations for Acer and Taiwan's ICT industry as a whole.

Recommendations by these international stakeholders can be summarized as follows:

1. Acer has to be more strategic in setting up the framework to really embed CSR from top to bottom. The implementation is important.
2. Personal involvement of the executives is needed to make sure implementation can really work its way through to the entire company and to the supply chain.
3. Encouragement to Acer for becoming a global leader and also for influencing the policies of Acer's home country (Taiwan).
4. In performance review, please consider including sustainability and CSR in the performance evaluations of managers and employees.
5. Don't go back when you commit to work on CSR.
6. Transparency is not only important for stakeholders but also for all the customers.
7. Employee engagements. Workers should be allowed to organize into associations that can represent employees' collective concerns to management.
8. Education is important from top to bottom for making sure the practice is in place.

Acer held its first CSR Forum in 2008. Many domestic and foreign suppliers were invited to report on their practice of CSR, including AU Optronics Corp. (AUO), Foxconn, Delta Electronics, and Sony Corporation.

As the 2008 CSR Forum was underway, the Taiwan Environmental Action Network (TEAN) called on environmental activists and local residents in Taiwan to stage demonstrations outside Acer's Head Office and Longtan Aspire Park.

TEAN issued a statement saying that although they were glad to see Acer's initiative in assuming CSR, they still felt that Acer needed to further examine its CSR future plans and pay more attention to the concerns of local stakeholders, especially concerning the controversies surrounding Acer's key component suppliers, which have been accused of being involved in wastewater pollution and the degradation of land and water resources in Taiwan.

In response to the demonstrations, Acer Chairman J.T. Wang openly invited the representatives of TEAN to take part in the Forum, which was originally only for high-level executives of Acer and its suppliers. TEAN representatives discussed their concerns about environmental impact caused by one of Acer's suppliers with participating company executives and stakeholders. In response to the concerns raised, at the end of the CSR Forum, Acer quickly issued relevant documents to address the issue and asked its suppliers to produce follow-up measures.

We understand the concerns and stance of local environmental protection activists concerning pollutions and environmental issues. What's invaluable about a multifaceted community is that, there is a great quantity of spontaneous watch groups and supportive voices to pool their strengths. We honor and respect the persistent endeavors of these private organizations to watch over public welfare; these organizations represent one of the driving forces in social betterment. We also deem that, a lot of environmental issues involve diverse implications on many different levels, and require long-term commitment to turn up results. We are more than willing to give to the utmost of our ability to integrate the support of related groups, the industry, the public and academic sectors to work with suppliers in pursuit of a sensible and sustainable solution.

We will continue to organize our CSR Forum and Meeting for Stakeholder Communication in order to facilitate dialogues among stakeholders as well as listen to recommendations from stakeholders in and outside of Taiwan. At the same time, we will encourage our suppliers to report on our CSR performance and future prospects.



International Stakeholders Invited to the Meeting



Supply Chain



Accomplishment Highlights in 2007-2008

- Becoming a Member of the Electronic Industry Citizenship Coalition (EICC)
- Launching the Social and Environmental Responsibility (SER) Action Plan

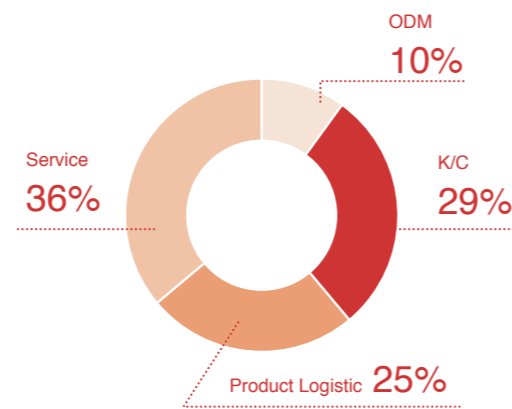
Acer, a company that champions the new channel business model as brand development focus, is forging closer relationships with suppliers. The ability of our suppliers to improve social and environmental responsibility (SER) performance is crucial in Acer's overall sustainable development. We must work closely with our suppliers to establish a sustainable supply chain, implementing human rights, health, safety, and ethics – this is the embodiment of our true fulfillment of corporate social responsibility.



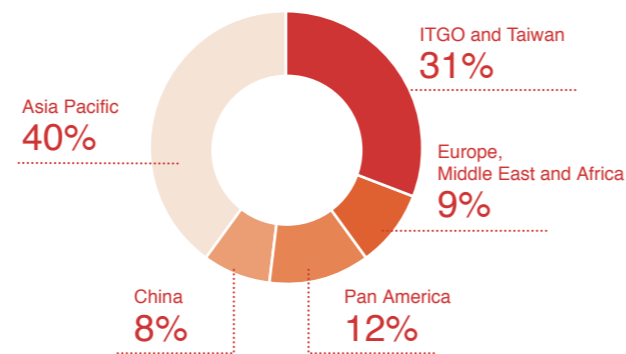
Our Suppliers

Our supply chain consists of nearly 200 factory direct suppliers and service providers, including Original Design Manufacturer (ODM), key components, logistics, and service providers. 40% of our supply chain is located in the Asia Pacific region, with service providers accounting for 36% of our total suppliers.

Business Operations of Acer's Suppliers



Geographical Distribution of Acer's Suppliers



Practices

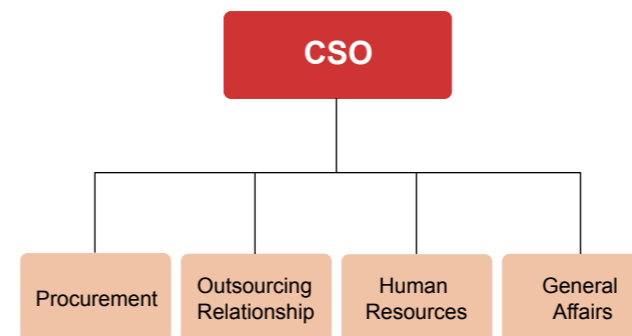
In May, 2008, Acer became a member of the EICC. Through our participation in this worldwide body, we are given a window through which to better see international SER trends and past SER program implementation of EICC members. Finally, using Electronic Industry Code of Conduct (EICC CoC), we have access to a framework from which we can begin to introduce SER programs within our own supply chain. Benefits of EICC membership can already be seen in the reduction of supplier's work duplication; improvement of our supplier's ability to meet social and environmental standards; and an increase of communication opportunities with stakeholders.



The Electronic Industry Code of Conduct is a code of best practices adopted and implemented by some of the world's major electronics brands and their suppliers. The goal is to improve conditions in the electronics supply chain. Development of the Code was a multi-stakeholder effort, influenced by internationally-recognized standards. For more information, please visit www.eicc.info.

Acer has also established an intra-departmental task force to handle SER issues. Participating departments include procurement, outsourcing, personnel, and general affairs department, as well as the Corporate Sustainability Office. The task force is sub-divided according to the four areas as highlighted in EICC CoC: labor and ethics, health and safety, the environment, and supply chain partners. At the head of the task force is a nominated general director, while staff is composed of managers belonging to various departments. The task force set forth an annual plan and meets monthly to discuss and review the progress of present programs. Members of each sub-group also receive related in-class training to help them make better-informed decisions.

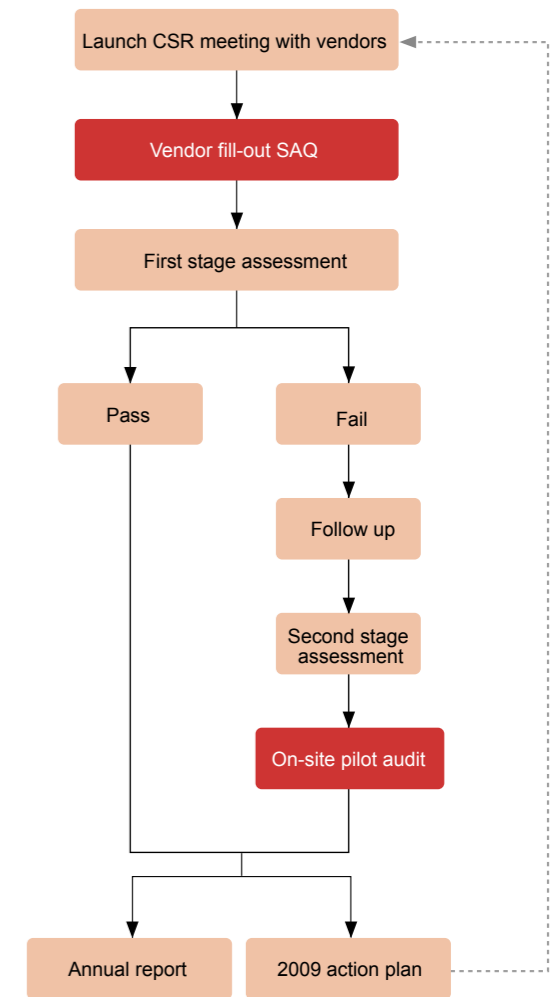
The Framework of SER Task Force



Code of Conduct Implementation

At Acer's 2008 supplier conference, Acer officially announced that all ODM and key component suppliers shall, by December 2008, meet EICC CoC requirements as outlined by EICC. Acer, in taking the first step to understanding where social and environmental responsibility need to be improved, has asked all its suppliers to answer an EICC supplier self-assessment questionnaire (SAQ). The next phase, on-site pilot audit, was held in December 2008, to clarify the extent our supplier's actions regarding social and environmental responsibility.

The Implementation Procedure of SER Action Plan in 2008

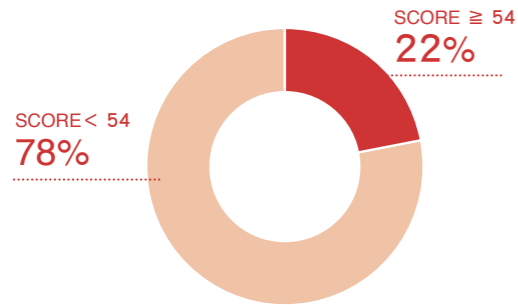


Self Assessment Questionnaire (SAQ) Analysis

Analysis of ODM SAQ

We ask all our suppliers to launch a management system covering labors, health and safety, the environment and ethics in accordance with EICC CoC. We choose vital items from 14 management systems, administering evaluations on suppliers' self assessment questionnaires; the benchmark in laborers' human rights and ethics is figured at 12; health and safety and environment, 15; with the total benchmark score at 54.

Percentage of Qualified ODM Suppliers.

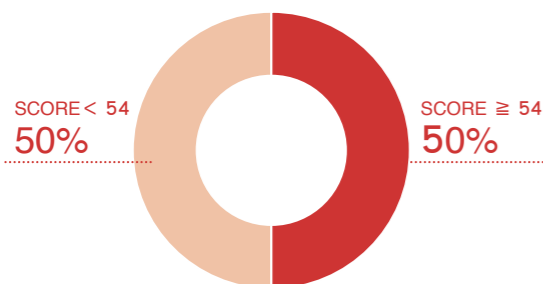


Analytical results from the ODM SAQ show little differences among various production lines; the majority of suppliers has achieved certification attesting to their compliance with ISO 14001 and OHSAS 18001 standards. The percentage of suppliers failing to fulfill Acer 2008 criteria was registered at 78%, the primary shortfalls being an insufficient management system for laborers' human rights and ethics.

