

Acer Corporate Responsibility Report 2010

# TOUCH





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#### **About this Report**

This report is Acer's third Corporate Responsibility (CR) compilation. Acer regularly publishes the annual CR reports and hopes to meet the goals of engaging and communicating with stakeholders. The previous issue was published in August, 2009. This particular report includes information throughout the course of 2010 (from January 1st, 2010 to December 31st, 2010). Our organizational boundaries of inclusion are generally based on our consolidated financial statements. The content in this publication focuses on its branch establishments in Acer Group, but does not include its spinoffs. Some of the information on corporate performance has not been included in this report. Statistical adjustments on certain information will be included in supplementary notes.

The content and the structure of this report are written and arranged according to the G3.1 sustainability reporting guidelines of the Global Report Initiative (GRI), published in 2011. We have self-assessed our reporting to be Application Level B. The report is bilingual, containing Chinese and English texts. A GRI index is included at the very end of this report. Much of the information collection system is being set up in succession. Acer will therefore conduct report verification after the preparation work is completed.

In terms of certain specifics and financial data, Acer will provide more exhaustive information disclosure and statements in "Investor Relations" on its website.

For more comprehensive and updated CR information, please visit the <u>Acer sustainability website</u>.

#### On the Cover

"Breaking the Barriers between People and Technology" is the foremost business principle to Acer. It includes several constructs:

- 1. Empowering every individual
- 2. Everyone can access affordable ICT products
- 3. Breaking the barriers between people and technology via "touch"
- 4. Technology touches people's heart

The primary concept of this year's report, "touch," is the extension of this principle. It leverages the value chain (including the supply chain, the brand, and the consumers) to improve individual strengths via touch, exploration and re-experience through a series of intelligent touchscreen products, and further fulfill the vision of a sustainable and intelligent future.

#### **Contact Us**

If you have any suggestions about the 2010 Acer CSR Report, feel free to contact us the Corporate Sustainability Office at cr@acer.com.tw





#### A Word from the Chairman & CEO

2010 was a year of much reflection and introspection, following the worldwide financial meltdown of the previous year. Much like other international brands, Acer needed to review and reposition its sustainability growth policies after such a seismic change. Some of the challenges included: effective ways to optimize all four of Acer's brands to empower brand awareness and identity; also, to build robust corporate governance that can reinforce a visionary risk and opportunity management, to ensure consistent and pragmatic corporate sustainability development. As a leading international brand, the soaring energy cost has prompted Acer to contemplate approaches in reinventing the company to ready for the age of lowcarbon economy and global intelligence. We should consider leveraging intelligent technologies to execute Acer's corporate mission, to "break down the barriers between people and technologies."

Efficiency and speed have always been the keys to Acer's successes and sustainable operation. But in the face of a low-carbon, resource constrained future, we at Acer must think outside the box to further refine our corporate efficiency, and enhance our sensitivity and responsiveness to risks, while inspiring more innovations. We will focus on two core elements: one is the cross-departmental cooperation efficiency, and the other is upgrading products and service sustainability.

In terms of engaging Acer's stakeholders, we have been and will continue to be practical, veracious, and open. We consistently listen, learn and innovate in the areas of green products, carbon footprint, transparency and supply chain management. We embrace a positive attitude to address challenges in sustainable development. If we are to attain what Vision 2050 outlined, to provide a better life for the nine-billion-population by 2050, we must exercise greater influences to motivate our consumers in supporting products sustainability.

Acer continues to reinvent its company toward lowcarbon and sustainability. This is not going to be an easy journey, but we at Acer will press toward that goal with courage.



Chairman & CEO, Acer Inc.





#### A Word from the Corporate President

During the first decade of the 21st century, corporations, countries and individual societies worldwide faced wideranging, stringent challenges confronting sustainable development, bringing into light the significance of ensuring corporate integrity, responsibility and transparency. In the course of that decade of fast growth, Acer met many economical, environmental and social challenges, and garnered many valuable experiences. We also came to a profound realization that a thorough, realistic CSR fulfillment is the optimal business strategy to enable sustainable corporate development.

With that in mind, we will work actively toward the following three goals from an organization management viewpoint: one is to strengthen cross-department collaboration to ensure the company is ready for all opportunities; the second is to enhance differentiation among the four brands; and the third is to establish more conscientious corporate governance.

In responding to the advent of carbon- and resource-constrained age and sustainable development, Acer now tirelessly focuses on areas that best utilize its strengths as a solution provider. In 2009, following the launch of the world's first CULV (Consumer Ultra-Low Voltage) climate-friendly notebook computer, Aspire Timeline, Acer introduced the low-carbon, PVC- and BFRs-free Aspire Timeline 3811T, an ultra lightweight upgrade. We also collaborated with suppliers to obtain carbon labels for AO532H netbooks and V193W displays in Taiwan for the first time in 2010.

Through effectively integrating resources and energies, Acer successfully launched even more light-weight, low-carbon and high-performance mobile products, applying these design concepts to integrated technologies for the digital lifestyle. The application of avant-garde touchscreen interfaces also significantly enhances products' user-friendliness and convenience, effectively breaking the barriers between people and technologies, while enabling intelligent technologies to become more pervasive.

Acer also set a milestone in tackling climate change issues: in 2010, Acer for the first time in its corporate history set up a renewable energy facility in the data

center. Though the capacity of the facility is yet limited, its establishment was significant.

Acer has always been committed to making progress and breakthroughs in our collaboration with suppliers. We want to express our heartfelt appreciation to suppliers' staunch support for carbon disclosure, green products, carbon footprint, workplace conditions and observing the EICC Code of Conduct.

In facing the challenges of the era, Acer upholds its commitment, stays practical and ensures innovations. We also listen to the input and advice of our stakeholders. Every bit of our efforts signifies our pledge to honoring everyone's support and trust.

#### Jim Wong





#### 2010 Achievements

	2010 Goals and Commitments	Status	Achievements and Details
Our Arrana ale	Develop internal corporate responsibility sharing platform in Acer.	0	Under planning.
Our Approach	Held Acer CSR Forum and communicate with international stakeholders continually.	•	Hosted the 2010 Acer CSR Forum from December 1st to 2nd. It was attended by about 150.
	Participate in international legislation discussions on halogen free manufacturing.	•	Participated in EU's RoHS 2.0 legislation discussions
Environment	restriction policies, and conduct trial manufacturing and mass production of new laptops, notebooks, displays and handheld intelligent devices.  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.  In 2010, to imp Acer redefined move to set an accordingly.  The number of grew by approx 2009.  Participate in carbon footprint discussions and planning both within the country and internationally.  Increase the number of supplier audits.  Doubled the nupercentage of a completed the	Conducted trial runs and mass manufacturing of ten HSF products, including laptops, notebooks, displays, etc.	
	Develop GHG reduction goals.	0	In 2010, to improve inventory comprehensiveness, Acer redefined its organization boundaries, and will move to set an appropriate GHG reduction goals accordingly.
Energy and Climate Change	GHG emission management plan, so that the number of participating suppliers in the plan can grow over 25% than that of	©	The number of participating suppliers in the plan grew by approximately 20% compared to that of 2009.
	and planning both within the country and	•	Participated in the Greenhouse Gas Protocol Scope 3 & Product Life Cycle Accounting and Reporting Standards Road Testing by WBCSD and WRI.
	Increase the number of supplier audits.	•	Doubled the number of supplier audits, with the percentage of audits increasing from 7% up to 16%.
	Carry out on-site audits for high-risk suppliers.	•	Completed the SAQ among suppliers, risk assessments, plus on-site audits for high-risk suppliers.
Supply Chain	Join the EICC VAP audit plan.	•	Selected high-risk suppliers to join EICC VAP audit plan.
	Adopt supplier SER performance assessment.	0	Conducted performance assessments on suppliers' SAQ and on-site audits.
	Enhance SER capacity of our suppliers.  Proceed Supplier training program (e.g. SCLC).	•	Hosted a GHG training program for all suppliers, and a CDP Supply Chain Program for a specific group of suppliers.
	Implement online CSR training program.	0	1806 people have completed the training, registering 81% of completion rate. The training will be expanded globally in 2011.
	Implement EHS training program.	0	262 new employees were given trainings. Trainings for all employees will continue to be promoted in 2011.
Our People	Establish online training system and modules.	•	Established online training system and modules.
	Promote the Standards of Business Conduct (SBC) in Acer.	•	Printed the SBC for distribution among Acer's executives, and executives are charged to provide awareness and trainings for the employees. SBC is included in the performance appraisal.
	Strengthen communication coaching capacity of managers and trainings for new newcomers.	•	<ul> <li>Strengthen communication coaching capacity of managers: courses participated by 203 attendees</li> <li>Training for newcomers: trainings were held and attended by 467 participants.</li> </ul>



Customer	Complete Acer Global Download for all four brands.	•	Completed the Acer Global Download in 2009. Other Global Download Centers for the remaining three brands were completed at yearend 2010.
Community	Enhance Acer Volunteer Team's participation.	0	Acer Volunteer Team launched a variety of volunteering activities: the number of participants rose slightly.
	Develop community-centric Digital Opportunity Project.	•	Introduced two Acer Digital Mobiles in Hualian, Taiwan to support a variety of community mobile computer courses.

Complete

Partial

O Not yet complete



## 2010 Acer Numbers at a glance

	Project	Unit	2008	2009	2010	Explanation
	Consol. Revenue	NT\$ 100 million	5462.7	5,739.8	6,290.6	
	Operating Income	NT\$ 100 million	140.7	153.3	182.0	
	PAT	NT\$ 100 million	117.4	113.5	151.2	
	EPS	NTD	4.7	4.3	5.7	
	PC Shipment	Sets	31 million	40 million	45.5million	***************************************
	Market Share	%	10.3%	12.6%	12.7%	
	Global Market Share Ranking	•••••••••••••••••••••••••••••••••••••••	3	2	2	
Our Approach	Political contributions	NTD	—	······	0	••••••
oui Approueii	The number of participating suppliers in CSR Forum	Number of suppliers	46	71	66	
	The total number of participants in CSR Forum	Number of people	98	163	144	
	The number of international stakeholders in suppliers conference during CSR Forum	Number of stakeholders	7	7	6	
	Board of directors convened	Times	4	7	10	
	Trainings on EHS and internal audits	Times	8	19	19	The project included Acer Taiwan's Hsichih and Neihu offices. No OHSASA 18001 was yet introduced in 2008, thus the absence of related courses.
	ISO 14001-certified ODM suppliers	%	100%	100%	100%	
	OHSAS 18001-certified ODM suppliers	%	_	_	95.7%	
	Solid wastes	Kg	<del></del>	_	13,632	Limited Acer's Hsichih HQ only.
Environment	Acer products takeback and recycling	Kg	1,089,000	3,497,753	6,038,825	The amount of takeback over 2008 was limited to Acer Taiwan.  The amount of takeback over 2009 was limited to Acer Taiwan and Japan.  The amount of takeback over 2010 included Acer Taiwan, Japan and the US.
	Significant pollutions and leaks	Times	0	0	0	
	Serious violations of environmental protection statutes	Times	0	0	0	



	Project	Unit	2008	2009	2010	Explanation
	Scope 1 GHG emissions	Tons of CO₂e	3,238	3,205	3,453	Including eDC
	Scope 2 GHG emissions	Tons of CO <sub>2</sub> e	90,056	129,237	123,133	Including eDC
	Scope 3 GHG emissions	Tons of CO <sub>2</sub> e	3,457	2,901	5,453	Including eDC
	GHG emissions Intensity	Tons of CO <sub>2</sub> e /Revenue in terms of NT\$ 1 million	0.18	0.24	0.21	Including eDC
	GHG emissions per capita	Tons of CO <sub>2</sub> e /The number of employees	14.03	20.43	17.02	Including eDC
	Participating suppliers in CDP Supply Chain Program	%	41%	62%	74%	
	Participating suppliers in CDP Supply Chain Program questionnaire workshops	Number of suppliers	_	_	23	Participants were limit to those whose 2009 evaluation results were less than satisfactory, and newcomer supplie
	Participating suppliers in CDP Pre-launch Event in Taiwan	Number of suppliers	_	28	28	
Energy and Climate Change	The total number of participants in CDP Pre-launch Event in Taiwan	Number of people	_	239	164	
	Participating suppliers in CDP Launch Event in Taiwan	Number of suppliers	11	22	25	
	The total number of participants in CDP Launch Events in Taiwan	Number of people	181	151	110	
	Suppliers participated in GHG working group	Times	_	4	5	
	Participating suppliers in GHG trainings	Number of suppliers	_	_	50	
	Electricity consumption throughout the year	kWh	145,628,904	205,608,897	203,715,820	
	Petrol consumption	L	353,122	400,243	635,717	***************************************
	Diesel consumption	L	77,120	325,004	493,990	
	Lighting facility replacements in workplace to save electricity use	kWh	_	_	86,000	Limited Acer's Hsichih HQ only.
	Lights-off at noon to save electricity use	kWh			39,000	Limited Acer's Hsichih HQ only.
	Participating suppliers in the suppliers conference	Number of suppliers	46	71	66	
Supply Chain	Participating suppliers in the suppliers conference	Number of people	98	163	144	
	Suppliers who have filled out EICC SAQ	%	45	43	61	



	Project	Unit	2008	2009	2010	Explanation
	The number of employees	Number of people	6,897	6,624	7,757	
	Percentage of female employees	%	<u> </u>	31.1%	32%	
	Newcomers in 2010	Number of People	<u>—</u>	_	446	
	Disabling injury frequency rate	The number of disabling injuries/per million work hours	0.07	0.09	0.09	Limited Acer Taiwan only
	Disabling injury severity rate	Work days lost/per million work hours	0.95	0.67	0.59	Limited Acer Taiwan only
	Courses opened	Туре	<del></del>	_	177	Limited Acer Taiwan only
Our People	The number of employees trained	Person-time	_	2,235	2,682	Limited Acer Taiwan only
Our reopie	Total hours in training	Hour	<del></del>	33,261	40,578	Limited Acer Taiwan only
	Management skills trainings	Person-time	_	364	439	Limited Acer Taiwan only
	The number of trainees who completed the online CR training course	Number of people	_	_	1,806	Limited Acer Taiwan only
	The number of trainees who completed the online CR training course	%	_	_	81%	Limited Acer Taiwan only
	The number of employees who visited the Acer Massage Stop	Person-time	_	2,110	2,640	Limited Acer Taiwan only
	Acer Sports Team participated in sports competitions	Person-time	284	417	245	Limited Acer Taiwan only
	Customer satisfac- tion of direct account service center	point	_	86.1	87.1	Limited Acer Taiwan only
	Customer satisfaction of call center	point	_	81.19	81	Limited Acer Taiwan only
	Customer satisfaction of corporate clients	point	_	90.5	90.5	Limited Acer Taiwan only
Customer	Significant noncompli- ance with regulations concerning health and safety impacts of products	Times	0	0	0	
	Significant noncompli- ance with regulations concerning product and service informa- tion and labeling	Times	0	0	0	
	Significant noncompli- ance with regulations concerning marketing communications	Times	1	0	0	
	Recalling defective products	Times	1	3	0	



	Project	Unit	2008	2009	2010	Explanation
	Volunteering service leave applied	Number of days	_	56	56	Limited Acer Taiwan only
	The number of applicants for volunteering service leave	Number of People	_	38	47	Limited Acer Taiwan only
	The number of employees and relatives who applied for volunteering service leave	Number of People	_	_	93	Limited Acer Taiwan only
	The number of people benefited from the Acer Digital Mobiles	Person-time	_	-	2,704	Between June and December, 2010
	The number of bags of blood donated from Acer employees	Bags	1,072	1,611	1,915	Acer Taiwan and companies nearby
	The number of blood donors among Acer employees	Number of People	799	1,144	1,307	Acer Taiwan and companies nearby
ommunity	Acer contributions	NTD	13,473,155	47,103,466	28,654,443	The amount of contributions tallied from 2008 to 2009 was limited to Acer Incorporated and Acer Foundation. The contributions came in the form of monetary donations, product donations and charity drives.  The amount of contributions tallied during 2010 was limited to Acer Inc., Acer China and the Acer Foundation. The contributions came in the form of monetary donations, product donations and charity drives.
	Monetary donations from Acer employees	NTD	4,624,000	7,166,300	4,680,000	The amount tallied from 2008 to 2009 was limite to Acer Taiwan  The amount tallied over 2010 included: Acer Taiwan, Australia, the US Indonesia and Thailand



#### 2011 Goals and Commitments

	Develop internal corporate responsibility sharing platform in Acer			
	Hold Acer CSR Forum and communicate with international stakeholders continually			
Our Approach	Build up the information platform for supply chain SER management			
	<ul> <li>Achieve the organizational reform of global CR governance for transferring existing responsive actions to 2011-2014 strategic actions.</li> </ul>			
	Continue to participate in international legislation discussions on halogen-free manufacturing			
Environment	<ul> <li>Improve the HSF-centric trial runs and mass-manufacturing of every production line, including notebook computers, tablet PC, desktops, monitors and smart handheld devices</li> </ul>			
	Continue to participate in CDP Supply Chain Program and enhance questionnaire feedback qualit			
Energy and Climate Change	Partake in discussions and formulation on carbon footprint standards both within the country and internationally			
	Continue to promote energy conservation programs in the workplace			
	Increase the percentage of suppliers filling out SAQ to 100%			
	Enhance the percentage of medium- and high-risk suppliers audited from 16% to 50%			
	Organize supply chain SER meetings			
Supply Chain	<ul> <li>Require all ODM suppliers to obtain OHSAS 18001 accreditation by 2011, and requires all supplie to obtain OHSAS 18001 accreditation by 2012</li> </ul>			
	<ul> <li>Provide suppliers trainings and lectures</li> <li>Greenhouse Gases</li> <li>CDP</li> <li>Conflict mineral</li> <li>Global trends of SER</li> </ul>			
	Continue to implement the Acer Group Standards of Business Conduct			
	Conduct environmental safety and health trainings			
Our People	Formulate and execute a worldwide training and development programs, including online training courses			
	Implement a performance review system			
Customer	Continue to consolidate the Acer Global Customer Service System (CSS).			
<b>C</b>	Promote Acer Volunteer Team service			
Community	Develop community-centric digital opportunity project			





#### **History and Development**

Established in 1976, Acer Inc. is a multinational conglomerate with four PC brands, including Acer, Gateway, Packard Bell and eMachines. Acer champions its corporate tenets to breaking the barriers between people and technology, and resolves to adopt a multibrand global marketing policy, offering consumers worldwide user-friendly IT products to fulfill their wideranging demands.

