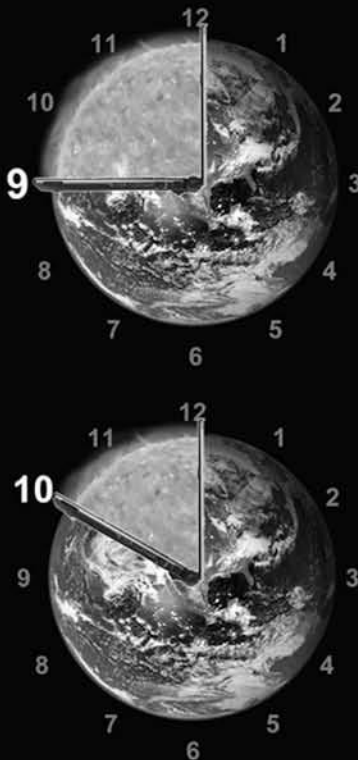


IT'S TIME

Acer Corporate Responsibility Report 2009



About this Report

This is Acer's second corporate responsibility report highlighting the company's perspectives, actions and achievements concerning corporate social responsibility, key sustainability issues and future initiatives to be taken. The first report was published in August 2009, entitled "2008 Acer Corporate Social Responsibility Report." Acer is expected to release the report on an annual base. In principle, we define the organizational boundaries of inclusion according to our consolidated financial statement; there were no significant differences between 2008 and 2009. The reporting covers data collected from Acer's subsidiaries and branch offices, excluding spin-offs, solely over the course of year 2009 (January 1~December 31, 2009).

Content structure of the report is organized in keeping with the Global Reporting Initiatives (GRI G3). Due to the fact that many data-collecting systems are being built in succession, certain performance data have yet to be included. Follow-up report verification and related measures will be conducted after systems preparations are completed.

A more exhaustive description on certain details and specific financial information will be disclosed in [Investor Relations](#) on Acer's website.

For more comprehensive and updated information on Acer's sustainability-driven initiatives, please go to [Acer Sustainability](#) webpage.



On the cover

The theme of this year's CSR report is: "It's Time," highlighting three focuses: 1, it's time to act aggressively against global warming as impacts triggered by global warming on the environment escalates by the day; 2, Acer launched a new-generation, lightweight and power-efficient notebook, Timeline, as one of the specific actions taken to combat global warming. It's time that we leverage the company's core capabilities to carry out sustainability-specific causes. 3, Acer is committed to becoming the world's largest notebook computer brand in 2010. It's time that Acer rises to the top and exerts greater international leverage to be an environmentally-conscious player.

Executive Summary

Global economic recovery, issues dealing with climate change and CO2 emission reduction came to the forefront of international attention over the course of 2009. As a corporate citizen, Acer has persistently taken an active approach in addressing sustainable development-driven challenges while pursuing continuous growth. The 2010 Acer Corporate Responsibility Report is aptly themed, "It's Time," to highlight an effective integration of Acer's core capabilities with issues addressing corporate sustainability; the theme also aimed at showcasing Acer's sustainability performance and achievements.

Corporate Responsibility Management

In 2009, Acer became the world's No. 2 in the notebooks and PCs market. Acer is committed to promoting corporate responsibility policies as the company continues to strengthen its sphere of influence, organizing Acer CSR Forum and providing a platform where stakeholders can sound off. Acer continued to monitor the effectiveness of its corporate management results in response to the list of eight specific expectations of its international stakeholders. The Acer CSR Forum will be organized accordingly, while the company inaugurates an intra-company information sharing platform to reinforce communication, making sustainability a core element in Acer's corporate culture.

Introducing Timeline – a Climate-Friendly Notebook

In fulfilling the needs of consumers and the expectations of stakeholders, Acer launched Aspire Timeline – a climate-friendly notebook computer boasting a variety of power-saving designs that enable a battery life in excess of 8 hours; we also introduced a PVC-and BFRs-free model in hopes of making environmentally-forward products a market staple. Acer is poised to continue its endeavors to promote the HSF project, and will conduct test runs and mass productions of certain new products. We will also take active part in international lawmaking discussions on halogen-free manufacturing.

Greenhouse Gas Inventory

Acer's greenhouse gas inventory has expanded from an organizational level to its distribution of products and services and the supply chain. We formed a product carbon footprint working group with suppliers, and took responsibility for guiding tier one and tier two suppliers to carry out carbon information disclosure progressively. In the future, Acer is to set specific goals to cut greenhouse gas emissions, participate in carbon footprint standards discussions and institution both in the country and overseas, and expand its GHG emissions supply chain management plan to increase the number of supplier participants in international carbon disclosure by an additional 25%.

Environmental, Health and Safety Management

Acer's Neihu office was certified by the ISO 14001 Environmental Management Systems for the first time in 2009. Additionally, Acer's HQ in Hsichih established the OHSAS 18001 system, and was successfully authenticated, ensuring a more robust quality, environmental management and occupational health and safety system for the company.

Supply Chain Management

Acer has always embraced a positive attitude when working with its suppliers to endeavor after mutually beneficial goals, instituting management criteria while opening up multiple channels of communication with suppliers. In 2009, Acer asked suppliers to sign "Acer Supplier Code of Conduct Declaration," added new evaluation and analysis items in the SAQ, and worked with third-party auditors to launch an on-site auditing mechanism for verifying suppliers' Social and Environmental Responsibility (SER) implementation effectiveness. We plan to increase the number of suppliers in the auditing process to include a supplier-specific SER performance assessment, while offering necessary trainings to simultaneously bettering their ability to make improvements.

Employee Care

We at Acer understand that "People Matter," and with that in mind, Acer established many conduits of communication, such as Gardener's Meeting and online employee opinion surveys to encourage staff's input and feedback. Acer is also devoted to creating a healthful, quality workplace, organizing many recreational and self-improvement activities, and offering a number of welfare programs. In 2009, Acer introduced CSR trainings in its Taiwan HQ; we planned to launch a CSR online training program, and set up a more effective online learning system. In the same year, Acer inaugurated a new version of Standards of Business Conduct, by which Acer employees can measure their business conduct propriety.

Customer Communication

With a view to facilitating Acer's customers service, we made a number of adjustments over the period of 2009, including the integration of Acer's Global Download Center and consolidation of its global website, the expansion of International Traveler Warranty, and a significant increase in the number of service centers in Greater China. In addition, Acer took responsibility to "Improve Customer's Environmental and Social Responsibility Awareness" so that as we introduce environmentally friendly products, customers are invited to engage in CSR projects, and encouraged to jointly adopt an eco-friendly consumer practice.

Community Involvement

In 2009, Acer's bases of operations around the world organized a total of 81 community projects. The company instituted Volunteering Service Leave in Acer's Leave Application in support of staffs interested in community outreach. We at Acer are developing community involvement projects to create digital opportunities, so that the company can better utilize its core capabilities to service the community.

The Report is a detailed statement of Acer's CSR performances at present. We at Acer understand that due to the expectations of stakeholders and the change in social environment, sustainability-related issues will inevitably undergo shifts and modifications. But as a pioneering, multinational brand, we vow to ingrain the ability to address corporate responsibility issues into Acer's core values, and foster a closer partnership with its supply chain as such, continuing to reinvent ourselves with a positive attitude to share and learn in the spirit of humility.

2009 Achievements

Corporate Responsibility

- The First Acer Corporate Social Responsibility Report released
 - CSR forum organized to establish close communication with stakeholders around the world
- Meetings were held for opinion exchange with local environmental groups, but the invitees chose to be absent, and communication process stalled for the time-being.

Environmental Responsibility

- Supply Chain GHG emission management plan implemented
 - BFR-free casings and motherboards launched
 - The long-lasting Aspire Timeline series launched
 - Continual discard take-back in India continued

Supply Chain Management

- Cooperation between auditors and third-party auditors to carry out Acer supplier SER on-site audits launched
- Suppliers' SAQ was collected and analyzed, while SAQ performance reviews were conducted for suppliers

Employee Care

- CSR trainings for ITGO new recruits conducted
- Acer Group Standards of Business Conduct established

Customer Communication

- "Green" and "mobile" products – Netbooks and Timeline series launched
- An integrated Global Download Center for Acer's brands completed
- Environmental and community outreach projects with Acer's customers continually promoted

Community Involvement

- The Acer volunteer policies and projects completed and promulgated



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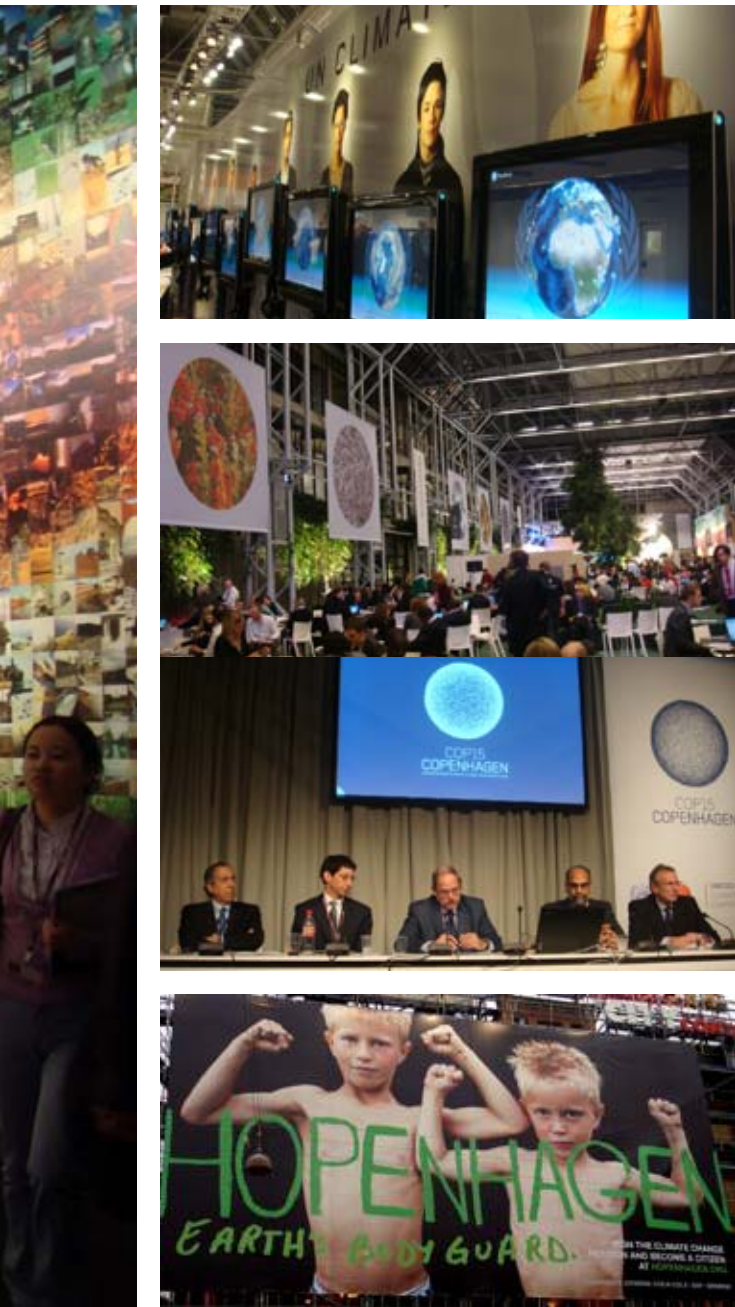
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In 2009, the world continued to reel from the aftereffects of the 2008 global financial meltdown. It also witnessed a slow recovery after the economy hit rock-bottom. The trust in business has been suffered from falling to an all-time low. How business implements its corporate responsibility, particularly social responsibility, was under close watch. The economic downturn helped people to come to grips with the fact that sustainable future in the absence of a stably prospering economy is out of the question. We at Acer also acknowledge the significance of triple bottom line: economy, the environment and community, in its quest for sustainable development.

Whether it's the public domain or the private sector, green technologies and green growth have become the focus of every financial stimulus plan. The emerging trend in the identification and exploit of tremendous business opportunities to implement sustainable development forecasts the long term investment value of sustainability. Opportunities illustrated in SMART 2020, published in 2008 by the Global e-Sustainability Initiative (GeSI) are a beacon to the ICT in terms of responding to energy issues and climate change. The race to deliver the best possible green technologies has already begun, and leading companies are pulling out all the stops to be the solution provider to address present and future challenges; and, of course, the ICT is not going to be left out from the race.

Copenhagen Cop15 of The United Nations Framework Convention on Climate Change (UNFCCC) held at yearend 2009 failed to achieve a binding agreement on the carbon reduction targets by 2020. However, a consensus was reached to limit average global temperature rises to two degrees Celsius above pre-industrial levels. The industrialized countries need to cut carbon emissions drastically before 2050. The developing countries were compelled to join the ranks of fighting global warming by committing to the National Appropriate Mitigation Actions. It is now or never for mankind to address climate change with shared but different responsibility.



A Word from the Chairman

The world experienced one of the worst ever financial crisis in the course of 2008 and 2009. During the economic downturn, Acer successfully braved the adversity and prospered to become the world's second largest personal computer maker. Acer's success is an obvious testimony to the importance of key elements of our corporate sustainability strategies. These key elements consist of products and technologies, talent empowerment, value chain integration, multi-brand leverage, speed and efficiency. By weathering the severest economic slump in decades, Acer is firmly rooted in its seven core values that constitute Acer's corporate tenet. The pillars on which we must base our actions include: value creating, customer centric, ethics and caring. The way we must act should be: innovate, fast and effective.

Acer also honors its commitment to sustainable development and fulfilling corporate social responsibility by integrating climate strategy into product design. Acer walks the talk on CSR in keeping with a spirit of our core culture characterized by being practical and simple with speed and flexibility. For example, with the Aspire Timeline, Acer began the undertaking of translating its climate-friendly ideas into our core products with multiple brands and mainstream prices. Acer took a pioneering step in becoming a sustainability-minded solution provider. We set the new norm by introducing several groundbreaking designs in our notebook computers, including long-lasting, 8-hour-plus battery life, lightweight, affordable and energy-efficient features.

We continued to engage our stakeholders in 2009 by means of face-to-face communications, forums, disclosures and specific initiatives. The goal of the engagement was to pool the collective ideas and efforts of all, and to address various issues at hand. As to the public agenda, carbon disclosure remains a priority in our agenda. This encouraged more comprehensive greenhouse gas emission inventory among business. Acer is ready to participate in the road test of the global new standard for carbon footprinting of its value chain.

We at Acer understand that it is our responsibility to continue the journey towards sustainability. It's time to extend our influence. In the past, we dedicated ourselves to capacity building by means of learning by sharing. At the tipping point of global economy, we are ready now to explore the opportunities of ICT in the sustainability-driven challenges by consolidating our endeavors and strengths.

J.T. Wang

Acer Group CEO and Acer Inc. Chairman



A Word from the CEO

In retrospect, it was a big challenge for Acer, the first multi-brand-architecture notebook computer maker to withstand the brunt of a worldwide financial crisis, especially to become the world's number two market player in the midst of sweeping slumps. But we were comforted by the fact that the company managed to optimize both revenue and gains for Acer's employees, stakeholders, clients and business allies in 2009.

It was a landmark year in 2009 for the company, as we at Acer integrated our core competence with the implementation of sustainable development and CSR. In the area of green products, Acer launched quality notebook computers free of PVC and BFRs (excluding AC power cords). For climate-friendly concerns, Acer pioneered in the introduction of Acer Timeline, a series of ultra-lightweight computers featuring high-performance, 8-hour battery life that minimize power consumption by up to 40%. Its launch signified a winning partnership with our suppliers to unleash our creativity and implement sustainability-driven thinking in our core products and services. Acer's milestone for a low-carbon era was thus set.

Acer also persists in its undertaking to heighten CSR awareness within the organization and competence nurturing. Our GHG inventory has reached 100% of our operation, covering every Acer operating base around the world. The number of suppliers we requested for carbon disclosure was 41.5% higher than a year before. The carbon emissions generated by our global logistics have also been included in our overall carbon footprint inventory. For notebook manufacturers from around the world, these measures instituted at Acer serve as a benchmark for quantifying the carbon footprint of notebook computer manufacturing.

Moreover, Acer is poised to support WBCSD and WRI to develop new GHG Protocol standards for the supply chain and individual products.