Analysis of Key Component SAQ

Key component suppliers of panel, hard drive, and AC adapters scored significantly better than their counterparts in the fields of memory, battery and optical disc drive (ODD). For the most part, panel, hard drive, and AC adapter suppliers all achieved Acer's 2008 standards. In sum, key component suppliers have succeeded in setting up environmental and safety management systems, yet still lag behind in social responsibility compliance.

Percentage of Qualified Key Component Suppliers.



Audit Plans and Procedures

In December of 2008, Acer began its first voluntary supply chain SER audit. The first phase of this pilot program was on-site audits of ODM suppliers. Because most ODM suppliers already meet ISO 14001 and OHSAS 18001 standards, this audit was primarily focused on labor conditions and ethical practices.

Our audit revealed that "working hours" was a problem area; in addressing this problem, we have spoken with our suppliers and asked they remedy the situation as quickly as possible.

Future Plans and Goals

In 2009, we would continue to organize and hold in-house trainings and audits. On-site auditing will continue, complemented by different auditing practices, in accordance with suppliers' self assessments, NGO reports, and industry average allocation.

In the future, we will continue to work with stakeholders to encourage greater feedback and advice. Our partnership with suppliers will not only emphasize growth, but stress continued corporate responsibility, as well. To encourage a continued commitment to CSR and ensure we are working with socially and environmentally conscious partners, capacity building will drive Acer's management of supply chain partners, while supplier's CSR scores will be considered during any procurement decisions to ensure a constructive work pattern.



Our People



Accomplishment Highlights in 2007-2008

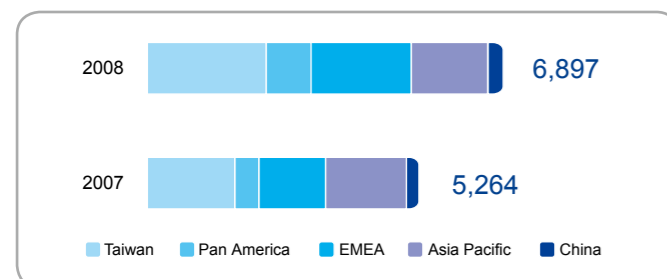
- Direct Interactions between Top Executives and Staff Representatives (Gardener's Meeting)
- Online Staff Opinion Survey

Today Acer has become an integral part of the marketing service industry, where our people and name brand have become two of our most valuable assets. Along Acer's growth and development, we continue to honor the belief that humans are inherently good; therefore, trust and the delegation of authority have become our watchwords, while caring for our employees as one of the core values of our company. Our philosophy is that teamwork enhances the potential of each position, while a constructive working environment helps all our employees find balance between life and work.

Employee Hiring

Acer strictly abides by local and international labor laws and does not—in any shape or form—use child labor. In line with our equal opportunity employment practices, we do not discriminate by race, sex, age, religion or nationality, but base our hiring decisions on a candidate's worth, or his/her suitability for the job. Creating a diversified workforce of exceptional employees is one of the most important considerations for our human resources department.

As of December 2008, Acer has 6,897 employees spanning over 30 countries in Europe, Asia, Africa, and South America. Out of that number, 170 are managers, 5,803 are skilled employees, and 603 serve as administrators.



Learning and Career Development

Acer's workforce training has been carefully mapped out in accordance with our business operation and development models. Job training is tailored towards the improvement of core work skills in Acer employees, and further strengthening employee's attitude and professional conduct, upgrading individual and work team efficiency, helping Acer employees reach career goals, and ensuring that our company retains its long-term competitiveness.

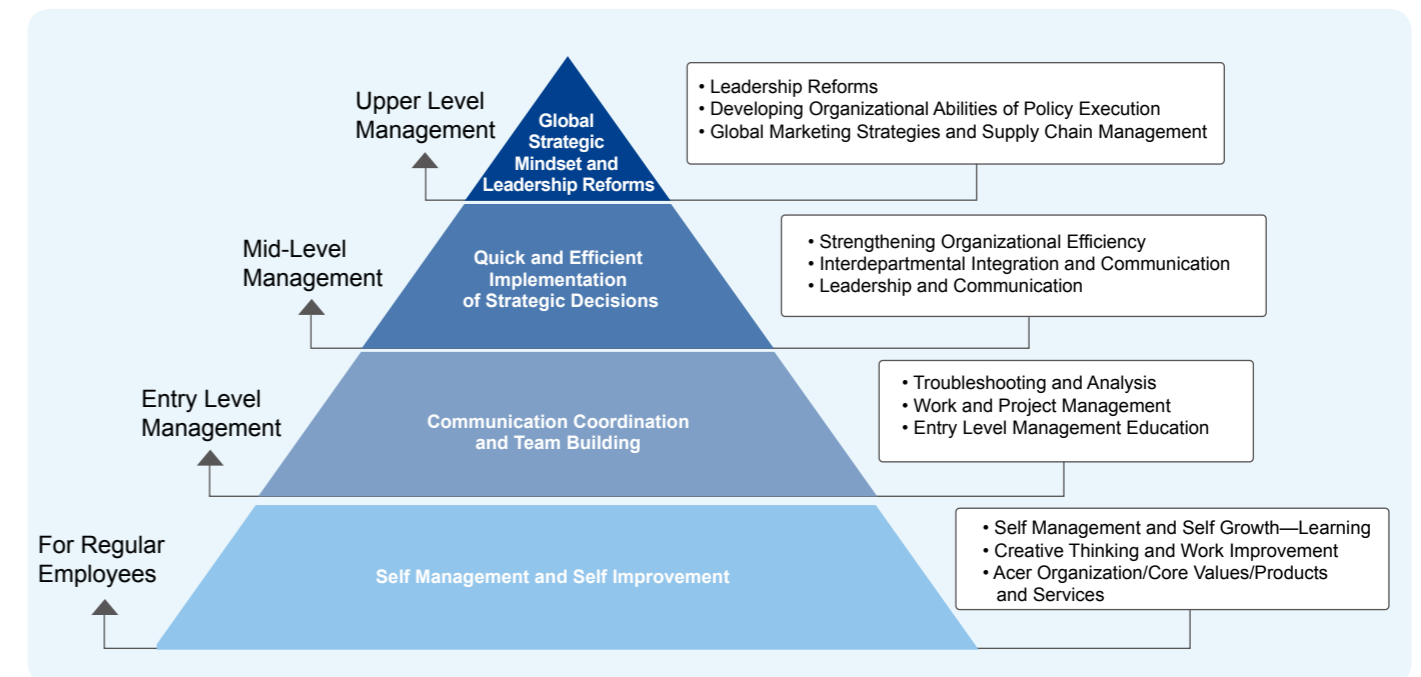
At present, Acer's workforce training can be divided into three parts: Management Training Programs, Professional Training Programs, and General Education Courses (including new recruit training). Within each of these programs, e-learning is used to improve efficiency.

The emphasis of each program is as follows:

Management Training Programs Goals:

To teach managers to think in an accurate, effective, but simple and concentrated manner, thereby helping them to enhance their strategic thinking, implementation strategy, problem-solving, and decision-making abilities.

The training focus of each level of management is as follows:



Professional Training Programs Goals:

The development of various functional categories of professional skills, with particular emphasis on branding, marketing, channel management, and service performance

Core Professional Competences	Curriculum Focus
Product life cycle management	PLM, N System
Brand management and marketing	Brand management and marketing seminars
Professional marketing	Professional marketing skills
Channel management	Channel policy management
Supply chain and resource management	Supply chain and resource management

General Courses Goal:

Our core values (fast, effective, innovative, customer centric, value creating, caring, ethical) will serve as the beacon to foster concepts and skills of self-management, innovation, customer care and service. Key courses include customer interaction scenarios, strategies dealing with customer complaints, and team spirit trainings; English communication abilities will also be bolstered in the language skill category.

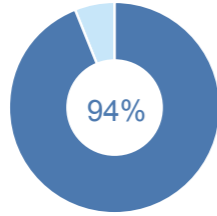
At Acer, all educational activities follow a multifaceted approach. We know that skill development comes in many forms; therefore, in addition to in-class learning, workshops, and book clubs, we support such programs as workplace

mentors, workplace rotation, overseas training etc. Furthermore, to help our employees get the most out of their careers, we offer - for employees exhibiting high potential and key members of our staff - special training opportunities (such as educational tracking and participation in overseas training). Acer also encourages employees to test for professional certifications and offers subsidies and grants for test and course fees, as well as various scholarships.

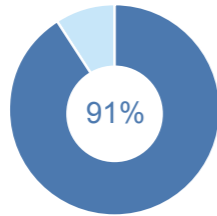
In order to ensure that the training results match the needs of the workplace, Acer not only strives to continually improve the training process and enhance the quality of its curriculum and teachers, but also asks that employees think on how to use what they have learned in class in their respective workplace. We encourage managers to play a supporting role in this process by guiding and anchoring their younger colleagues; by sharing their wisdom and experience, an atmosphere of group learning can become the driving force behind organizational efficiency.

In 2007, Acer introduced a performance appraisal system. Over 90% of our employees in the Taiwan region took part in some form of professional staff performance appraisal in 2007 and 2008. This feedback allows us to better understand the needs of our employees and plan accordingly; thereby improving the professional competencies of employees and increasing personal and corporate competitiveness.

Percentage of employees participating in the performance appraisal system in 2007



Percentage of employees participating in the performance appraisal system in 2008



Employee Health and Safety

At Acer, employee's health and safety are key to ensuring the continuation of long-term development; consequently, we strive to offer a safe and comfortable workplace environment that safeguards our employee's health. Examples include ergonomic seats, health management lectures, sports activities, as well as regular health check-ups and medical insurance. Starting from August of 2008, in cooperation with the Eden Foundation, we are, as well, offering weekly massage treatments to our employees. Such cooperation benefits our employees, and gives Eden's visually impaired masseuses a good opportunity to use their talents.

Managing Workplace Safety

For the safety of our employees, we have installed access control systems in work areas; women's toilets, as well, have been equipped with a magnetic swipe card system to protect the safety and privacy of our female employees. Inside the bathrooms are emergency contact phones and emergency call buttons, ensuring another layer of security for our female employees. Concerning fire safety, Acer has set up company fire brigades, whose responsibilities are to deal with first signs of fire and evacuate employees, thereby lowering damage to both corporate property and the personnel.

Serious Diseases Contingency Plans

Facing the effects of climate change and globalization, companies have to be more prepared than ever to continue

operations in the face of a natural disaster, or an outbreak of infectious disease. In response to previous outbreaks such as SARS, or other future epidemics, Acer has in place a response plan called Acer's Business Continuity Plan, which in the case of an outbreak or disaster lists in detail: 1) the formation and staffing of a temporary command center, as well as a company spokesperson to handle all outside communication; 2) quarantine measures and contingency plans; 3) specified alternate and rotating work schedules; 4) the storing of back-up files in alternate locations; and 4) the facilitating of long distance meetings. These measures are just some of the ways that Acer is prepared to address future natural disasters or infectious disease outbreaks.