Acer is currently the world's second largest PC and notebook brand, with an internationally-positioned operating team. Acer operates on its own capital without any government backing. Our consolidated revenue for 2010 stood at NT\$629.06 billion (approximately US\$19.9B), registering a 9.6% growth over 2009. Our operating income was figured at NT\$18.2 billion (US\$575 million), indicating an 18.7% increase over 2009, setting two historic new highs. Its net profit after tax in 2010 was NT\$15.12 billion (US\$478 million), with EPS at NT\$5.71. Acer's net profit after tax in 2010 grew 13% over 2009, if excluding revenues from other spinoffs.

	2010	2009	2008
Consol. Revenue	NT\$629.06B	NT\$573.98B	NT\$546.27B
Operating Income	NT\$18.2B	NT\$15.33B	NT\$14.07 B
PAT	NT\$15.12B	NT\$11.35B	NT\$11.74 B
EPS	NT\$5.7	NT\$4.3	NT\$4.7

Operational structure of Acer and its subsidiaires can be found in the Acer Inc. <u>Annual Report</u>.

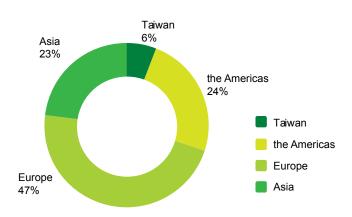
We anticipate continuous growth in the PC market in 2011, with notebook as the staple and the emerging

markets as the primary driver behind sales growth. And, due to the fact that PC has become an integral part to modern life, that the demands for computers by families worldwide have increased, consumer products will predominantly define the upward trend in the PC market. Apart from which, the prospect for commercial-use computers - particularly small and medium business markets - is forecasted to boom in 2011, and Acer is ready to zone in on this market with a complete product line, targeting even greater sales performances. Acer's business focus in 2011 includes: pursuing better net profit, further elevating Acer's status as a leading notebook provider, expanding its presence in the emerging markets, such as Brazil, Russia, India and China, and strengthening the sales of servers and other commercial products. Additionally, Acer works to refine its strengths in the smart handheld market, collaborate with more telecommunications service providers, and broaden its sales channel. Acer will also endeavor to bolster its share in the tablet PC market to quickly ascend to the ranks of top players. At present, the ICT industry is experiencing many changes, boding challenges and opportunities. Acer understands the status quo well and has a strategy ready. We are confident in our capabilities to seize the opportunities, improve sales, and maximize value to ensure consistent corporate prosperity.

	2010	2009	2008
PC Shipment	Approximately 45.5 million sets		Approximately 31 million sets
Market Share	12.7%	12.6%	10.3%
Global Market Share Ranking	2	2	3



#### 2010 Consolidated Revenue



## 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 and display products. In 2009, Acer made inroads into the smartphone market; Acer is ready to provide high-performing, reliable and user-friendly products in the future so that 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; currently, operating bases are set up in over 70 countries across the five continents. In 2007, Acer celebrated successful mergers of Gateway (including eMachines) and Packard Bell. In 2010, Acer buttressed its cooperation with Founder to fortify their long term PC business cooperation and thus acquired access to Founder's strong PC channels and sales team. At yearend 2010, Acer signed a memorandum with

Chongqing municipal government to set up a global production base as its second operating HQ in China, in hopes of proliferating its product visibility in the fast-growing Chinese market. By yearend 2010, revenues in Europe, the Americas and the Asia-Pacific accounted for 47%, 24% and 29% 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; performance-minded buyers and the general public with Acer brand products; and eMachines for price-oriented customers.

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 2010. We were the Worldwide TOP Partner of the Olympic Movement in the official computing equipment product category for the Vancouver 2010 Olympic Winter Games.





Meanwhile, our products including the notebook, desktop, LCD, projector and smartphone received many international awards. The globally recognized awards include the Best Choice, Green ICT and Design & Innovation awards by Computex Taipei, Japan's Good Design Award, Design and Engineering Awards by the U.S. Consumer Electronics Association and Germany's prestigious iF Design Award. These accolades signify that in addition to consistent business growth, Acer is trusted across the board as a quality name brand by many international organizations.

to modify its Compensation Committee accordingly. The company has set up due communication channels with buyers, suppliers, banks and shareholders, and will disclose its corporate operation and finances on its website, while giving a detailed account of Acer's governance status to stakeholders during shareholders' meetings or other investors' conferences.

For board members, please refer to the Acer Annual Report













#### **Corporate Governance**

Presently, seven members, all males, serve on Acer's board of directors, with two supervisors in charge. To further reinforce Acer's governance structure, the Board of Directors has added new terms to the corporate mandate to establish two seats designated for independent trustees. The new rules will go into effect during the 2011 board of directors' reelection. Acer has installed a Compensation Committee, comprised of the president and outside directors. The committee is responsible for evaluating the performances of operation's manager and determining his compensations, assessing the performance of operating teams, staff compensations and formulating bonus distribution policies. The committee reviews and ratifies items on the agenda annually, and schedules provisional meetings irregularly, depending on the situation. However, due to the fact that the Taiwan Financial Supervisory Commission has enacted and promulgated a set of regulations concerning the establishment of a "Compensation Committee" on March 18th, 2011, Acer will honor this new regulation

#### Corporate Social Responsibility Policies and Strategies

To effectively manage issues concerning corporate social responsibilities, Acer began to progressively consolidate a consensus among ranking executives on sustainability since the 2005 First Acer Environmental Stewardship Year and the 2006 First Acer Sustainability Year, to formulate integrated policies, build a foundation, and begin a series of cohesive projects from executives extending to rank and file staff. In 2008, 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 affairs. The Office is in charge of promoting campaigns on companywide sustainability issues, and periodically report to the Executive Committee of CSR trends, effects, performance, target analyses, and present annual strategy and initiatives for reviews. Meanwhile, the Office organizes communication meetings with stakeholders, solicit suggestions from stakeholders, and appraise outside feedback on Acer's CSR execution efficiency. Next, with Acer's CSR policy as foundation, we will take into account stakeholders' suggestions to establish longer-term CSR targets and strategies to internalize CSR programs throughout the whole organization.



#### Achievement highlights of this stage

- Acer was awarded the ISO14001: 2004 certificate.
- Acer began to regularly publish its annual environmental report.
- Meeting the WEEE and RoHS directives by the EU.
- The HSF and Green Product initiatives launched.
- Suppliers conferences began periodically.
- Acer began to participate in the carbon disclosure program.

#### Achievement highlights of this stage

- Corporate Sustainability Office (CSO) established ←
- Acer's CSR policies formulated
- Five initiatives and focuses determined: the supply chain social and environmental performance management, the development of green products, policies and policy management battling climate change, communication with stakeholders and information disclosure, and product takeback.
- Annul stakeholders communication meeting kicked off
- Timeline: A business model concerning sustainability set up internally

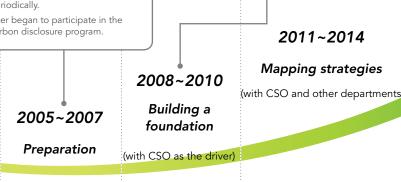
#### **Future focuses**

- Internalizing sustainability issues to all departments
- Promoting trend-sensitive issues and expanding the number of focal initiatives
- Developing strategic campaigns for

#### 2015~2020

#### Creating value

(with all departments as the driving force)



2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

#### **Corporate Responsibility Policy**

- 1. We aim to meet the growing expectations of stakeholders and seek the continuous improvement in business operation, better communication with stakeholders, recognition and support from the market.
- 2. We will walk the talk on CSR by means of a top-down process with practical, prioritized, workable and measurable action plans which are relevant to our products and services.
- 3. We will manage the risks and explore the opportunities of sustainable development through efficient governance wherever we operate.
- 4. We will engage suppliers to work together for business ethics, mitigating climate change and improving resource efficiency.

#### **Definition of Acer's Corporate** Sustainability

We define Acer's corporate sustainability as "A successful global IT company which achieves in triple-bottom line, i.e., economy, environment and society", thus pursuing financial growths, environmental protection and social advancement as

#### Corporate Sustainability Office (CSO) established





Organizational Framework (2010/12/31)





#### Stakeholder Communication

Communicating with our stakeholders and establishing a quality, trustworthy relationship with stakeholders have always been Acer's CSR priorities. Feedback from the stakeholders helps us tap into global trends and potentials, understand their perspectives and expectations, and further help us prioritize various sustainability issues effectively, draft strategies and action plans. Meanwhile, we continue to share with the stakeholders progresses we make in keystone sustainability-centric areas, such as climate change, eco designs, and supply chain management, to manifest Acer's commitment to ensuring – and championing – a sustainable development.

Acer's stakeholders comprise of customers, employees, investors, communities, suppliers, trade and industrial organizations, non-government organizations, government organizations, the academia and media. See the following for communication events and achievements earned during 2010 by primary stakeholders. For specific communication events, refer to other chapters in this report.

#### Customers

We are committed to helping the consumers understand the features and follow-up services of our products, and getting to know the demands of consumers through various channels (see page 54). We also respond to our corporate customers' surveys on CSR and fill out a self-evaluation questionnaires that

our customers asked us to look over. These surveys will be thoroughly reviewed and analyzed as reference for future strategization

#### ■ Employees

Our employees can express their opinions and needs through both formal and informal channels: the Gardener Meetings and "Lunch with Thai Managing Director" (see page 48) are such platforms to get voices heard. We also encourage our people to take up volunteer work and give back to the local community (see page 62). In 2010, we created Acer Global CSR liaison officers to facilitate the communication of CSR issues among all offices more efficiently.

#### ■ Investors

We understand and acquaint ourselves with issues our investors care about through their CSR surveys which are also used as reference for our future policymaking.

#### **■** Community

We embark on community participation projects that meet specific local demands through the Acer group, the Acer family of employees and Foundation (see page 58).



#### Suppliers

We have included CSR-related requirements in our contracts with suppliers. We work to improve suppliers' awareness on sustainability issues through the Acer CSR Forum (see page 18) and trainings (see page 39). We also evaluate suppliers' sustainability performance through surveys, and encourage them to conduct improvements following an auditing process to locate possible problems (see page 41).

#### ■ Trade and Industrial Organizations

To explore CSR issues on a deeper level, and to work with NGO's and corporations to effectively enhance sustainability prospects of the ICT industry, we participate as members in an array of CSR-inspired organizations, including:

World Business Council for Sustainable Development (WBCSD) (see page 23)

Information Technology Industry Environmental Leadership Council (ITI ELC)

Electronic Industry Citizenship Coalition (EICC) (see page 41)

Carbon Disclosre Project (CDP) Supply Chain Program (see page 38)

Climate Savers Computing Initiatives (CSCI) (see <a href="page-40">page 40</a>)

BCSD-Taiwan (see page 23)

Taiwan Corporate Sustainability Forum (see page 23)

#### ■ Non-Government Organizations

We deeply value the opinions of NGOs. Through Acer's persistent presence in CSR-driven organizations, and the hosting of Acer CSR Forum (see <u>page 18</u>), we aim at recognizing sustainability issues spotlighted by international NGOs and achievements attained by suppliers. Additionally, we participated in a conference call with Enough to discuss issues over conflict minerals (see <u>page 45</u>).

#### ■ Government Agencies

We directly engage government organizations in direct dialogs. For instance, in 2010, we provided industrial input on carbon emission labeling to the Taiwan government, and voiced our support for RoHS 2.0 revision in the European Parliament (see page 32). We also communicate consistently with government organizations through industrial and trade unions, such as the Taipei Computer Association and the Taiwan Printed Circus Association, expressing our views on issues directly related to the industry, and to reach equilibrium between corporate interests and social/environmental wellness policies.

#### ■ Media

In principle, Acer hosts two international press conferences to announce key operation and product updates.

#### 2010 Highlight

Beginning in 2008, we started to schedule Acer CSR Forum every December. We hope to encourage suppliers and NGOs to explore various sustainability issues on a deeper level through the forums, and maximize the benefits of these gatherings. We earmark the following agenda and use it to measure the successfulness of the forums:

- Whether the forum has successfully communicated with and engage suppliers and stakeholders,
- Whether the forum "has encouraged greater participation from ranking executives within Acer.

"Building a Responsible Supply Chain" was the theme of the 2010 CSR Forum, which comprised of a high-level forum for ranking executives and four workshops. The event received much attention from the Taiwan government: vice president Vincent Siew graced the occasion with an address to encourage industries across Taiwan to jointly support CSR. Two keynote speeches were arranged during the session for ranking executives from Acer's partnering suppliers, keeping them abreast of the latest trends and development on sustainable issues on the international front. Dr. Chris Tuppen, sustainability expert and advisor in ICT development from U.K, gave a speech on the



opportunities and risks facing the age of intelligence. Two other experts on ICT and climate change, Dennis Pamlin and Suzanne Pahlman, gave talks on changes and new opportunities of a zero-carbon economy. These two keynote speeches enlightened Taiwan's ICT's industry to leverage IT and services against climate change-triggered impacts.

Following the keynote speeches, Chairman of Acer Inc. J.T. Wang and the three attending experts began a themed discussion on ICT Industry and Climate Change. They also unveiled "Vision 2050," initiated by WBCSD, to the Taiwan industrial community as they engaged in opinion exchanges on strategies and action plans to support ICT's stride to 2050.

Chairman J.T. Wang said during the Forum that according to the study by Smart 2020, the global ICT industry accounts for 2% of the greenhouse gas emissions generated worldwide; nevertheless, the ICT can contribute to emission reduction efforts by 15% globally through smart applications of high-performance electronic hard- and software. Taiwan is already a frontline producer and supplier of ICT hardware facilities, and will have tremendous potentials to contribute to a global sustainable development should the country work to align itself with mainstream international sustainability concerns and channel its resources into developing energy-saving products. "Vision 2050" addressed a possibility to actively develop an all-round ICT solution, so that the nine-

billion human populations worldwide can still enjoy a quality lifestyle on the planet within a reasonable load by 2050.

Inspired by our experiences from the previous two forums, we found that effective exchange and interaction activities among participants in forums this large were not as easy. Therefore, we modified the third Forum into workshop-type meetings. The Forum comprised of four workshops with themes on: energy and climate change, supply chain and labor rights, green products, and communication. Every workshop was participated by approximately 50 to 60 attendees representing Acer's suppliers.

Prior to the workshops, we distributed questionnaires on issues pertinent to the gatherings among participating suppliers to better understand their status. The results were analyzed and published in the workshops. Every workshop was presided over by an Acer executive and a stakeholder; two NGOs were invited to the workshops to discuss international trends on issues in question, while two outstanding suppliers were asked to share their work practices. Next, the participants were broken into smaller groups to discuss challenges facing the suppliers, and how Acer and stakeholder groups could pitch in to help address these challenges. Conclusions reached in these workshops discussions were then presented to all the participants in the Forum.