In engagement with Acer's stakeholders, Acer continues to expand the level of such engagement by virtue of large forums, interviews, conferences or workshops. Opinions put forward by Acer's stakeholders in the country and abroad serve as vital points of reference for measuring and improving its corporate performance.

As to social progress, Acer carries on with its commitment to greater community involvement. The Acer Group Standards of Business Conduct were officially released in 2009. The Standards act as the code of conduct for all of our employees. Acer is also actively involved in key supply chain social responsibility projects as a member of the EICC, and communicates with its multi-stakeholders. The company is to more expansively apply EICC Code of Conduct to Acer's supply chain management.

Acer's continued prosperity also inspired us to develop an effectual mechanism for compulsory and voluntary take-back, and to systematically implement and promote effective recall in hopes of making substantial progress in this area.

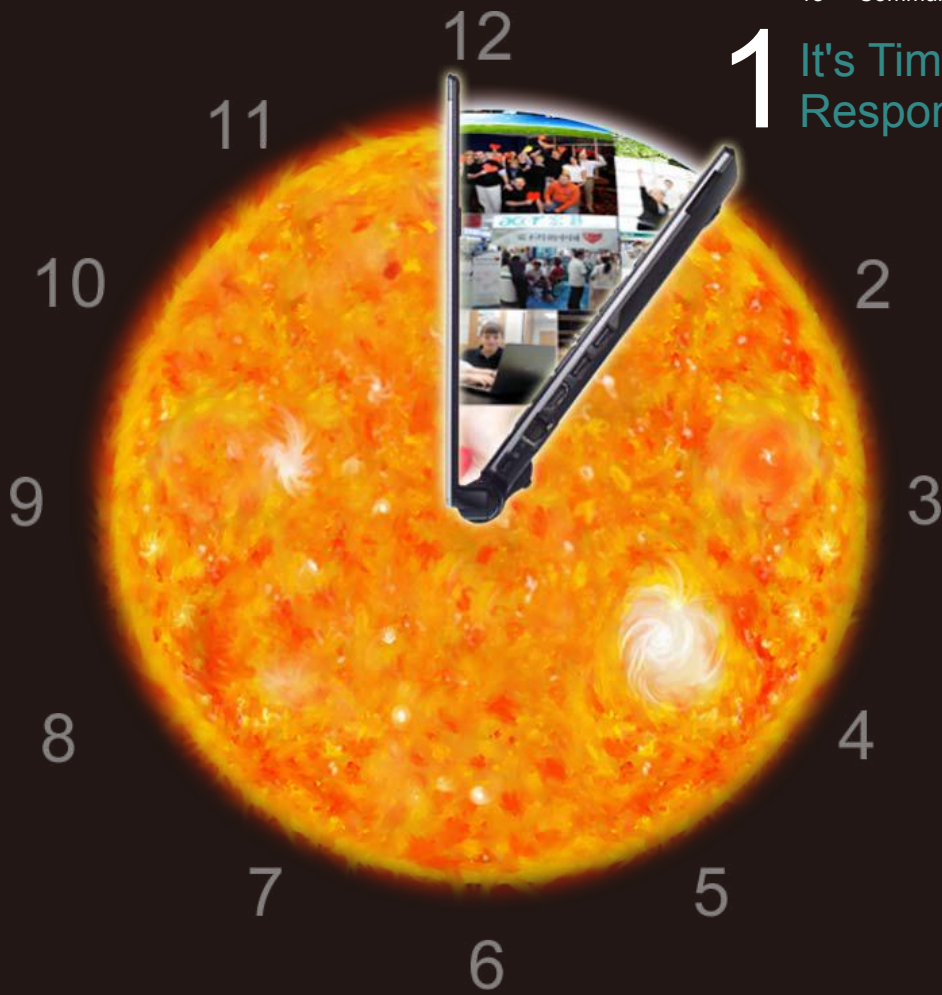
The global financial woes have not put challenges in sustainable development on hold. Rather, the company should rise to the challenge and foster greater risk sensitivity, a moderate operation philosophy, a more responsible manner and stronger partnership with stakeholders to become a beacon of strength and stability in the ever-changing world.

Gianfranco Lanci

Acer Inc. CEO & Corp. President

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1 It's Time for Corporate Responsibility



It's Time for Corporate Responsibility

History and Development



Acer was founded in Taiwan in 1976 and positioned as a computer maker; it's now a multinational name-brand specializing in information products marketing and services. Statistics by Gartner, a famed information technology research and advisory firm, showed that Acer is now in the second most influential notebook label and the world's number two place in PC market in 2009. The company registered a 30%-plus growth in 2008 and 2009 in the international notebook computer market – a production focus for Acer's line of products. Its global market share was figured at 18.9%; PC, 12.7%. Its turnover grew by 28.9% compared to that of last year, figuring the fastest growth among the world's 5 foremost computer technology players.

Financially, Acer operates on its own reserves without any government backing. Its consolidated revenue for year 2009 was NT\$ 573.98B (US\$17.9B) representing 5% annual growth and operating income of NT\$15.34B (US\$479M) with 9% annual growth. Both of these 2009 statistics hit historic highs.

The 2009 profits-after-tax (PAT) was NT\$11.35B (US\$354M), which includes relatively minor income investment disposal and comprises almost in entirety of Acer's core business income. Excluding investment disposal gains, the 2009 PAT represents 29% growth over 2008. Meanwhile, 2009 earnings-per-share (EPS) was NT\$4.3. These substantial operating performances are a triumphant testimony to Acer's extraordinary management framework that supports substantial growths in midst of a worldwide slump; they also illustrate Acer's victory in launching the "multi-brand strategy" and "new operating model."

	2009	2008
Consol. Revenue	NT\$573.98B	NT\$546.27B
Operating Income	NT\$15.34B	NT\$14.07B
PAT	NT\$11.35B	NT\$11.74B
EPS	NT\$4.3	NT\$4.7

For 2010, we at Acer hope to increase our PC shipment by 30% to 35%; notebook computer sales, 40% to 45%; revenue growth, 20% to 25%. For its medium-term goal, the company aims at becoming world's number one computer name-brand, securing 20% of the global market share. As the ICT phases into the age of 4C's – where computer, communication, consumer electronics and content are effectively integrated – the company is poised to focus on upgrading its brand value by virtue of Taiwan's robust information and communication offerings and talents from around the world; it's also ready to leverage its influence as an ICT leader, to create a brand-new prospect for the 21st-century sustainable information community.

	2009	2008
PC Shipment	Approximately 40 million sets	Approximately 31 million sets
Market Share	12.7%	10.3%
Global Market Share Ranking		



Product and Market Distribution

Acer diversifies its product designs under the auspices of its multi-brand policies; its current core businesses include R & D, the designs, marketing and services of quality notebooks, desktops, servers, handheld devices, LCD TVs and projectors. In 2009, Acer made inroads into the smartphone market by launching the Tempo series; Acer is ready to provide high-performing, reliable and user-friendly products in the future so that the customers stay on top of things in the information society.

In addition to innovative R & D endeavors in product designs, Acer steadily expands its business empire; at current, operating bases are set up in over 50 countries across the 5 continents. In 2007, Acer celebrated successful mergers of Gateway and Packard Bell to bolster the company's global positioning by strengthening its presence in the U.S., and enhancing its strong position in Europe to balance its revenue distribution and attain risk sharing. By yearend 2009, revenues in Europe, the Americas and the Asia-Pacific account for 50%, 30% and 20% of Acer's global gains.

Brand Positioning and Market Recognition









Acer embraced a multi-brand policy upon merging Gateway with Packard Bell to create a precision-based global brand management framework; a variety of select products were developed according to the nature and positioning of the brand architecture to meet the demands of different consumer groups. At present, Acer is catering to fashion-forward consumers with a chic line of Gateway and Packard Bell products; for performance-minded buyers and the general public. Lastly, eMachines – a line of products for price-oriented customers.

	BRAND POSITIONING	END USER VALUE
	Simplify My Life Feel in Control Performance	Time to Market Seamless Technology
 	Social Recognition Cutting Edge Design	Cutting Edge IDs Premium Appeal
	Value	Trusted Value Offering

This multi-brand policy and new operating model are pivotal to Acer's springboard to success. We at Acer are steadily building our corporate territory on the following formulas:

1. Global brand management
2. Product design differentiation
3. An integrated marketing approach
4. Effective global customer relationship management
5. Precise and efficient marketing and communication

Acer celebrated a fruitful and rewarding year of 2009. Besides a significant increase in market share, Acer was recognized internationally by winning many awards. The K10 projects and Aspire One 7 Series notebooks were honored with the prestigious iF Product Design Award, Design & Innovation Award by Computex Taipei, and the Green ICT Award. Furthermore, for 11 years straight, Acer was lauded by Reader's Digest with a Gold Award as the most trusted PC Brand in the Asia-Pacific region. These accolades signify that in addition to consistent in business growth, Acer is trusted across the board as a quality name brand by many international trade organizations.

Awards	Departments or Products Recognized	Illustration of Awards Won
Computex 2009 Buyers' Choice Award	Acer K10 projector Aspire Z5000 All-in-one	
Computex Best Choice 2009 – Green ICT Award	Acer K10 projector	
Computex Taipei – Design & Innovation Award – Organized by iF	Aspire One 7 Series	
Computex Taipei – Design & Innovation Gold Award – Organized by iF	Aspire 3935	
iF Design China – Product Design Award	Aspire One 7 Series	
Marketing magazine in Indonesia	Acer	
Top 10 overall in Taiwan among all companies included in the survey.	Acer	
Gold Award for Taiwan and Asia Pacific – 11 consecutive years!	Acer	

Organization and Corporate Responsibility Management

Acer stays true to a spirit of practicality and sound corporate judgment as we work with our staff to maximize gains, and encourage our agents to enjoy fruitful returns of our endeavors. These are the keys to Acer's success in retaining talents, consolidating managerial views, and forming effective alliances with its partners. Acer has the luxury to focus on – and strengthen its corporate flexibility in – addressing fickle market changes, a basis on which Acer builds mutual trust with its partners.

A robust corporate governance system is built upon transparent information disclosure and a clear division between rights and responsibilities. Presently, 7 members serve on Acer's board of directors, with 2 supervisors in charge. The makeup of the Board is defined by the current business demands and the Board's operation. Despite the absence of an independent trustee, Acer has installed a non-executive outside director. In addition, The Compensation Committee, comprising of the Chairman and non-executive Directors, is responsible for the performance

assessment and compensation of the CEO, the performance assessment of the executive team, the compensation and bonus of employees, etc. Scheduled reviews are conducted, and meetings are called as necessary. Acting on the tenets of honesty, integrity and transparency, Acer discloses corporate operation information, the highest-level managerial framework and operation status in its publications, such as its yearbooks and corporate website. The information is also made public to interested parties, such as stakeholders, suppliers and buyers on all possible occasions.

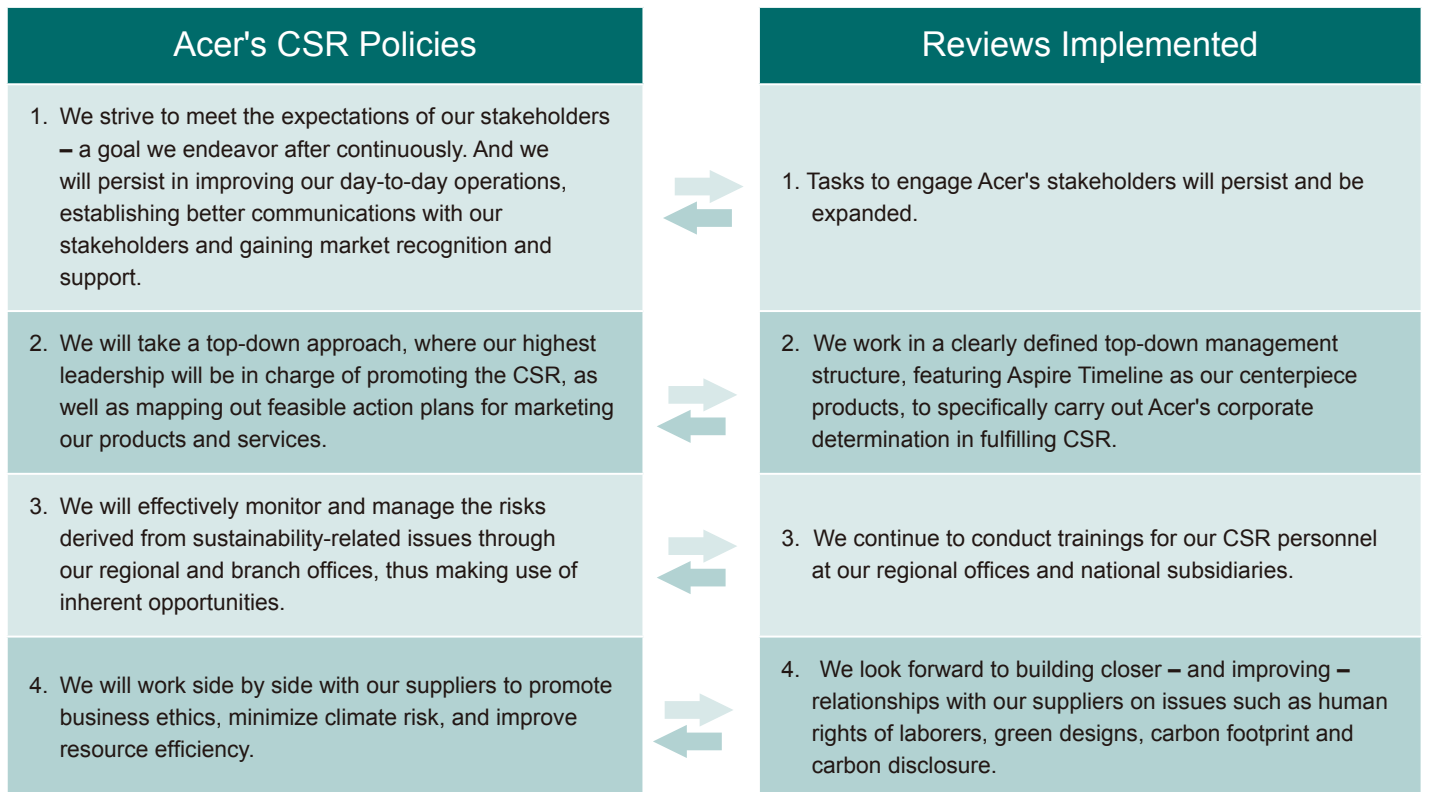
CSR risk management and opportunity development should be internalized as part of the corporate management, to effectively integrate with the company's core values and corporate culture. With that in mind, Acer installed the CSR Executive Committee, and established the Corporate Sustainability Office (CSO) under the CEO as an establishment directly in charge of Acer Group's CSR sustainability-centric affairs.

CSR Executive Committee works to outline annual CSR strategies, approve various courses of action, determine goals to meet, monitor management performance and apportion resources.

sustainability, further becoming an internationally-pioneering ICT name-brand. Our definition of sustainability at Acer is that 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.

For issues involving CSR, Acer continues to focus on 5 priority agenda and practices formulated at yearend 2007, including better management of the social and environmental performances of our supply chain, the development of green products, countermeasures against climate change, communication and information disclosure involving management and stakeholders, and efficient product take-back.

We'd review the relevancy and compliance of various courses of action and CSR policies mapped out in the course of 2009; and we vow to progressively execute these CSR policies while continuing to reinforce Acer's corporate capabilities.





Communication Channels with Acer's Stakeholders and Tasks

We hope to position Acer as a trustworthy and respectable company in the IT industry among our stakeholders. With that in mind, we at Acer wish to get the input from our stakeholders, and build a constructive relationship with them. Stakeholders are defined as Acer's product buyers, investors, suppliers, the media, the NGOs, the government, the community, the academia, and trade organizations.

Constructive communication with stakeholders helps us understand CSR's global trends, issues to be addressed and possible prospects arisen from these issues. Suggestions and positive feedback put forth by stakeholders serve as a powerful message to high-ranking officials that, as a citizen of the world, Acer is duty-bound to implement CSR to ensure a sustainable business future.

Acer is also a member on several international CSR initiative organizations. We are committed to releasing results and consensus reached with Acer's stakeholders concerning issues of mutual interests.