Employee Engagement

Acer sees its employees as a vital part of its company structure and therefore encourages open dialogue between all management and staff. This "culture of openness", along with the fact that Acer bases all its labor practices on the local laws and regulations of the country in which its employees are based, has fruited in that in the past two years there have been no company operational losses stemming from labor disputes. In Taiwan, in order to strengthen the dialogue between management and staff, Acer has opened up several channels of communication. They are:

- 1. A single logistical support line:** Acer's various logistical support units are all equipped with hotlines. By using single-window services, employees can quickly and efficiently solve problems concerning work or employee rights.
- 2. Open communication channels:** In addition to having direct and immediate access to management, employees at Acer are encouraged to engage in "cross-level" dialogue, as well as consulting services. In addition, every business quarter, Acer's CEO holds a "Gardener's Meeting" Directly meeting with representatives from each department, he has a chance to hear employee's suggestions and complaints. As a follow-up, personnel are immediately assigned to handle any problems areas that were raised. The result: Employees feel heard and important corporate governance reforms are effectively executed.



3. 2008 Online Staff Opinion Survey: In order to better understand how employees view their work, upper management, and company operations as a whole, in 2008, Acer carried out an Employee Opinion Survey. After collecting feedback from our Taiwan based employees and analyzing the results, we found that organizational effectiveness, work environment, cost control, and levels of employee participation all received high marks; whereas individual training, career development and organizational communication were all areas that required improvement. Improvement measures included urging team leaders to come up with effective training plans; enhancing the flow of information about future or present job openings; and holding regularly scheduled communication sessions with employees.

(1) Survey Results: We have been conducting the survey once-per-annum since 2007. In all 14 areas, Acer employees considered corporate culture, management style, corporate image, workplace, benefits, performance management, quality and service, and cost control as "strong"; categories that were rated as "weak" were organization communication, training and development, and career advancement. Overall, however, Acer employees rated themselves as happy with their work and company.

(2) Improvements: Organizational Communication: Acer encourages its employees to use in-house communication channel resources (such as news editing services), thus gaining immediate access to relevant information. Furthermore, Acer hopes to improve communication between team leaders and their subordinates, thereby promoting a shared understanding of our present and future direction.

- Training and Development: Acer plans to create or improve upon workplace training for various major positions, thus giving our employees a clearer picture of the training goals. Managers or team leaders, as well, will be able to improve on their leadership and counseling skills.
- Career Advancement: Acer hopes that employees will find more career advancement opportunities by encouraging team leaders to uncover areas where the implementation of a work rotation system or the broadening of present job responsibilities could benefit team efforts.



Employee Welfare and Benefits

Every year Acer conducts a global market salary survey in order to draw up a reasonable and competitive pay packages for our employees. As for our yearly performance bonuses, they are distributed in accordance with the annual performance and contribution levels of each employee. In Taiwan, in addition to a fixed monthly salary, we offer several work incentives, ranging from patent and business awards to performance bonuses and dividends.

Concerning salary and career development, we offer a competitive pay and benefits package, job promotion and internal rotation opportunities, and occupational training to enhance the leadership capability of line managers. These steps have been fruitful in helping us retain good talent—over the past three years, Acer's average annual turnover rate has decreased less than 7%.

Acer, regardless of location, strictly complies with the local governmental laws and regulations, as well as the local customs and practices. Within this localized framework, we are committed to offering our employees a comfortable work environment, competitive employee benefits, and open communication channels; the goal being to raise employee creativity and productivity.

In Taiwan, in accordance with our Acer Family: Worker Welfare Commission, not only do we offer those benefits required by law, but we also make available group medical insurance, scholarships for employee dependants, and New Year's bonuses. We take our benefits one step further, in

that, through participating in such Acer sponsored events as Acer Family Day, various community functions, and organized travel tours in and out of Taiwan, our employees truly get a sense of how much we value and care for them.

Employee benefits in 2008 can be divided into the following three categories.

A. Activities and Functions

Activities hosted by Acer in 2008 include: 2008 Acer Family Day; over a dozen different movie, theater or music shows; various sporting events in Taiwan in which Acer's homegrown team participates; biannual multi-day tours in or out of Taiwan; holiday activities such as Halloween costume competitions or Christmas parties; mountain-climbing activities and more than 20 other exercise classes or health-related seminars.

B. Leisure and Recreation

Leisure and Recreation refers to grants or facilities used for self-improvement and recreational activities. They include, The Spring Wine Party Subsidy given to each department for the organization of departmental events; grants for employee clubs and recreational organizations; an art exhibition corridor whose exhibits change monthly; all kinds of up-to-date books, periodicals, and CD-ROMs; and the Acer Massage Station which provides employees with a place to relax and release tension.



C. Vouchers and Scholarships

Cash or department store vouchers are given several times a year including the holidays of Dragon Boat Festival, Spring Festival, Mid-Autumn Festival, as well as birthdays. Scholarships and donations for newlyweds are also among the many forms of cash assistance we provide.

Our retirement policy strictly adheres to the respective labor laws of each country or region. In Taiwan, in compliance with the Labor Standards Law and the Labor Pension Act, we set aside money for each employee's pension fund. Employees also have access to our early retirement system, which allows for early retirement as long as the employee has worked for Acer for at least 15 years, and is 50 years of age.



Our Customers



Our goal is the implementation of empowering technology and the creation of maximum value for our customers.

We have taken several steps to ensure that the needs of our various customers are met properly; these include: the continual pursuit of innovation; providing our customers with cutting-edge technology; and strictly controlling product quality through the internationally recognized quality management system ISO 9001. In accordance to the needs of each customer base in different region, we offer a variety of different services.

Following our acquisition of Gateway and Packard Bell, we have striven to integrate different brand names and diversify our product lines. Equally important has been the development of an appropriate, convincing, and differentiated brand promise to meet the needs of different customers.

In the second half of 2008, we have begun to integrate various customer service providers with the goal of offering all our customers with the same high-quality service.

Customer Service Programs

Acer's global operations can be divided into the Greater China region, the Asia-Pacific region, Europe, the Middle East, Africa, and the Pan-American region. Within each region is an Acer service center providing each region's customers with end-to-end services in hopes of offering customers worldwide the best and most comprehensive service network possible.

58 minute Quick Service program

Take headquarters in Taiwan for example. Due to the high level of metropolitanization, Acer Taiwan introduced a 58-minute Quick Service Program for its customers to economize time spent on commuting back and forth to pick up their notebook computers, while minimizing redundant carbon emissions.

In addition, Acer is offering a diversity of assistance channels besides the conventional shop front services – such as the special hotline and an internet customer service to accommodate various demands. Among which, traditional phone service systems and the internet phone mechanisms

will be integrated at Acer's regional offices in the future.

In order for our customers to get quality and quick computer service in the shortest time possible, Acer has striven to enhance its maintenance quality, improve training for our professionally certified engineers, and work towards establishing a transparent, reasonable pricing standard and identification system; we are committed to offering prompt maintenance and a complete service warranty. In addition to the customer service center, a wide array of assistance offerings is available - including a special hotline and an internet customer service platform.



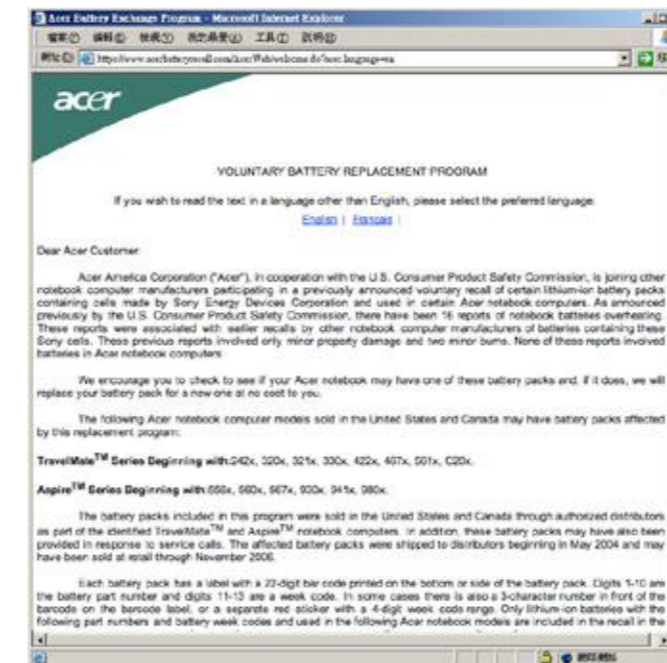
Information Confidentiality

Data confidentiality assurance is a top concern for both customers and the general corporate clientele when they send their computers for maintenance work. Acer has made that its priority as well. At Acer, all our service engineers have signed a non-disclosure agreement. Prior to any actual repair, our service staff will provide the customer with a maintenance service list, giving the customer a clear idea of the extent of the repairs; as such, improper or "hidden" fees are avoided. The customer, as well, can decide whether he wants to retain personal information on his computer, delete it, or take out the hard drive prior to maintenance, thereby preventing confidential information from being compromised. These watertight measures help to improve customer privacy.

Defective Products Recall

In 2007, Acer's North America HQ and Consumer Product Safety Commission (CPSC) collaborated to voluntarily recycle certain lithium-ion batteries produced by Sony Energy Devices Corporation. Studies by the CPSC indicated that these batteries may lead to either a short circuit or overheating. Acer's notebook computers have yet to experience such problems, but in light of ensuring customer safety and interests, we conducted a voluntary recall project and provided free replacements for computer models using these batteries in question.

Voluntary Battery Replacement Program
<http://www.acerbatteryrecall.com/AcerWeb/>



Customer Satisfaction and Demands

Regarding customer satisfaction, Acer has set up different assessment models to measure and review both agent and end-user satisfaction specifically for individual customers, contract corporate clients and agents, while conducting satisfaction surveys for various service items to periodically review the company's service quality.

Take the European area for example. A customer complaints management system, customer service outreach system, and agents outreach system were inaugurated to enhance service satisfaction and service quality. On a scale of 1 to 10, Acer's regional customer satisfaction level services worldwide have garnered an impressive 7 – or above – in general, an evidence that Acer's staff has fruited from their hard work. Acer in the China region even won a lot of honorary post-sale service excellence awards. Despite the critical acclaims, sporadic customer complaints are heard occasionally, but they propel Acer to continue revamping its service quality to meet customers' expectation.

Acer conducted a customer demands assessment for the development of our new-generation notebook computers in the latter half of 2008, and the study showed that customers valued battery life, power efficiency, price and portability the most. Acer is targeting "green" and "mobility" as the primary features for the new-generation products.



Customers Social Responsibility Participation and Initiatives

We hope to collaborate with our customers and step-by-step instill a social- and environmental-friendly philosophy in customers' buying behavior. In 2007 and 2008, several social and environmental outreach projects were conducted jointly by Acer and its customers.

Love Together - Sichuan Earthquake Disaster Relief



At 14:28 on May 12, 2008, a deadly earthquake measuring at 8.0 on the Richter Scale hit Wenchuan County in Sichuan Province and instantly wiped out the homes of thousands, along with their peaceful lives. Tens of thousands of people were killed, thousands of homes collapsed, and thousands of people were displaced and left destitute and homeless. Immediately after the quake, Acer organized earthquake relief efforts and post-disaster reconstruction work; after the rescue work came to an end, we called on all of our agent partners to take part in the 2008 Acer Love Together—Unbreakable Chinese Heart: Charity Sale from May 24 to June 1. During this period, for every purchased Acer laptop or desktop, Acer and our distributors donated 50 RMB to be used in aftermath reconstruction, in hopes of aiding quake victims to rebuild their homes and get back on their feet.