2010 Acer CSR Forum [ Building A Responsible Supply Chain ]



Workshop theme	Energy and Climate Change	Supply Chain and Labor Rights	Green Products	Communication
Stakeholder groups	Carbon Disclosure Project (CDP)  Climate Savers Computing Initiative (CSCI)  Chimei Innolux	Council of Labor Affairs     Electronic Industry     Citizenship Coalition     (EICC)      Foxconn Technology	International Chemical Secretariat (ChemSec)     Green Electronics Council (GEC)      Quanta Computer Inc.	Carbon Disclosure Project (CDP) Global Reporting Initiative (GRI)  Delta Electronics Corp.
sharing by suppliers	Corporation  • Pegatron Corporation	Group  • Qisda Corporation	Nan Ya Plastics     Corporation	Taiwan Semiconductor Manufacturing Company Ltd.
Conclusions reached during workshop	Suppliers understand the important issue of climate change and GHG emission reduction however, the value may be difficult to recognize.  • Provide more education and training to suppliers and contribute resources and support to help educate 2 <sup>nd</sup> and 3rd tier suppliers  • Improve communication of reasons for meeting Acer's expectations and establish concrete goals for suppliers to meet  • Provide clearer criteria and definitions with the expectation that this should involve coordination with other brand companies  • Explicitly communicate specific benefits to suppliers of conducting GHG inventory, which may involve offering incentives  • Help champion the development of data sharing tools/software	1. Actions for the overtime issue  Require HR OT alarm system for supervisors  Retain flexible manpower plans  Enhance productivity and factory automation  Improve supply chain management & production quality  Support suppliers to achieve capacity utilization  Increase wages  Provide entertainment facilities  Actions for supply chain management  Conduct risk assessment for supplier management  Use audits, scoring and awards as management tools  Require Acer's 1st tier suppliers to build their supply chain management capacity  How Acer and stakeholders can assist suppliers to improve CSR performance  Encourage supplier experience sharing  Organize supplier training courses	1. Initiatives on supply chain management  • Upgrading suppliers' awareness and knowhow  • Strengthening capability to verify the data from vendors  • Full disclosure of chemical substance composition  • Unified chemical management system/format to avoid repeated efforts  2. Offering a platform for collaboration	1. Employees of supply chain do not understand CSR and its impact  • Acer communicates with executives representing the suppliers to facilitate awareness promotion  • Stakeholder engagement experience sharing & events  • CSR trainings for Acer's suppliers  2. The extent of transparency and information disclosure for a balanced report  • Acer supply chain CSR best practices sharing



On the other hand, an engagement meeting between core executives within Acer and stakeholders was hosted again in the 2010 Forum to clarify and examine some of the action plans and project goals for the future. We extended the invitations to a greater number of ranking executives. The following key conclusions were reached during the meeting:

#### ♦ Vision 2050

- To put forth strategies and action plans to meet Vision 2050
- To support companies in Taiwan to make necessary transitions toward Vision 2050

#### ◆ A New Corporate Model

- To identify sustainability issue-driven opportunities to address new product and service prospects
- To consider approaches to enable product life extension

#### ◆ Leadership

- To be more actively involved in international sustainability forums
- To manifest Acer's leadership in driving and enabling sustainability on a multifaceted level

#### ◆ Buyers and suppliers management

- To introduce procurement policies governing sustainability issues
- To offer suppliers clear directives; assisting them in participating in sustainability issues, and helping them understand the values of championing sustainability initiatives.

#### ◆ Transparency

- To support clearer auditing result disclosure among Acer's suppliers for stakeholders
- To more explicitly disclose CSR issues

For more information, visit Acer Foundation website.





2010 Acer CSR Forum "Building A Responsible Supply Chain"



#### An overview at the Acer CSR Forum

Communication between Acer and stakeholders

Eight major stakeholders' expectations were concluded in the meeting

Meeting with environmental rights groups in Taiwan (aborted)

A communication meeting was held to map out Acer's future five directives

A platform for suppliers and stakeholders A high-level forum was held, allowing stakeholders and ranking executives representing suppliers to communicate faceto-face.

An open-end forum was hosted to strengthen CSR understanding among executors working for suppliers.

A high-level forum was hosted to inform ranking executives representing our suppliers of the latest sustainability developments in ICT.

To increase face-to-face engagement between partnering suppliers and stakeholders: Eight of Acer's key suppliers were invited to engage in exchange activities on Green Production, Green Product Designs, Product Carbon Footprint and Labor Rights.

To organize workshops on Green Products, Supply Chain & Labor Rights, Energy and Climate Change and Corporate Communications

## 2008

Acer CSR Forum

Theme: Global Challenges to the Sustainable Development of ICT Industry

Participating stakeholders:

- Association of Sustainable and Responsible Investment in Asia (ASrIA)
- Carbon Disclosure Project (CDP)
- Climate Savers Computing Initiative (CSCI)
- Electronic Industry Citizenship Coalition (EICC)
- Greenpeace
- The Centre for Research on Multinational Corporations (SOMO)
- Workers' Assistance Center (WAC)

2009

Acer CSR Forum

Theme: Bridging the Gap & Walking the Talk

Participating stakeholders:

- World Business Council for Sustainable Development (WBCSD)
- Global e-Sustainability Initiative (GeSI)
- Electronic Industry Citizenship Coalition (EICC)
- Climate Savers Computing Initiative (CSCI)
- Association of Sustainable and Responsible Investment in Asia (ASrIA)
- International Chemical Secretariat (ChemSec)
- Workers' Assistance Center (WAC)

2010

Acer CSR Forum

Theme: Building a Responsible Supply

Participating stakeholders:

- Carbon Disclosure Project (CDP)
- The Global Reporting Initiative (GRI)
- Green Electronics Council (GEC)
- International Chemical Secretariat (ChemSec)
- Electronic Industry Citizenship Coalition ( EICC)
- Climate Savers Computing Initiative (CSCI)
- Council of Labor Affairs





#### ■ Public Policy Participation

In terms of making a difference in sustainability- and CSR-forward public policies, Acer offers support both directly and indirectly to enhance policymaking efficiency: it participates in the policy enactment process by offering its own frontline experiences, and involves in organizations concerned with such issues to provide industrial perspectives. These issues encompass wide-ranging concerns on a global, regional, and local level in Taiwan – where Acer is headquartered.

Acer actively participates in discussions on sustainable public policies in Taiwan. In the 2010 "Project to Promote Carbon Labeling in Taiwan" hosted by the Environmental Protection Administration, Acer suggested that the government should both refer to the provisional draft - BSI PAS 2050: 2008 – for frame of reference when enacting the country's "Guidelines Governing the Calculation of Carbon Footprint in Manufacturing and Service Industry." Also, Acer honors the WRI/WBCSD GHG greenhouse gas protocol scope 3 & the product life cycle accounting and reporting standards road testing – a widely used international accounting framework for government and business leaders to understand, quantify, and manage greenhouse gas emissions, and work to conform to the requirements stipulated in ISO/CD14067. These suggestions were adopted by the EPA. Apart from that, we also voiced many suggestions on carbon footprint labeling and quantitative measures on products, providing rich input in public policymaking facing carbon footprint.

In terms of statutes governing prohibited chemical substances in products, Acer launched a series of meetings on new RoHS 2.0 mandates spearheaded by the European Union in October, 2009, and expressed our support for the proposal to enforce an all-reaching ban on organic bromine and organic chloride components in all products (See page 32).

Acer was invited to the WBCSD in 2010. WBCSD is devoted to addressing issues on business and sustainable development and actively providing input to intergovernmental meetings and policy consultation initiatives internationally. In 2010, Acer indirectly participated in a series of engagements via WBCSD, including: COP 16, hosted in Cancun, Mexico, in December, 2010 by UNFCCC; COP 10 in the Convention on Biological Diversity in Nagoya, Japan, in October, 2010; the World Water Week in Stockholm, Switzerland in September, 2010; and climate change talks in Bonn, Germany hosted by UNFCCC in August, 2010.

Additionally, Acer conducts the development and applications of innovative products and tools: we participated in the test run for Product and Supply Chain Standards – jointly devised and developed by WBCSD and WRI, and provided our feedback directly (See page 40). We also prepared to launch WBCSD-designed Global Water Tool and the Guide to Corporate Ecosystem Valuation (CEV) that will enable Acer to exert more positive influence on sustainability issues globally, regionally, and in individual countries

Back home in 2010, Acer continued to offer counsel on the draft of "Taiwan Greenhouse Gas Emission Reduction Act" through its participation in BCSD-Taiwan and the Taiwan Corporate Sustainability Forum (TCSF). An executive member of BCSD-Taiwan's council, Acer also serves as the deputy convener for TCSF. These two organizations briefed the chief of the EPA in September, 2010 on the "Taiwan Greenhouse Gas Emission Reduction Act" draft. Apart from that, BCSD-Taiwan partook in the formulation and enactment of "Basic Sustainable Development Act," plus revisions to several articles in "Basic Environment Act," "Program to Promote Policy Creeds to Address Climate Change and Action Plan" by the Council for Economic Planning and Development, and the formulation on EPA's promotion guidelines to address GHG's first stage and cap-and-trade campaigns

Also, Acer was involved directly in providing counsel to the enactment of Corporate Social Responsibility and Best Practice Principles for TWSE/GTSM-Listed Companies by BCSD-Taiwan and Taiwan Association for Corporate Social Responsibility (CSR Taiwan). The guidelines were officially promulgated by the Taiwan Stock Exchange Corporation (TWSE) and GreTai Securities Market on February 8<sup>th</sup>, 2010.

On the other hand, Acer understood that smart handheld devices and wireless broadband services will define the future as one of the crucial industrial players to provide low-carbon solutions. Acer chairman J.T. Wang, serves as the Chairman of the Taipei Computer Association (TCA), a briefing was thus held for the president of Taiwan on the significance and development prospect of smart handheld devices through the TCA platform. It was also hoped that Taiwan would leverage its strengths to facilitate the expansion of smart handheld device manufacturing network. Next, we also launched an internationally-pioneering WiMAX online services on the Taipei Metro in 2009, and WiMAX applications in emergency medical relief in 2010 through TCA to progressively encourage low-carbon industrial solutions enabled by wireless broadband services in Taiwan, and apply them to address climate change issues and disaster prevention.

# Touch the Environment

Acer takes environmental responsibility seriously in all of our operations and products. We have developed an environmental management system that not only helps us save energy and ensure appropriate treatment of waste in all of our offices, but also works to raise the environmental awareness of employees. Our products embody the concepts of the precautionary principle and individual producer responsibility (IPR) as we endeavor to reduce our environmental impact throughout each stage of the product lifecycle and provide appropriate recycling channels to help consumers do their part for the environment.

## **Environmental, Health and Safety Management**

Thorough implementation of Acer's Environmental Safety Management System keeps the corporation in line with our environmental policy by reducing the impact our products and operations have on the environment, and to helping us attain our environment, health and safety (EHS) objectives. Among these objectives include providing safe products and services, minimizing the environmental impacts of our products and operations, and ensuring our employees are healthy and safe in the workplace.

The EHS systems in place at Acer headquarters in Hsichih and our Neihu offices obtained ISO 14001:2004 accreditation in 2010. The Hsichih offices also obtained OHSAS 18001:2007 accreditation. Both of these systems cover several brands including Acer, Gateway, eMachines, Packard Bell and Founder.

Both of these EHS management systems are supervised by the Assistant Vice President of our Corporate Sustainability Office (CSO), which is responsible for overseeing planning, management, execution and review of related issues. We also established an ISO Implementation Committee, which is in charge of administering all systems management operations. In 2010 this Committee carried out 19 EHS and internal audit training courses to ensure all EHS management projects are put into sound practice. At least two internal audits are conducted each year for public areas on the premises by qualified internal auditors that have been trained by the ISO Implementation Committee.

An impartial qualified third party audit organization is commissioned to carry out one external audit per year. Whenever necessary we supervise and maintain premises in compliance with standards. Any marks of noncompliance on audits are entered onto a list for management and follow-up so that the root of the problem is found and an improvement plan is in place to prevent it from happening again. In this way the EHS management system helps maintain a comfortable work environment for employees and ensure sound management of health and safety issues.

Acer additionally requires suppliers to establish environmental management systems. All of Acer's ODM suppliers have obtained ISO 14001 accreditation and 95.7% of ODM suppliers have already introduced health and safety related management measures. In the future we will require all ODM suppliers to obtain OHSAS 18001 accreditation, putting them another step forward in guaranteeing occupational health and safety for all employees. We also conduct nonscheduled supplier audits to monitor suppliers' EHS management systems.

More information on health and safety management can be found in the chapter on Employee Communication (See page 51).



#### Our Operations and the Environment

We do not have any recorded significant spills or noncompliance with environmental laws and regulations. We are devoted to reducing the environmental impact of our operations by employing an impeccable EHS management system. Each year we set objectives and action plans to strive for continual improvements. Progressive attainment of short-term objectives helps us reach our long-term goals and commitments for the environment, health and safety.

The management system also helps us reduce cost, improve operation efficiency and comply with stakeholders expectations for us to care for the environment. The following section reviews our performance in each area:

#### ■ Energy Management

Most of Acer's operations take place in office buildings, where carbon dioxide generated from energy consumption is the primary source of emissions. The main thrust of our commitment to respond to climate change is thus reduction of our energy consumption. We do this through annual systematic reviews of our energy use so that we can continue to find better ways to further conserve energy. More information on Acer's efforts toward GHG reduction can be found on page 37.

#### ■ Waste

Waste management is an important link in the implementation of any green office program. Acer Taiwan cultivates good habits in the daily work environment by asking employees to sort waste into paper, plastics, aluminum, glass, metal and food scraps. We also recycle all of our solid waste through a regular service provided by a qualified treatment firm, which guarantees appropriate treatment methods are used. In 2010, we recycled 22 kg of spent lamps, 22 kg of spent batteries, 849 kg of compact discs, 12,239 kg of metals, and 123 units of IT equipment.

Acer Philippines entrusts a qualified recycling firm to recycle waste from our customer service department. In 2010, this led to the appropriate treatment of 19,831 kg of materials including computer components, electric cords and cables, batteries, corrugated cardboard, CRT and LCD monitors, glass, metal, ink cartridges, mixed plastics, printed circuit boards, and general waste.

#### ■ Paper

Acer Taiwan destroys a large amount of confidential documents each quarter. We have chosen to do this through one of the most environmentally sound options available by entrusting a qualified company to turn this waste into a resource. Waste paper is disintegrated in water to create pulp for making reused paper products. This method not only avoids air and soil pollution from incineration or landfilling, but also protects forest resources by reducing the rate of tree felling. Acer Taiwan recycled a total of 5,800 kg of confidential documents in 2010, and in doing so reduced emissions by 4,872 kg CO<sub>2</sub>e.

Starting in 2007, Acer Singapore worked with Sembcorp Tay Paper Recycling Pte Ltd, a qualified paper recycling firm, to install paper recycling bins on each floor of their office buildings and regularly collect waste paper for recycling. A total of 39 tonnes of paper were recycled in 2010. The firm also recycles the offices' confidential documents once a year. These achievements show our commitment to creating environmentally friendly workplaces.

Acer America's Texas Service Center receives over 1,000 pounds of cardboard boxes each day. To ensure a 100% recycling rate of these boxes, Acer works with a qualified paper recycling firm by setting up cardboard recycling bins in all warehouses and repair centers. In 2010 Acer recycled over 300 tonnes of waste cardboard, not only helping the environment but offsetting the cost of waste treatment.



Recycling of confidential documents



#### Raising Employee Awareness

We want our employees to understand and participate in our environmental goals and actions, and we raise employee environmental awareness in multiple ways, such as through posters and activities on environmentally friendly living. Acer Malaysia's Highpoint Service Center provides one such example with posters they have placed in offices encouraging co-workers to adopt ten simple steps to improve the environment.

In 2010 our volunteer teams continued to hold green office activities and optional environmental working holidays for employees to participate in and understand the importance of ecological and resource conservation. Taiwan, Philippines and India branches held similar activities to encourage volunteer participation.

Acer Taiwan volunteer team holds an annual Earth Month from April 22 to June 5, featuring environmental activities to raise colleagues environmental awareness. During Earth Month 2010 we held a Vegetarian Mondays event, encouraging colleagues to conserve energy and reduce carbon emissions through the simple act of choosing what to eat or how to go about daily activities. We also organized two environmental working holidays for employees to visit the Basianshan Nature Center and Guandu Nature Center, where they helped clean up the premises and learned how to care for both people and nature.



After Typhoon Ondoy caused serious damage in the Philippines in 2009, Acer Philippines sponsored the Haribon Foundation, a long-standing Philippine environmental group, in their Road to 2020 program in 2010. This involved leading 80 volunteer employees and a youth group from the poor district of Barangay Catmon, Malabon, Metro Manila to plant 1,000 native saplings in the Marikina and Caliwa watersheds. The activity led all participants to realize the importance of people working together to plant trees and protect the environment.

Acer India's CSR Club initiated a personal computer energy conservation activity, asking owners to set their computers on standby mode and turn off their monitors whenever their computers are inactive for over five minutes or during lunch breaks.



#### **■** Employee Transportation and Commuting

Of all the various means of transportation used by our employees to get to work, we encourage them to consider taking mass transit systems and carpooling in order to reduce transportation-related carbon emissions. Aiming to make the commute to work more convenient and increase our employees' willingness to take mass transit systems, Acer Taiwan headquarters in Hsichih requested the construction of a pedestrian overpass from the Xike Train Station to the Hsichih Science Park. The government approved of this idea and included it in their transportation planning. In promoting the carpool concept, we provide shuttle service from our office to the nearby mass rapid transit (MRT) station as well as exclusive shuttle service on ten routes at fixed times after work each day. We also prioritized fuel efficiency when procuring company vehicles, helping us cut vehicle fuel consumption by 6.2% in 2010, compared to 2009.

#### ■ Water

Most of our water consumption is for sanitation purposes in toilets and break rooms, rather than for manufacturing. Although we are not considered a water-intensive industry, we believe it is important to actively raise the efficiency of our water use in the face of increasingly scarce global water resources.