We also respond to concerns raised by stakeholders via eco@acer.com.tw and cr@acer.com.tw and fill out questionnaires formulated by academia, analysts, investors, the customers and the NGOs. In addition to persistent communication activities with stakeholders on all fronts via Acer's designated sustainability webpage, we expect the completion of Acer's global CSR communication window construction, and a CSR info-sharing platform in 2010, so that regional and branch offices around the world are up to speed with each other on all issues. See the following for a list of communication activities over the period of 2009 with Acer's primary stakeholder representatives:

Targets	Content	Approach
Consumers	We strive to help consumers better understand our products and services provided, while opening up multiple channels of communication to acknowledge their input and demands.	<ul style="list-style-type: none"> • Detailed illustrations of product information on Acer's website. • Consumer service hotline • Consumer satisfaction survey • Depot/Repair Center • Computex and display centers • Product recalls
Employees	Employee feedback is instrumental in improving corporate performance. Acer endorses an open door policy that allows employees to speak to their supervisors anytime; they can also voice their opinions and needs via a proper channel.	<ul style="list-style-type: none"> • Annual Employee Opinion Survey across the world • Regular Acer Family Meetings and Gardener Meetings • Annual performance reviews • The open-door policy • Workday discussions
Investors	We discuss corporate performances with investors periodically.	<ul style="list-style-type: none"> • Yearbooks and financial statements/ reports • Annual shareholders' conventions • Routine conventions and briefings
Communities	Our community involvement is conducted in keeping with Acer's corporate capabilities, and we outline an appropriate community involvement project depending on community locality and demands.	<ul style="list-style-type: none"> • Acer's Volunteers involvement • Fundraisers • Charity drives
Suppliers	In virtue of heightened criteria on GHG emissions, environmental and social responsibility and chemical control projects, Acer and its suppliers work to improve CSR of the supply chain. We ensure that the supply chain has fulfilled its duties via self-evaluations and auditing.	<ul style="list-style-type: none"> • Questionnaires • Supply chain auditing • Suppliers conference • Workshops and forums
Trade and industrial organizations	Acer is actively involved in CSR-oriented NGOs and trade organizations to attain effective responsibility fulfillment. We also work with professional agencies outside the structure to explore CSR issues.	<ul style="list-style-type: none"> • Direct membership involvement with CSR-oriented organizations, such as: Information Technology Industry Environmental Leadership Council (ITI ELC) EICC CDP Supply Chain Program CSCI BCSD-Taiwan Taiwan Corporate Sustainability Forum (TCSF) • Membership on industrial unions and trade organizations, such as: Taipei Computer Association Taiwan Printed Circuit Association

Targets	Content	Approach
NGOs	<p>We are engaged in extensive discussions with the NGOs, in particular when NGOs' initiatives or focuses pertain to the industry. Several highlight issues discussed with NGOs during 2009 are listed as follows:</p> <ul style="list-style-type: none"> • Multi-industry Extractives Forum • Acer CSR Forum • Communication discussions with Taiwan's environmental protection advocates. • Supporting the RoHS Amendments to include the further restrictions on the use of organic bromides and organic chlorinated flame retardants. 	<ul style="list-style-type: none"> • Conferences and forums • CR and ECO mailboxes • Collaborative researches
Government agencies	<p>We participate in public hearings concerning regulatory concerns, and offer our opinion representing the industry and the community in hopes of formulating feasible statutes in compliance with global trends and practicality.</p>	<ul style="list-style-type: none"> • Participating in legislation
Academia	<p>We provide Acer-based industrial case studies and sponsorship to encourage exchanges among academician, and assist in their research endeavors.</p>	<ul style="list-style-type: none"> • Collaborative researches • CR and ECO mailboxes • Academic research sponsorship
Media	<p>We engage the media at all times and encourage public, transparent information release.</p>	<ul style="list-style-type: none"> • Interviews • Routine meetings and briefings

Acer CSR Forum

The first international planetary stakeholders' meeting was held from December 16th through 17th, 2008, to reach the following 8 consensuses; solutions were taken accordingly to address issues ready for handling. See the following for progresses taken at present:

International stakeholders' expectations for Acer for year 2008:	Progresses earmarked for 2009
Acer has to be more strategic in setting up the framework to really embed CSR from top to bottom. The implementation is important.	Acer has mapped out strategic CSR course of action, and implemented these tactics specifically in Aspire Timeline's product designs.
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.	The board of directors, the CSR Executive Committee, GMs at ROs have been appointed the driving forces behind Acer's global CSR initiative.
Encouragement to Acer for becoming a global leader and also for influencing the policies of Acer's home country (Taiwan).	Using climate change policies as a beginning, Acer supports BCSD-Taiwan and TCSF to engage the government on addressing climate change issues.
In performance review, please consider including sustainability and CSR in the performance evaluations of managers and employees.	Under construction

International stakeholders' expectations for Acer for year 2008:	Progresses earmarked for 2009
Don't go back when you commit to work on CSR.	In a move to preserve the environment, Acer introduced HSF products; for climate change concerns, we at Acer launched Aspire Timeline. Auditing is administered continuously among Acer's suppliers. Their participation in the Carbon Disclosure Project grew by 41.5% than that of 2008. Acer hopes to ultimately integrate CSR as part of the workday routine.
Transparency is not only important for stakeholders but also for all the customers.	Plans are underway to conduct more disclosure on environment – and climate issues among Acer's clients.
Employee engagements. Workers should be allowed to organize into associations that can represent employees' collective concerns to management.	In Taiwan, we schedule Gardener Meetings as one of the employee communicating channels.
Education is important from top to bottom for making sure the practice is in place.	CSR trainings at regional offices have increased from 60% in 2008 to 80% at present. Plans and constructions for launching online CSR training modules have been completed.

The 2009 Acer CSR Forum was themed, "Bridging the Gap & Walking the Talk." The event was graced by Björn Stigson, President of the World Business Council for Sustainable Development (WBCSD), Luís Neves, Chair of the Global e-Sustainability Initiative (GeSI), the Electronic Industry Citizenship Coalition (EICC), the Climate Savers Computing Initiative (CSCI), the Association of Sustainable and Responsible Investment in Asia (ASrIA), the International Chemical Secretariat (ChemSec) and Workers' Assistance Center (WAC) from the Philippines, plus Acer's 8 foremost suppliers and partners. Participating organizations conducted opinion exchanges on "Green Production," "Green Product Designs," "Product Carbon Footprint" and "Labor Rights." Moreover, representatives from the prestigious TSMC were invited to discuss effective, integrated CSR practices.

During the Forum, Björn Stigson and Luís Neves gave keynote speeches to ranking officials representing Acer's suppliers. The suppliers briefed forum participants, followed by constructive critiques and suggestions put forth by members from stakeholders' organizations and Taiwan's academia. The critiques and suggestions were constructively to the suppliers to better improve their CSR performances. 147 members representing Acer's suppliers were in attendance. That said, we at Acer expect to effectively leverage our influences as a trusted name-brand; in addition to enhancing Acer's sustainability performance, Acer aims at inspiring a collective synergy in the ICT industry on effecting CSR.

We also scheduled conduits of communication with Taiwan's local environmental groups in 2009; 2 meetings were scheduled on 7/28 and 8/25 as a channel of sounding off their input, which would be used as a frame of reference for planning annual CSR policies; we extended invitations to 17 such groups. However, the invitees released statements prior to the meeting and stated that they chose to be absent. Despite the setbacks, we at Acer hope to meet with these groups at an appropriate time for further discussion.

Participating in Public Policymaking

In participating public policymaking, we at Acer speak from our own business experience and play a part in Taiwan, R.O.C's public policymaking process – where Acer is headquartered – in hopes of creating a business environment conducive to promoting sustainable development and CSR implementation.

Acer participated in the following three sustainability-driven policymaking enactments in 2009:

1. Corporate Social Responsibility and Best Practice Principles at the Taiwan Stock Exchange (TWSE)

Supported by BCSD-Taiwan and CSR Taiwan, Taiwan Stock Exchange (TWSE) and GreTai Securities Market (GTSM) drafted the "Corporate Social Responsibility and Best Practice Principles for TWSE/GTSM-Listed Companies" in 2009. The Principles, as a soft law, is to be applied for promoting the implementation of CSR and reporting accordingly. As the board director of BCSD-Taiwan, Acer was engaged directly by BCSD-Taiwan in the consultation process for drafting the Principles. The engagement period lasted from March to April of 2009.

2. The Taiwan Greenhouse Gas Emission Reduction Act

Having a legal basis for GHG reduction helps motivate the community to take on necessary reduction measures collectively. We at Acer work with BCSD-Taiwan and Taiwan Corporate Sustainability Forum (TCSF) – an organization specializing in the sharing of CSR practices – to engage the legislative and administrative departments in further enriching the GHG Reduction Act under the principles of fairness and shared responsibility. The engagement period lasted between January and May, 2009.

3. Carbon Footprint and Carbon Emission Label

Carbon footprint and carbon emission labeling for notebooks continue to be hampered by many subjective factors due to extreme complexity in electronic components assembling. In 2009, Acer offered its own management experience in the area via both direct and indirect communication channels to government agencies. In the future, we at Acer are also considering taking part in CSR-related criteria institution or tests spearheaded by international agencies.



Aspire Timeline for Time-Critical Performances – An Epochal Landmark for Climate-Friendly Notebooks

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Aspire Timeline for Time-Critical Performances – An Epochal Landmark for Climate-Friendly Notebooks

A Demand for Low Carbon Emission and Innovation

Notebooks are now Acer's centerpiece products, registering the fastest sales growth among all Acer's offering on the market. In keeping with implementing CSR, we at Acer are committed to cut back energy consumption, reduce GHG emission, upgrade energy efficiency, and create eco-friendly products as the highlight of our primary production line as one of the development priorities for implementing CSR.

Understanding and meeting the demands of our customers and stakeholders, and thereby breaking the barriers between people and technology underscore Acer's business tenets. In regard to green products, Acer works in integrity as a responsible member of the corporate world, and solicits input from stakeholders and interested parties, such as Greenpeace, CSCI, and ChemSec, to fulfill the criteria for eco-friendly designs and power conservation in designing new-generation products. Additionally, Acer conducts studies among the world's performance-critical users, and finds that they yearn for notebooks that come with enduring, 6-hour-plus battery life.

There is an intimate correlation between product features and pricing when consumer demands are factored into product market positioning. Take notebooks for example: notebooks that are lightweight and easily portable are oftentimes high-end products and pricier; high-performance notebooks are also understandably more power-consuming than their run-of-the-mill counterparts. In other words, to Acer, creating single-feature products is not so much a challenge. However, the crux lies in developing environmentally-friendly, low-carbon products that cater to various consumer groups. With that in mind, Acer aims at developing products that are in compliance with the overriding principles in Acer's brandscape, and with the prospect to upgrade the portfolio of Acer's stockholders and investors. This is the goal that Acer is continuously endeavoring after.



Introducing the new Acer Aspire Timeline series

Global warming and climate change have escalated extensive disruptions in environmental wellness. During the Acer CSR Forum, held in December, 2008, environmental-forward thinking and innovation in ICT products were highlighted as a crucial factor – and feasible approach – that should be considered and taken by Taiwan's IT industry in countering climate change. In view of aforesaid consumer background and market demands, we understood the need to create innovative and low carbon products, and went about establishing a blueprint for designing eco-friendly, power-conscious, lightweight and affordable priced notebooks, hence the launch of Acer Aspire Timeline Series in April, 2009 – an instant sensation in the industry.

Aspire Timeline series is outfitted with a combination of power-saving, soft- and hard battery designs. Compared with the

traditional models, the Timeline series reduce power consumption by up to 40%, and boost battery life to 8 hours plus, giving you an entire day of computing on a single charge.

With the launch of Aspire Timeline, we extended invitations to our international stakeholders since July 2009 to embark on a tryout. The results and feedback garnered during the tryout serve as a touch tone and further prep work for Acer's endeavors in innovative low-carbon technologies, ridding toxins, improving material selection, and extensive, global manufacturing application to employ Timeline's advanced features. The induction of Aspire Timeline series serves as a milestone for Acer's future undertaking in creating climate-friendly notebooks.

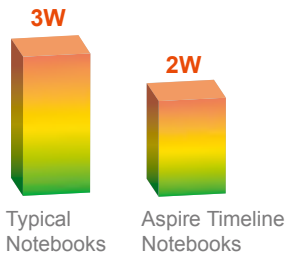
Pioneering Power-Conservation and Low Carbon Technologies in Aspire Timeline



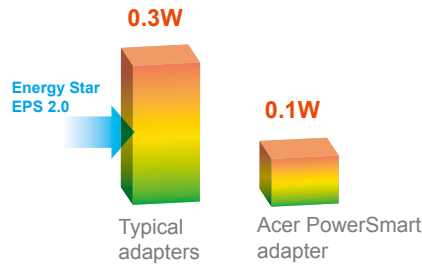
For thermal control, Aspire Timeline series is powered with the Acer Comfy Touch – a successful fruit of collaboration with Intel Laminar Wall Jet, featuring a technology that has been used successfully for cooling turbine blades, to redirect the cooling air flow along the bottom side of the notebook chassis, putting fresh air precisely where it's needed to better cool the casing. This thermal solution enhances user comfort and cuts down unnecessary power waste.

Aspire Timeline is also powered with innovative energy-efficient designs, including the Intel Display Power Savings Technology (iDPST) that reduces display backlight with minimum visual impact, and Consumer Ultra Low Voltage (CULV) solutions that fill the bill to a great majority of users, while economizing CPU's power consumption. Coupled with the Acer PowerSmart adapter, it can save up to 40% of energy compared to conventional notebooks.

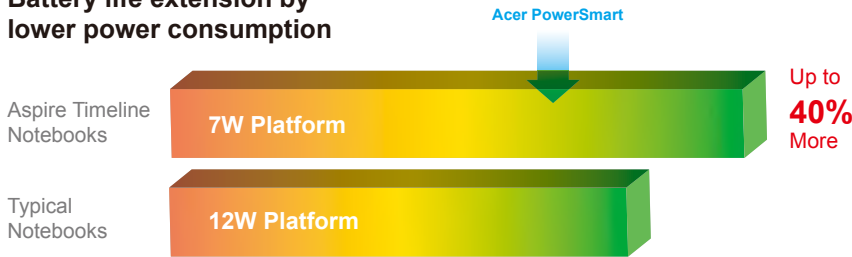
Up to 33% saving with Intel DPST



Adapter In No-Load mode 66% Saving



Battery life extension by lower power consumption



Aspire Timeline boasts an energy-saving performance that well surpasses the energy criteria of 2.0 for power adapter, instituted by Energy Star. In the no-load mode, Timeline consumes only 0.1W of electricity, boosting electricity efficiency by 66%.



Aspire Timeline's Mission-Critical Performances

Take users in Taiwan for example. For every Timeline (the 4810T model) used, up to 10.81 kilowatts of electricity is saved annually, compared with that of older models. In other words, it reduces carbon dioxide emission by nearly 7 kg per year, which equals to the CO2 absorption of 0.56 tree.

The aforesaid power-saving statistics is calculated using Energy Star's 5.0 Typical Energy Consumption (TEC) formula; the amount of CO₂ emission is calculated using Taiwan's 2009 energy release coefficient of 0.623 kgCO₂e/kWh. One tree can absorb an average 12 kilograms of carbon dioxide a year, according to the United Nation Environment Programme, "Plant for the Planet – the Billion Tree Campaign."

The Timeline series celebrates the beginning of a new era in mobile computing. It's capable of handling complicated tasks with an enduring battery-life, and affordable priced to override the price tags of lightweight products. Innovative low-carbon solutions and the birth of Aspire Timeline notebooks are the perfect answer to the current market demand, and they are enabled by suggestions during Acer's engagement with stakeholders. Aspire Timeline series symbolizes a triumph and extraordinary value, driven by a close partnership with Acer, consumers, and stakeholders.

The road toward sustainability and innovation is a fulfilling work in progress. We are eyeing to launch a fresh line of high-performance operation platforms, study for and develop a diverse span of green products, and strengthen communication with our consumers. We also have faith that this in turn bolsters stakeholders' confidence in Acer's endeavors to develop new products, which punctuates Acer's market value and contribution.