► The campaign of "Love Together" in China



Plant-a-Tree for every 3-litre PC Sold

With a view to reducing corporate and customers' carbon footprint, Acer Australia's HQ partook in the country's "Trees for Life" and "Carbon-Neutral" tree-planting projects as part of a "Plant-a-Tree for Every 3-litre PC Sold" event. Starting in October, 2007, for every Veriton 1000 and L460 3-Litre computer sold, a tree will be planted for the buying customer to slow global warming. From 2007 till yearend 2008, over 32,000 trees were planted.

Marketing and Advertising

After the acquisition of Gateway and Packard Bell, Acer has further secured its global brand management framework, and developed differentiated products in accordance with various brand property and positioning to meet the needs of diverse customer communities. "Multi-brand approach" and the quick launch of "innovative products that comply with users' actual demands" underscore Acer's key to success.

Sports Sponsorships

Furthermore, to better leverage Acer's "fast", "team spirit" and "efficiency" brand images, the company was proud to sponsor Scuderia Ferrari F1 fleet and Yamaha Factory Racing Team, and the Gold Partner of FC Internazionale Milan.



Also, in 2009, Acer moved to become A Worldwide TOP Partner of the Vancouver 2010 Olympic Winter Games and the London 2012 Olympic Games. The Olympic spirit embraces universality and tolerance, shuns prejudices and respects differences to encourage the unity of different people. Acer finds immense inspiration in the philosophy, and vows to be a successful multinational by espousing such beliefs, which are carried out in our daily operations.



Advertising Disputes

In June, 2008, Acer Taiwan's notebook computer ads were penalized by the Fair Trade Commission under the Executive Yuan for false advertising and the company was fined NT\$1.2 million. Acer regrets the occurrence of such incident, and proclaims that the company has absolutely no intention to misinform or deceive its customers. The company deems that there is a difference of opinions in how the ad was presented, but respects and accepts the resolution of the governing agency. Acer will be more discreet with the presentation and content of its marketing and advertising campaigns to ensure customers' interests are protected.





Empowering People

Over the years, Acer has been actively involved in all sorts of community activities through the Acer Foundation, company volunteers and our many operating bases around the globe, in which we hope to, step by step, build a worldwide social care network. We also aim at consolidating Acer's core capabilities to develop various community outreach activities suitable for regional culture and custom, giving back to the community to the utmost of our capacity.

Community Involvement

Acer understands that our business is to create opportunities and new values for everyone. Aside from the pursuit of commercial profits, we are dedicated to giving back to the communities that help us grow. With this mindset, our branch offices around the world have engaged in a multitude of events at the local level. From 2007 to 2008, our involvement can be divided into three types: Education and Talent Development, Community Involvement and Social Care, and Environmental Conservation. In each area, we try to bring Acer's core technology into full play to meet the real needs of the local community.

Education and Talent Development	Taiwan – Support Program for the Underprivileged Children in the Hsichih Area China – Acer Care Project	
Integration of Core Abilities	Taiwan – Bridging the Digital Divide Project Thailand – Career for the Deaf Project Philippines – Empowering the Disabled and Empowering the Youth Project	
Community Involvement and Social Care	Taiwan – Collection of Second-hand Goods, Charity Sales, Donations, and Blood Drive China – Sichuan Earthquake Disaster Relief Thailand – Orphan House Visit Vietnam – Building Bridges in the Community South Africa – Social Investment Programme	
Integration of Core Abilities	Indonesia – C3Friends.com Music Care	
Environmental Conservation	Taiwan – Green Life Project	
Integration of Core Abilities	Australia – The Case for Green – St Michael's College	



Thailand

Career for the Deaf Project

Acer recognizes the tremendous benefits that information technology can bring to both career and human development. In 2004, Acer Thailand, in cooperation with the renowned Ratchasuda College, Mahidol University, launched a three-year Career for the Deaf project, helping hearing-impaired students acquire computer and painting skills to increase their employment opportunities in the future.



Orphan House Visit

In 2008, 20 club members—on their days off—visited orphanages and donated 60,000 baht (1,714 USD) worth of money and supplies, benefiting a total of 300 orphans. Acer Thailand charity is devoted to encourage colleagues to join in the spreading of love.



Vietnam

Building Bridges in the Community

In Vietnam, there are numerous small water channels, and the local people built temporary bridges made of bamboo, called Monkey Bridge, for the sake of getting across. Yet these bridges are in poor shape and can be extremely dangerous during the rainy season.



To this end, women's charitable organizations in Ho Chi Minh City launched a bridge-building campaign, and Acer Vietnam voluntarily financed the needed costs, hoping to empower the lives of local people. As present, ten cement bridges have been constructed, which has steadily improved the transportation of local residents.

South Africa

Social Investment Programme

Acer's social involvement in South Africa primarily focuses on sponsorships for sports activities and school education, donations and funding for individuals in special circumstances. Among them, the sponsorships are mostly for international sports games or for the younger generation; donations are mainly made to non-profit organizations.



China

Sichuan Earthquake Disaster Relief

Immediately after the Sichuan Earthquake in May, 2008, Acer Chairman J.T. Wang directed Acer China to organize earthquake relief efforts and post-disaster reconstruction work; a Disaster Task Force was also set up to start earthquake relief operations.



After the rescue work came to an end, Acer called on all of our agent partners to take part in the 2008 Acer Love Together—Unbreakable Chinese Heart: Charity Sale. Later on, seeing as many Acer computers might have been damaged in the earthquake, Acer China provided free check-ups, free maintenance services and discounts in 9 cities in 3 provinces. We also teamed up with Intel China and set up computer classrooms in Lichun Middle School in Wenchuan County. In December 2008, Acer employees and our partner dealers donated an additional 100 laptops and desktops to the Teacher's Post-disaster Psychological Counseling program, hoping to help the rescued victims rebuild their homes as soon as possible and return to their normal lives and work.

Acer Care Project

Under the theme of "Education", Acer China launched the Acer Care project in September 2006. This project selects needy freshmen from universities and offers them tuition subsidies, work-study and internship opportunities, plus counseling to help them tide over financial difficulties and prepare them for their future in the workplace. To date, the project had covered 14 universities in 8 cities. We plan to continue expanding the scope of this project in China in the future.



Taiwan

Bridging the Digital Divide Project

In view of ameliorating the competitiveness of young students who lack resources, Acer has continued to partake in the Digital Feast—A Dream Come True charity event since 2003.

Since 2006, Acer has cooperated with Gjun Information Co. in a project called Lighting the Way to a Better Future, in which students from disadvantaged families are chosen by Taiwan Fund for Children and Families for free computer lessons at Gjun computer centers.

Support Program for the Underprivileged Children in the Hsichih area



Acer Taiwan's volunteer team began the support for the local Little Sun Project that provides after-school learning for underprivileged children in Hsichih in 2007. In addition to sponsoring these classes, the volunteer team formed by our colleagues brainstormed to come up with a variety of activities to enrich the learning experience of these children. We hope these kids can feel the warmth of society and build up the courage to face a challenging world.

Collection of Second-hand Goods, Charity Sales, and Donations Blood Drives Donations



Thanks to the tireless efforts of Acer Taiwan's volunteer team, second-hand goods collection and charity sales, blood drive and donations have now become a part of Acer Taiwan's regular events.

Green Life Project

Here at Acer, to raise our employees' awareness concerning environmental protection on Earth Day, our volunteer team initiated a lights-off during lunch break at our Hsichih head office from April 22 to June 21, 2008. By our calculation, we reduced 8,707 kilograms of carbon emissions during that period. This event has received the support from our senior executives and now lights-off during lunch break is regular practice at Hsichih Acer Building.

In the interest of integrating environmental conservation into the lifestyle of each employee, our volunteer team has already planned another Earth Month-related movement for 2009. We believe environmental protection should not be a slogan, but an action.

Acer Taiwan's Volunteer Team

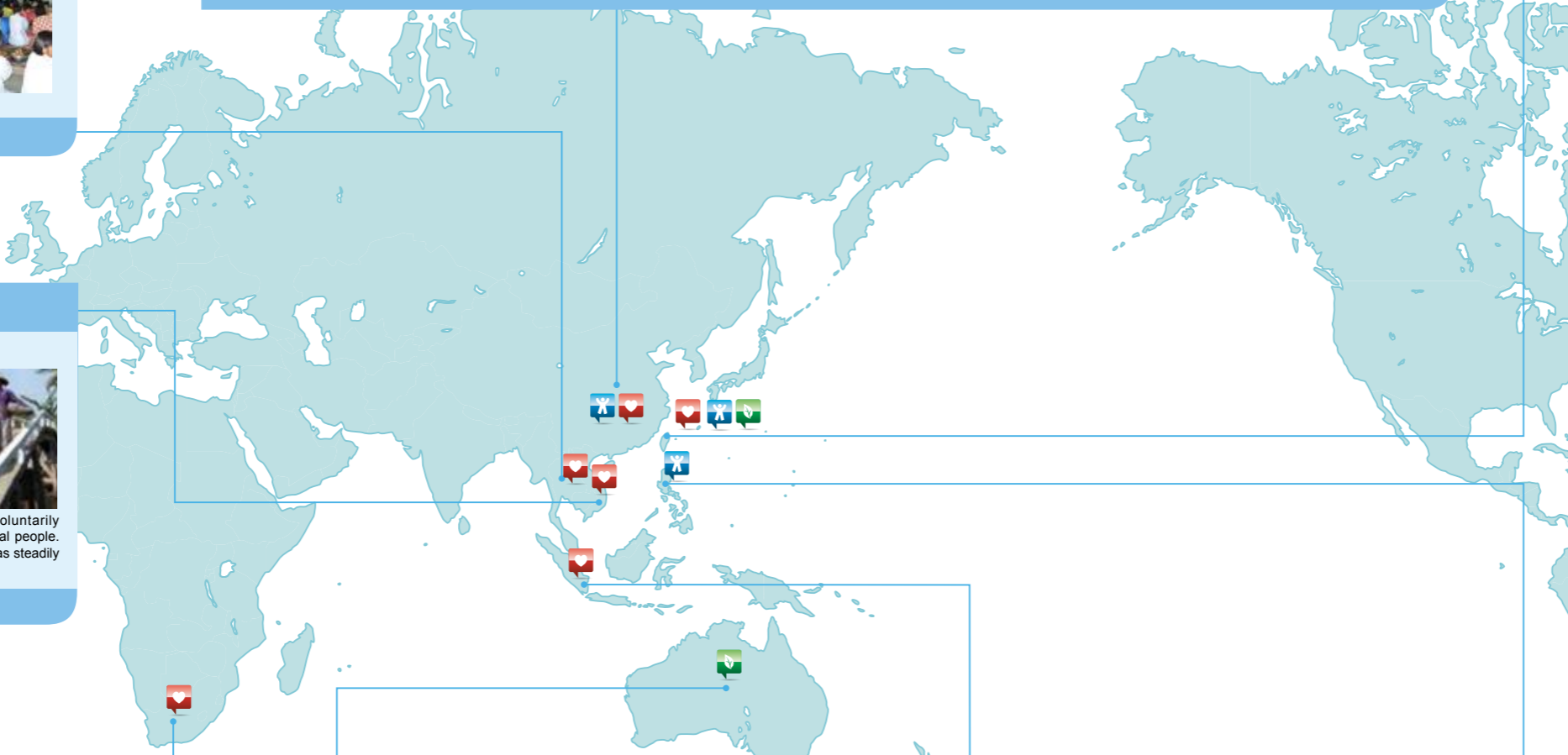
The Acer volunteer team came to being in October 2004. It was formed by our colleagues with the goal of offering their expertise to charitable works in their spare time. The team is more than just a chance for bonding with employees and their families, but offers valuable life experience and room for self-growth through volunteering. The continuing passion to do good also demonstrates Acer's spirit of Love Never Ends.