Acer Taiwan advocates water conservation among employees to strengthen the reporting of water leaks and routine examination mechanisms. We also initiated an effective water conservation plan requiring new offices to purchase only faucets, urinals, and toilets that carry the Water Saving Mark. Most of our offices directly discharge waste water into the public sewer system for treatment according to regulations.

## Our products and the environment

Acer strives to reduce the environmental impacts of our products during each stage of their lifecycle, including design, manufacture, assembly, use and end-of-life treatment. Consumers are thus also able to reduce their own environmental impact by using our low-energy products and our recycling plan, which ensures waste products are appropriately handled either through reuse or recycling.

#### ■ Energy Efficiency

As for energy efficiency of our products, we complied with the EU Directive 2009/125/EC Establishing a Framework for the Setting of Ecodesign Requirements for Energy-Related Products (ErP), which was put into effect in November 2009. Acer currently follows standard implementation measures for regulated products. As for product categories for which implementation measures have not yet been set, we will continue to pay attention to new developments to ensure we are prepared early on for each new regulation.

#### ■ Materials

Our management protocol for chemical substances requires our suppliers to control banned and restricted substances (including RoHS) by adhering to the Acer Guidance of Restricted Substances in Products. We also comply with precautionary principles in the EU's Regulations for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) by requiring suppliers to follow information disclosure

rules for Substances of Very High Concern (SVHCs). . If we discover any SVHCs in excess of 0.1%, related information is instantly updated on our website.

#### Packaging

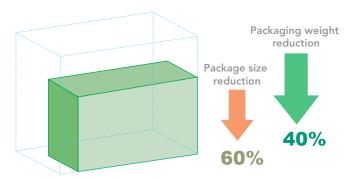
Getting products from the factory to the consumer's hand in this age of globalization frequently involves a long stage of transportation. Acer makes every effort to reduce product packaging in both size and weight. This small step produces a chain of benefits including reduced transportation-related energy consumption, reduced carbon emissions from transport operations, and reduced transportation costs.

Acer's Veriton L series has been greatly streamlined compared to other desktop computers. More effective packaging design has reduced cardboard box size by 60% and the weight of cardboard by 40%. The new design prevents the felling of 12 trees for every delivery of 1,000 Veriton L computers (assuming one tree can produce an average of 50 kg of cardboard).

During transport, each 40-foot container shipment holds 1,848 units, up by a factor of 1.5 from the former capacity of 728 units. Increased numbers of units in each shipment means fewer boat and plane trips, all of which helps to reduce carbon dioxide emissions.

Our choice of materials in packaging design has evolved since 2008, as we now use only paper products for padding and no longer using polyethylene foam. This means that all our packaging is 100% recyclable, greatly reducing environmental impacts from landfilling and incineration.

The dimensions for traditional desktop computer packaging are  $565 \times 450 \times 295$  (cm). Acer's Veriton L series computer packaging dimensions are  $495 \times 293 \times 190$  (cm). This design improvement has reduced the weight of packaging from 1.6 kg to 1.0 kg.





A container shipment of traditional desktop computers is 728 units (4 units per layer  $\times$  7 layers  $\times$  26 pallets). A container shipment of Acer's Veriton L series is 1,848 units (8 units  $\times$  11 layers  $\times$  21 pallets).



#### **■** Recycling

Technology makes life more convenient, but increased use of electronics brings up the question of how to appropriately treat electronic waste. This has become a focal environmental issue in the international arena, and is an environmental issue that Acer has devoted much attention to. Apart from designing environmentally friendly products, we make every effort to design products that are easy to recycle. We support Individual Producer Responsibility (IPR) by providing recycling channels for products discarded by consumers.

Our product recycling plans are coordinated with local regulations and we cooperate with locally qualified recycling firms to provide consumers convenient recycling channels. We want to make it easy for consumers to join in our recycling initiatives and help us prevent environmental problems caused by inappropriate disposal of electronic products.



#### ■ Asia Pacific

For areas in the Asia Pacific region where it is generally more difficult to implement recycling programs, we still make every effort to expand the scope of our recycling services. Acer India has continued through with its Acer India e-Waste Programme, which actively provides free recycling channels for end-of-life Acer products.



Acer Japan participates in the PC3R Promotion Association, which uses the postal service to provide consumers a way to recycle end-of-life products. Recycling results of Acer, eMachines and Gateway brands in the fiscal year of 2009 are shown in the following table:

Item	Recycled units	Total recycled volume (kg)	Reused materials (kg)	Percentage of recycled materials that were reused (%)
Desktop PCs	2,760	31,969	24,471	76.50%
Notebooks	462	1,663	1,011	60.80%
CRT monitors	2,070	34,134	29,173	80.50%
LCD monitors	446	2,015	1,565	77.70%

Acer Taiwan recycles end-of-life products in cooperation with the Taiwan Environmental Protection Administration's waste treatment and recycling system. The following table shows the volume of recycled Acer products in Taiwan, calculated from Taiwan EPA statistics on yearly recycling of end-of-life information technology products.

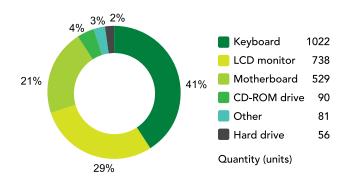
Years	Recycled computers (units)	Recycling rate (%)	Total recycled volume (tonnes)
2006	73,261	31.20%	869
2007	77,763	29.80%	876
2008	96,652	29.47%	1,089
2009	104,012	26.28%	1,158
2010	159,243	35.75%	1,801





voluntary recycling program in April 2010, offering consumers a 100,000 rupiah coupon for turning in computer components that may contain PVC or BFRs and have passed their warranty period, including motherboards, keyboards, ODDs, LCD monitors and HDDs.

All Acer service centers in Indonesia provide recycling services. We hope this program teaches consumers and the general public how important it is that electronic waste gets appropriate treatment. The Acer Goes Green program achieved the following recycling results as of January 2011. We will continue to promote this plan in the future.







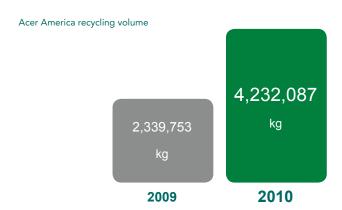
#### ■ Europe

Acer's operations in Europe adhere to EU directives regarding recycling and waste reduction design of products, batteries and packaging. More information on recycling channels in Europe can be found on the local websites of each Acer branch in Europe.

#### Acer America

Acer America cooperates with a number of different recycling enterprises to provide consumers various means of recycling, including recycling services through the national postal system, national and local recycling stations, and corporate client recycling services. The addition of the E-World Recyclers and AERCCR to our national and local station recycling partnerships in 2010 resulted in an increased recycling rate compared to 2009.

Acer Canada recycled both waste computer products and batteries, continuing cooperation with Phoenix Recycler and Rechargeable Battery Recycling Corporation (RBRC).



We will expand the scope of our voluntary recycling projects through participation in the Consumer Electronics Industry's Billion Pound eCycling Challenge, launched on April 13, 2011. This project was initiated by the US Consumer Electronics Association (CEA), setting the goal to recycle one billion pounds of electronic products per year by 2016. The project will help us set recycling targets for each state. Acer will commit to only employ third-party accredited recycling firms and will report on its progress toward attaining its targets.

Acer America requires all recycling plans to ensure appropriate disposal and treatment of end-of-life electronic devices, components and materials. We encourage our recycling firms to obtain environmental management system certification and recycling standard certification such as the Responsible Recycling (R2) or the eStewards standards set by the Basel Action Network. Currently all of Acer America's first tier suppliers have already applied or are currently applying for R2 or eStewards standards accreditation. We also expect end-of-life management vendors and sub-vendors to comply with Acer's Standard for Electronics Disposition.

More information is provided on <u>Acer America's</u> recycling website.



#### ■ Acer Recycling Activities

Apart from initiatives to recycle products and office resources, we hold recycling activities to increase public awareness of waste reduction, resource use, and recycling. This lets people know about Acer's commitments and endeavors in recycling.

## Acer America: Texas E-Waste Recycling Activities

Acer Service Corporation launched a partnership with Kennedy-Powel Elementary School and Cinco Electronic Recyclers to carry out the



"Texas E-Waste Recycling Activities" in Temple, Texas in 2009 and 2010. In 2010, around 2,495 kg (5,500 pounds) of e-waste was collected in one day for appropriate treatment and recycling during this free e-waste recycling activity.



### Acer South Africa: Miss Earth South Africa

Acer South Africa sponsors the Miss Earth South Africa competition in order to increase public awareness of the environment and the conservation of wildlife and natural resources. Among the environmental activities sponsored at the community level include:

- Wetlands cleanup, picking up litter and sorting for recycling
- A fieldtrip to the South African Foundation for the Conservation of Coastal Birds' (SANCCOB) Rietvlei Wetland Reserve

in Table View, Cape Town to feed African penguins and cormorants.

- Planting of 1,000 trees in Wattville on the International Day of Peace
- Promotion of e-waste recycling

Our sponsorship of the Miss Earth South Africa project focuses on educating school students regarding the issue of e-waste, which is reinforced through the installation of eight Acer E-Waste Bins in four schools in Gauteng Province, South Africa. This initiative has made recycling more convenient and encourages both students and the general public to take responsibility for recycling.







#### **ECO Design**

Acer has long endeavored to develop environmentally friendly products as we believe the best quality products should by definition be products that are good for the environment. This means our products must not only comply with regulations, but should continually seek greener design throughout the product lifecycle, with serious consideration toward chemical substances used and energy efficiency. We thus strive to comply with other more challenging standards, including PVC/BFR Free, EPEAT, and Energy Star standards.

#### Banned Chemical Substances

We attended the Symposium on Global ICT Environmental Initiatives held by Intel and iNEMI in Brussels, Belgium on 27 October 2009 to show Acer's active support of the revised RoHS 2.0 directive that bans all organobromine and organochlorine compounds. We also participated in the RoHS 2.0 revision meetings in Brussels and the Greening Consumer Electronics - from Hazardous Material to Sustainable Solution meeting.

To stay abreast of related developments and express our support, Acer partook in the April 2010 meetings convened by the European Parliament's Committee on the Environment, Public Health and Food Safety in Brussels regarding RoHS 2.0 revisions. We also met with key figures in Europe and expressed Acer's support of the RoHS 2.0 revisions to ban all organobromine and organochlorine compounds. In order to effectively environmental impacts generated inappropriate treatment of e-waste, Acer cooperated with international environmental NGOs in May 2010 to issue a declaration to the European Parliament and UN Security Council members, earnestly inviting them to support related legislation to ban the use of all organobromine and organochlorine hazardous substances in electronics products by the year 2015.

Although the revision to ban all organobromine and organochlorine compounds had not yet been legislated by the end of 2010, Acer adopts the precautionary principle and continues to promote halogen-free products throughout our supply chain. In addition to these existing banned and restricted substances, we continue to stay abreast of developments in the international arena concerning the control of hazardous substances and chemicals for which the environmental impacts are still unknown.

Acer came out with the following HSF (PVC/BFR free) products in 2010:

Notebook PC				
TravelMate 8172T				
TravelMate 8372T				
TravelMate 8472T				
TravelMate 8572T				
NS10 Gateway				
NS30 Gateway				
NS41 Gateway				
NS51 Gateway				

Computer monitor	
C233HL	
Desktop PC	
aHornet	

The Electronic Product Environmental Assessment Tool (EPEAT) was developed in America in 2006 as a tool for the US government and private corporations to assess the degree to which products comply with environmental principles when procuring electronic products. EPEAT is now widely accepted and 41 countries are able to register on the system.

Acer has registered its notebook computers, desktop computers and monitors to meet market and customer demands in several of the countries in which EPEAT is established. We will strive to provide EPEAT products to more markets in the future.



#### **■** Energy efficiency management

We have always focused on energy-saving design of our products as part of our commitment to energy conservation, carbon reduction, and sustainability. Some of our leading energy-saving technology includes Intel's Display Power Savings Technology (DPST), best feasible power management systems, the Acer PowerSmart key, and Acer PowerSmart power supply equipment. We have adopted the industry's most stringent Energy Star certification standards and list them prominently alongside our own energy design goals. We apply for Energy Star certification for selected products in our desktop computer, notebook computer and monitor product lines.

In April 2010, Energy Star announced the implementation of a new certification process entailing third-party certification, effective from January 2011. Acer thus began preparing to apply for third-party certification in mid-2010 so that when the new system went into effect selected products from our product lines would successfully pass the third party certification process and obtain Energy Star certification.

## Aspire Timeline series notebook computers usher in a new era of mobile computing

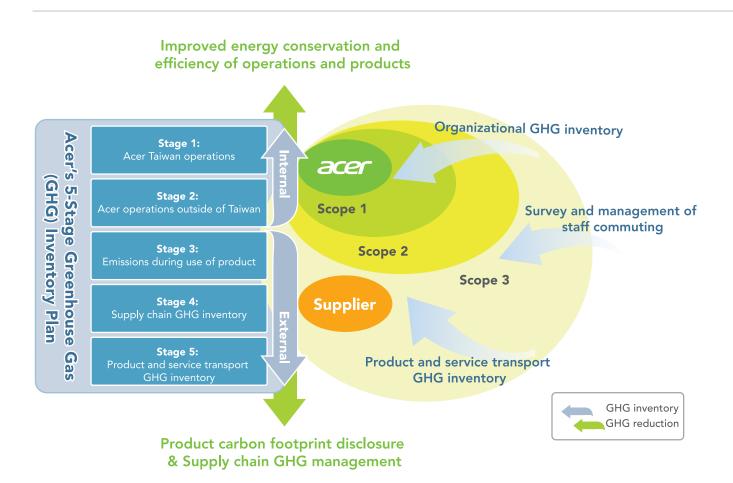
In 2009, we came out with the Aspire Timeline notebook computer series, which features several hardware and software energy-saving functions, making it 40% more energy efficient than traditional designs, while extending the battery duration to eight hours. These electricity-saving features far surpass the US Energy Star 5.0 requirements and satisfy the consumer demand for energy efficiency.

In 2010 we took a step further with our Aspire Timeline 3811T series of super-light notebook computers. This series not only excels in energy efficiency but is also free of PVC and BFRs (excluding power cable), making it an ideal green product with environmentally sound design. This product series won the Best Choice of Green ICT Award at Computex Taipei 2010.



## Touch Energy and Climate Change

At Acer, we believe actions speak louder than words as we work toward our goal to become a climate-friendly enterprise. We place a great deal of importance on developing and supplying low-carbon products as well as reducing greenhouse gas (GHG) emissions of all our operations. We developed the Acer Integrated Strategy on Energy and Climate Change in 2008, laying down four main domains in which we can ensure effective implementation: greenhouse gas inventory, energy conservation and carbon reduction, increased efficiency, and low-carbon business models. We are additionally investing resources to the effect that our suppliers are now also beginning to carry out greenhouse gas inventory and reduction work. We assist our suppliers in seeking appropriate reduction opportunities that reduce the overall carbon footprint of the supply chain and our products. Acer actively communicates with domestic and international stakeholder groups regarding our participation in energy and climate change initiatives and our keen desire to contribute as much as we can toward this issue.





#### **Greenhouse Gas Inventory**

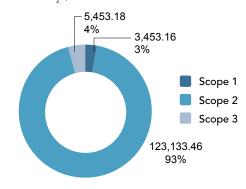
#### ■ Organizational GHG Inventory – 2010 Total Organizational GHG Emissions

In April 2008 Acer formally launched an organization-wide GHG inventory initiative, adopting the GHG Protocol of the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) as its guiding directive. This inventory initiative entails five stages including the Taiwan base of operations, other bases of operations outside of Taiwan, emissions from product use, supply chain emissions inventory, and finally product and services transport emissions inventory.

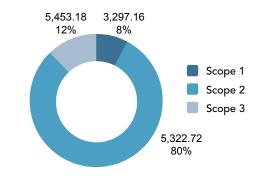
Our inventory calculated GHG emissions of worldwide operations in 2010 at around 132,040 tonnes carbon dioxide equivalents (CO2e). Looking at fuel consumption, gasoline accounted for 635,717 liters, and diesel accounted for 493,990 liters. Annual electricity consumption was calculated at 203,715,820 kilowatt hours. An overview of each division of operations shows that over 60% of emissions are generated by Acer e-Enabling Data Center's (eDC) data supply and storage services. Excluding eDC's operations, total GHG emissions in 2010 amount to 44,073 tonnes CO<sub>2</sub>e, gasoline and diesel consumption are roughly the same as stated above, but electricity consumption is much lower, at 60,234,220 kilowatt hours. Emission volumes and percentages for different scopes of operations in 2010 are shown in the following chart.

To improve the credibility and integrity of GHG emissions data we began conducting internal checks on emissions data of global operations since 2009. In 2010 we assisted our colleagues in all locations to establish comprehensive and reliable procedures for collection and review of GHG emission data. We found this exercise helpful in getting the whole team prepared for external inspections. We had much higher quality results on GHG emission inventories of worldwide operations from 2007 to 2010 due to improved comprehensiveness of scope and accuracy of data. The bar charts show GHG emissions from worldwide operations between 2007 and 2010.