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It's Time for Environmental Responsibility

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It's Time for Environmental Responsibility

When it comes to environmental issues, the spotlight is on and stakeholder expectations are high. Like other industries, the ICT industry is working hard to produce greener products and help in the effort to combat climate change. Environmental concerns have long been an important part of Acer's corporate agenda, and over the past year our sense of environmental responsibility has manifested itself in a number of ways. These include inventorying and managing greenhouse gas emissions, participating in a number of environmental activities and organizations, and systematically reducing the amounts of environmentally destructive substances used in our products.

Environment, Health and Safety Management

We take quality control and environmental management seriously here at Acer, basing them on the Acer Quality Policy; the Acer Environmental, Health and Safety Policy as well as the ISO 9001, ISO 14001, and OHSAS18001 standards for management systems. These management systems serve as a general management platform for enterprise quality, environmental health and safety. We have set up an ISO implementation committee that oversees the formulation, management, implementation, and evaluation of related affairs.

ISO and OHSAS Management Systems

At Acer we use the ISO standards as a tool for improving our in-house procedures. For example, we refer to ISO 9001 quality management system standards to ensure and enhance the quality of our products and services. ISO 14001 environmental management system standards are taken as the basis for assessing the possible environmental impact of our operations.

In 2009 we used the 2008 version of ISO 9001 for our quality management system, for which we were awarded ISO 9001:2008 certification at the end of the year. Acer headquarters in Hsichih received a complete recertification audit for its ISO 14001:2008 management systems, which is now audited once every three years. Our Neihu office, also near Taipei, has just received ISO 14001 certification for the first time. In 2009, our Hsichih



headquarters was awarded OHSAS 18001 certification for occupational health and safety management systems. By making occupational health and safety a part of everyday operations Acer personnel are now more informed about these matters and are more capable of preventing occupational accidents. Product quality, environmental management, and occupational health and safety standards have all been raised as a result.

The Acer ISO implementation committee is charged with the tasks of evaluating the implementation of quality control and environmental health and safety policies, as well as ensuring that these policies are implemented according to ISO and OHSAS standards. The committee also assists in furthering understanding and command of systems management operations. Other important tasks given to the committee include identifying environmental aspects and risk assessment; setting goals and targets and developing programs for attaining them; and implementing continuous improvements. We also conduct internal and external audits to look for flaws in our operations, which are then remedied as soon as possible.

Our keen sense of corporate responsibility is reflected in the fact that not only have we established our own environmental management systems, but we also require our suppliers establish environmental management systems. All of Acer's Original Design Manufacturer (ODM)/Original Equipment Manufacturing (OEM) are ISO 14001 certificated. In the future we will also require our suppliers to obtain OHSAS 18001 certification to ensure continual advances in occupational health and safety.



Energy and Climate Change

The global problems of depleted energy sources and climate change are clearly escalating, and international attention is now firmly focused on reducing carbon emissions and other suitable responses. As pointed out in the Smart 2020 report published by GeSI, the ICT industry accounts for approximately 2% of total global carbon emissions but has the potential to reduce total carbon emissions by 15%. Creating a thoroughly low-carbon lifestyle will obviously be a huge challenge, but, on the upside, will also lead to the creation of new needs, technologies and opportunities. We at Acer see ourselves as a part of the global village: Steadfastly facing up to the challenges of climate change and global warming and taking the opportunities that arise are a part of our corporate responsibility.

Acer has already adopted a very pro-active approach to the problems of energy and climate change as evidenced by our development and supply of low-carbon products and our concerted efforts to reduce operational emissions. In 2008, we drew up the Acer Integrated Energy and Climate Change Policy, which sets out the four main areas that we are focusing on in order to reach our corporate goal of becoming a friend of the Earth: inventorying greenhouse gas emissions, conserving energy consumption, raising overall efficiency, and creating a low-carbon business model. Acer is a world-famous brand, so we have taken it upon ourselves to use our resources to assist our suppliers in monitoring and reducing the amounts of greenhouse gases that they produce. Helping them find ways to suitably reduce emissions also shrinks the carbon footprints of our products.

Greenhouse Gas Inventory

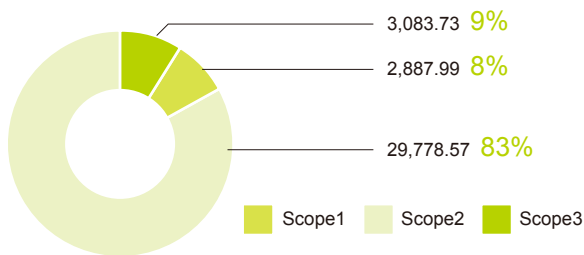
Monitoring of greenhouse gases throughout all of the Acer group operations officially started in 2008, and has been divided into five stages. We have adopted the Greenhouse Gas Protocol (GHG Protocol) formulated by the WBCSD and the WRI as the guiding framework for greenhouse gas inventory. At present, our inventory program can be divided into four main areas:

1. Inventorying Greenhouse Gas Emissions from Organized Operations

As a result of the hard work of personnel in all Acer operations worldwide, we have been able to estimate that the total volume of greenhouse gas emissions from our organization in 2009 was 35,750 tonnes of carbon dioxide equivalents. This figure includes 643,111 liters of gasoline and 416,972 liters of diesel. Our total consumption of electricity for the year was 61,687,173 kilowatt hours. The degree of completeness of the data we used in our accounting has also been raised to over 85%. The different emission scopes and their estimated volumes and proportions are shown in the graph below:

2009 Greenhouse Gas Emissions from Worldwide Operations

(Unit: Tonnes of Carbon Dioxide Equivalents)

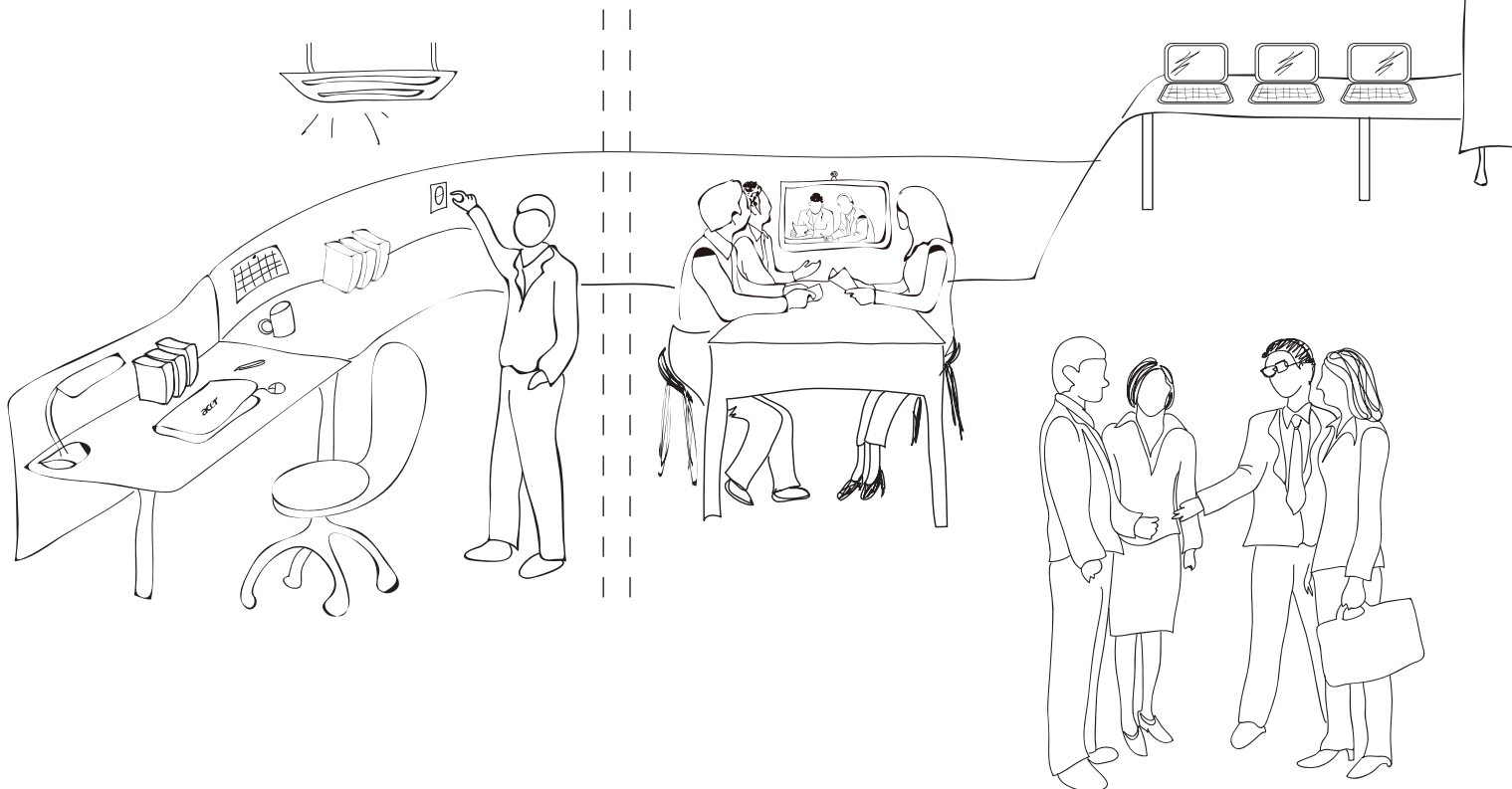


Scope 1 includes emissions from fossil fuels and refrigerants; Scope 2 shows the estimate for indirect emissions from using electricity; Scope 3 shows the estimate for emissions produced from staff flying on airplanes for commercial purposes. Future estimates will also start to include emissions caused by the distribution of products and services and employee commuting, plus volumes of emissions produced by our suppliers.

In order to raise the degree of reliability and completeness of the greenhouse gas emission data collected, in 2009, we started to conduct in-house evaluations of emission data from all of our operations worldwide. By training our personnel to establish more complete and reliable procedures for evaluating emissions data we will be better placed to facilitate third party verification and also to respond to stricter standards for data reliability in the future.

2. Inventorying Greenhouse Gas Emissions Produced by the Distribution of Products and Services

We conducted a preliminary survey of greenhouse gas emissions produced by the distribution of our products and services in the latter half of 2008. This was done for the



purpose of further understanding of the appropriate inventory boundary and planning appropriate inventory procedures. Since September 2009, we have been carrying out surveys and collecting data on the worldwide distribution of our products and services. We have discovered that collecting primary data on logistics-related greenhouse gas emissions is not at all easy. We estimate that the data so far collected only covers around 40% of the total, with this 40% being approximate to 60,000 tonnes of carbon dioxide equivalents. Our hope is that during 2010 we will be able to raise this figure to 80% or more.

3. Inventorying for Supply Chain Greenhouse Gases and Participating in the CDP Supply Chain Program

From the product life cycle perspective, Acer doesn't actually have a manufacturing facility so the carbon emission from our own operation is not significant. We do, however, use our status as the brand company to require that our suppliers join hands with us in the effort to reduce greenhouse gas emissions. Throughout 2009 we continued the work of promoting the accounting and reduction of greenhouse gas emissions at our suppliers' facilities. Suppliers' emissions are now included on our "must monitor" list along with greenhouse gas emissions produced by the distribution of our products and services.

As for the CDP Supply Chain Program, over 95% of suppliers asked to join the program sent back our questionnaire before

the designated deadline. We did, however, note that there is still considerable room for improvement in the quality and content of the answers our suppliers wrote down and preliminary results indicate that all of our major suppliers are producing higher volumes of greenhouse gases than Acer. We will continue to request that our suppliers work toward reducing their emissions, and that they too ask their suppliers to do the same, so that Acer's supply chain can become truly eco-friendly.

4. Carbon Information Disclosure for Products

The carbon footprint of manufactured products is undoubtedly one of the big issues of our time. In the third quarter of 2009 Acer set up a product carbon footprint working group that has since held a series of carbon footprint working meetings with our main suppliers in order to find ways to reduce our impact on global warming. Rudimentary consensus has been made during the meetings on a timeframe for carbon information disclosure of Acer products as well as calculation and allocation methods of the carbon emissions from each product. Taking 2008 as the base year, suppliers will be successively asked to provide information on the carbon footprint of products during both the R&D stage and the manufacturing stage. Acer will be dispatching teams to all of our major suppliers to inspect and verify their greenhouse gas emissions data. We are also planning to require that all of our first tier and second tier suppliers disclose carbon information and set specific targets for reducing carbon emissions.



There is still no one commonly accepted set of standards for carbon footprints. Carrying out the task of accounting for the carbon footprints of Acer products requires that we keep a finger on the pulse of international standards and trends. Therefore in 2010 we have decided to join the road testing of WBCSD/WRI drafted GHG Protocol standards for product carbon footprint accounting. We look forward to being able to share our knowledge and experience of supply chain greenhouse gas emissions accounting and product carbon footprint accounting by this six-month global pilot plan.



Reducing Greenhouse Gas Emissions

After gaining a firm understanding of our greenhouse gas emission situation, we drew up an emission reduction policy that has five major directions:

1. Reducing suppliers' greenhouse gas emissions: Acer started supplier greenhouse gas emission accounting in 2009 and requested that they set specific future reduction targets. We will continue cooperating with our suppliers to ensure that greenhouse gas emissions produced during manufacturing processes are reduced to a minimum.
2. Increasing the energy efficiency of Acer facilities: By making benchmark comparisons of the energy efficiency rates of all of our facilities worldwide and setting realistic reduction targets, we have given the management at each center an incentive to increase the efficiency of their energy usage through targeted improvements.
3. Promoting low-energy products: Besides adopting LED backlight screens for monitors produced in 2009 we also rolled out the low-energy Aspire Timeline series of laptops. Aspire Timelines are in the same price range as similar laptops but are a big step in the direction of low-energy computing.
4. Carbon neutral plan: In September 2008 Acer Japan bought carbon credits that had resulted from wind-generated electricity in India, a part of that nation's Clean Development Mechanism (CDM). These credits were used to offset Acer Japan's 2007 carbon emissions from electricity consumption, allowing the branch to achieve carbon neutrality. Acer Japan continued to implement their carbon neutral plan in 2009 and even expanded the scope of its implementation.

5. Influencing government policy: Acer continued to actively participate – along with other major Taiwanese companies – in the Taiwan Corporate Sustainability Forum's climate change working group. We believe that providing the government with practical suggestions regarding climate change policy and regulations is a part of our corporate responsibility.

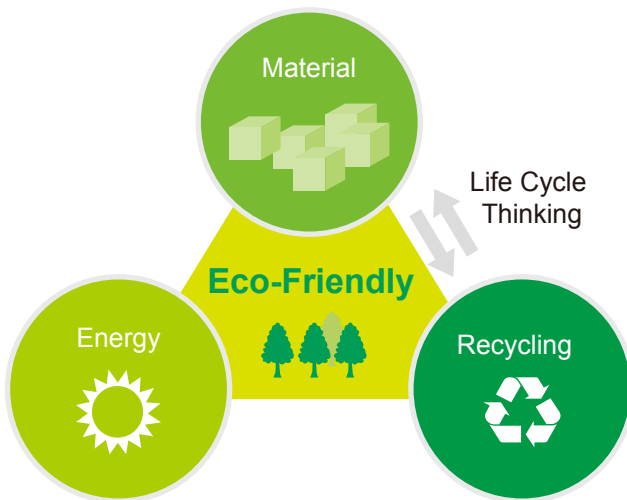
Acer Japan's Carbon Offsetting Plan

In 2007, Acer Japan adopted the slogan "green IT movement=environmental protection" and started to buy carbon credits to offset the consumption of electricity in their offices. In 2008, the plan was expanded on a trial basis. By offsetting the carbon equivalents of gas heating, office electricity consumption, and fuel used in company vehicles, Acer Japan became the first of our overseas branches to achieve carbon neutrality. As a result of an increase in the area of floorboards in the office the amount of carbon dioxide equivalents that needed to be offset rose from 66 metric tonnes in 2008 to 121 tonnes in 2009.



Green Product Management

International environmental regulations can roughly be divided into three categories: chemicals, energy efficiency, and recycling. Acer follows this model by evaluating the eco-friendliness of its products in terms of materials, energy, and recycling. By carefully examining the whole life cycle of our products we have been able to develop high-quality items that are energy and resource efficient, easy to recycle, and low in pollutants and hazardous substances. By employing green purchasing and communications with our suppliers we have been able to establish a green supply chain that is thoroughly in line with international environmental practice.