In the beginning, the volunteer team positioned itself as volunteers providing knowledge services to disadvantaged groups, with main activities revolving around Acer's core businesses, such as Internet set-up, computer repair, software design. Since 2007, our volunteer team has extended its reach to general public welfare, with three key service areas, namely: Support Programs for Underprivileged Children in Hsichih; Information Volunteers, Disadvantaged Groups, Culture and Education; and Environmental Protection. To encourage and support these volunteer works, in 2009, we are expected to introduce volunteer leave into its company framework.

Philippines

Supporting Programs for the Disabled

In 2007, Acer Philippines donated eight computers to the National Vocational Rehabilitation Center (NVRC). We hope to empower those with physical and mental disabilities and enable them to learn more about information technology. In November 2008, Acer Philippines began cooperation with San Agustin Church and Missionaries of Charity Philippines to help poor students and drop-outs learn computer skills. In addition to computer sets donations, Acer volunteers design and provide computer courses, and hope that by using the computers, the dropouts can learn basic computer skills, find confidence in their achievements, and discover the joy of learning, thus giving them reason to resume their studies.



Australia

The Case for Green – St Michael's College

In 2008, Acer provided our energy-efficient Veriton 1000 3 Litre Series desktop computers to St Michael's College in southern Australia as part of their computer facility upgrade. This had helped the College cut back computer power consumption by 57% per annum. On top of that, Acer also planted more than 4,000 trees on the College's campus to offset its CO₂ emissions.



Indonesia

C3Friends.com Music Care

A group of young people in Indonesia set up a community care website "c3friends.com", designed as a channel to care for the local disadvantaged children with cancer (Community for Children with Cancer, C3).

As soon as Acer Indonesia was informed of this charitable gesture, we contacted one of the founders of c3friends.com—Panji, a rapper in Indonesia—and organized the One Day, One Click, One Mission event on August 30, 2008. Acer donated several Acer Aspire One laptops, so participants could use computers to register as c3friends.com members on the spot. Acer also held a press conference to help publicize the goals of c3friends.com, promote public awareness and concern for these disadvantaged children, and increase donations.



Acer Foundation

The Acer Foundation was established in July 1996, espousing Acer's philosophy of "Building an International Perspective on Technological Strengths." The objectives of the Foundation passed through three phases. The first phase aimed to encourage academic research and develop knowledge competencies and continue the Acer Long-Term Thesis Award to encourage research talents in Taiwan. The second phase, started in 2005, focused on science, technology and innovation; in addition to the Acer Digital Innovation Award, the Long-Term Thesis Award was now the Long-Term Smile Award, established to encourage students in Taiwan to tap into their creative and innovative R&D potential.

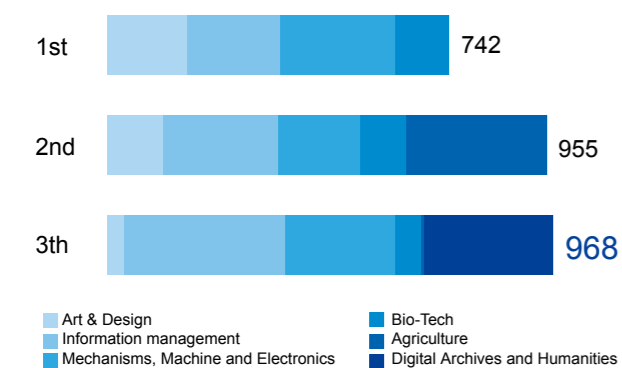
Corporate responsibility has become a crucial factor on how the society sees enterprise growth and development. Starting in 2008, Acer Foundation entered its third phase, while at the same still holding true to the responsibility of industry upgrade and innovation. Corporate responsibility and sustainable development have become core values at Acer, as we strive to promote the practice of corporate social responsibility in Taiwan and enhance Taiwan's ICT industry in realizing its responsibility to society.

Phase I: Personnel Training

Long-Term Thesis Award

The Long-Term Thesis Award was founded by Acer in 1987, and was taken over by the Acer Foundation after its inauguration in the hope of nurturing research talents by selecting outstanding research papers for awards and solidifying Taiwan's "long-term" competitiveness. After 19 years, the Award officially ended in 2005, but it had become an important event on college campuses. To encourage the translation of academic studies into industrial applications thereby bringing forth even greater economic value, the individual-based Long-Term Thesis Award was transformed into the knowledge-based Long-Term Smile Contest, sparking and inspiring new innovative force on college campuses.

Number of Contestants and Variety of Fields Over the Years -- A Comparison



Phase II: Science, Technology and Innovation

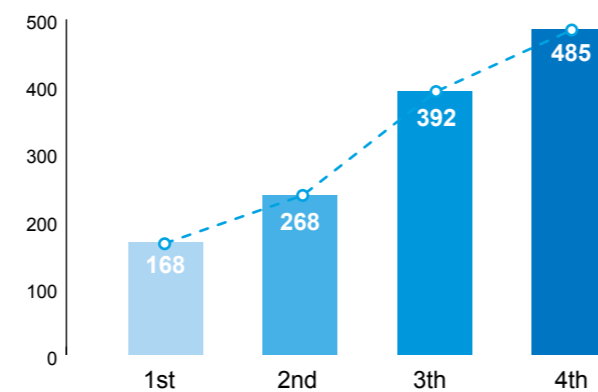
Long-Term Smile Contest

The Long-Term Smile Contest, created in 2006, is based on the concept of a Smile Curve as proposed by Mr. Stan Shih. It aims to encourage academic research and development in the design of products and technology (left side of the smile curve) and the branding and marketing of potential products (right side of the curve). Through exchanges among various fields of study, Acer hopes to enhance Taiwan's output value in this knowledge-based economy and to set in motion a practical mechanism for industry-university cooperation. In addition to a General Theme that covers any possible topic, a Special Theme was added from the 2nd year on to inspire the imagination of more students—in the second year, it was Taiwan's Agriculture Products, while Added Value of Digital Archiving of Cultural Heritage was the theme for the third year; in 2009, the special theme will be Eco-Innovative Electronics Design. As of 2008, the total number of submitted works reached 479 with 2,665 participants from various fields, showcasing the exceptional creativity of students in Taiwan.

Acer Digital Innovation Award

Driven by global e-transformation, the creative industry was given a fresh representation approach; with that in mind, the Foundation has organized a Digital Innovation Contest to motivate middle school and high school students in Taiwan to take part in digital innovation and fuse their boundless creativity with digital materials. The Foundation has also targeted seed schools to support their long-term development plans. Entering its fourth year in 2008, the Award has experienced a staggering 80.1% year-on-year growth in the number of submissions, with total submissions coming to 1,283 as of 2008. Many schools have become regular participants in the contest, with 68.6% continuing to submit their works each year, showing the importance of the contest to students.

Number of Submissions Over the Years -- A Comparison



Phase III: Corporate Responsibility and Sustainable Development

Corporate Social Responsibility Forum

As a result of the increasing environmental and social impact on business operations, corporate responsibility has become a serious issue. To let Taiwan's ICT industry better understand the important value of sustainable development, Acer Foundation entered its third phase of operation in 2008 and continues to lead the way in industry upgrades. At the end of 2008, Acer held a Corporate Social Responsibility Forum. Using the Foundation as a platform, Acer invited stakeholders to promote understanding of corporate responsibility and sustainable development in Taiwan's ICT industry.

Acer Foundation will continue to organize such forums to serve as an exchange platform for stakeholders at home and abroad. We hope that through this dialogue, Taiwan's ICT industry can truly implement corporate responsibility, thereby strengthening the sustainability of Taiwan's ICT competitive edge.



Carbon Disclosure Project in Taiwan

Launched in 2000 by various major institutional investors around the world, the Carbon Disclosure Project (CDP) since 2002 has been inviting over 3,000 major corporations each year to disclose risks and opportunities regarding climate change, as well as their greenhouse gas emissions data. The CDP has become a significant driving force behind the disclosure of relevant data by corporations. Acer Foundation leads the way in pushing this issue to the forefront of the electronics industry and other industries in Taiwan. Starting 2008, Acer began to sponsor CDP launch event in Taiwan, so that Taiwan's industries can acquire the latest carbon disclosure data from around the world.



Environment



Achievement Highlights in 2007 and 2008

- GHG Inventories at Acer's Global Bases
- The Participation in CDP
- Membership on CDP SCLC
- The Green Products Initiative Launched
- Green Supply Chain Management Activated

Environmental issues have come to the fore as Acer actively implements its CSR vision. Among the five major undertakings, several specific items are closely related to environmental issues – energy and climate change, green product, recycling, supply chain management and the reporting. These tasks are not defined in terms of Acer's own perspective; instead, they are outlined to fulfill the company's image as a leading information products provider, the expectations of stakeholders, and in accordance with the global environmental status quo.

We continue to strengthen the existing environmental management systems, work with our suppliers to conduct carbon management in the supply chain, and provide more environmental friendly products to make solid contributions.

Environment, Health and Safety Policy and Management

We understand that all our products, services and activities have potential impact to the environment and community where we conduct business. We are also dedicated to providing a safe and healthy workplace for employees believing that occupational health and safety is the foundation of sound and responsible business operations.

We ensure all employees understand their roles and responsibilities and are working with our partners and suppliers to meet or exceed the environmental, health and safety commitments:

1. Meet or exceed all applicable legal requirements, industry standards and voluntary agreements to which Acer subscribes.
2. Improve resource productivity by promoting pollution prevention, energy efficiency and waste reduction.
3. Carefully select raw materials and suppliers to provide safe and low environmental impact products.
4. Strive to create a safe and healthful workplace and to prevent occupational injury and illnesses.
5. Continuously improve EHS performance based on audit and communications.

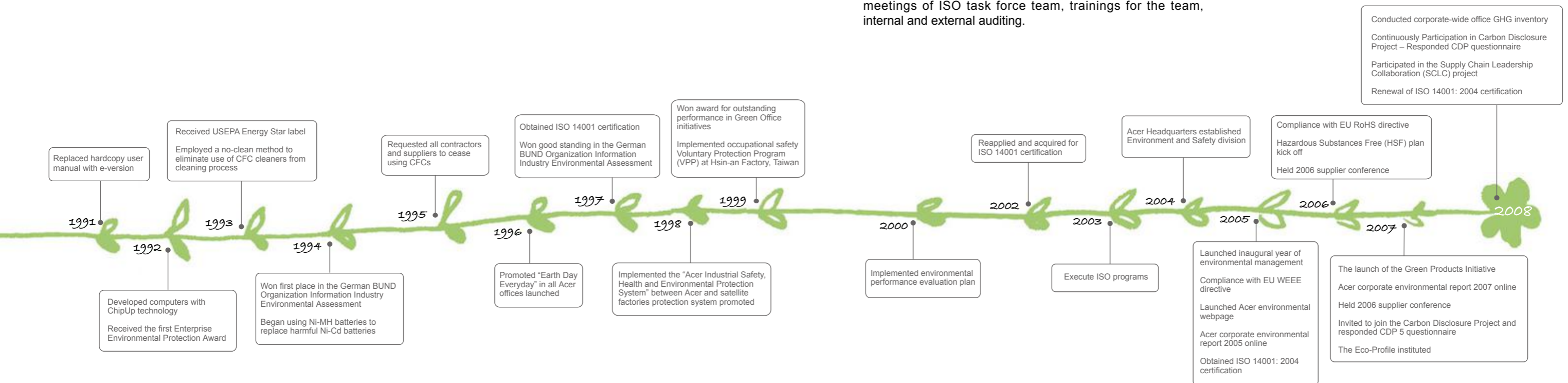
We designate ISO Environmental Management Systems as the general platform for corporate environmental management affairs; and we honor the spirit of ISO PDCA to continuously ensure a smooth operation of the systems, including periodic meetings of ISO task force team, trainings for the team, internal and external auditing.