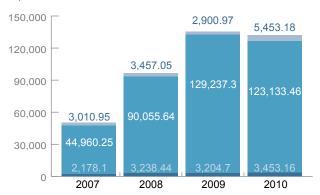
2010 Greenhouse Gas Emissions from Worldwide Operations (Unit: Tonnes  $CO_9$ e)



2010 Greenhouse Gas Emissions from Worldwide Operations (excluding eDC) (Unit: Tonnes CO<sub>2</sub>e)



2007~2010 Greenhouse Gas Emissions from Worldwide Operations



2007~2010 Greenhouse Gas Emissions from Worldwide Operations (excluding eDC)





## ■ Product Carbon Footprint Disclosure

We worked with our suppliers in 2010 to make our AO532H netbook and our V193W LCD monitor the first products to adopt ISO/CD 14067 and BSI PAS 2050:2008 standards for calculating product carbon footprints. After receiving third party verification, we obtained Carbon Footprint labels for these products in cooperation with the Taiwan Environmental Protection Administration.

One 10.1" netbook (AO532H) has a carbon footprint of 157 kilograms CO<sub>2</sub>e, which was rounded off on the label as 160 kg CO<sub>2</sub>e in accordance with Taiwan EPA regulations. One 19" LCD monitor (V193W) was found to have a carbon footprint of 226 kg CO<sub>2</sub>e, which is rounded off on the label as 220 kg CO<sub>2</sub>e. A breakdown of carbon emissions during each stage of the product lifecycle is shown below. More information can be found on the EPA's Taiwan Product Carbon Footprint website



#### **Greenhouse Gas Reduction**

Acer supports the two absolute GHG reduction targets proposed by the EU, firstly to cut emissions 50% by 2050, and secondly to cut industrialized nation emissions by 30% by 2020, with 1990 as the baseline year. Acer also backs international initiatives to sharply reduce GHG emissions and appeals to all circles worldwide to work together in preventing global GHG from increasing beyond the year 2015 and keeping atmospheric carbon dioxide concentrations below 450 ppm. We invite all circles to insist on the creation of climate-friendly policy framework, and to pool our wisdom and efforts so that we can do everything within our means to stop global warming.

#### **■** Greenhouse Gas Reduction Plans

In planning for GHG reduction, we strive to raise the energy efficiency of our operations and carry out energy efficiency benchmarking so that all bases of operations can begin monitoring their own energy efficiency, setting feasible reduction plans and targets, and continually raising energy efficiency benchmarks. As we begin to develop more low energy products, we are guiding our suppliers to work with us in conserving energy and reducing carbon emissions. We understand that the opportunity to reduce greenhouse gas emissions is not limited to our own bases of operations,



and there is an increasing number of carbon reduction projects worldwide with strict monitoring mechanisms that provide sound commitments to making substantial reductions. We are now planning to assess the feasibility of investing in projects to generate or purchase renewable energy to offset our emissions in the future.

# ■ Greenhouse Gas Reduction Projects

# • Energy Conservation and Carbon Reduction Measures

In 2010, Acer headquarters in Hsichih replaced office lighting equipment with energy-saving lamps as part of our action plan to save energy and reduce carbon emissions. Our statistics show that this alone can save 86,000 kilowatt hours of electricity and thus reduce emissions by 54 tonnes CO<sub>2</sub>e each year. We broadened our sphere of influence by extending this lighting replacement initiative to public areas within our office building, including stairways, corridors, and parking lots. This action was well received by the building management association and other building occupants, who joined us in planning and implementation.

Since the second half of 2008 we have implemented an auto shutdown system of office lights. A side benefit of this action was the subtle influence it had on staff members, who soon developed the habit of turning off the lights at the end of the day. Auto shutdown of lights during lunchtime saved around 39,000 kilowatt hours of electricity in 2010 and reduced emissions by 25.9 tonnes CO<sub>2</sub>e.

Acer India headquarters office building in Bangalore initiated an office building energy conservation project through its CSR Club. Before noon each day, staff on the east side of building offices would pull down the shades and resort to electric lighting while staff on the west side of the offices would rely only on diffused natural lighting. After noon, the staff on either sides of the building would switch methods. This measure proved effective at preventing certain areas of the office from overheating, thus conserving energy and reducing carbon emissions.

Acer's Highpoint Service Network in Malaysia reduced the use of energy by organizing overtime twice a week for colleagues who needed to work overtime, thus concentrating periods of energy use and effectively reducing carbon emissions. Regardless of whether it is a small or large space, all of our office remodeling plans adopt and adhere to consistent energy conservation precepts. When the A/B building of our Hsichih headquarters installed energy-saving lamps during remodeling in Q3 of 2010, we took the opportunity to establish an auto shutdown system at the same time. While materials were still handy, we installed energy-saving lamps in key locations of the Stock Room in Q4 of 2010. We expect that our investments in these energy-saving improvements will pay for themselves several times over in terms of effective energy conservation and carbon reduction once operations move back into these spaces in the beginning of 2011.

In assessing and choosing office equipment, energy-saving functionality is one of our core evaluation criteria. By the end of 2010, we replaced office equipment in all our Taiwan offices with a total of 147 multifunction printers, and all newly selected equipment carried the Taiwan EPA Green Mark ecolabel. We also prioritized equipment that does not use toxic materials, has reduced ozone and noise pollution, has low-energy consumption design, and uses environmentally friendly ink.





## Vancouver 2010 Carbon Partner Program

Acer was one of the sponsoring enterprises of the Vancouver 2010 Olympic Winter Games and supported the carbon neutral targets proposed by the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). VANOC invited Acer to participate in the Carbon Partner Program, in which we purchased carbon rights to offset the carbon dioxide emissions associated with flights and accommodation for people we sponsored to participate in and support the games, resulting in a total reduction of 868 tonnes CO<sub>2</sub>e.



#### Acer Australia Plant 1 Million Trees

In 2007 Acer Australia began participating in the Plant 1 Million Trees project initiated by Trees for Life and Carbon Neutral to offset carbon emissions generated from the production of Acer computers and products. From October 2007, for every purchase of a designated product, Acer donated AUD \$3 toward the purchase and planting of a sapling. By the end of 2010, this revegetation plan had planted 78,799 trees in southern Australia. These trees will absorb approximately 13,000 tonnes CO<sub>2</sub>e from the air over their estimated 100-year lifetime.





### Green Energy Initiatives by the Taiwan e-Enabling Data Center (eDC)

The e-Enabling Data Center (eDC) in Taiwan is the first of our operations to install green energy facilities. We participated in the second phase of a voluntary carbon reduction plan promoted by the Bureau of Energy, Ministry of Economic Affairs, pledging along with other enterprises to reduce electricity consumption by 5% within three years.

In 2010 we installed a combined photovoltaic and wind power generation system. The wind power portion of this hybrid system had a total power output of 24 kWp (8 units x 3 kW each) in the first stage, which was increased by 30 kWp (6 units x 5 kW each) in the second stage for a total of 14 units, capable of curbing CO<sub>2</sub>e emissions by 38,856 kg per year.





# Supply Chain GHG Management

## **■ CDP Supply Chain Program**

Acer joined the CDP Supply Chain Program in 2008. Since then we have encouraged our suppliers to respond to CDP questionnaires on GHG emissions and response measures to climate change, and make this information openly available or disclose it to other members of the Supply Chain Program.

In terms of numbers of suppliers asked to participate in the questionnaire, we rank above average among all CDP Supply Chain Program members. In 2010 we had a 20% greater participation rate than in 2009, accounting for 70% of all Acer suppliers. Of our participating suppliers, we have maintained a high response rate of over 95% for three consecutive years from 2008 to 2010, putting Acer at the top of the list among other corporate members.

We keep track of the content and quality of our suppliers' responses to the questionnaire and we recognize there is large room for improvement. The quality of responses on the surveys is important as Acer needs to understand supplier emission status in order to have a command over the risks and opportunities of climate change in relation to our supply chain. Therefore from 2010 we held several training courses for some of our suppliers to improve their capacity to respond to the questionnaire. We will continue assisting suppliers to gradually enhance their overall quality of response on questionnaires as well as set a practical course for improvement.







## **■ EICC Carbon Reporting System**

In addition to the CDP Supply Chain Program, we began participating in the EICC carbon reporting system in 2010. We first invited several suppliers to engage in carbon information response work on a small-scale in 2010. This system is similar in content to the CDP questionnaire and the database is mutually accessible by all parties, making it easy for Acer to stay abreast of supplier GHG management. We will continue to participate and will focus on all our ODM partners as our priority target in 2011.

## **■**Supply Chain GHG Working Group

From Q3 of 2009 Acer established its Supply Chain GHG Working Group and held a working meeting with all major ODM partners of our key product lines. After discussion in several meetings we have confirmed initial carbon information disclosure schedules, product carbon emission calculations, and allocation methods for all Acer products. Taking 2008 as our baseline inventory year, we are progressively requiring ODM suppliers to disclose product carbon footprints in the R&D and manufacture stages. We also conduct on-site audits to verify the GHG data of all our suppliers.

In 2010 Acer continued to request carbon data disclosure from first and second tier suppliers and set a 3% reduction target for all supplier products. We're aiming for all product line ODM partners to be a part of this working group by the end of 2011 to ensure greater breadth of participation and depth of content.

## **■ Supplier GHG Training**

We held supplier GHG training for all Acer suppliers in October 2010 to help them understand our expectations toward energy and climate change issues and GHG management.

The content of this training includes an introduction to GHG trends and standards, inventory and verification procedures and methods, distributed computing of carbon footprints, and explanation of the CDP Supply Chain Program questionnaire. We invited domestic third party verification organizations and external consultants to hold the classes and provide an indepth introduction to related topics. The sessions drew enthusiastic response from our suppliers, and greatly increased our chances for success and tangible results in our future promotion of GHG related projects.



# **External Engagement**

# ■ Promotion of the Carbon Disclosure Project (CDP)

Acer and Acer Foundation have assisted CDP with their promotion work in Taiwan for three consecutive years from 2008 to 2010. Our aim is to help Taiwan's industries understand and recognize the importance of carbon emission management issues, and respond to the demands of international stakeholders.

Since 2008, Acer has coordinated with the circulation of the CDP questionnaire by sponsoring Taiwan CDP Pre-launch Event in mid-April of each year and the CDP Launch Event in mid-October of each year. All Acer suppliers are invited to participate. Apart from explaining the questionnaire and sharing the results of reports with all circles in Taiwan, Acer also invites companies with excellent performance in GHG and product carbon footprint affairs to discuss their work and share their experiences. In these three years we have seen Acer suppliers and all circles become more familiar with this issue, a trend that is sure to benefit future promotion of carbon footprint work.



## ■ WRI/WBCSD The Greenhouse Gas Protocol Scope 3 & Product Life Cycle Accounting and Reporting Standards Road Testing

A complete set of product carbon footprint standards is still lacking in the international arena. In order to understand developing trends in international standards, we began actively participating in the WRI/WBCSD Greenhouse Gas Protocol Scope 3 & Product Life Cycle Accounting and Reporting Standards Road Testing in 2010.

In 2010 we chose our notebook computers to be the pilot product that would lead suppliers together on this road test to provide feedback on their knowledge and experience regarding supply chain GHG inventory and ICT product carbon footprints. This road test produced the basic reference data for setting and improving the standard. The project has been extended to 2011 in order to more thoroughly collect industry perspectives and prudently set related standards. Acer will continue to participate in this road test and provide feedback on our experience and suggestions.

# ■ Climate Saver Computing Initiative (CSCI)

Aware of our planet's limited energy resources and the importance of climate change issues, Acer joined the CSCI in 2008 and has since been responding to CSCI targets for producing and purchasing low-energy products. To this effect we have made advances in power efficiency and reduced power consumption in our computers. We also actively set new targets to manufacture power efficient computers and components, and are promoting global adoption of power efficient computers and power management tools, all of which play an important role in energy conservation and GHG reduction.

#### Acer CSR Forum

During each annual Acer CSR Forum we arrange topics on climate change for international stakeholder groups and Taiwan's ICT industry to discuss together. In our 2010 Acer CSR Forum we organized a workshop on Energy and Climate Change, inviting suppliers and international stakeholder groups to share international trends and join in discussion on the challenges posed by climate change and possible solutions. This workshop was well participated and generated positive responses (See page 18).

# ■ Taiwan Corporate Sustainability Forum (TCSF)

From August 2008 Acer has joined with representative enterprises in Taiwan to establish the Taiwan Corporate Sustainability Forum (TCSF). This forum is for sharing and learning about different industry perspectives on sustainability issues, and for enterprises in the same industry to cooperate on the implementation of special action plans and work together for sustainable development.

Taiwan's legislation of the Greenhouse Gas Emission Reduction Act will become an important basis for the future management of domestic carbon emissions. Acer thus continued to participate in the TCSF Climate Change Working Group in 2010 to stay abreast of related developments and make known the industry's position. This gives us the opportunity to work together with other enterprises and provide the government with practical recommendations on setting up framework and regulations that support a more comprehensive policy on energy and climate change.

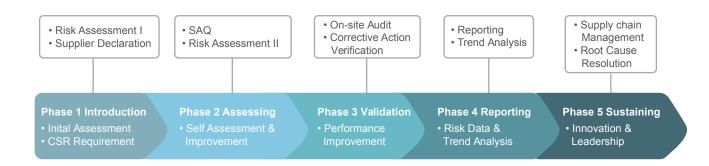
# Touch the Supply Chain

We acknowledge that as a brand company we have a certain degree of influence on the social and environmental factors of our suppliers' operations. Apart from requiring suppliers to comply with local regulations and Acer's own standards, we keep our suppliers up to date with the latest trends in social and environmental responsibility so that their capacity to respond to the challenges of sustainable development continually grows. We adopt a strategy of engagement with our suppliers by establishing intimate partnerships with them on the issues of labor rights, green design, carbon footprints, and carbon disclosure. We further provide a communication platform to our suppliers and stakeholders through the Acer CSR Forum. It is our highest objective to ensure each link of the supply chain is a world-class socially and environmentally responsible supplier.

# Supplier Social and Environmental Management System

We refer to the Electronics Industry Citizenship Coalition (EICC) Supplier Engagement Process by dividing our supplier social and environmental management process into five stages: introduction, assessing, validation, reporting, and sustaining. After two years of diligent work, all our major suppliers have completed the introduction and assessing stages. We employ risk assessment tools to conduct preliminary risk assessments of suppliers

to confirm factory location, chemicals used, services provided, and business relationship between the supplier and Acer. From 2009, we required all major suppliers to sign a Declaration of Compliance with Acer Supplier Code of Conduct, pledging not only their compliance with Acer requirements to disclose social and environmental information, but also to confirm their operations and their suppliers' operations adhere to the Acer Supplier Code of Conduct. The purpose of this is to let suppliers clearly understand Acer's requirements regarding supplier conduct.





## **On-site Audits**

We believe on-site audits are the most direct and comprehensive way to confirm our suppliers are living up to their social and environmental responsibilities. We select suppliers to undergo on-site audits based on their self-assessment performances, the degree of risk at factory sites, their business relationship with Acer, and prior audit results, while also taking into consideration the concerns of our stakeholders. In 2010, we conducted social and environmental responsibility on-site audits of 16% major suppliers primarily employing third-party audit methods. We additionally participated in the EICC Validated Audit Process (VAP), which employs an independent audit manager to inspect procedures and tools, and verify audit results. We have found that our participation in different auditing processes helps to reveal the strong points and shortcomings of each audit method. It also ensures suppliers' violations of social and environmental responsibilities do not go unnoticed, thus enabling us to continually improve Acer's supply chain.

Acer on-site audits of supplier social and environmental responsibility define the following as core violations:

- 1. Child Labor
- 2. Forced Labor
- Health and safety issues with significant and immediate impact on worker health or safety
- 4. Environmental issues with significant and immediate impact on the environment or local community

#### **■ Audit Process**

We commission third party audit firms to conduct audits, which are led by Acer audit managers using comprehensive EICC audit tools to achieve the dual purpose of Acer-led management and objective third party audits. All audits consist of five parts:

- 1. Confidential worker interviews
- 2. Management level interviews
- 3. On-site audits of cafeterias, dormitories, and production lines
- 4. Document review of labor, health, safety, ethical and environmental management systems
- Systems framework validation of labor, health, safety, ethical and environmental management systems

#### **■** Corrective Actions

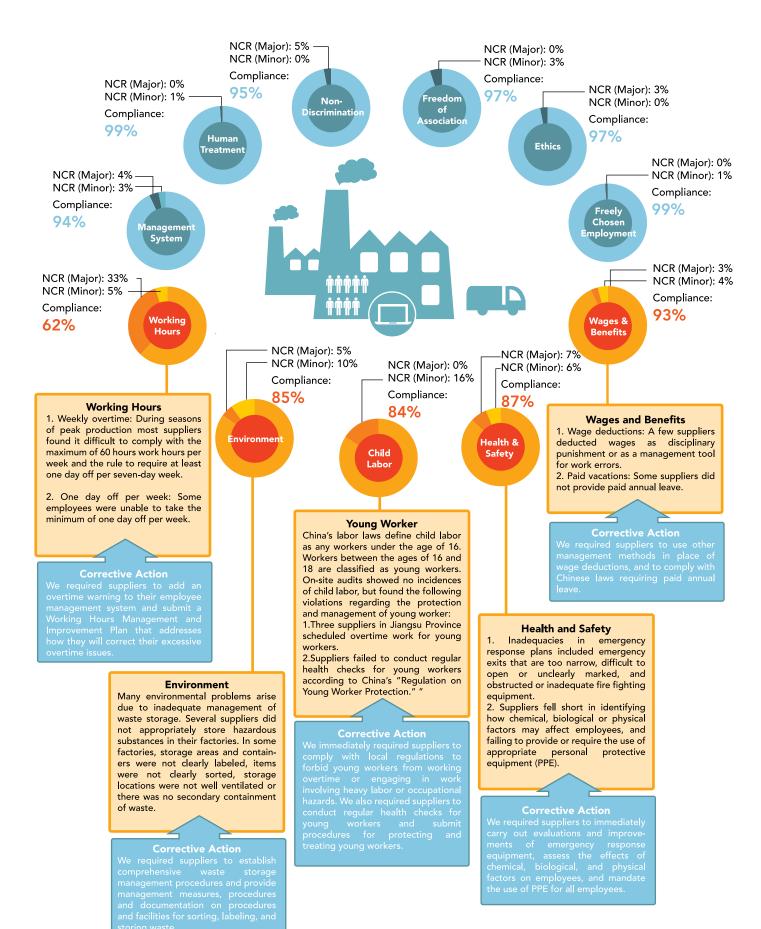
After an audit, the supplier must submit a Corrective Action Report (CAR) addressing the findings of the audit. An auditor then conducts a review and reports items to prioritize for verification during the next audit.