Green Product Policy

- Based on the life cycle concept, we offer high-quality products that are energy and resource efficient, low in pollutants and hazardous substances, and easy to recycle.
- By employing green purchasing and communications with our suppliers we have been able to establish a green supply chain that is thoroughly in line with international environmental practice.

Materials Selection Management

1. Restrictions on the Use of Chemicals

In 2005, the EU announced the Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS). Acer responded by creating a team charged with overseeing the environmental safety of our global operations. In 2006, we began the first stage of our Hazardous Substances Free, HSF, program – based on the precautionary principle and Individual Producer Responsibility – to remove PVC, BFRs and phthalates from our products. In conjunction with our suppliers we conducted a thorough review of our products in the search for substitute materials and technology. In addition, the promulgation of the EU's Regulations for the Registration, Evaluation, Authorisation and Restriction of Chemicals, REACH, on June 1, 2007, prodded us to gain a deeper understanding of the levels of Substances of Very High Concern, SVHCs, in our products in keeping with the precautionary spirit of REACH.

We also strictly require that our suppliers continue to restrict or phase out the use of hazardous substances in our products, as laid out in the Acer Guidance of Restricted Substances in Products. This works to effectively reduce environmental pollution and direct impacts on human health due to inappropriate disposal of waste electric and electronic products. We originally made it a corporate target to completely phase out the use of PVC, BFRs, and phthalates in our products by 2009. We started on the task of integrating internal and external resources in 2005 and were able to market a number of products that had BFR-free printer circuit boards and casings. Acer anticipates that new legislation supporting halogen-free products will lead to restrictions on the use of PVC and BFRs while also effectively reducing environmental impacts resulting from inappropriate disposal of electronics waste. Acer supports the move to phase out all brominated and chlorinated organic compounds in the legislation of RoHS 2.0, so that all manufacturers in the supply chain can work as one to solve this problem.

2009 HSF Products: Aspire 3811TZ and Aspire 3811TZG

After overcoming a number of technical and manufacturing problems we were finally able to bring the Aspire 3811TZ and Aspire 3811TZG to market in 2009. These two models are fully compliant with international standards and regulations such as the RoHS. They are also free of PVC and BFRs even though this is not yet required by international regulations. Acer has adopted the precautionary principle, and thus we are striving to make all of our products halogen-free.

PVC and BFRs may produce hazardous dioxin or furan if products containing them are disposed of by improper incineration. Removing PVC and BFRs from our products is thus an excellent way for us to express our concern for the global environment.



Notes:
1.Except for power cables, these products do not contain BFRs or PVC
2.Products are said to not contain BFRs or PVC if there are fewer than 1000 ppm of these substances

Adopting the precautionary principle means that not only do we abide by currently enforced restrictions on hazardous substances but we also take careful note of international trends regarding the control of hazardous substances and constantly seek to enhance our understanding of the impact these substances have on the environment.

2. Reducing Our Use of Resources

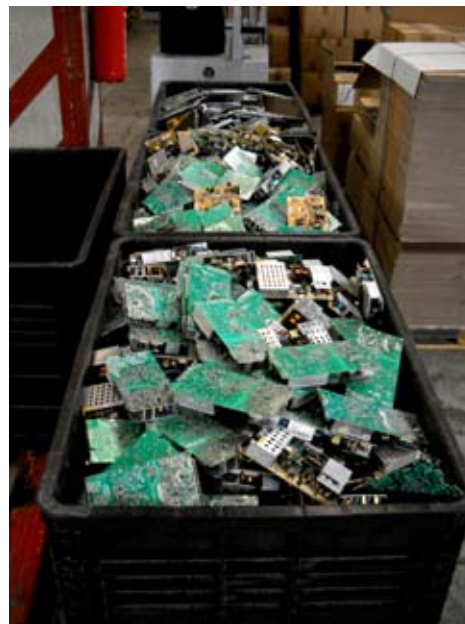
Acer's new generation of lightweight products have been designed to both meet the demands of consumers and reduce the use of natural resources such as metals and oil. The casings of our EPEAT registered gold monitors now contain 28% post-consumer recycled plastic.

Energy Efficiency Management

Analysis of the life cycle assessment of products has shown that about half of the carbon emission equivalents associated with the life of a computer occur while it is being used. Designing our products to be more energy efficient has thus long been one of our main targets and we are continuously working toward making our products compliant with the Energy Star 5.0 standard or even exceed it. The complex technology employed in the manufacture of our 2009 Aspire Timeline series allows the notebook to be a stellar performer when it comes to saving energy.

We have also been working hard with our suppliers to adapt the design of our products so that they are compliant with the EU's Directive 2009/125/EC Establishing a Framework for the Setting of Ecodesign Requirements for Energy-Related Products (ErP), which came into effect in November 2009. Preparing a set of compliance declarations and technical documents has also been necessary to guarantee that our products are ErP compliant.

Product Recycling Management



Dealing with e-waste is a big issue for the electronics industry. At Acer we tackle the problem by first looking at the complete life cycle of our products to ensure that we use the minimum of raw materials and create as little waste as possible. Keeping tight control over our use of chemicals also minimizes the negative impact our products might have on the environment if they are improperly disposed of. We have also designed our products to be easily disassembled and easily recycled after they are disposed of, and have created a number of recycling channels for our customers. Recycling initiatives in each of our major markets are as follows:



1. Europe

We consider the product recycling to be an extension of the producer's responsibility and have planned our products and components recycling schemes in accordance with EU directives. Components that are recycled separately include the main unit of the product, batteries, secondary batteries, and packaging. By integrating our recycling channels with local systems we guarantee our customers that their Acer product will be properly disposed of. Our battery recycling program, for example, covers 3 aspects. First, we do not use mercury, cadmium, lead, or similar hazardous substances. Second, the design of our products ensures that batteries are easily identifiable and detachable. Third, clearly indicating the position of the battery and its type in the product disassembly guide facilitates the easy removal of the battery and its proper recycling. As for packaging, we have endeavored to make it as lightweight as possible to save resources, and restricted the use of heavy metals materials in manufacture. The packaging is also stamped with a recycling symbol and logo of the materials it is composed of. In addition, many of Acer Europe branches have joined with local organizations to provide appropriate recycling channels. For example, Acer Norway is now a "Grønt Punkt" member of El-Retur, an organization promoting recycling of product packaging.



2. North America

North America is currently the world's largest producer of e-waste annually. Acer America offers its customers recycling services for all Acer products sold there. Acer America not only complies with all state and federal recycling regulations in the U.S. and Canada but also cooperates with private recyclers to offer consumers even more recycling options. The options and private operators include:

Recycling option	Participating operators
National postal recycling service	Cinco Electronics Recycling Dealtree
National or local designated location recycling service	Cinco Electronics Recycling Best Buy
Corporate client recycling service	GEEP

Consumers can choose between mail-back or personally delivering Acer products to be recycled, whichever is most convenient for them. The comprehensiveness of our recycling schemes is reflected in the fact that in 2009 we recycled around 2,180,000 kg (4,800,000 pounds) of waste products. Acer America is committed to continuing this service and searching for ways to enhance its effectiveness.

Acer Canada has entered into a cooperative arrangement with Phoenix Recycler to manage the recycling of waste computer products. A system has been devised that allows for tracking of all waste through the recycling process to prevent unnecessary waste or burying of recyclables. The system also protects privacy by guaranteeing that any personal information pertaining to the consumer is destroyed.

Acer America has also collaborated with the non-profit Rechargeable Battery Recycling Corporation (RBRC) to offer our North American customers free notebook battery recycling under the Call2Recycle® plan. We believe our customers care about protecting the environment as much as we do.





E-waste Event in Texas USA



In May of 2009, Acer Service Corporation got together with Kennedy-Powell Elementary School and Cinco Electronic Recyclers to stage a free electronic waste recycling event at the school. Items that were accepted for recycling included monitor screens, notebooks, cell phones, printers, photocopiers, telephones, fax machines, and LCD TVs. The event was very well-attended by local people as reflected in the fact that almost 3,250 kg of waste was collected (7,162 pounds). A similar event is being planned for 2010.

3. India

Disposing of e-waste is a major environmental issue for developing nations in South America and South Asia. In order to minimize the chances of e-waste being improperly disposed of there, we have set up the [Acer India e-Waste Programme](#) to offer free recycling of Acer products.

Customers first register for the program either via the Acer India website or by e-mail. They can then mail their unwanted product to one of Acer India's centers for recycling. Products that can currently be recycled include PCs, notebooks, monitor screens, projectors, and servers.

4. Taiwan

Acer complies with the recycling and treatment system established by the Taiwan Environmental Protection Administration, Executive Yuan. We regard the recycling of our products as our Extended Producer Responsibility. We have visited several of Taiwan's leading e-waste recycling firms to get a better understanding of local recycling and treatment processes and the flow of materials after recycling. The current problems were then used as a reference for finding solutions. We regularly give our design department feedback on the technical problems that recycling companies face regarding product design and recycling and treatment operations. We also keep close communications with recycling and treatment firms so that we can continually improve product designs for easier recycling.

Based on statistics of annual recycling volumes of e-waste provided by the Taiwan EPA's Recycling Fund Management Board, it is estimated that approximately 73,261 computers were recycled in 2006, marking a recycling rate of about 31.2% and reaching a volume of 869 tonnes. Approximately 77,763 computers were recycled in 2007, marking a recycling rate of about 29.8% and reaching a volume of 876 tonnes. Approximately 96,652 computers were recycled in 2008, marking a recycling rate of about 29.47% and reaching a volume of 1,089 tonnes. The estimated recycling rate in 2009 was about 26.28% accounting for a volume of 1,158 tonnes.

5. Japan

Acer Japan has joined up with the computer recycling organization PC3R Promotion Center and now [accepts recyclable Acer products by mail](#).

Green Office

We consider the office an important arena for us to demonstrate our commitment to environmental protection. We have been promoting the green office movement since the 1990s and some of the measures we have taken in our offices around the world to date include:

Electricity Conservation

In 2009 we implemented many improvement measures, some of them experimental, in support of the national Save Energy; Reduce Carbon Emissions campaign. Measures we took include improving office lighting and reminding our staff to turn off lights after use. In the latter half of 2008 our staff started turning off all lights during the noon rest period and at the end of the year we installed timers to automatically turn off lights during the noon rest period and after office hours while allowing lights to be turned on manually when needed. In 2009, we conducted a complete assessment of the energy efficiency of our facilities and adjusted the central air-conditioning units and other major power-consuming equipment to make them more energy efficient. At Acer Germany the windows were replaced to increase insulation and thus reduce the power consumption of the air conditioners. In Switzerland, our service center was completely remodeled to allow in more sunlight, thus reducing the need for artificial lighting.



Water Conservation

One of the most noticeable ways that climate change is affecting mankind is through its negative impact on water resources. In response to increasingly scarce water supplies Acer has installed water-saving taps and toilets in its facilities worldwide. Local Acer operations have also come up with some ideas of their own. For example, Acer Poland has installed a tap water purification system in its office so that our staff there no longer needs to buy in mineral water. Acer Germany has been even more creative with the installation of a rainwater collection system used for flushing toilets thus reducing the consumption of mains water. We are constantly looking for ways to save water and have started to give consideration to installing greywater reuse systems in order to reduce our consumption of fresh water and discharge of greywater, an option that may prove to be both economical and eco-friendly.



Waste Management

Waste management in our offices worldwide is governed by local regulations. General office waste generated by employees includes paper, metal, aluminum cans, and food waste.

Employee Transportation and Air Travel Management

At Acer we actively encourage our personnel to take public transport or share rides whenever their duties call for them to travel in order to reduce our overall amount of carbon emissions. This policy also extends to flying: We have tried to substitute long-distance business trips with video conferencing whenever possible. Our branches in Poland, the UK and Turkey have installed fuel-efficient diesel engines in their company vehicles. Acer France has gone a step further by setting specific targets for reducing vehicle carbon emissions: By purchasing low-emission vehicles they hope to bring emissions down to 131g of carbon dioxide equivalents per kilometer traveled by the end of 2010.

2010 Goals and Commitments

- Develop GHG reduction goals
- Expand and promote the Supply Chain GHG emission management plan, so that the number of participating suppliers in the plan can grow over 25% than that of 2009.
- Participate in carbon footprint discussions and planning both within the country and internationally.
- Participate in international legislation discussions on halogen-free manufacturing.
- Continually promote HSF-related restriction policies, and conduct trial manufacturing and mass production of new laptops, notebooks, displays and handheld intelligent devices.





4 It's Time for Supply Chain Management

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- 41 Our Responses to Social Issues
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It's Time for Supply Chain Management

We at Acer regard our suppliers as part of our greater corporate family. We give clear directives to our suppliers regarding social and environmental issues such as green manufacturing and labor rights to keep them on the cutting edge, and hold regular audits and meetings to support their capacity building and ensure that our directives are being followed. In the future we expect to work even more closely together with our suppliers to solve social and environmental problems and create a sustainable supply chain.

How Acer's Supply Network Works

Acer's current first tier suppliers fall into four major categories based on the nature of the product or service that they supply: ODM/OEM, key components, logistics, and services. The number and names of the suppliers in our network change every year as circumstances dictate. In 2009, Asian suppliers made up the highest proportion, and with the addition of our Smart Handheld Business Group a number of new suppliers have joined the Acer family.

Acer holds the Supplier Conference for CSR in the third quarter of each year, which remains one of the main forums for us to communicate with our suppliers. The conference is also the time when we announce the corporate targets and plans that we expect our suppliers to meet, which is in line with international practice. At our 2009 conference we asked all of our first tier suppliers to sign Acer Supplier Code of Conduct Declaration. By signing the declaration our first tier suppliers have acknowledged that they understand our code of conduct, have committed themselves and their own suppliers to abiding by it, and have also agreed to give us any relevant information that we may ask for. We will continue to communicate and cooperate with our suppliers and act as a bridge between them and other stakeholders in order to bring the collective strength of Acer's supply chain to bear on social and environmental issues.



A preliminary outline of the management mechanisms for each of the main issues is shown in the diagram below. One of our important management mechanisms is the Acer Supplier Code of Conduct. Following the adoption of the EICC management system as a base last year, the code covers supplier's labor, health and safety, business ethics, and environmental protection issues. Our long-standing green supply chain management mechanism covers raw materials, energy sources, and recycling. Besides these two major systems we have also established a supplier Social and Environmental Responsibility (SER) Task Force that checks on and evaluates the progress of relevant projects periodically to ensure that our policies are being implemented by our suppliers.

ACER SUPPLIER CODE OF CONDUCT

From 2008, we have been using the EICC code of conduct to serve as the standard for our suppliers. In 2009, we started drafting the Acer Supplier Code of Conduct based on procedures established by the EICC for managing suppliers' social and environmental responsibilities. The five main steps to implementation are introduction, assessment, validation, reporting, and sustaining. We have also adopted the ICT supplier self-assessment questionnaire, written by the EICC and GeSI as the main item for our supplier risk assessment process.

We validate that our suppliers are undertaking their social and environmental responsibilities by:

1. Collecting and reviewing valid EICC audit reports in order to better grasp the degree to which our suppliers are following the EICC code of conduct and also to prevent our suppliers from having to undergo similar repeat audits.
2. On-Site Audit:
 - a) In-house audits: Acer inspectors carry out on-site audits using a simplified version of the EICC audit tool.
 - b) Third party audits: Acer auditors are accompanied by third-party auditors to ensure the full EICC audit criteria are employed. This method gives us the benefit of third party objectivity while still allowing us to retain control of the audit process.

ACER GREEN SUPPLY CHAIN MANAGEMENT

We issue our Guidance of Restricted Substances in Products, and employ a Compliance Assurance System (CAS) in order to ensure that our products meet rigorous standards in terms of materials selection, energy consumption, climate change, and recycling.

Meanwhile, we participate in CDP Supply Chain Program and set product carbon footprint values with our key ODMs to master GHG and product carbon footprint status of our supply chain.

- Taking Green Bill of Materials (BOM) as the first step in validating that our suppliers are sticking to our restricted substances control guidelines.
- Making sure that all of the products follow the criteria of issues such as material selection, energy and climate change and recycling via product test and marketing surveillance and on-site audit.
- Implementing GHG inventory and gathering data through carbon disclosure and product carbon footprint.