Energy and Climate Change

Various scientific statistics and studies by leading international experts have evidenced that climate change is to be one of the toughest challenges facing mankind. In spite of statistics support that ICT's greenhouse gas emission accounts for an extremely small portion in the global emission total, ICT is poised to be a key industry for tackling the problem. With that in mind, we established the Integrated Energy and Climate Change Strategies to comprehensively evaluate energy efficiency and CO₂ reduction effectiveness. We have taken actions by launching these four major initiatives: GHG emissions inventory, carbon reduction, energy conservation and efficiency and the low-carbon business model with a view to becoming an environmentally-friendly corporation.

"Inventory" covers manufacturing, distribution and operation. Low-carbon products will be our focus for carbon reduction. Acer also plans to conduct an inventory on its supply chain and take responsibilities in scaling back product carbon footprint. Inventory had begun here in Taiwan in summer, 2008, and expanded to Acer's global branches in autumn.

Conscious efforts are given to low-carbon products development and supply; the company also conducted a global feasibility survey on renewable energy procurement. In other areas, we conducted power efficiency and effectiveness improvement assessments and action plans for green offices, business travels, and low-carbon transportation means.



Acer inaugurates the following initiatives in cutting down GHGs:

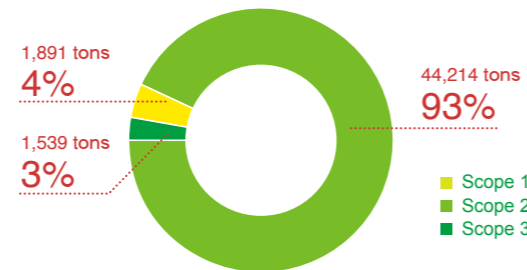
1. Product power consumption improvement: Acer became a member of the Climate Saver Computing Initiatives (CSCI) in 2008 and introduced LED displays into our products. We also took actions to improve products' energy efficiency.
2. GHG Inventory of Suppliers: In 2008, Acer began endorsing the CDP SCLC and asked all suppliers to respond to CDP's questionnaire for information on their GHG emissions. By December 31st, 2008, Acer's level-one suppliers had all responded CDP SCLC's questionnaire over greenhouse gas emissions inventory, risk management and opportunity identification. Starting in 2009, Acer will extend the initiative to request more suppliers in providing GHG emission information, asking them to put forth carbon reduction strategies. Meanwhile, GHG emission data concerning product supply and maintenance transport will be inventoried in 2009.
3. Improving Energy-Efficient Buildings: We continue to implement energy conservation programs at Acer's various operating bases and offices, drawing up power reduction initiatives and setting goals in virtue of the data obtained from GHG emissions inventory.
4. Policy impacts: Acer partnered with 19 Taiwan-based firms in 2008 to launch the Taiwan Corporate Sustainability Forum (TCSF). As a founding member, Acer and other member firms part took in endorsing Taiwan's GHG Reduction Act, offering strategy planning and wise counsel in hopes of fashioning a more business-friendly, effective GHG reduction policy framework.
5. Carbon Neutral Project: In September 2008, Acer Japan purchased the carbon credit derived from the Clean Development Mechanism Project of Wind Power in India to offset the total annual carbon emissions from electricity consumption in 2007, thus achieving carbon-neutrality.



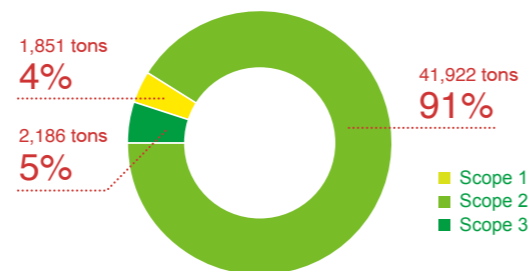
GHG Inventory

The corporate-wide GHG inventory kicked off in April, 2008, using WBCSD- and WRI-instituted GHG Protocol as the general guiding principles. The program was conducted in five stages: stage one actions focused on Taiwan-based offices; stage two addressed offices outside the Taiwan area; stage three was directed at product-oriented emissions; stage four concerned supply chain inventory, while the last stage regarded product- and service-related transport. Thanks to the collective efforts by Acer's global operating bases, the sum of Acer's GHG emissions (CO₂ e) was figured at 47,644 tons in 2007, and 45,959 tons in 2008, figuring at about 70% in completion level. The 2007 and 2008 GHG emissions in various scopes and percentages are shown as follows:

▼ Acer Office GHG Emissions in 2007 (tons CO₂ e)



▼ Acer Office GHG Emissions in 2008 (tons CO₂ e)



Emissions in Scope one includes fuel use and refrigerant emissions. Scope two concerns indirect emissions from power consumption. Scope three deals with emissions from business air travels. In the future, emissions by the suppliers, the product manufacturing process and service transportation will be included step-by-step.

For GHG inventory on Acer's global bases, improvements are being made to data lapses from different regions. We have

also begun mapping out a benchmark comparative value for office-based energy consumption efficiency. The value is established upon power consumption per capita for real-time monitoring of energy efficiency at various operating bases. Staffs at these bases are encouraged to make improvements toward the goal and determine a doable power reduction program. As for follow-up energy reduction initiatives, air-conditioning power use was adjusted accordingly at Acer HQ in Taiwan; inventory statistics in other areas will be taken into account to design and launch a more all-round reduction program.

Follow-up electricity reduction initiatives have begun for air conditioning at Acer's HQ. Inventory data from other regions will be taken into account for a more robust and comprehensive electricity reduction program.

Preliminary studies have begun since June, 2008, on product- and service-related GHG emissions. Partnership will be forged with Acer's transport service providers in 2009 to design an applicable GHG emission inventory. After this is completed in stages, we will secure a greater chance in extending carbon reduction to product-, energy- and transport-efficiency areas.

Green Product Design and Management

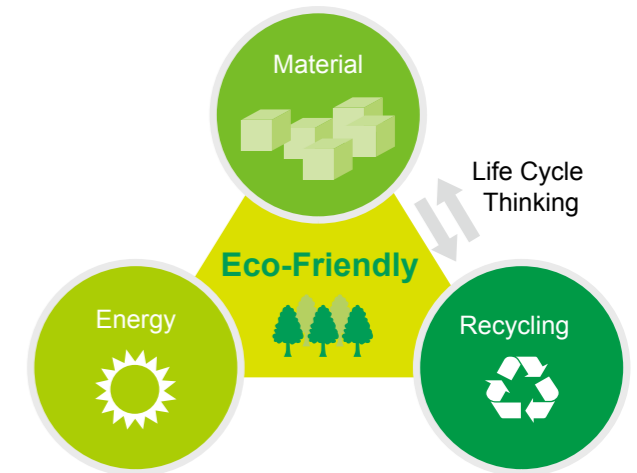
Acer understands the severity of product's environmental impact caused by raw materials development, manufacturing, product use and the disposal process, we thus take into account users' demands, functionality, and added value in product design, taking actions to minimize our products' impact on the environment.

At Acer, we maintain that the design of green products should be based on life cycle thinking with three elements: material, energy and recycling; therefore, we work in coordination with international mandates, stakeholders and customers to conduct environmentally friendly designs and maximize eco-effectiveness.



Acer values the good stewardship of limited resources; prolonging product life cycle therefore is one of Acer's corporate principles to make the best use of everything. To ensure that every IT product meets environmental statues and client demands, the company introduced eco products requirements to include energy-efficiency, recycling, restricted substances and eco-labeling into the production process. Among which, restricted substances have to meet certain threshold, while complying with regulations governing battery and packaging materials. Eco-labeling specifies material selections, the recycling logo, and packaging material markings.

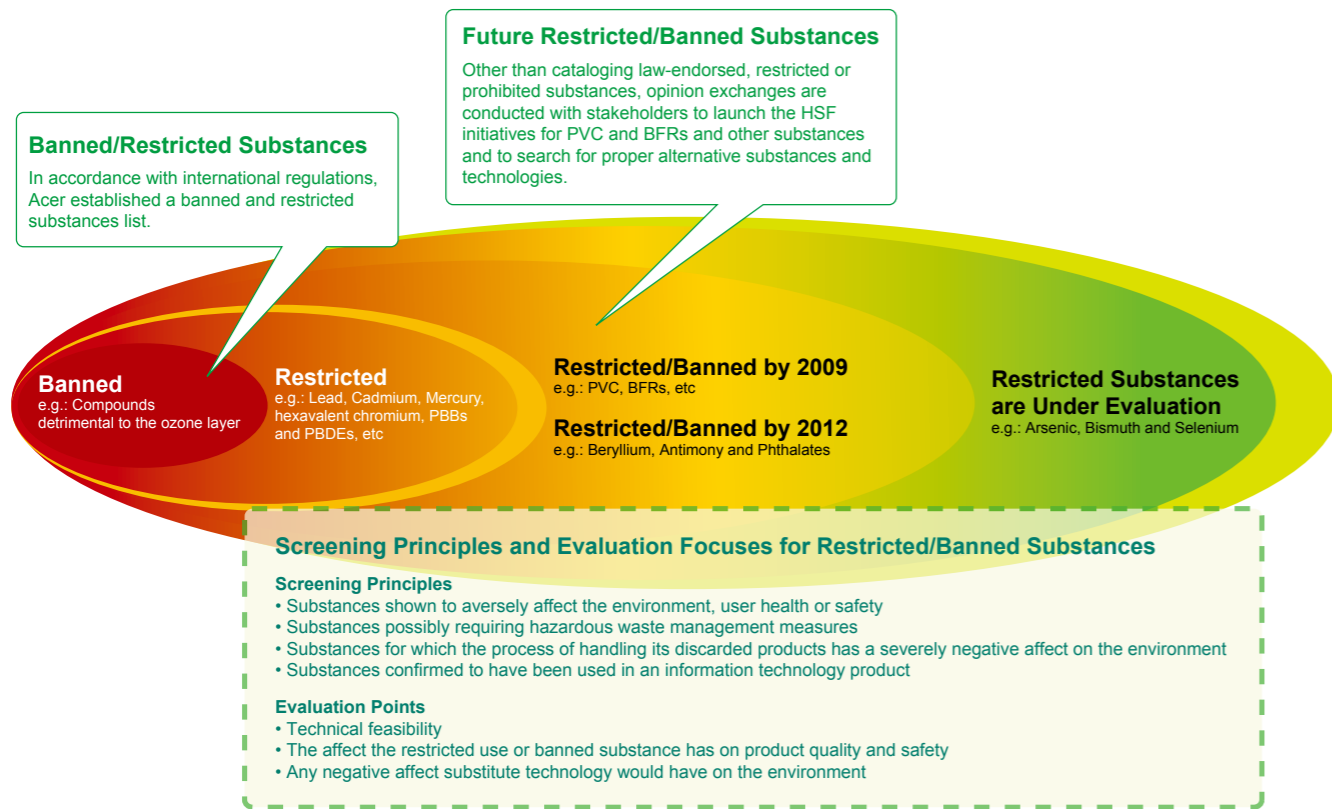
▼ Green Product and the Three Criteria



Material selection

In reaction to progressively stricter international environmental protection restrictions on the use of chemical products and in an attempt to enhance controls in the use of various chemicals in the manufacturing of products, especially those deemed as hazardous, Acer is offering systematic management controls to ensure each supplier is able to meet requirements. As to uphold the spirit of the precautionary principle, we abide by all regulatory standards concerning particular chemical substances and demand our suppliers to follow the "Guidance of Restricted Substances in Products" established by Acer on application on the limited or gradually banned hazardous chemical substances.