## ■ Main Areas of Noncompliance

Statistical results of audits in 2010 showed the highest percentage of supplier violations were in the five areas of working hours, young worker, environment, health & safety, wages and benefits.

<sup>&</sup>lt;sup>1</sup> VAP is an audit process administered by the EICC and independently managed by an audit program manager to ensure consistency and quality.







# Response to Suicides at Foxconn

We were seriously taken aback at the string of suicides among Foxconn employees in Shenzhen, China in the first half of 2010. We began immediate and continuous communications with the Global SER Committee in Foxconn to understand their response measures. We also dispatched two Acer senior auditors to conduct an on-site inspection in May and confirm that the Foxconn made the following improvements: established the Foxconn Care Center, provided an emergency hotline, rearranged dormitory accommodations, and set up safety nets to prevent deaths from falling. We continue to follow up on the outcomes of these improvements.

The Acer CSR Forum in December 2010 invited Foxconn representatives to report and share their views regarding the care of employees, management measures and corrective actions with other Acer suppliers as well as guest international NGOs. We continue to pay close attention to the salaries and living conditions of employees in China, as well as work closely with Foxconn and all members of the Acer supply chain to prevent the further occurrence of such unfortunate events.

## 2010 Acer CSR Forum

The 2010 Acer CSR Forum featured workshops on the four main themes of Green Products, Supply Chain & Labor Rights, Energy and Climate Change, and Corporate Communication. Invited to the forum included international stakeholders, suppliers and Acer personnel, all in one room to exchange ideas and engage in in-depth discussion. For the discussion on labor rights we invited Taiwan's Deputy Minister of the Council of Labor Affairs, Dr. Shih-Wei Pan and EICC Chairman John Gabriel to take on the role of stakeholders and provide observations and suggestions for Acer's supply chain. We also invited representatives from Foxconn and Qisda to exchange views on employee care measures and the experience of introducing SA8000 standard for the entire supply chain. Lively discussion resulted in consensus on preliminary actions (See page 18).

We will continue to expand our role as a communication platform for suppliers and stakeholders, and integrate the strengths of the Acer supply chain. We are taking a more proactive stance and looking at the big picture as we investigate sustainable development issues that require our response. We believe our best course of action is to build on our suppliers' existing strengths and continuously improve our performance on social and environmental issues.

## **Conflict Minerals**

Social and environmental problems linked to raw materials and processes used in manufacturing products are increasingly catching the attention of people all over the world. One part of the world most seriously fraught with such problems is the Democratic Republic of the Congo (DRC). DRC has a vast wealth of special minerals, which have been at the root of serious armed conflict since 1996—a situation that has given rise to the term "conflict minerals." Although Acer and most of its suppliers do not directly purchase metal raw materials, as a brand company we believe it is our duty to do what we can to play a positive role in this issue. Two solutions that we are now implementing to this effect are supplier management and stakeholder communication.

## **■** Supplier Management

We take to heart our responsibility to educate our suppliers and make sure they are up to date with the latest concerns of international NGOs. In our 2009 and 2010 Acer Supplier CSR Conference we highlighted the seriousness of conflict minerals to all our suppliers and conveyed our grave concern for their sourcing of raw materials.

We issued the Acer's Statement for Materials (Metals) Extraction to our suppliers and announced that we will not accept illegally extracted metals or metals that are extracted under inhumane working conditions. We require all Acer suppliers to shoulder social and environmental responsibility and ensure the procurement or extraction of materials used in their products do not incite conflicts.



In 2009 we surveyed the use, sourcing, supply chain and extraction conditions of cobalt, gold, palladium, tantalum, tin, and tungsten in the products of our ODM, battery and HDD suppliers. We also provided suppliers reference information on potential conflicts stemming from minerals used in electronic products, as well as possible sources and quantities of such minerals used by the electronics industry. This survey was conducted over the course of nearly half a year during which we received a 90% response rate from our suppliers.

In response to the signing of the U.S. Financial Reform Bill (H.R. 4173) into law on July 21, 2010, Acer supports the provisions outlined in the law and will participate collaboratively in the rule making process with other members in the industry through Acer's memberships in both the Information Technology Industry Council (ITI) and the EICC.

#### ■ Communication with Stakeholders

The issue of conflict minerals involves multiple stakeholders. In 2009 we participated in the Multi-Industry Extractives Forum held in San Francisco to gain an in-depth understanding of the conflict minerals issue, and to discuss with other industries and stakeholders possible countermeasures that could be adopted with supply chains.

In 2010, Acer participated in the Conflict Materials Forum jointly facilitated by the Business for Social Responsibility (BSR) and As You Sow in Washington, D.C. The various stakeholders of conflict areas were sought to understand the progress made by single companies or industry organizations, and to share and evaluate current results and difficulties so we could validate or realign our next steps.

In November 2010, we engaged in dialogue with the Enough Project which has long been concerned about conflict minerals. We conveyed our stance and countermeasures toward conflict minerals, and had a chance to understand Enough's expectations of corporations.

Results of our supply chain survey in 2009 and dialogue with various stakeholders have convinced us that this issue can be more effectively tackled through group action rather than individual initiatives. Acer 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. Acer is supporting the development of a smelter validation program to identify those smelters that are sourcing DRC conflict-free minerals. Also, collaborative efforts are being made to determine proper due diligence steps within the supply chain so that Acer can effectively ensure the sourcing of DRC conflict-free minerals from the smelter to its products.

# Touch Our People

Acer is committed to creating a quality workplace, and persistently launching diverse work and lifestyle balance programs to enrich the wellbeing of our employees on a physical and spiritual level. Work-wise, we endeavor to create a challenging workplace, where the staff will be duly compensated for their work; we install a robust training program and employee development project to help them improve their professional competence and career growth. To help our staff better understand Acer's commitment to facilitating CSR, and ensure proper responses to stakeholders, we have revised and promulgated Acer Group Standards of Business Conduct and progressively carried out a series of CSR trainings.

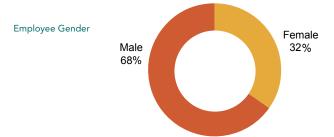
## **Structure**

## **■ Staff Employment Status**

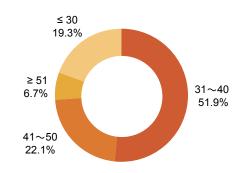
By yearend 2010, the number of employees working for Acer worldwide stood at 7,757, including 168 managerial executives, 6,945 professionals and 644 administrators.

#### ■ Talent Recruitment

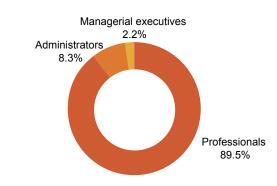
When hiring, Acer honors the area's labor regulations and statutes as such, and gives priority to employing local talents. Acer also honors equal opportunity employment and recruits potential employees through a just, public selection process without taking into consideration the candidate's ethnicity, sex, age, religion, nationality or political affiliation. To attract the best possible candidates to join the Acer family, Acer has a stern policy against the hiring of child laborers, and assigns new recruits to positions that enable them to unleash their gifts to the fullest. 446 candidates were employed in 2010.



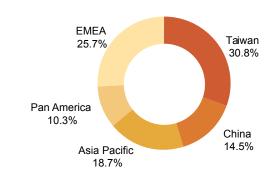
#### Employee Age Distribution



Employee Makeup



Employee Geographical Distributions





# **Compensation and Welfare**

## **■** Compensation

We offer reasonable and competitive compensations and bonuses to spur our employees to give the utmost of their performance. In establishing Acer's compensation policies, we fully comply with requirements designated in the labor acts in the local operating base, and consult consulting firms for pay-related surveys and compensation information in different parts of the world, to safeguard Acer's overall compensation competitiveness in talent markets around the globe. Additionally, we also review the company's revenue, and the performances of various departments, divisions and individual employees to determine the amount of bonuses given, so as to motivate and incentivize their extraordinary performances and partake in the company's successes, and to ultimately retain these talents and reinforce their loyalty. Take Acer Taiwan for example: both performance bonuses and profits sharing are available as part of the compensation package.

# Acer bases its compensation policy on the following principles:

- To give consideration to the rights and interests of both shareholders and employees
- To attract and retain extraordinary talents
- To provide reasonable incentivization to reward employees who have contributed to the company.

## **■** Employee Benefits

In addition to the basic benefits stipulated by the area's labor regulations, Acer also provides group medical insurance, and consults local customs to provide quality benefit packages accordingly. For instance, the Acer Family has instituted three major benefit packages for the staff, including social gatherings for Acer's staff, friends and family: namely, the Family Day, employee tours, a dozen or so subsidized movie showings in the theaters, and performing arts presentations throughout the year; leisure and entertainment benefits for employees, with a wide array of subsidies for friendly soirees and social gatherings, plus the establishment of a relaxing lounge for employees; also, Acer offers cash benefits to motivate its staffs. These diverse packages and activities were set up with an aim to inspire everyone in the Acer family to unleash their creativity, and upgrade their productivity.



Employee lounge



Yearend gathering at Acer Taiwan



Family Day

#### **Acer Thailand Company Trip & New Year Party**

In rewarding the hardworking employees for their dedication throughout the year, Acer Thailand hosted a yearend party in early 2010; during which, veteran employees who have devoted between five to ten years to Acer were commended personally by the managing director. To date, over 30% of the employees have been with Acer for over five years. What's more, an employee tour to the beautiful Petchburi province was organized for the staff as they enjoyed a relaxing break from the city.

#### **Acer Thailand Family Day**

"Family Day" was hosted specifically for our employees at Acer Thailand as a way of allowing them to relax fully and encouraging bonding among colleagues and family members. 75% of the (539) employees and their families traveled to Ancient Siam in Samutprakarn Province for a memorable, fun trip,





#### **■** Retirement

Acer's pension policies for every one of its global operation are instituted and enforced in accordance with the area's regulations. Take Acer Taiwan for instance. In addition to pensions earmarked that are due to our employees in both Labor Standards Act and Labor Pensions Act, Acer Taiwan also introduced an "Early Retirement Package." Employees who have reached the age of 50 can apply for retirement to plan for their pensioned future as long as they have been with Acer for 15 full years.

# **Employees Relations**

# ■ Communication Conduits and Engagements with Employees

Acer values the input of its employees and goes the extra distance to set up an array of communication channels for them to sound off. Employees can take full advantage of these channels and offer their suggestions via the logistics support line, the Acer Gardener's Meeting and Online Staff Opinion Survey on the company's operation and their work rights. In 2010, Acer employees offered the following suggestions and we have formulated improvement plans accordingly to address these concerns.



2010 The Changing of the Employee Representatives at Gardener's Meeting

# Vital resolutions reached during the 2010 Gardener's Meeting (Acer Taiwan) :

- Content on Global Acer Intranet was fully integrated.
- Health promotion packages were instituted for the Ace
- Internal mail services and announcement bulletins were translated into English.
- Preferential discounts for purchasing Acer products were in place.
- Talks were organized with the local administration to set up a flyover in the Acer HQ premises.
- •Subsidize for employee trainings

#### **Acer Thailand Cocktail meeting**

Acer Thailand fully understands the importance and advantage of communicating with the employees face-to-face to better understand their needs. The MD therefore budgeted a time every month from February to November to host a luncheon, where rank-and-file employees under deputy managerial positions in every department were invited to openly discuss wide-ranging issues. The attending employees put forward 38 questions to the MD, and with him fielding these questions directly. This served as an excellent channel of input for constructive counsel to improve Acer's corporation, and it allowed ranking executives to express their concerns for the subordinates, thus improving employee's workplace satisfaction level.



## ■ Online EmployeeOpinion Survey

Acer inaugurated the annual "Acer Group Employee Opinion Survey" since 2007. Employees from around the world are encouraged to partake in the survey on Acer's workplace quality, operation efficiency and other concerns, and offer their feedback and suggestions to further refine Acer's corporate operation effectiveness.

The 2009 survey results revealed that more improvements should be made in the areas of talent training, mentorship from supervisors and career betterment. Acer therefore takes the following steps to address these concerns:

#### • Talent Training:

- Take the new recruits training of ITGO for example: new employees will go through a one-week, intensive fundamental and professional training courses, and be mentored and assisted by their supervisors in site at an opportune time, to help them adapt quickly to the Acer organization and begin to fulfill their potentials.
- Professional training: a wide lineup of professional courses, including Android College, N/PLM System Training, CMMI (SW) Agile, and Project Risk Management, plus the key to successful communication for sales representatives, was



hosted to meet Acer's organizational development demands.

- Innovation and creativity development workshop: namely, to harness one's creativity to spark aspirations, such as ingenuity, emotional appeal and brand architecture, mind mapping, and creative thinking.
- 4. Cross-cultural program: the program aimed at helping our staff understand both the nuanced/drastic cultural differences and etiquettes in different parts of the world to broaden their worldview. Cross-cultural awareness programs on Italy, Germany, France, Middle East countries, Brazil and nations in Eastern Europe were organized.
- 5. Enhance Acer staff's understanding in CSR through e-Learning

#### • Supervisor Mentorship

Courses on subordinates counseling are set up to improve supervisors' capabilities to effectively guide and help employees working under them. Here are some of the programs: tips on motivating the subordinates; efficacious communication, assistance and counseling to engage employees. Other than in-class trainings, a survey on people management capabilities was conducted; feedback from the employees was then delivered to the managers, helping them to modify their management approach and boost team morale.

#### • Career Development

- By means of an internal job vacancy information system, the staff gets to stay on top of job openings available within the company. When necessary, the employees can apply for the newly opened jobs to branch out for further professional growth.
- Managers can flexibly have job transfer depending on the needs of different departments, so the staff has more room to exercise their talent.

# ■ Human Rights and the Freedom of Association

Acer firmly supports the rights of every employee to be justly treated and respected. In addition to safeguarding and honoring internationally acknowledged human rights (such as the Universal Declaration of Human

Rights) and the International Labor Standards, Acer establishes human rights policies to expedite its communication with suppliers, clients, investors, employees and the communities on the significance of corporate ethics, and has never obstruct or impede employees' freedom of association.

To uphold equal work rights of both sexes and the moral integrity of each employee, Acer offers its employees a quality workplace that frees them from the fear of sexual harassment and sexual prejudice. Acer specifically instituted "Sexual Harassment Prevention Measures and Disciplinary Actions" that explicitly designate channels to report such harassment, due procedural details and regulations governing disciplinary actions. We also provide sexual harassment prevention trainings, helping employees better understand and prevent such offenses. No such reports on sexual and racial discrimination within the company were filed in year 2010.



# **Employee Development**

# ■ Trainings and Career Development/Betterment

We aspire to grow with our employees toward greater prosperity; to attain that goal, we offer our staff great many enrichment courses. Take Acer Taiwan for instance, in 2010, 177 types of enrichment programs were hosted and attended by 2,682 employees, totaling 40,578 hours.

### •Structure and Results

#### 1. New Recruits Trainings

Acer organizes new recruits trainings so that the



newcomers can quickly understand and adapt to the company's operation and corporate culture. In 2010, over 400 new recruits participated in such trainings. And for newcomers to Acer ITGO, a 3-to-6-month orientation program was hosted (including basic trainings, specific professional workshops, and supervisor-assistive counseling) so that the new recruits could quickly adapt to their respective teams and the Acer organization, and thus perform to their fullest potential.

#### 2. General Knowledge Courses

This training encompasses necessary general knowledge and skills workshops, such as sales communication, team-building, briefing tips, cross-cultural communication, creative development, office software instructions, and workplace attitude. 804 employees in the Taiwan region partook in the program in 2010.

#### 3. Specialized Career Trainings

Acer provides necessary professional technologies and enrichment courses, such as the Android College, CMMI (SW) Agile and project management to fulfill training needs.