Our Responses to Social Issues

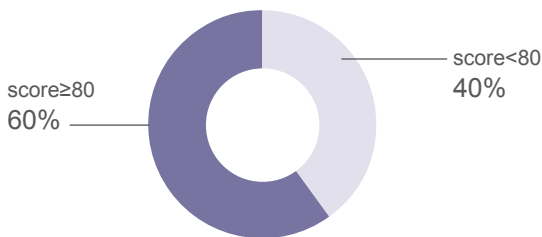
In 2008 we asked our suppliers to start abiding by the EICC code of conduct and to fill out a relevant self-assessment questionnaire (SAQ). In 2009 we expanded the SAQ by selecting additional items for assessment and analysis. We also added a scoring method for labor, health and safety, business ethics, and the environment, based on the "E-TASC (Electronics – Tool for Accountable Supply Chains)" scoring system. In addition to making our assessment process more detailed and objective, in 2009 we set the self-assessment standards for suppliers at 80%. An analysis of the data follows:

Corporate Self-assessment Performances: The overall percentage of suppliers who returned their completed self-assessments was 75%. Of these, 100% of our ODM/OEM and 62% of key component suppliers replied. 75% of our ODM/OEM reached our 2009 target of achieving a score of 80% or more. 60% of our key component manufacturers also hit the 2009 target. We also discovered that, in terms of CSR, the ODM/OEM manufacturing smart mobile phones and the key component suppliers manufacturing memory components were most in need of improvements.

ODM/OEM Questionnaire Scoring (Corporate)



Key Component Supplier Questionnaire Scoring (Corporate)

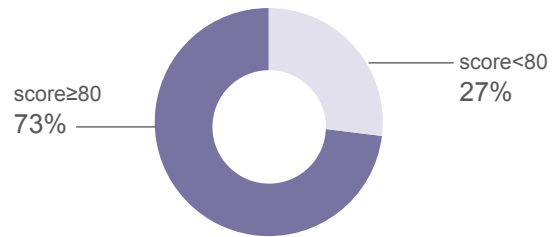


Facility Self-assessment Performances: 60% of our ODM/OEM reached our 2009 target of achieving a score of 80% or more. 73% of our key component manufacturers also hit the 2009 target. In terms of CSR, the ODM/OEM manufacturing smart mobile phones and the key component suppliers manufacturing memory components were most in need of improvements, as was the case with the company self-assessments.

ODM/OEM Questionnaire Scoring (Facility)



Key Component Supplier Questionnaire Scoring (Facility)



During our 2009 on-site audit we did not uncover any cases of child labor being used or other major violations of labor or health and safety regulations. However, the following areas showed need for improvements:

Working Hours : Our assessment guidelines state that working hours must not exceed the maximums set by local regulations; The maximum weekly working hours (including overtime) must not exceed 60; Workers must also be given at least one day off per seven-day week. We discovered that a majority of our suppliers were asking their workers to work over 60 hours per week during the peak season, and some workers were not being given a day off per seven-day week. We have requested the suppliers in question to give us an improvement plan.

Risk Assessment and Risk Management : We have been reviewing the management systems that our suppliers are running to ensure that their procedures are well-ordered and that they are in a position to manage risk whenever it arises. At present, most of our suppliers have environmental and health and safety management systems in place, and all of ODM/OEM have passed ISO 14001 verification. Some of them, however, still do not have comprehensive labor and ethics management systems in place. We have given them a deadline to submit a plan of improvement.

Communication : In order to improve overall communication we have suggested our suppliers communicate their targets – performance, practice, and expectations – to their personnel, suppliers, and customers in as clear and precise a manner as possible. During our 2009 audit we discovered that many of our suppliers did not always effectively communicate with their staff and suppliers, especially when it came to environmental and health and safety issues.

Mineral Sources Investigation

The research conducted by international Non Governmental Organizations (NGOs) and others on mining have shown that since 1996, the Democratic Republic of the Congo (DR Congo) has played host to the world's deadliest conflict. They discovered that the armed conflict in the DR Congo is fueled by its rich minerals, including cobalt, gold, palladium, tantalum, tin and tungsten, which may be used in Information Communications Technology (ICT) industry products such as cell phones, portable music players, and computers.

Acer is committed to upholding responsible practices in its operations and is working with its suppliers to meet social and environmental standards. We understand that most of our suppliers do not have direct purchasing relationships with mining companies. There are often multiple sources for metals including recycled metal, metal inventories and virgin ore. Nevertheless, we still believed that an investigation into the source of the metal parts in products was necessary. The content of the investigation was to evaluate the usage of these metals in the products as well as improve the understanding of the sources, the supply chain and the conditions under which metals are mined. The investigation examined these issues for cobalt, gold, palladium, tantalum, tin, and tungsten. In 2009 we conducted a survey of the uses,

commercial sources, supply chain, and mining background of the cobalt, gold, palladium, tantalum, tin, and tungsten used by our ODM suppliers/assemblers in the final product and also used by our suppliers of batteries and hard disk drives. The response rate from our suppliers was over 90%, and they indicated that most of the metals in question were sourced in Malaysia, China, Indonesia, or Australia.

Acer is also a member of the Electronics Industry Citizenship Coalition (EICC) and is cooperating with the EICC's Extractive Working Group to survey the mineral sources for the electronics industry and communicate with other organizations and groups that have a stake in the issue. We have also informed suppliers of our Statement for Materials (Metals) Extraction. This will require them to trace the supply chain for the six metals in their products to verify their mines of origin. It restricts the use of illegally mined minerals and minerals from mines with inferior working conditions, and communicates the expectation to our suppliers that they must conduct their operations in a socially and environmentally responsible way and make sure that the materials they are using are conflict free. With the combination of the efforts, Acer and the ICT industry are taking positive steps toward addressing the conflict in the DR Congo.

Responding to Environmental Issues

We work closely with our suppliers on environmental issues such as chemical control and climate change. We believe that mutual cooperation creates a positive feedback loop of increasingly effective environmental performance.

We use our Guidance of Restricted Substances in Products and our HSF Program to manage our use of hazardous substances and as the basis of our responses to international directives, stakeholder concerns, and supply chain management. Our greatest achievement for 2009 was bringing the Aspire 3811TZ and Aspire 3811TZG – two notebooks that contain neither PVC nor BFRs (except for the AC power cable) – to market. We will continue to work in this direction in the future.

From responding to the risks and opportunities of climate change, mastering the status of greenhouse gases in our supply chain and the carbon footprint of our products, to communicating with consumers, the strong support we get from our suppliers is of paramount importance to us. This has been particularly evident in the way we worked together to reduce supply chain greenhouse gas emissions and develop products that have minimal carbon footprints, such as our Aspire Timeline series. We will be inviting even more of our suppliers to join us in the CDP Supply Chain Program, and we have been grateful to note that the number of participating suppliers grew 41.5% than that of 2008. The more suppliers we have on board, the more effective our efforts will be to save the planet.

In terms of the number of suppliers participating in the CDP Supply Chain Program, Acer's is above average when compared to the figures for other member companies. Our persistence in persuading our suppliers to respond to questionnaires has brought successful results. Our response rate of over 95% for 2008 and 2009 was the highest among all the CDP Supply Chain Program member companies.

Quantity is good, but quality is also important, and the quality of the answers that the suppliers give on the questionnaire is one of the basic factors that decide whether or not we are able to adequately manage supply chain climate change risks and opportunities. Starting from 2010, we will thus be referring to the individual analysis reports that the CDP Supply Chain Program publishes for each member to assist us in creating methods to help our suppliers give fuller and more accurate answers.

In 2010 we will work closely with our major ODMs to set carbon footprint values for our products. We will also commit to participating in the CDP Supply Chain Program and the Road Test of the GHG Protocol Product Supply Chain Standard. We are confident that we are gradually developing the expertise that will allow us to manage the future risks and opportunities associated with energy sources and climate change.





5 It's Time for Employee Care

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- 49 Standards of Business Conduct

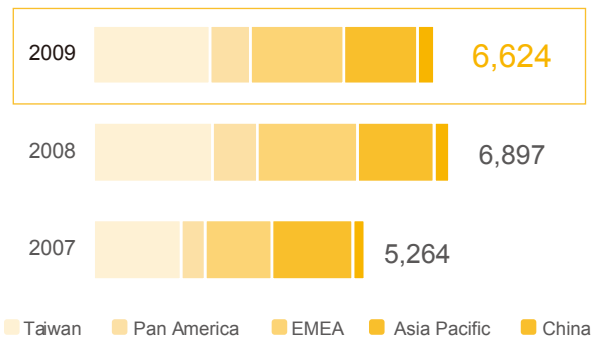
It's Time for Employee Care

The pool of talents and the Acer brand are defined as Acer's greatest asset, and in affirmation, the company makes Employee Care one of Acer's 7 core values. In keeping with such, we at Acer pull out all stops to create a quality workplace, and organize diverse recreational activities to help Acer staff find work-life balance. In view of helping the staff better understand Acer's CSR pledges and approaches, and appropriate handling of the company's stakeholders, Acer inaugurated a new version of Standards of Business Conduct in 2009, and introduced a series of CSR trainings and campaigns progressively.

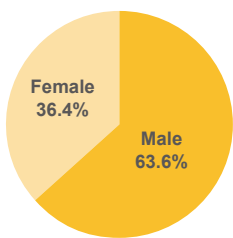
Employee Hiring

Despite the sweeping economic woes in 2009, Acer secured steady sales growths in the midst of the slump. The number of staff over the course of 2008 and 2009 was slightly rightsized due to an adjustment in organization structure inspired by overlapping business operations of certain departments after the merger, and personnel downsizing. By December, 2009, the number of Acer's employees globally was 6624, including 170 managerial personnel, 5730 professionals, and 724 administrators. Acer adheres to respective laws governing labor practices in different regions during the recruitment process, and focuses on hiring locals; child laborers and discriminative employment are strictly prohibited.

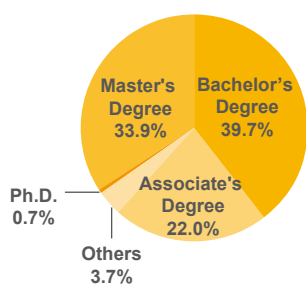
Take Acer's Taiwan HQ for example – see below for gender, age, academic background and seniority demographics:



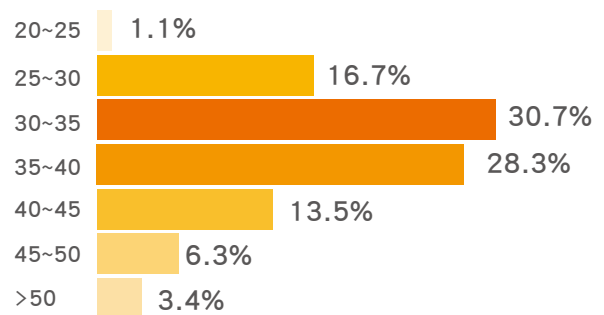
Employee Gender (TW)



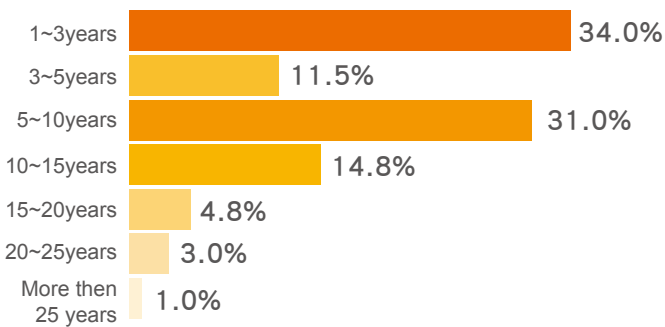
Employee Academic Background (TW)



Employee Age Distribution (TW)



Employee Seniority Distribution (TW)



Learning and Career Development

Corporate operation strategies, Acer's core values and CSR serve as the backbone of Acer's training agenda. Acer's training systems can be divided into Manager Development Training for supervisors, Specialized Training Programs, and General Knowledge Courses (including trainings for newcomers to the company); e-learning is included in the program in Taiwan to improve efficiency. 160 training courses were set up in Taiwan in 2009, with 2,235 people enrolled, totaling 33,261 in training hours.

Program Structure and Effectiveness

1. Manager Development Training:

Acer experienced one of its fastest-growing years in 2009; and to improve leadership and communication abilities of supervisors on various levels for multinational and cross-regional work, the company incorporated PC market analysis, strategy development, cross-cultural team leadership and communication courses in this set of program, to equip these supervisors with greater flexibility and troubleshooting skills. There have been 364 management-level officers in the Taiwan region participated in the courses.

2. Specialized Training:

With a view to ameliorating staff's professional aptitude, Acer pioneered in expanding its corporate job-specific professional trainings in the Taiwan region in 2009. The courses included brand architecture building, marketing, channeling service and quality management. And for newcomers at the Acer ITGO, a 3-to-6-month orientation program is effected so that the new recruits can quickly learn the ropes of Acer's core values and culture, and operation procedures to instantly get with the program to perform their best.

CSR courses were for the first time ever included in the program for newcomers to the ITGO; some of the highlights were: CSR concepts, CSR's significance to corporate competitiveness, CSR policies (comprising Acer's SR policies, energy and climate strategies, environmental health and safety policies), organizations promoting CSR (CSO), universal standards, Acer's endeavors and pledges on social, economic, and environmental levels, and the keys to advancing CSR.



CSR Trainings

3. General Knowledge Courses

This training comprised general new recruits trainings, sales communication, team-building, communication ability enhancement, and office software instructions. 654 newcomers in the Taiwan region partook in the program.



Team-building activities

We will continue to provide the staff with a nurturing learning space and a wide array of empowerment courses. Other than trainings held by the company, we subsidize employees' licensing courses and institute incentives packages to encourage the staff to obtain professional licenses or certificates. 18 employees in the Taiwan region were subsidized accordingly in 2009.

CSR Trainings at Acer's Branch Operations

Guide of Good Environmental Practices

With a view to lessening environmental impact caused by the workspace and offices, Acer Iberia (consists of the Spanish and Portuguese regions) Guide of Good Environmental Practices was instituted for effective office environment management, characterized by the 3R principle: reduce, reuse, and recycle, in a move to promote eco-friendly workspace. Two guidebooks and themed posters were designed for offices and maintenance centers, while environmental-friendly driving instructions were imparted to encourage Acer staff to begin conscientious environmental practices in life's small details.



Eco Trainings in Acer Russia

Eco training courses were imparted to office staff in Acer Russia to enhance their understanding in Russia's – and the world's - ecological and environmental status quo.



Employee Health and Safety

We credits its successes to all the committed, hardworking staff at the Acer family; it's therefore responsible for ensuring their health and safety at the workplace. Free physicals were performed on all staff in Acer Taiwan, while weight loss classes were created, and outdoor activities arranged to raise health management awareness among the employees. We at Acer also provide the staff with a more healthful, safer workplace by implementing OHSAS 18001 systems.

Fitness and health lectures were hosted as well, such as 20-plus lectures and fitness programs in Taiwan over the course of 2009. Acer Middle East, on the other hand, organized many workshops on physical and emotional health; Acer Canada focused its programs on ergonomics and defensive driving.

Severe Disease and Epidemic Controls

Influenza A (H1N1) was on the rampage in 2009 across the world; disease control and prevention campaigns were therefore reinforced, health status of the employees were monitored closely during the height of the endemic; Acer also instituted at-home work programs and self-administered health management guidelines. Suggestions and health protection reminders were provided in accordance with announcements and alerts released by the Centers for Disease Control.

Employee Engagement

Acer values input and opinions of the staff and offers an unobstructed communication conduit for them to sound off. Employees can offer their suggestions via the logistics support line, face-to-face meetings, counseling, the Acer Family, Gardener's Meeting and Online Staff Opinion Survey. Thanks to these efforts, there were no company operational losses as a result of labor disputes this past year. This year, some of the suggestions by the staff are listed as follows:

Major Resolutions Reached During the 2009 Gardener's Meeting (in Taiwan region):

Incentive packages were instituted to encourage employees to take online English lessons, a 2-day volunteer leave, and to inspire the staff to participate in volunteering (such as the Summer Deaflympics 2009, plus community outreach activities), physicals and fitness improvement programs, renovation of office facilities, and improvement on health and safety at workplace.