▼ Banned/Restricted Chemical Substances Management



Precautionary Principle

We adopt the principle of early prevention, assessing all potential hazards and chemical substances that may impact the environment. Different measures are adopted in the following conditions:

1. Acer strictly forbids continued use of substances that have been confirmed by authorized appraisal agencies to cause irreversible damage to the ecosystem or human health.
2. If current scientific technology is unable to confirm certain substances to cause irreversible effects, Acer proactively assesses whether it should continue using such substances.
3. If there is a suitable and safe substitute substance available, Acer will opt to use the substitute. Before such a suitable and safe material is available, Acer will actively strive to research and develop suitable and safe substitutes.

4. In the case of a dispute, Acer takes responsibility by proactively gathering and providing related proof.

Guidance of Restricted Substances in Products

"Guidance of Restricted Substances in Products" was launched for the management of hazardous chemicals in light of precautionary principles and sustainable development in international consensus. Acer has listed banned and restricted substances, and restricted substances in future for all products and parts. "Established Restriction Timetable" and "Under Evaluation" categories are introduced for substances to be restricted in the future. Other than the addition of Deca-BDEs to the restricted list, as mandated by EU's Restriction of Hazardous Substance (RoHS), perfluorooctane sulfonates has also been restricted. Moreover, in working to fulfill NGO demands, Acer is poised to replace BFRs, PVC, and Phthalates with more suitable alternatives in 2009. Phthalates, beryllium and its compounds, antimony and its compounds will

· Hazardous Substance Free (HSF) Plan ·

Hazardous Substance Free (HSF) Plan

We are aware that adverse environmental impact arises from two stages: product manufacturing and waste treatment. In honoring the spirit of Individual Producer Responsibility, Acer avoids using hazardous substances when selecting raw materials for the products. Therefore, in addition to following environmental statutes and international regulations, Acer respects and adopts counsels from environmentalist groups concerned with the use of hazardous substances, and Acer's HSF Plan is thus born.

In 2006, The HSF Plan was inaugurated in line with the Acer precautionary principles and put a priority on finding substitutions for PVC, BFR and phthalates in hazardous substance free designs. The key factors for alternative substances is that they must not detrimentally influence new product quality, safety, and reliability, and they must not endanger human health or pose worse environmental impacts. Acer pledges to prohibit PVC, BFR and phthalates from use in all new Acer products by 2009.

To achieve this goal, collaboration is underway with ODMs and key component suppliers to assist Acer in successfully executing various HSF programs. We aim at establishing a baseline data for the usage status of PVC, BFRs and phthalates in all our products by inventories. Also, Acer seeks technical support from

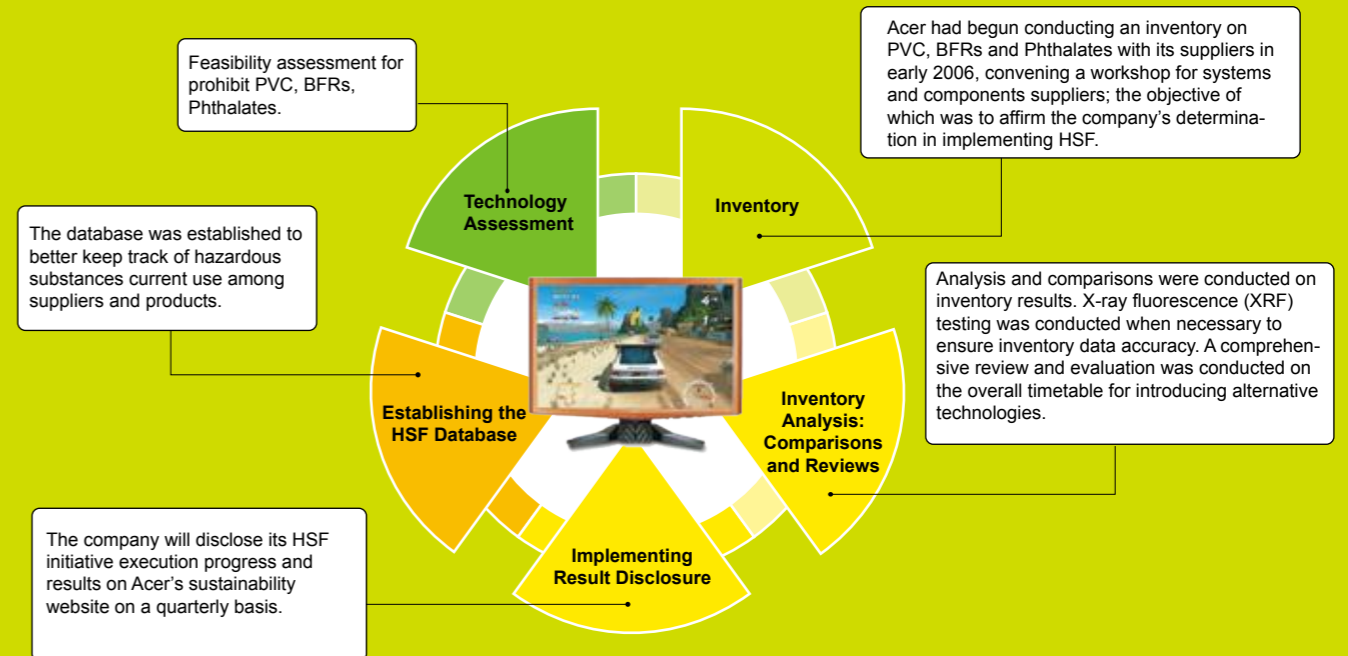
professional environmental organizations to incorporate environmental expertise with technological know-how during product manufacturing to facilitate HSF within the shortest time possible.

Performance

As Acer moved to prohibit PVC, BFR and phthalates from use in all products by 2009, a number of missions have been successfully concluded thanks to technical support from the Industrial Technology Research Institute and other professional organizations. These missions include: inventory on ODMs and key component suppliers, data analysis, comparisons and reviews on inventory results, the setup of HSF database, and periodic disclosure of HSF's execution progress.

Launched HSF Model

Since October, 2008, Acer began to launch more eco-friendly LCD's, such as 15 models of products in the G24 series - the casings, the PCBs, the connectors and the interior wire stocks of which were BFR- and PVC-free.



be officially banned in 2012. Also, arsenic and its compounds, bismuth and its compounds, selenium and its compounds are under evaluation to be restricted for future use; these chemicals are waiting further verification to be listed as restricted/banned substances. Also, "Substances of Very High Concern (SVHC)" proposed by the Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) will be added to Acer's chemical hazardous substances list in accordance with the latest announcement released by REACH.

Energy efficiency

Besides our aggressive campaign to remove hazardous substances from products during the design phase, Acer also prioritizes other environmental issues such as energy efficiency and the effects of product production and usage on climate change. In an attempt to design notebook computers that are both eco-friendly and consumer-oriented, a consumer demands survey is conducted before design execution. Acer found out that consumers firstly look for "extended battery life". With that in mind, the company asks systems and power suppliers to go beyond standards set by Energy Star, and resorts to Intel's Display Power Savings Technology (DPST) to scale back energy output in display's backlight without compromising the visual effects. Power-saving processors of Ultra Low Voltage (ULV) and optimum power management systems are added to the notebook computers via power optimization technologies without increasing battery capacity. On the other hand, the notebook computers are installed with an Acer PowerSmart key to allow consumers to quickly activate the super power saving mode and extend battery life. As soon as the battery is fully recharged, its power supply will halt electricity provision to further cut back energy consumption and waste heat-related risks.



Design for recycling

Acer understands the importance of easy waste recycling and processing; product designs are thus modularized, easily disassembled, and recyclable. Material use and recyclability logos are clearly labeled on plastics. Acer also asks its suppliers to follow suit in honoring these principles.

Easy Disassemble Design

1. Whenever possible, only one type of plastic is used per component
2. Make every effort to avoid bonding and soldering different materials
3. Make every effort to avoid using surface adhesive technologies on plastic components
4. Affix recycling labels that are legible, wear-and-tear-resistant, and clearly printed on all products
5. Affix material labels on all plastic parts and components weighing 25g or more according to ISO 11469 or ISO 1043 requirements to facilitate separation
6. Put recycling label on all batteries

In taking the extended producer responsibility, Acer visits recyclers of waste IT products to further understand possible issues that might arise in products' disassembly, recycling, processing, and follow-up recycling channels of waste materials. Discoveries made in these visits are reflected in product design and policy execution.

Green Supply Chain Management

While pursuing innovation and open communication, Acer is committed to working closely with its suppliers to explore the best environmental friendly solutions

In the Green Supply Chain Management System, Acer requested its suppliers to complete related management system installations. At present, Acer's first tier suppliers have achieved certification attesting to their compliance with ISO 9001 and ISO 14001 standards. And to better fulfill CSR so that the overall supply chain management is more sustainability-oriented, we require our suppliers to establish management systems following EICC CoC and framework, in addition to the current quality and environmental requests. We also encourage our first tier suppliers to obtain the OHSAS 18001 certification to ensure that there was no violation of workplace safety, health and human rights principles in the production process.

In the restriction of hazardous substances and material labeling, we ask suppliers to comply with related measures within the perimeter of "Eco product requirement" and "Guidance of Restricted Substances in Products", to fulfill requirements specified in hazardous substances list, and conduct labeling in accordance with easy disassembly and recycling principles.