#### 4. Manager Development and Faculty Trainings

To nurture suitable team leaders of all levels within Acer to address challenges confronting the company's future operating development, Acer administers an assortment of managerial enhancement trainings for executives on grass-roots, mid-rung, and highranking levels. Veteran executives from within Acer and professional lecturers from consulting companies are on hand to host these workshops and share their experiences. A handful of executives was selected to participate in overseas management trainings. Additionally, to upgrade leadership capabilities of executives on all levels, Acer organizes subordinate guidance and assistance courses, including: more effective communication with employees, counseling, and inspirational guidance, and complements these curricular with human resource management capabilities surveys. Feedback from the employees is thus relayed to the supervisors to further finetune their management approach and improve team performance and morale. 439 managers participated in these trainings in the Taiwan region in 2010.

#### Acer Management Academy in Australia

Acer Australia offers employees an impressive array of learning and development courses both within the organization and outside the company. Courses offered within the company are known as Acer Management Academy, which consists of two sets of curricula, including: fundamentals (basic leadership skills) and advanced (advanced-level leadership and management performance) programs. Every set of curriculum comprises seven modules. Participating employees must finish all basic courses before moving on to the advanced level. Acer employees here can also enroll in governmentallyaccredited certificate courses outside Acer, attending a 3-hour classroom session every month for 12 months. 60 employees successfully completed both fundamental and advanced courses in 2010. A total of 16 employees completed the one-year government-certified courses, while 46 finished the two-year curricula.

# Training programs and workshops in the Philippines

Acer Philippines offers its employees a well-rounded training series both within the organization and outside the company in hopes of refining their work performance efficiency. Seven trainings within the Acer organization, 12 trainings abroad, and nine public seminars were hosted in 2010, with topics ranging from: the 2010 product lineup, powerful presentations, customer service, firefighting drills, the blue ocean strategy, English proficiency and

# Online Corporate Responsibility (CR) Training Courses

Acer specifically designed an online CR training course for our employees which introduces the fundamentals of CR, Acer's stakeholders' expectations, the potential benefits of adopting a CR-driven approach to our business, and lastly, helps them recognize their roles and responsibilities for successful CR implementation. Four modules are included in the course:

Module 1, What is CR?

Module 2, Why is CR important?

Module 3: How does Acer do CSR?

Module 4: CSR and you

All the employees at Acer Taiwan were required to participate in the program, and asked to join an online test upon course completion. Participants must answer 80% of the questions correctly to qualify for passing the test. 2,231 employees at Acer Taiwan enrolled in the program, and 1,806 of which completed the courses and passed the test, registering a 81% completion rate. We aim at continuing the program and promote it worldwide in 2011.



#### **CR Courses for Ranking Executives**

In a move to help Acer's ranking executives recognize the overwhelming trend to execute CR and to fulfill CR-driven operation and policymaking, we at Acer hosted CR courses for executives at Acer ITGO. The courses consist of three major themes, totaling 4.5 hours. Participating executives were enthusiastic in voicing their questions about the course content; they also offered insightful input and suggestions for Acer's CSR strategies. Courses included:

- 1.GHG inventory and carbon footprint
- 2.Green product
- 3. Labor right and supply chain management



## ■ Versatile Learning and Personal/ Professional Development

Every Acer employee can improve his or her professionalism via multiple development channels. Some of the personal growth channels within the Acer organization include: on-the-job trainings, work consultation, position transfers, lectures, online learning and book clubs. For self-development programs outside the company, we support our employees to participate in professional research and study efforts, and short-term trainings offered by renowned academic institutions and training organizations overseas. Also, we encourage our employees to be professional certified. Other than subsidizing certification exams, Acer also provides cash incentives for this type of self-betterment projects.

# ■ Performance Management and Development

Acer's performance management and development system was designed to improve the overall performance effectiveness on a personal, departmental, and organizational level. This particular area includes:

setting goals, employee empowerment, persistent communication and counsel, the combination of a performance and reward mechanism, and a robust personal career development planning.

# At Acer Philippines 360-Degree Feedback Process

At Acer Philippines, for example, a 360-Degree Feedback Process was adopted in 2010: feedback from employees to their supervisors, and feedback among employees were conducted. 206 employees in total completed the feedback forms; among which, interpersonal feedback among colleagues accounted for 88% (182 employees) of all feedback. Every feedback recipient discussed his/her strengths and weaknesses individually with the human resource department, in hopes of bettering self-growth and future development.

# **Health and Safety**

## **■** Security and Health Trainings

In terms of environmental safety and health trainings, 262 newcomers have undergone three hours of such workshop in 2011. Training courses included: common office-related accidents, types of disasters and preventions, regulations governing corporate safety and health, preventive medicine and health promotion for the Internet-savvy workers.

# ■ Health Checkups, Health Education and Promotion

Acer partners with professional medical institutions to administer company-wide health checkups onceevery-two-years; for employees whose checkup results reveal glaring health conditions, they would be placed on a follow-up and health management program through the assistance of these medical institutions. Acer Taiwan has hosted a series of lectures on physical and spiritual health, with over 1,000 in attendance. An Employee Lounge has been set up within the company premises, with table tennis, basketballshooting machines, console games, and electronic massage facilities available to all members of staff for a relaxing break from work. The Acer Massage Stop was introduced in 2009, where visually impaired masseuses were invited to provide our employees with massage services. Over 4,750 employees have benefited from



the service since its introduction.

To enrich the leisure life of our employees, Acer encourages the formation of various sports clubs, and has specifically formed an "Acer Sports Team," to support participating employees to partake in various sports tournaments, such as the Taipei Marathon, Swimming Carnival of Sun Moon Lake and the 100-kilometer Bike Racing. A total of 245 employees joined these events.

Disabling injury frequency rate = 0.09

(The number of disabling injuries/per million work hours)

**Disabling injury severity rate = 0.59** (Work days lost/per million work hours) Limited Acer Taiwan only

#### Acer Philippines Provides HMO Health Cards

We at Acer Philippines find that employees become emotionally distressed – their finances in peril as well – when their close relatives fall ill. The HMO Health Cards were therefore issued to every full-time employee. This thoughtful service covers medical insurance for at least three direct relatives of each full-time member of staff.

#### Family Promotion Program at Acer Singapore

Acer Singapore encourages employees to strike a balance between work and family. Three lectures on family life and education were hosted in 2010, covering a number of themes, including: marriage, parenting, work and lifestyle, with 72 employees in attendance. Many employees put these useful know-how and skills into good use in their life, and find them very constructive.

# Standards of Business Conduct

Acer and its body of devoted employees honor laws and regulations required of each citizen, and statutes and decrees in countries where Acer has established corporate presence. In addition, staff at Acer is asked to uphold honesty and integrity to the utmost, and surpass public expectations of Acer's fine reputation. With that in mind, the Acer Group Standards of Business Conduct were updated in 2009. Should there be any offense or violation against the articles in SBC, the offenders in question will be required to do corrective actions according to the gravity of the offense committed. Serious offenders will face disciplinary action or be asked to leave the company accordingly.

This set of standards is the highest-level behavioral criteria for all Acer employees engaged in corporate activities. Every new recruit is enrolled in such orientation and asked to honor these behavioral requirements when he/she first joins the company.

# Touch the Customer

Acer Group's corporate vision is defined as such: "A leading branded company empowering and enriching people through innovation and customer care," Acer, therefore, strengthens its service system and product application updates on an existing and full-bodied customer service foundation to consistently enhance its service quality. We listen to our clients, and are committed to developing – and improving – products and services that promise to fulfill their needs. We continue to support technological innovations and refinement to launch a clear.fi – a premier, cloud-based digital home-entertainment solution, and the new-generation, dual-screen touchbook, ICONIA.

Acer conducts its sales, service, and marketing with fine professionalism and strong integrity, steadfastly offering our clients reliable information on products and services and honoring regulations and statutes enforced in different areas around the world accordingly. Year 2010 was an impeccable year for Acer: no major consumer concerns occurred through the course of the year. In the future, Acer will continue to launch quality products and services to create maximum value for our esteemed clients.

# Service Quality Improvement

To better service our clients from around the world, we design a variety of customer-oriented service platforms based on the different nature of various customer groups and marketing channels. We also set up multiple contact channels to facilitate communication, so as to offer our customer worldwide a more convenient and robust service network. Acer's existing service channels include: Web Service and eSupport, Call Center/Help Center and Technical Support, Depot/ Repair Center, Acer Service Partner and the Third Party Maintainer and International Traveler Warranty (ITW) Repair Center. To enrich its service scope, Acer effectively harnesses the omnipresent strengths of digital resource to launch other service formulas, such as a Customer Service System (CSS), an Acer Global Download, plus automatic products software and divers update. Besides offering our clients greater convenience, these services also indirectly contribute to saving energy.

# ■ Acer's Customer Service System (CSS)

To further upgrade its customer service quality, Acer began to integrate a Customer Service System (CSS) to consolidate all the individual repair systems in different location in 2010. With this mechanism in place, clients and customer service representatives at the service center can easily stay on top of the repair progress of each individual case. Meanwhile, representatives at the repair center can also inquire about whether a similar repair case has been registered in other centers, and its solution afterwards; the system can therefore expedite the repair exponentially. Additionally, representatives can look up information on repair materials availability on CSS: in the event of material shortage, they can file a material replenishment request at other repair centers to save client's time spent on waiting. The system is expected to launch in 2012, and will be able to provide quicker and more competitive service to Acer's customers globally.



#### Acer Global Download

Brand resources were integrated accordingly in 2009 to address Acer's multi-brand strategy; a Global Download Center was the result of such integration to feature user-friendly interfaces and high-performance, high-speed download capacities. Users are spared the trouble on the road and can conveniently download drivers from Acer's website in the comfort of their own home. We have completed integrating all the products and services information of all four of Acer's brands in 2010, allowing users to quickly conduct their system updates.

## Automatic Software and Drivers Update

Since 2010, Acer began to install a Live Updater for software and drivers in products running on Windows 7. As soon as Acer locates problems that would affect clients' product use, Acer will automatically notify clients who would be affected by the issues, and offer them a solution accordingly. The Updater saves clients' time spent on sending their products in for repair and expenditure on such services.

#### **Acer Singapore Trainings**

In offering our clients better services, and assisting our employees in nurturing their professional strengths and personal development, customer service representatives at Acer Singapore are required to participate in the following courses:

- (1) Certified Service Professional
- (2) Coach Service Team & Individuals
- (3) Lead a Service Team
- (4) Manage Service Operations

Our service representatives are empowered with a more professional edge at the completion of their trainings. They will also be awarded a service professionalism certificate as recognition.

# **Survey on Customer Satisfaction and Demands**

Customers define the reason of our existence. Acer has designed a satisfaction evaluation system for individual clients, contract corporate customers and agents accordingly, and conducted a satisfaction survey on service items to periodically review its service performance.

In 2010, customer satisfaction statistics in the Taiwan area were: the direct account service center, 87.1 points; call center, 81 points; and corporate clients, a whopping 90.5 points.

To bolster customer service quality in China, Acer expanded the number of service centers there to over 600 in 2010, to encourage direct interaction with our Chinese consumers. In that same year, customer satisfaction in China with the Acer brand reached an impressive 92.16%; satisfaction rating with Gateway skyrocketed to as high as 93.47%.

# **Customer Privacy**

In Acer's Standards of Business Conduct, we have specified and required that our employees be utmost discreet in protecting all the classified data and exclusive information entrusted to us by our clients. Individual information use is limited to specific, applicable objectives only. Acer also acts in accordance with all the regulations and corporate mandates to protect private information. Acer adopts responsive measures in the following three categories.



## **■** Clients Data Privacy Protection

All the personal information provided by clients for entering Acer website and making purchases will be rigorously controlled and protected. Meanwhile, a designated email address: <a href="mailto:privacy officer@acer.com">privacy officer@acer.com</a> was set up to take charge of all the reports and complaints concerning privacy issues from Acer's operations worldwide (for more details on Acer's privacy policies, please refer to "Privacy Policy").



# ■ Data Security Technologies Included in Products

We at Acer continue to update data security technologies in our products: we assist our clients in controlling their data via both hard-/software installations.

# ■ Data Encryption during Repair and Routine Maintenance

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

# User-Friendly, Innovative Products that Touch People's Hearts

Driven by the "Multi-Brand and Multi-Product" motto, Acer and its staff put on a thinking cap and unleash its creative spark and technological innovations to cater to different market segments; next, Acer evaluates consumer demands and thus defines the creation of new products. In 2010, we launched clear.fi – a cloud-based home networking system so that consumers can conveniently integrate all the electronic applications at home, and enjoy an amazing digital media experience with the loved ones. At yearend 2010, Acer pioneered the world in unveiling the first-ever, dual-screen touchbook computer, heightening consumers' user experience to a new level with high-performance

computing efficiency.

We hope that our products help bring our consumers a portal to more personal accomplishments, while affording them a more pleasurable, share-ready, experience; also, during this process, we'd enable smarter energy conservation in high-technology through the use of these innovative, high-performance products.

# clear.fi – Acer's Premier, Cloud-Enabled Home-Entertainment System

With the prevalence of high-tech products and wireless internet access, the sharing of digital media through the cloud architecture has now come to the forefront of consumer demands. In hopes of facilitating the sharing of digital content in electronic devices via online network at home, Acer developed clear.fi –a cloud-based media sharing system.

Clear.fi can automatically connects all of the devices on your home network – such as the smartphone, notebook, all-in-one PC, HD media player, home storage, etc. – and gathers media files from those devices, then categorizes them as Videos, Photos, or Music, without having to connect them to a hard disc. This cool setup lets users easily manage, store, share and enjoy their media from any device, in any room, at home with loved ones. In addition, the user can connect to his/her online social networking sites via clear.fi to check out photos and videos instantly. It's a cross-platform solution that integrates different consumer electronics for media enjoyment and sharing at once, so that everyone can enjoy these intimate family moments blessed by the cloud application.





# ■ ICONIA Dual Screen Touchbook Computer



The era of touch control has arrived and Acer's ICONIA puts users in driver's seat for an ultimate touchscreen experience. To enhance the sharing and enjoyment of digital media, Acer launched ICONIA - the world's first touchscreen notebook computer that supports a full touch feature with all ten fingers: user can choose to browse the content on dual screens, or on one single display, while performing other tasks on the other screen, such as typing on the virtual keyboard. Also, other than contracting, expanding, rotating and scrolling up and down the images, ICONIA allows user to set customized gestures for specific applications, and open websites. Additionally, ICONIA is powered with the Device Control console that enables the user to customize a number of system settings, including: its power scheme, wireless network and display settings, peripherals, and the type of device plugged into the USB or HDMI port. ICONIA's built-in design creates an intuitive and simple way to set customized gestures for launching specific applications and opening websites, making it a breeze to touch and play - or browse - various multimedia files. It also integrates major social networking sites.

Acer is inspirited by consumer demands to constantly reinvent its products. We will continue to listen for consumers' voice and feedback to launch first-rate products and services, guiding consumers to greater triumphs in the age of touch control.

# Marketing and Communication

Acer honors integrity, transparency, spontaneity, timeliness and regularity to communicate with the media and press on its marketing policies conformant to pertinent regulations via the following channels:

## **■** Corporate Website

This is where Acer's basic information and noteworthy messages are regularly published.

# ■ Websites of Acer's Branch Establishments/Spinoffs

The websites keep Acer's worldwide consumers and users well-informed, while providing them with a wealth of relevant information.

#### Advertisements

These advertisements include corporate image ads and product ads to help promote Acer's latest marketing and sales information.

#### **■ Products Rollouts**

Acer participates in Computex Taipei, the Information Month, the Cebit Show in Hanover, Germany, and the Mobile World Congress.





#### **■** Press Conference

In principle, Acer hosts two international press conferences where major operation and product information are publicized.

#### ■ Road Show

Road shows are held for specific markets and for unveiling strategic products. Acer's partners in the industry are invited to attend.

## **■** Sponsorships

Through sponsoring the International Olympic Committee and events for the Ferrari fleet, Acer flexed its corporate muscles and its status in the market to upgrade its brand image.



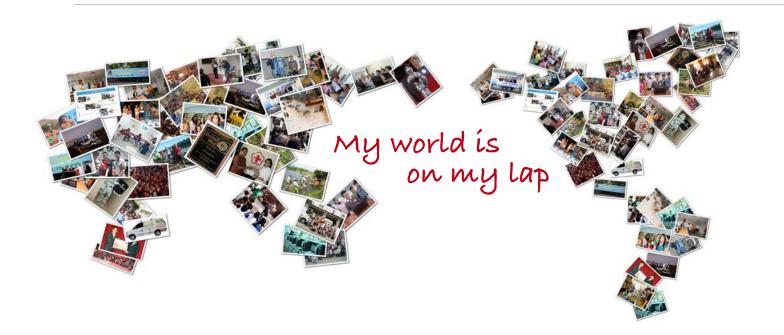
#### **Forest of Lanterns**

To encourage children to exercise their creativity on the canvas, and to complement Acer's sponsorship of the 2010 Winter Olympics Whistler Winter Arts Festival, Acer organized "the Lantern Forest" painting contest for children. 2010 winning pieces were chosen from Taiwan and Canada, and were made into beautiful lanterns. The lanterns were put on a circuit exhibition tour as public artworks in Vancouver from January to March, 2010, during the Olympic Winter Games. The lanterns formed an expanse of dazzling forest and stole the spotlight.