Gardener's Meeting

To engage staffing corporate policymaking and encourage their input in improving the company, the Gardener's Meeting was established at the Acer HQ as a platform for constructive communication and interaction between the staff and the company; the meeting is held quarterly, and chaired by the CEO, who communicates with the representatives of the staff. The objective of the meeting is to facilitate interaction between the employees and the capital, discuss employee relations, upgrade the workplace, expedite productivity, and improve corporate performances.

Personnel Management: training programs are instituted to bolster supervisors' motivation and communication skills.

Employee Welfare and Benefits

The staff is awarded reasonable and highly competitive salaries and bonuses, plus a number of employee incentive packages that motivate them to unleash their creativity and improve productivity for Acer to retain talents. Acer Taiwan has instituted patent rewards, sales bonuses, performance incentives, and employee dividends. Acer Czech Republic and Slovakia divide the maintenance crew into four groups to encourage constructive rivalry; top-performing employees will be publicly commended.

The 2009 Acer Group Employee Opinion Survey

The Survey has been conducted once-per-annum since 2007, and Acer's employees from around the world are encouraged to partake in the survey. Opinions and feedback garnered from staff of all levels concerning workplace quality and operation efficiency were systemized and analyzed, so as to refine Acer's corporate operation.

The survey was conducted in 15 aspects: workplace quality, organizational efficiency, management and communication, quality and services, and more. Analyses showed that Acer's employees were more satisfied with organizational operation efficiency, work conditions, quality of workplace, and cost control. Improvements should be made in the areas of career development, talent empowerment, and management. The following improvement measures were outlined to address these suggestions:

Career Development: the staff can log on to view job vacancy information within the company on the intranet; supervisors are encouraged to flexibly adjust work shifts, or diversify job descriptions, depending on the needs of different departments, so the staff have more room to exercise their talent.

Talent Empowerment: Supervisors are urged to design training programs for their subordinates complemented by a growth-driven, comprehensive system to upgrade their performance.

Acer provides preferential employee benefit packages in accordance with local governing regulations and customs to motivate the staff to put their creativity into full play and increase output. Take Taiwan's Acer Family and Acer Texas's Employee Activity Committee (EAC) for example: these two packages cover statutory basic benefits, plus group medical insurance, scholarships and financial aides for staff's children, the Acer Family Day, club activities, domestic and overseas trips and gift certificates on major holidays. These thoughtful packages are instituted so that everyone in the Acer family is well aware that each and every one of them is a valuable member to the company. Employee benefits in 2009 can be divided into the following three categories.

Activities and Functions

Many large-scale activities were hosted in 2009, including the 2009 Acer Family Day, company-wide yearend banquet for the whole of Taiwan region once every 5 years; a dozen or so movie viewings, NY Party in Acer Ukraine, Christmas Luncheon in Acer Texas, etc, allowing the staff to take time off from work to relax. Acer also arranges outings so the staff and their loved ones can join the fun, such as extended journeys around the country, and one-day junket, or the annual employee tours held by Acer Switzerland.

Leisure and Recreation

Subsidies are instituted for self-organized leisure activities, departmental socials, and club activities to solidify the sense of belonging among employees. Many cultural and artistic feasts, such as "Bercy Shows" participated by employees at the invitation of Acer France; the Shows constituted 70 music, sports and operas events. Additionally, Acer sets up the Acer Relaxation Booth that offers the latest paperbacks, magazines and DVDs; and the Acer Massage Station which provides employees with a place to relax and let off work pressure.

Vouchers and Scholarships

Acer Taiwan issues gift certificates on the three major holidays and employees' birthdays, plus cash benefits awarded as scholarships, weddings and funerals subsidies, and other occasions.

For retirement, the company's pension policies are instituted in accordance with local governing regulations around the world. "The Early Retirement Package" at Acer Taiwan stipulates that employees are eligible for retirement and plan for their pensioned future as long as they have been with Acer for 15 full years, who have reached the age of 50

Standards of Business Conduct

To upgrade Acer's overall competitiveness and fulfill its corporate responsibility socially, economically, and environmentally, so as to make Acer a leading brand-name in the history, the Standards of Business Conduct were revised and promulgated in 2009 that serve as behavioral guidelines for conducting business, applying to Acer's staffs from around the world. These guidelines ensure Acer's legal business gains globally, and further enhance its service quality for customers, partners, and the communities.

See the following for a summary of the Standards of Business Conduct:

1. A continuous commitment to creating a caring workplace.
2. Dedication to promoting technological innovations and providing customers with quality products and services.
3. Comply with regulations governing liberal, fair competition.
4. Endeavoring to develop advanced, environmentally-forward products.
5. Staying in compliance with laws governing intellectual property rights.
6. Prohibiting trade activities that promise illicit gains.
7. Abiding by a fair and objective evaluation and screening system of partners.
8. Acting in accordance with objective truths and conducting communication in integrity
9. Ensuring truths and accuracy in all promotional campaigns, and abiding by regulations governing advertisements.

10. Acting in compliance with all regulations governing accounting activities.
11. Acting in compliance with statutes governing loaners' activities and export credit guarantees.
12. Grafting is strictly prohibited among staff.
13. Improper or illicit disbursement is strictly prohibited.
14. The taking of questionable gifts and reception is strictly prohibited among staff.
15. Discreet handling of corporate assets (including actual assets, IPRs and information assets).
16. No improper gains via the disclosure of information not yet made public.
17. Trafficking, possession or taking of illegal substances is strictly prohibited among staff.
18. Active participation in social and community activities and volunteer services.





6

It's Time for Customer Communication

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It's Time for Customer Communication

Since its establishment, Acer has committed itself and all its resources to understanding and meeting diverse customers' demands. The integration of multiple brand service architectures, including Acer, Gateway, Packard Bell and eMachines in the latter half of 2008 had assisted consumers in better understanding products and service scopes on offer by Acer's various brands. In February, 2009, system integration for Acer brand's Global Download was completed; 4 months later, the company's corporate global webpage was consolidated. Also, Acer's International Traveler Warranty (ITW) underwent a makeover to better address Acer customers' demands to travel around the world; service centers in China have also been expanded accordingly to greater accommodate the company's valued customers.

While Acer strives to enhance customer awareness of environmental and social issues, the company continues to launch eco-friendly products, and forge ahead with its customer-centric social responsibility project from last year, encouraging consumers to join force with Acer in adopting an environmentally-forward consumption practice.

Customer Service Systems and Mechanisms

Acer is a celebrated multinational, with operating centers around the world. Service centers are installed in all the major operating bases, featuring a variety of service programs according to the nature of different customer groups and sales channels in hopes of building a robust global service network. Acer's private and corporate customers can conveniently contact Acer via multiple conduits for communication:



Web Service and eSupport:

Acer Global Download

Brand resources were integrated accordingly in 2009 in response to Acer's multi-brand strategy; a Global Download Center was the result of such integration to feature user-friendly interfaces and high-performance download capacities, and users can thus download drivers on Acer's website easily. The company is poised to complete all product services for all Acer's brands, so that users can promptly conduct system updates in the comfort of their own home.

A product introduction webpage and online eSupport system, a Global Download Center, and an integrated customer sign-in system under Acer's four-brand architecture were installed for the convenience of our 35 million customers. Over the course of 2009, the system sent out up to 20 million service messages in 30 languages.

Global Download



Call Center/Help Center and Technical Support

Service personnel staffed at the call center are there to field callers' questions and troubleshoot.

Depot/Repair Center

Should customers experience problems with their Acer purchases, they can take the products in question to a depot/repair center. The customers can also have the products delivered by a logistician, according to service providers in different regions for maintenance and testing work. The questionable product will be returned to the buyer after repair. In 2009, rather than having agents provide maintenance services, Acer China began inaugurating repair stations in the country; and the company is expecting to install up to 500 such stations in China proper to enhance direct interaction with Chinese customers.

Acer Service Partner and the Third Party Maintainer:

We provide Acer Service Partnership assistance and Third Party Maintainers in specific areas or for certain products to better service the clients.

International Traveler Warranty (ITW) Repair Center:

[Acer's ITW policies](#) underwent an overhaul in 2009. The previous 3-month traveler confirmation restrictions were lifted; Acer's Aspire One NetBooks were included into the ITWR to accommodate a hiking number of globetrotting NetBook users.



Survey on Customer Satisfaction and Demand

Acer launched satisfaction evaluators for private users, contract corporate clients and agents accordingly, and conducted satisfaction surveys on a variety of service items to regularly review and monitor the company's service quality. In Europe, an Acer Care System, and Dealer Care System are established as such to improve customer service satisfaction. In 2009, customer satisfaction in Taiwan in various categories is listed as follows on a scale of 1 to 100: direct account service center, 86.1; call center, 81.19; and corporate clients, 90.5.

In a move to heighten market segmentation, Acer delivers a myriad of innovative ideas and technologies in the spirit of "multi-brands and multiple products," and formulates new products after carefully appraising customer demands. In the latter half of 2008, Acer launched NetBook, a new breed of energy-efficient, reasonably priced and portable compact notebook computers. A few months later in 2009, the ultra-thin, energy-saving, long-lasting

notebook – CULV NB: the Timeline series (8 hours of power capacity) was launched to fulfill consumer demands for enduring battery performance and greater energy efficiency. Acer even pioneered other competitors in the latter half of 2009 to kick off a 3-D notebook computer on a minimal power consumption design, so as to provide high-performing, "Beyond-HD" audio-visual experience.

Data Encryption

Data security has come to the forefront of consumer concerns in light of a growing number of computer and internet users. Acer adopts responsive measures in the following categories:

1. Clients Data Privacy Protection

All the personal information provided by clients for entering Acer website and making purchases will be rigorously controlled against access by third-party organization – for either marketing or sales purposes .

2.Data Security Technologies Included in Products

We at Acer continue to renew data security technologies in the products. Some of the security-driven launches included: the Acer Security Systems, suitable for small-and-medium enterprises, and a Bio-Protection, high-performing fingerprint identification technologies.

3.Data Encryption during Repair and Routine Maintenance

Engineers staffed at all the service centers are asked to sign a nondisclosure agreement, and present a list of service items to buyers for verification, to ensure watertight privacy protection for Acer's customers.

Recalling Defective Products

Acer voluntarily initiated three product recalls for safety reasons, two of which were global, and one of them was conducted in Europe, where the defective product was sold.

In the global recalls, Acer Aspire 5738 (AS5738G) and Aspire 5738Z (AS5838ZG) models were found to experience problems with outdated BIOS versions, which contributed to overheating in battery chargers under certain circumstances, and led to other risks. [Acer voluntarily offered BIOS identification](#) and updates to address these issues to protect user safety and ensure their rights and interests.

Acer's other global recall involved a problematic left palm rest of Acer's notebook computers. The design may cause microphone cable to overheat when placed under tremendous pressure repetitively, causing the casing of the notebook to deform and microphone to fail. Some of the problematic Acer Aspire models were: AS3410, AS3810T, AS3810TG, AS3810TZ and AS3810TZG – which were manufactured before September 15th, 2009. In addition to ridding potential issues caused by overheated microphone cables, Acer activated the recall voluntarily to replace defective cables on models affected by overheating.

[Customer Service and Support Portal for Acer Taiwan:](#)



Recall in Europe involved EasyNote MX36, MX37, MX51 and MX52 by Packard Bell. These notebooks contained potentially defective battery cells; these cells may cause overheating, creating inconveniences for users. Acting on concerns for buyer safety and ensuring their rights and safety, Acer conducted a voluntary battery recall and battery replacement for these problematic models.

[Customer Service and Support Portal for Acer UK:](#)



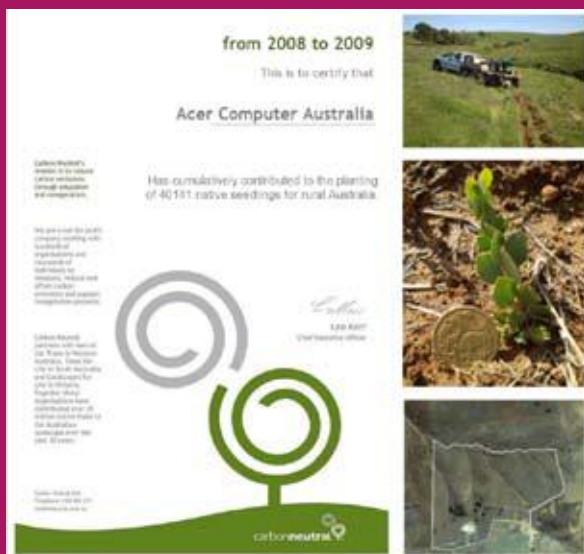
Customer Participation in Social Responsibility Projects

Acer hopes to work with its valued customers and encourage social- and environmentally-forward thinking when they make purchases. With that in mind, Acer launches many environmental improvement and social responsibility awareness projects in various regions, in addition to introducing a number of eco-friendly projects.

Forestation Project

Acer Australia and Tree for Life joined hands to implement a forestation project. The company pledges to grow 1 to 5 trees for each specific Acer product sold. 40,141 trees were planted since 2008, and it's projected that these trees would absorb 6,690 tons of carbon dioxide equivalents when growing. The trees are planted in Gladstone in southern Australia, and north of Mannum.

The project will last into 2010, and we hope to set a good example, inviting customers to support energy stewardship while enjoying the many benefits of Acer products.



Acer – Intel Unwire Campus Tour 09 "Go Green"

In enlightening consumers to the significance of environmental protection, Acer Thailand and Intel Thailand cosponsored Go Green – an initiative to raise awareness. The activity is celebrating its 6-year anniversary and going strong. In 2009, to heighten awareness on global warming crisis, Acer conducted circuit tours from August to October, themed "Go Green – Less is More" in 8 locations (including 7 college campuses) in Thailand. Acer conducted sales promotions for energy-saving products, such as Timeline, at affordable prices, in hopes of raising awareness on environmental protection among college students and young buyers.

Activities in the circuit tour included:

1. Energy ReFun(d) – allowing students to trade in unwanted electronic discards for a free cactus.
2. Green Mar-get – a green bazaar was organized.
3. Sa Green T Shirt – Discount T-shirts printed with campaign messages were mass-marketed.
4. Music Dedicate – a free concert featuring leading artists.

Excitingly, during the Go Green circuit tour, several campuses were inspired to join the cause and organized similar events in their premises to spread the word.





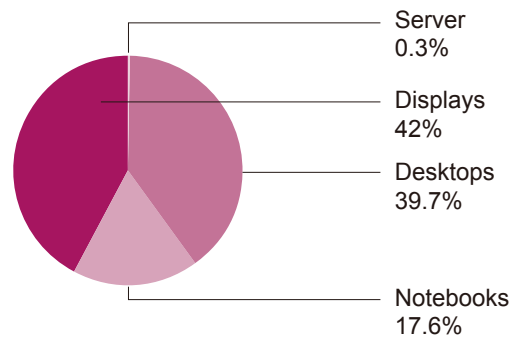
Marketing and Advertising

All the marketing and promotional events by Acer are conducted in accordance with local statutes and regulations. And by combining its corporate brand images: "prompt," "teamwork," and "efficiency," Acer also acts as a longstanding sponsor for many elite sports organizations from around the world. In 2009, Acer became International Olympic Committee (IOC)'s worldwide partner in computer facilities; Acer cooperated with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) and will continue to cooperate with the London Organising Committee of the Olympic Games (LOCOG) to provide and manage computing facilities to ensure that the sports extravaganzas are running smoothly.

Both parties' pursuit of excellence, and respect for Olympic Games traditions and equality underpinned the success of the alliance. By supporting The Olympics and the IOC, Acer triumphantly strengthened customer relationships and leveraged Acer's global brand image.

For the duration of the partnership, Acer will provide support related to its technology in the following Products:

1. Personal Computers, including netbook PCs, desktop PCs, laptop PCs, notebook PCs, tablet PCs and Web pads, and car based PCs
2. Handheld Computing Devices
3. Computer Related Storage Devices such as hard drives used in computers, USB storage devices and disk arrays
4. Servers (in select territories)
5. LAN equipment (in select territories)
6. Motherboards
7. Desktop printers (in select territories)
8. Keyboards, computer monitors, and the peripheral device commonly known as a "Mouse."