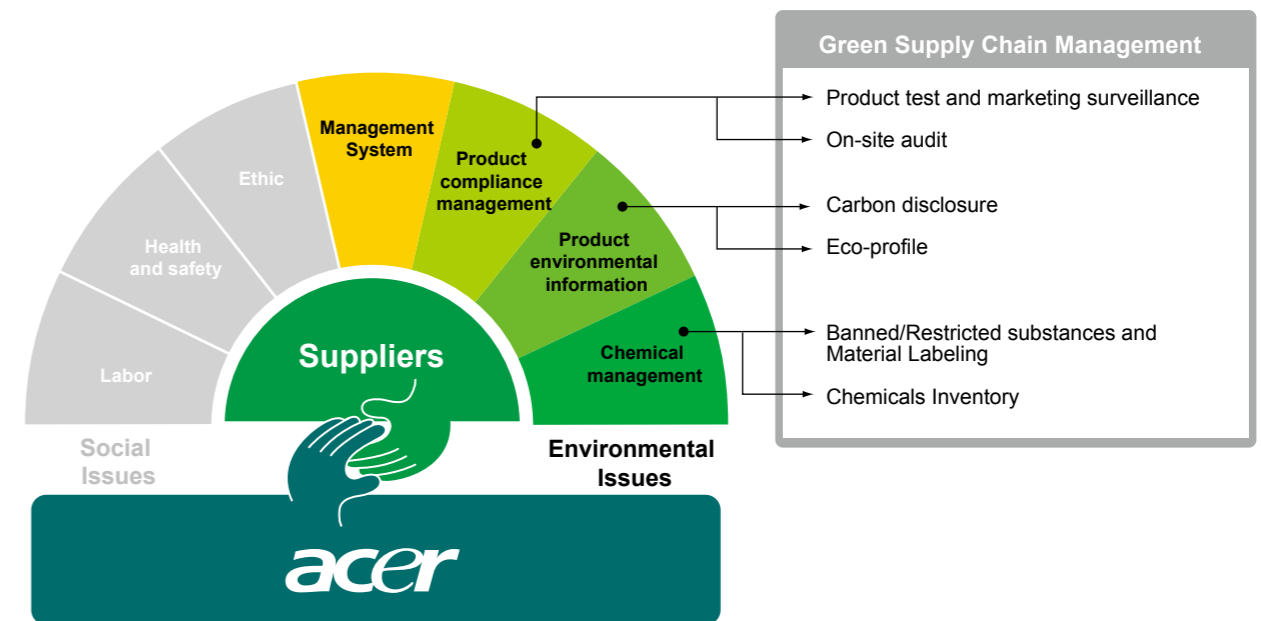
And in chemicals inventory, Acer conducts surveys on alternative solutions/technologies for PVC, BFRs and Phthalates, indicated in HSF Plan, and further studies on future restricted materials. What is more, as REACH took effect, Acer has asked suppliers to inventory and report. Substances of Very High Concern (SVHC) contained in products.

For on-site audit, audit are administered on ISO management systems, chemical management, HSF execution, and GHG to verify the conformance level and make sure the related action plans are taken. Acer hopes to minimize risks associated with illegalities by on-site auditing, and attain greater efficiency and performance through closer cooperation with its suppliers.

In product testing and spot checks, to ensure that products fulfill environmental and safety requirements, for 5 sets of notebook computers, laptops and LCDs purchased in 2008, chemical tests were performed for lead, cadmium, mercury, hexavalent chromium, total bromine, and total chlorine contained in the products. EMI, EMS and Hi-Pot tests were also conducted, in addition to product material labeling and product safety confirmations. Product marketing surveillance will be continuously executed on Acer products to assure compliance in the future.

The Supplier Conference is held annually to heighten communication efficiency between Acer and the suppliers, during which we made known the assignment priorities and items requiring coordination. During the 2007 Supplier's Conference, Acer declared its resolution to execute HSF and sought to understand suppliers' current conditions and possible issues, released chemical management procedures, and clarified GHG inventory and appropriate dealings with the Establishing a Framework for the Setting of Ecodesign Requirements for Energy-using Products (EuP) and REACH mandates. During the 2008 conference, Acer communicated with its suppliers items requiring their coordination: energy, climate change, green products, product recycling, supply chain management and CR report. Acer will conduct HSF products inventory continuously and lay out a schedule for restricted/banned substances, the Electronic Product Environmental Assessment Tool (EPEAT) initiative, and future green product demands.

Acer ensures its products are fulfilling various environmental conditions by means of a robust green supply chain management system. In the future, we will systematically administer supplier management policies to achieve more efficient collaboration with suppliers.



Product Recycling

Duties of a brand company are not limited to designs, manufacturing, and marketing; rather, they should be extended to recycling and handling of obsolete products. With that in mind, Acer supports IPR – Individual Producer Responsibility, believing that this truly is a vital mechanism that can implement and reflect the “recyclable design” principles on our products; so presently, Acer strives for “easy disassembly” when designing its products.



Before IPR is fully mature, Acer endorses EPR – Extended Producer Responsibility – to work in accord with EU’s Waste Electrical and Electronic Equipment Directive (WEEE), and regulations of various countries to join the recycling network and map out plans for waste recycling and processing. Product recycling programs in Europe, North America, India, Taiwan and Japan have begun to bear fruits. The programs are considered one of Acer’s five initiatives for implementing CSR. In the future, more concrete measures will take effect accordingly.

Europe



To reduce the amount of waste electrical and electronic equipment, improve recycling and reuse to minimize environmental impact, EU’s WEEE Directive came into force in August, 2005. Acer’s products are marketed in various European countries, and the company has joined the local recycling program to meet the WEEE Directive. Therefore, for customers who wish to declare any IT products unserviceable, we advise them to contact qualified local recyclers to ensure proper waste treatment.

North America



Recycling of electronic wastes in the US falls under state jurisdiction, and is handled differently in every state. However, improper handling of electronic wastes is a resource offense, and will impact the environment to endanger human health. The EPA thus introduced Plug-in to eCycling as a voluntary project to encourage the donation and proper handling of aged IT products. Acer began exploring and evaluating the execution and effectiveness of the project.

In other US regions, for example, the Electronic Waste Recycling Act was promulgated in 2003 in California for proper handling of such products; Acer therefore followed to fully cooperate and complied with related regulations. The California State government facilitate the recycling of electronic wastes to establish a search system for product reuse, recycling and handling, allowing the public to look for and contact local recycling channels for more information.

Many NGOs are raising awareness on the importance of proper handling of electronic wastes, and encouraging the implementation of EPR for electronics makers. The Silicon Valley Toxics Coalition (SVTC) urges buyers to select products made by recycling-conscious makers or certified by EPEAT, use SVTC-endorsed list to conduct electronics recycling, and support the legislation of EPR. Also, the Basel Action Network (BAN) has launched Electronics Recycler’s Pledge of True Stewardship in the US, listing names of waste treatment proprietors willing to honor the pledges of shunning incineration, landfill, and exportation to the developing countries as means of treating electronic wastes, and voluntarily sign the e-Stewardship Initiative. Signing of the e-Stewardship Initiative was conducted for qualified recyclers. Acer also encourages buyers to take advantage of SVTC- and BAN-endorsed lists of recyclers to handle electronic wastes in the North American regions.

As for used battery recycling, Acer is a member of the Rechargeable Battery Recycling Corporation (RBRC). Should consumers have any unserviceable notebook computer batteries, call the consumer service hotline at 1-877-723-1297 or email to customerservice@call2recycle.org for further information.

India



According to surveys by the Greenpeace, BAN, and SVTC, the dumping of electronic wastes is gradually shifting from China to other developing nations such as India and countries in South America. Electronic wastes’ lucrative recyclable value enhances recyclers’ interests; however, price differences among different heavy metal wastes have left many valueless electronic wastes lying around to cause severe soil and water pollutions. The improper handling has severely damaged our environment; the absence of handling facilities and expertise also endangers the health of laborers working in such highly-polluted workplaces. As many advanced countries move to establish regulations and processing for IT product wastes, Acer maintains that such systems are more – and urgently - needed in developing countries.

To minimize improper processing of electronics waste, we launched the Acer e-Waste Programme in India, to recycle any Acer products on a free and voluntary basis. Recycling is done by registering on the Internet or via e-mail, and the used items are mailed back to Acer India for follow-up handling. Items included in the Programme are: desktops, notebooks, monitors, projectors, and servers. The initiative is Acer’s first step in voluntary and free product recycling. In the future, annual goals and incentives will be outlined in accordance with the actual execution to step-by-step fulfill the EPR and CSR mandates. And Acer continues to support the Indian government in instituting electronics waste recycling legislation. We are also working with the government to enhance buyers’ interest in recycling electronic wastes.

Taiwan



Electronic wastes treatment in Taiwan is done by the Recycling Fund Management Board authorized by the EPA through public operation. 14 licensed recyclers of electronic wastes will conduct processing via a variety of ways, plus the issuance of subsidies, the auditing and certification of recycling level, the

management of recyclers, and the application of administrative measures. In addition to making annual payments, Acer participates in public hearings on recycling/processing rates and policymaking to better understand the utilization of funds; Acer also offers advices on rate adjustments.

The public operation of recycling – thanks to joint efforts by the central and local administrations, manufacturers, consumers, and recyclers – has yielded extraordinary results. Visit Recycling Fund Management Board website for more recycling details: <http://www.epa.gov.tw/en/index.aspx>.

Details on the amount of wastes recycled have been provided by the Recycling Fund Management Board; the sum of Acer products recycled in Taiwan are figured as such: 73,261 PCs were recycled in Taiwan in 2006 at 31.2% and 869 metric tons; 77,763 PCs were recycled in Taiwan in 2007 at 29.8% and 876 metric tons; 96,652 PCs were recycled in Taiwan in 2008 at 29.47% and 1,089 metric tons. For a detailed account, visit Acer’s website at <http://www.acer-group.com/>

Japan



Manufacturers are asked to shoulder product recycling and handling duties in accordance with Japan’s Law for Promotion of Effective Utilization of Resources. Acer Japan thus honors local laws to join the local PC recycling organization-PC3R Promotion Center as a partnering member. Should you wish to declare any Acer products unserviceable, contact PC3R Promotion Center at <http://www.pc3r.jp/e/home/index.html>, and Acer Japan.

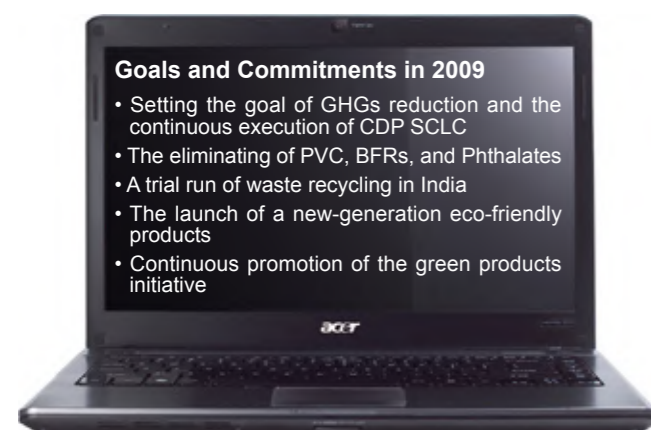
Green Office

As a responsible player in the service industry, we are aware that energies and resources consumed in an office space should be considered when implementing green living.

Acer pioneered in an "green office" program since the 1990s. Currently in Taiwan, attempts and improvements are made for energy efficiency and carbon reduction, including enhancements on the lighting facilities, and lights-off during lunch breaks. In 2009, we are poised to conduct an energy-efficiency evaluation on all Acer buildings, and make adjustments on central air conditioning to reduce power consumption.

And we will persist in the recycling projects with paper, iron, aluminum cans and kitchen wastes. Statistics gathered at Taiwan HQ showed that over 6,000 kilograms of resources were recycled. Similar projects are underway for Acer's overseas bases. Acer Singapore is working to operate in coordination with the Singapore Green Plan 2012 (SGP2012). Communication with local staff and campaigns were conducted, and Acer Singapore has fruited from the project.

In 2009, we are encouraging Acer's regional offices to put forth more innovative and cost-effective projects in the making of Green Office, and share their experiences in this regard on Acer's platform.



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