# Touch the Community

Acer understands that technological innovations are the driver that propels social progress. Since its establishment, Acer has committed its corporate resources – defined by its core capabilities - to giving back to the community, apart from its dedication to reinventing its rich line of products. Acer hopes to reinvigorate the community – where it established its roots – with a new boost of energy and opportunities through consistent contributions of products, services, employee volunteering and donations.

Acer's 2010 community involvement projects centered on education, contribution from the Acer Volunteer Team, disaster relief, employee donations and fundraisers. Among all, education initiatives were given a special focus. Acer's regional offices, the Acer Foundation and Gateway Foundation have all custom-created community engagement initiatives suitable for the area's cultural backdrop and demands.



# **Education**

Education is the seed that leads to growth opportunities and hope; that's why education has always been a centerpiece in Acer's community involvement projects. We therefore hope to apply wide-ranging high-tech products to both teaching and learning through a variety of innovative approaches, and help extraordinary students from financially





disadvantaged families with practical resources, so that the prospect leaders of the future generation can freely cultivate the know-how and skills they need to succeed. In 2010, Acer's regional offices around the world continually promoted various initiatives to create digital opportunities on many education fronts, from primary schools, middle schools, colleges, all the way to the society as a whole. Acer hopes to spark more opportunities through the infinite potentials of technology, to further improve individual life quality and the world.

### ■ Acer Educational Netbook Pilot

As high technology advances to enabling mass-manufacturing of compact laptop computers at US\$300 and less, we find that education can be more innovatively promoted via the vehicle of low-cost technology. We anticipate to taking full advantage of such affordable technological offerings to facilitate new opportunities in education.

In light of such, Acer teamed up with European Schoolnet (EUN) to renovate pedagogy with technology. The Pre-Pilot Project kicked off in six European countries (Italy, France, Spain, the United Kingdom, Germany and Turkey) between

#### European Schoolnet, EUN

The European Schoolnet Association was created 10 years ago with the goal of bringing innovation to classroom teaching and learning methods through the use of technologies. European Schoolnet is a network of 31 Ministries of Education in Europe and beyond.





January and June, 2010, involving ten middle school classes in each of the six participating countries, totaling 60 classes. Every student was assigned an AcerE100 netbook – designed specifically for the project – while every instructor was given a notebook computer. Interactive whiteboards and projectors were available to allow common access to all the classroom activities and content via technology. Pilot Project was next in line for launch between September, 2010 and June, 2011, for one whole school year. This full deployment phase would involve 40 classes in each country. Every class is offered 30 netbooks, five notebook computers, one computer/with server and one LCD. 10,000 students and instructors participated in the program. For more details, log on to the Educational Netbook Pilot website.

#### Acer-European Schoolnet Educational Netbook Pilot

80%

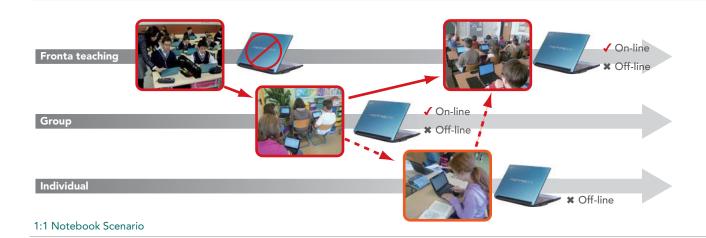
of the teachers think that netbooks had positively influenced students' learning, and enhanced their technological skills.

3/4

of the teachers think that netbooks were constructive for students' personal learning.

89%

of the teachers think that the use of netbooks could improve students' ICT skills





We believe that the smart harnessing of technologies can complement and improve pedagogy, and that IT facilities will become the driver to create fresh, interactive opportunities. We will also see this project as a user feedback project, recapitulating consumers' committed participation in education, as a manifestation of successful partnership. We have

budgeted 10,000 computers for this project: upon its completion, we will review the feedback and a robust statistically-supported data acquired from these 10,000 computers, in hopes of deepening Acer's understanding in users' needs for educational products, and helping Acer secure its leadership in the domain of education initiatives.

## Acer Digital Mobile Project

One of Acer Foundation's primary goals have been creating digital opportunities via the application of information technology. In light of such, the Acer Foundation joined the ADOC 2.0 initiative (APEC Digital Opportunity Center), to promote the bridging of the digital gap with innovation through this corporations-NGO's-founded platform. In 2010, the Acer Foundation launched an "Acer Digital Mobile Vehicle" initiative to increase the exposure to computer learning for those living in remote areas; and thanks to the coordination of ADOC 2.0, two such vehicles were unveiled in Hualian, each was installed with 21 notebook computers, wireless internet access and a teaching broadcast setup. The class would open as soon as ten applicants are signed up. The three-yearproject is expected to help 20,000 attendants.









The Foundation also donated 42 computers to another great cause in the Philippines, to the Aihu Foundation's mobile computer learning center – a 40-feet-long "Van Aralan" (literally, the computer learning container) – that circuits around impoverished townships and villages around the country to offer disadvantaged people a chance at computer learning. Van Aralan makes a stay between three to nine weeks every town it visits, to offer free computer coaching lessons, including word processing, layout, data computing, etc.. Those who pass a qualification test at the end of the term would be awarded a certificate endorsed by the Philippines government.









With the convenience afforded by the mobility of the vehicle, we hope to break down the barriers and the conventional thinking about having a fixed, actual computer lab, and literally deliver the chance of digital learning to the doorsteps of the people, improving their digital computing strengths to enhance their lifestyle and employment prospects.

# ■ The Digital Opportunity Project for Underprivileged Children in Taiwan

Acer Taiwan began participating in "Digital Feast, a Dream Come True" for eight years straight since 2003, offering 400 sets of computer hardware facilities to young students from financially disadvantaged families at an incredibly affordable price. The project aimed at boosting their digital competitiveness.

## **■** Education Support in Vietnam

Acer Vietnam unveiled a number of community education programs in 2010 to encourage extraordinary students from disadvantaged families to pursue academic excellence. In 2010, prospective college freshmen were offered discount prices for purchasing new computers: the students could purchase a notebook computer with a US\$155 discount for presenting their college entrance exam results. A total of 3,000 discount computers were provided to such students in 2010.





Education programs were launched in northern, central and southern Vietnam as well to commend outstanding students from financially deprived families. 175 sets of scholarships at US\$50 each, five notebook computers, and ten sets of books were presented in total. Acer Vietnam also donated US\$3,080 for building a college classroom.

# ■ Acer South Africa's Technology and School Circuit Initiative

Acer South Africa partnered with KFC to kick off a series of campus circuit lectures, with Acer's mascot, OOBE, on hand to tell schoolchildren about technologies. We traveled to 38 schools, offering 80,000 students a chance to know more about computers. A netbook was offered to each school we visited during the tour as prize. Additionally, Acer South Africa also donated ten computers to one particular school to improve its computer lab center.





# **■** Charity Project Bogatynia

The Polish city of Bogatynia was ravaged by severe floods in 2010 and many schools sustained serious damages. In response, Acer Poland donated a total of 20 Aspire One D255 netbooks and partnered with Microsoft to organize a contest among students. Contestants were asked to prepare a presentation and an essay on "My Environment" during the contest, which ran for six weeks. Students who delivered winning works were recognized and awarded Acer products.





# ■ Futuro@lfemminile – Mamme@ web

Acer partnered with Microsoft to launch "futuro@ Ifemminile", a project that aimed at teaching women to apply simple PC skills to the workplace and their family life. Acer provided 24 Aspire 8940 computers to Mamme@web (a computer lab for mothers), and three Aspire 8940, plus 3 TV AT2356 to children of the attendees for use when the moms were in class. 150 mothers signed up for the PC class and applied their new skills to add a fresh boost of convenience to their busy lifestyle.

## **Acer Volunteer**

Other than work, Acer's employees are devoting efforts and energies befitting their schedules to charity and volunteer events. The number of employees joining the volunteer events is growing steadily: they donate money, donate blood, organize outreach activities for the natural environment, and spend time with children from disadvantaged families. Acer's volunteers help forging a closer bond between the organization and the community through a wide array of activities within and outside the company.

#### ■ Acer Volunteer Team Taiwan

The Team was established in 2004 by a great number of staff devoted to outreach work. At present, activities hosted by the Volunteer Team consist of those held within and outside the company. Activities held within the company focused primarily on encouraging employees to dedicate their energies to charity work. Some of the ongoing events include:

## Afterschool Study Companionship for Disadvantaged Children in Hsichih

The team has over a long period of time been involved in an afterschool study companionship project, targeting underprivileged children living in Hsichih, where Acer is headquartered. In addition to monetary subsidies, Acer's volunteers participate in afterschool companionship to be with the kids, and also invite them to partake in fun-filled activities. Many Acer personnel also adopt Christmas presents for these underprivileged youngsters.

#### Blood Drives

Beginning in 2007, the Volunteer Team began to invite the Acer personnel and those from nearby companies to participate in a number of blood drives in Acer's headquarters in Hsichih. Many have become regular donors since. In 2010, the number of blood donated reached 1,915 bags.



In 2010, the number of blood donated

1 9 1 5 bags.

Number of donors

(two blood drives)

2008
(three blood drives)

1,072

1,144

2010
(four blood drives)

1,915

1,300

Number of blood bags (250 cc in volume)



#### Fundraisers

Two fundraisers are regularly held annually to encourage the Acer staff to donate and help disadvantaged groups and areas stricken by disasters. See below for donation summaries:

Year	2009 first half	2009 second half: relief fund for typhoon Morakot	2010 first half	2010 second half
Donation (NTD)	\$1, 522, 300	\$5, 644, 000	\$1, 952, 000	\$1, 950, 000

## Energy Stewardship Activities

Between April 22<sup>nd</sup> and June 21<sup>st</sup> every year, the Volunteer Team hosts a series of events in recognition of the Earth Day. In 2010, the Team organized a Vegetarian Mondays event, encouraging the Acer staff to choose meat-free diets on Mondays. Through simple dietary and lifestyle changes, the Team hopes to support a habitual change and overtime, to achieve cleansing for the body and thus cut down carbon dioxide emissions.

On the other hand, activities outside Acer are hosted in coordination with the volunteering service leave. To motivate Acer's staff to participate in community activities, beginning in 2009, every employee could apply for two days of paid volunteering service leave. In 2010, Acer personnel took advantage of the service leave to devote their time to the following causes:

Afterschool Study Companionship for disadvantaged children in Hsichih: volunteers read to the children, organized entertainment

- activities or shared their life experiences. Three such events were held.
- Basianshan Nature Center: volunteers cleaned up the hiking trails, weeded and removed foreign plant species. 51 volunteers and their families took part in the event.
- 3. Guandu Nature Park: volunteers put on rubber suits to assist in restoring the ecological balance of the Moon Lake and her original beauty. 21 volunteers and their families joined the event.
- 4. Volunteer Activities for the Hualian Association of Early Intervention Profession: A total of six volunteers from Acer accompanied children with physical and developmental disabilities, along with their families, for an outing.

In total, 47 people took a sum of 56 of volunteering service leave in 2010. We plan to support more diverse service projects and encourage more Acer volunteers to chip in. The Acer Volunteer Team will also organize more such activities to fulfill our responsibility as a conscientious corporate citizen of the world.



May, 2010 - Acer Volunteer Team joined the Family Day for children with developmental July, 2010 - Basianshan Nature Center: volunteers tidied up delays held by the Hualian Association of Early Intervention Profession



the hiking trails, weeded and removed foreign plant species



August, 2010 - volunteers removed destructive aquatic plants in the Guandu Nature Park.



October, 2010 - an outing with children from disadvantaged families in Hsichih.



December, 2010 - volunteers adopted Christmas presents for disadvantaged schoolchildren in Hsichi.



# ■ Volunteering for "Food for the Hungry" in the Philippines

Acer Philippines enjoyed much positive feedback both from teenagers involved in "Food for the Hungry" (FH) organization and Acer's own employees following its volunteering participation in 2009. Buoyed by such encouragement, personnel at Acer Philippines planned two more workshops in 2010: the first centered on discussing arts and culture in the Philippines, while the latter focused more on sportsmanship and personal development. 20 volunteers participated in the event in total. Every workshop was attended by 40 to 50 teenagers. Apart from conveying messages of positivity to the young participants in the workshop, we wanted the youths to realize that there are stakeholders who will reach out to them for positive development.



#### ■ Acer India CSR Club

Other than supporting our staff at Acer India to participate in CSR events, the CSR Club was established there in 2009 that served as platform to pitch their CSR ideas, get engaged in the development and execution of CSR activities. Many creative powersaving measures and community outreach services have been successfully organized, including:

- Energy-saving projects that focused on employees' PC use
- Staff at Acer's HQ building in Bangalore alternate between natural lighting and powered lighting
- Employees clear away waste and junk to cut back the need for air-conditioning
- The staff is encouraged to adopt and grow plants
- The staff donates pre-loved clothing to Gerizim, a local orphanage.



Adopt a plant!

# **Disaster Relief**

Acer understands how its presence would influence the community it's located in, and considers the community a vital partner to its operation. When the community is struck by natural disasters, Acer donates to the emergency relief organizations in the area through the company itself and the staff, to help the community and the victims weather the crisis and rebuild the homes. In 2010, Acer and the personnel made financial contributions to several disaster-stricken areas, including quake-ravaged Qinghai province, and Gansu province, where heavy mudslide wreaked havoc, plus areas innundated by flood in Thailand. We also helped with relief work in several areas in Indonesia, including Merapi, where volcanic eruptions raged; plus tsunami-hit Mentawai, and flood-beaten Wasior in Papua province.



# ■ The 2010 Yushu earthquake in Qinghai province

The earthquake struck Yushu, Qinghai province in China in April, 2010, and registered a magnitude of 7.1Ms. Acer China donated half a million RMB through Red Cross Society of China. Also, Acer donated computer equipments, valued half a million RMB, to schools in disaster-stricken Yushu. Four months later, also in Gansu province, mudslide pummeled the town of Zhouqu. Acer donated 100,000 RMB through the Red Cross Society in Gansu.



Flood in Thailand - October, 2010



Acer made financial donations to Indonesia for relief work - October, 2010

## Information Education Project Targeting the Typhoon Morakot Disaster Area

Typhoon Morakot devastated Taiwan on August 8th, 2009, triggering severe floods in central, southern, and southeastern Taiwan, and leading to critical facility losses in many schools. To help rebuild disaster-stricken schools, Acer, Asus, Intel and Microsoft Taiwan joined hands to integrate the "Refined Education" project, promoted by the Education Ministry through the Taiwan Association for Educational Communications and Technology. The project provided 2,250 sets of computers and software to facilitate school application processes in the seven disaster-stricken counties and cities. Two training courses by Intel and Microsoft and one elective to improve information education capabilities for seed teachers were held to promote education and community living reconstruction in disaster-stricken areas. Nearly 300 schools benefited from the project, while more than 3,000 teachers received trainings to informationalize school education. These teachers are expected to help 11,764 faculty members and 450,000 students in schools, effectively bridging the digital gap in disaster-stricken and remote counties and cities, expediting reconstruction in these areas.



Acer donated 1,121 notebook computers to a total of 159 schools to help disaster-stricken schools begin reconstruction. Acer was also dedicated to establishing an innovative information teaching formula so as to enhance professional information education capabilities.





# Financial Donations by Employees and Fundraisers

Acer understands the limitations of a singular organization, so that in addition to corporate donations and charity drives, Acer hopes to pool the resources of the community to inspire more like-minded participation. The company therefore both hosts and participates in many public fundraisers across the world in hopes of consolidating more resources for worthy causes.

In 2010, Acer's branch operations hosted and participated in a number of fundraisers in Italy, the U.S, Australia and South Africa.



Acer Italy organized a charity dinner party, with Gianpiero Morbello, Corporate Vice President of Marketing & Branding, chairing the event. The event, attended by 260, raised 23,780 Euros from the dinner party and charity auctions. All proceeds went to seven of Acer & Sociale project's longstanding NGO partners, including: Agorà 97, Agres, Ariel, Fondazione PUPI, Oltre Noi La Vita, Opere Sociali Santo Hermano Pedro, and Verdeacqua.



Acer Service Corporation in Texas participated in a fundraiser by the United Way of Central Texas. The event raised USD1,690.





Acer South Africa sponsored "14 Check Challenge" hosted by Pennyville crèche. 50 Acer volunteers joined the feat.



Multiple Sclerosis (MS) Australia organized Sydney to the Gong MS Bike Ride, where every cyclist was asked to pool 250 AUD to qualify for the race. Acer Australia's personnel of 16 formed a team for the race, and raised 17,250 AUD.

Acer South Africa sponsored the Cancer Association of South Africa (CANSA) to organize Coast2Coast4CANSA – a 28-day jet ski marathon across the 2,800-km coastline. At the end of the event, the money collected went to the purchase of South Africa's first high-tech treatment equipment for treating skin cancer.





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