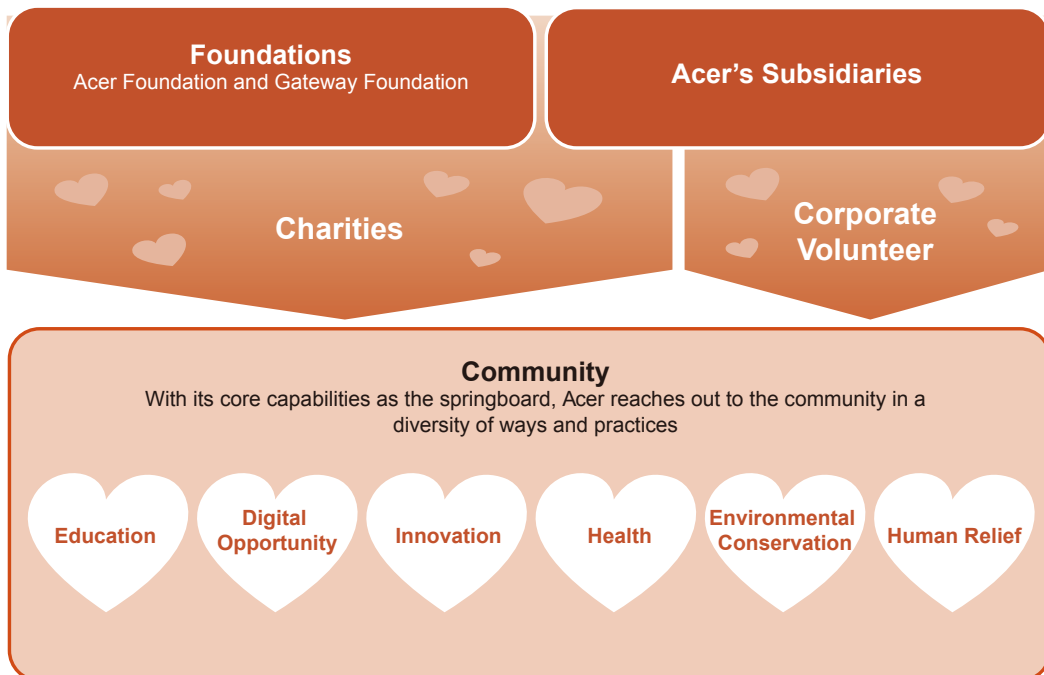


It's Time for Community Involvement **7**

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It's Time for Community Involvement

Since its establishment, Acer was driven to work in the spirit of "what is taken from the community is used in the interests of the community." In its pursuit of becoming the world's number one, Acer gives back and reaches out to the people by organizing many community-centric causes its operating bases around the world, or via both the Acer and Gateway Foundations. And to inspire Acer staff to partake in social outreach, the Acer Volunteer Team was founded, and Volunteering Service Leave instituted in 2009, so that Acer employees can reach out to a greater number of people in need of help under the auspices of the company. In 2010, Acer is to launch a Digital Opportunity Project to assist more disadvantaged groups in excelling in digital technologies by means of designated educational programs. A share platform is set up within the company so that more members in the Acer family can enjoy success stories of Acer's international subsidiaries in the outreach program, while sparking more ideas to encourage community participation.



Acer Group in Community Involvement

Community Involvement

Acer's subsidiaries continued to carry out a myriad of community involvement projects during the course of 2009. These projects – totaling 81 across the world – could be divided into education and talent empowerment, community involvement and outreach, and environmental outreach.



Education and Talent Empowerment

- Acer China – Acer Care Program
- Acer Philippines – Career Introduction Project for Children
- ♥+ Acer Middle East – Trainee Development Program
- ♥+ Acer Switzerland – Child Apprenticeship Program
- ♥+ Acer Philippines – Digital Opportunity Project for the Disabled
- ♥+ Acer Taiwan – The Digital Opportunity Project for Underprivileged Children

Community Involvement and Outreach

- Acer Italy – Outreach to the Disadvantaged
- Acer India – Secondhand Resources Accepting Project
- Acer Singapore – Children's Day Charity Drive 2009
- Acer Vietnam – Rebuilding Bridges, Rebuilding Communities, Rebuilding Lives
- ♥+ Acer China – Sponsorship for Chinese Delegation to Winter Olympics Vancouver 2010
- ♥+ Acer Malaysia – Acer-Racer Motor Treasure Hunt 09

Environmental Outreach Education and Talent Empowerment

- Acer Taiwan – Walk for the Planet
- Acer India – Adopt a Plant
- ♥+ Acer Service Corporation-E – waste Event in Texas (See page 36)
- ♥+ Acer Australia – Forestation Project (See page 54)
- ♥+ Acer Thailand 「Acer – Intel Unwire Campus Tour 09 "Go Green" 」 (See page 54)

♥+ Integration of Core Abilities or Operation

Acer Taiwan

Acer Volunteer Team Taiwan

The team has over a long period of time been involved in the local Little Sun Project, an afterschool learning project, targeting underprivileged children living in Hsichih, where Acer is headquartered. In addition to monetary subsidies, the kids are invited to partake in fun-filled activities. Additionally, periodic fundraisers, blood drives, charity bazaars, and the adoption of Christmas presents for these underprivileged children in Hsichih have become routine work for many Acer personnel. The team and the HR department instituted a volunteering service leave in 2009 to motivate more Acer members to join the cause.



Acer Volunteering Service Leave

To encourage Acer staff to be more involved in community work, Acer instituted Volunteering Service Leave in Acer's Leave Application in 2009, providing two days of paid volunteering service leave to any of Acer's official employee wishing to be involved in volunteer work. In the same year, the company called on its corporate volunteer team to participate in two charity drives: one was the 2009 Summer Deaflympics in Taipei, the other was assisting the Red Cross Society of the Republic of China in collating donation account information designated for the August 8th Typhoon Morakot disaster. In total, 38 Acer employees took 56 days of volunteering service leave; more diverse service projects will be developed so that Acer volunteers could answer the call and contribute to other charity causes.

Walk for the Planet

To raise environmental awareness among Acer staff, the volunteer team organizes eco-driven activities

annually. A two-month-long "Walk for the Planet" event kicked off on Earth Day 2009 at Acer's Hsichih HQ, in hopes of motivating Acer staff to climb the stairs more instead of taking the elevator; by the simplest change of habit, Acer employees incorporated a fitness regimen into their daily routine, while cutting down carbon dioxide emissions. Many Acer employees joined the fitness ranks, climbing a total of 25,849 stairs.

The Digital Opportunity Project for Underprivileged Children

To enhance digital competitiveness of youths from underprivileged families, Acer Taiwan, for 7 years straight – since 2003 – participated in "Digital Feast—A Dream Come True" charity event. In 2009, the company expanded its sponsorship quota to supply 400 quality computer facilities at an incredibly affordable price, so that schoolchildren from disadvantaged backgrounds are given a chance to learn, hence create for themselves a promising, digital future.

Acer China 

Sponsorship for Chinese Delegation to Winter Olympics Vancouver 2010

As one of the sponsors for IOC's top-tier sponsorship program Stage 7, Acer delivered a comprehensive range of thoughtful services to Winter Olympics Vancouver 2010, and became one of the foremost partners for the Chinese Olympic Committee, supplying the Chinese delegation to Vancouver with portable computer facilities, and robust computer technological backing and services.



Acer Care

Acer China inaugurated Acer Care – an education-centric project that kicked off in September 2006 to sponsor students from disadvantaged families who majored in information technology. Stage 3 of the project spanned from 2009 into 2010. At present, a grant of 30,000 RMBs is offered to 10 students – 3,000 RMBs for each individual, from each of the 14 selected colleges, totaling 140 recipients. The students will also enjoy job placement services, and be invited to engage in community outreach programs, so that they can both be the recipients of such care, and givers of care to others in need.

Acer Italy

Outreach to the Disadvantaged

Acer Italy focuses on children, women, the poor and the sick to be the targets of their outreach program to break down the barricades separating the disadvantaged and the community. In 2009, the company supported charity organizations to promote assignments-in-focus by virtue of financial aid and other promotional campaigns, so that the general public can better understand issues concerning the community, and chip in with money or resources. For more information, visit [Acer Italy Network of Solidarity](#).



Acer Middle East

Trainee Development Program

In face of the ever-expanding emerging markets and a growing demand for fresh talents, Acer Middle East began in 2003 to implement a "Trainee Development Program" with AIESEC – the international student-driven organization. A handful of AIESEC students hailing from emerging markets was selected to enter the Trainee Development Program for at least 2 years of traineeship in sales and marketing.

In addition to serving as a talent pool to scout for prospects from emerging markets for Acer Middle East, the project offers students an international platform to showcase and nurture their talents on their way to becoming a professional. 15 trainees from Turkey, Kenya, Uganda, Egypt and other countries are enrolled in the program at present.



Acer Switzerland

Child Apprenticeship Program

Mid-level vocational trainings in Switzerland is characterized by an apprenticeship system. Many youngsters are admitted into an assortment of professions as apprentices. These professions include crafts and handiwork (such as carpenters, bakers and hairdressers) and office employees (such as accountants, secretaries, or engineers); the apprenticeship can last from 2 to 4 years, according to the nature of different vocations; during which, the youngsters are required to go back to their routine schoolwork weekly. Acer Switzerland presently has taken on 5 apprentices, commissioned to engage in advertising, logistics, computer science and other lines of work.

Acer Philippines Career Introduction Project for Children

Food for the Hungry (FH) is an international relief and development organization to help deprived children living in impoverished regions around the world; one of the adoption programs is conducted in Catmon – a shockingly destitute area in Malabon. Acer Philippines cooperated with FH to visit Catmon in May, August and November in a group of 8 to 10 volunteers, introducing these children to a variety of vocations, reading books about these vocations to them, and getting them to play in games. About 40 children participated in the activities. Due to severe misfortune, the only vocations that these children were aware of were teachers, doctors, nurses and police work. These vocation-based activities encouraged children to aspire to take up other esteemed professions in the future.



Digital Opportunity Project for the Disabled

Acer Philippines has always put education and creating digital opportunity at the forefront of their community charity work. In 2009, the organization continued to collaborate with the National Vocational Rehabilitation Center (NVRC), donating 10 desktop computers to assist in the building of a new training facility.

Tahanang Walang Hagdan (TWH) (meaning: A House Without Stairs, in local dialect) is another non-governmental organization that targets the welfare of the physically and mentally disabled. The organization suffered tremendous losses during typhoon Ondoy in 2009, and Acer's subsidiary there donated 5 desktop and 1 laptop computers, and 1 projector to help TWH rebuild so as to create more digital opportunities for the disadvantaged. Additionally, Acer, Chunghwa Telecom, Tamkang University's Resource Center for the Blind and the Institute for Information Industry set up a Digital Opportunity Center for the Blind in the Philippines in October, 2009; by means of integrated information and communication technologies, the visually challenged may discover new employment via their capabilities in computer science, thus helping them rebuild their life and be self-sustaining to better their prospect in life.

Acer India The Establishment of the CSR Club

Acer India established a CSR Club in early 2009 in hopes of raising social and environmental awareness among its local employees, making it a driving force and contributor behind many CSR initiatives. To date a total of 35 Acer employees from branches across India are on board as they work to promote many initiatives, including "Acer's Green" that inspires power and electricity conservation in the workplace, the donation of secondhand/renewable resources, plus "Share Your Space" and "Adopt a Plant." Among which, the "Share Your Space" program aimed at encouraging employees living in the same region, or along the same route, to begin car pooling to cut back on gas consumption. On the other hand, "Adopt a Plant" was held in keeping with the World Environment Day (June 5th, 2009); about 50 saplings were distributed to employees interested in caring for a tree.



A visit to Gerisim – Home & School for the Handicapped, where secondhand resources are accepted for further use.



Acer Singapore Children's Day Charity Drive 2009

Acer Singapore joined forces in 2009 with the Rainbow Centre – an early-intervention education facility for children with special needs – to organize a unique Children's Day celebration specifically for these youngsters. A fundraiser was held within the company among Acer employees, while discussions took place between the Acer staff and the school's faculty on items and articles urgently needed by these children. Acer's staff volunteered their time after work to package these articles into goodie bags. On Children's Day, Acer's volunteers visited the school and had a blast with these children. Their efforts for the day were more than paid off when they saw the winsome smiles on the faces of these special "angels among us."

Acer Malaysia Acer-Racer Motor Treasure Hunt 09

Acer Malaysia kicked off Acer-Racer Motor Treasure Hunt 09, a charity drive that was graced by many dealers and media. The treasure hunt acted as a fundraiser for a local orphanage via fun-filled activities. Each group was assigned a series of tasks, including the purchase of a specific number of "treasures." These treasures will in turn be donated back to the charity. Winner of the hunt would take home a certificate and a variety of prized Acer products.

At the end of the hunt, Acer donated over 10,000 Malaysian ringgits to local charities; participants in the game also contributed generously to reaching out to the community.



Acer Vietnam Rebuilding Bridges, Rebuilding Communities, Rebuilding Lives

Floods and hurricanes that bear down on Vietnam's Mekong River wreck tremendous havoc every year, taking approximately 300 lives as the storms ravage areas bordering the River; as many as 50% of the victims are young students who go to school by boat or by bamboo bridges. To ensure the safety of local children, Acer Vietnam continued its concrete bridge construction support initiative from 2008, and helped build 5 concrete bridges in Ben Tre province, totaling VND\$150,000,000 in donation value. Also, in October and November 2009, severe floods struck Vietnam's central regions, prompting the Acer staff to donate VND\$4,550,000 to households suffering from the floods so as to help them get back on their feet in post-disaster construction.

Foundation

Acer Group is home to 2 charity foundations, one is the Acer Foundation, headquartered in Taiwan; the other is the Gateway Foundation, located in the United States. The 2 establishments are founded with clear missions in mind, to improve people's potential in utilizing technologies for the greater good.



Acer Foundation

Since its establishment in 1996, Acer Foundation has committed itself to inspiring a spirit and energy grounded in innovation. By virtue of awards, contests and event sponsorships, the Foundation encouraged students on primary, middle, and college levels to unleash the power of technologies and put their creativity into full play. In 2009, the 4th Longterm Contest was organized, themed, "Innovative Eco-friendly Electronic Designs" that drew 185 teams of college students and faculties from around the country. Another contest, "the Digiaward" was conducted that targeted middle school students. The contest celebrated its 5th year in 2009, and it incorporated the theme: "Energy Saving and Carbon Reduction for A Sustainable Earth" to successfully collect 829 pieces of creative works. The number of submitted pieces for both contests hit a record-high, attesting to Acer Foundation's fruit-bearing endeavors in encouraging innovative knowledge economy and digital innovation.

Since a structural transformation in 2008, Acer Foundation shifted its focus to raising CSR awareness and strived to become a platform for CSR opinion exchanges, case studies and the sharing of experience for ICT sector. The Foundation organized an Acer CSR Forum (See page 20) and sponsored Carbon Disclosure Project in Taiwan. In 2009, Acer Foundation supported the Project's pre-launch and launch event in Taiwan and highlighted issues on GHG emission inventory and Carbon Footprint. Companies were encouraged to share their experiences in the area so that awareness can be heightened in the ICT sector on carbon risks and potentials. Input from the banking sector was integrated as well in a move to promote participation by the financial and other industries.



Gateway Foundation

Denied access to high-tech learning facilities due to a financially inferior upbringing, many underprivileged schoolchildren are placed at a disadvantage in the classroom; this denial of access to high-tech facilities can sometimes affect their performance when embarking on a career. This is where Gateway Foundation's mission lies: the provision of Acer's core strengths – technologies and services – can improve the status quo of these youths for the better. Therefore, since its inauguration in 1994, Gateway Foundation has made organizations serving disadvantaged youths, and schools with resource shortage its primary targets, in hopes of helping the youths build confidence to face challenges of the future head-on, thus creating more digital opportunities.

In the course of 2009, Gateway Foundation helped up to 20 organizations that work directly with youths within the 50-mile radiuses of North Sioux City, South Dakota, where Gateway Foundation is headquartered, and Irvine, California. 200 notebooks or desktop computers were donated in all.

2010 Goals and Commitments

- Enhance Acer Volunteer Team's participation
- Develop community-centric Digital Opportunity Project



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