

2011 Acer Corporate
Responsibility Report



# **High Level Statement**

# Message from the Chairman & CEO

While the global economy faced tremendous challenges in 2011, Acer underwent personnel reshuffle and organizational change. We proceeded from corporate governance which includes enhancing the management system, and promoting independent and transparent management. Acer took the courage reformation. The organizational change was aimed at overcoming the barriers between departments, and eliminating the making of decisions based on the department's individual interest that may cause a negative impact on global governance. For Acer to realize its core philosophies and business goals, the company operations need to be more sustainable and more competitive.

The ICT industry has entered the era of 4C convergence (Computer, Communication, Consumer electronics and Content services). Facing the challenges of the global carbon reduction and scarcity of natural resources, product design trends have shifted. The industry that used to focus on super-computing power, high-speed graphics processing, and large memory storage capacity, has now switched to emphasizing on "mobile computing" capability, ultra-thin, energy-saving and high efficiency notebooks and tablets, as well as cloud computing. We believe that the new trend is favorable to the promotion of sustainable development, and ICT technology on the global carbon reduction will provide a more significant contribution than in the past.

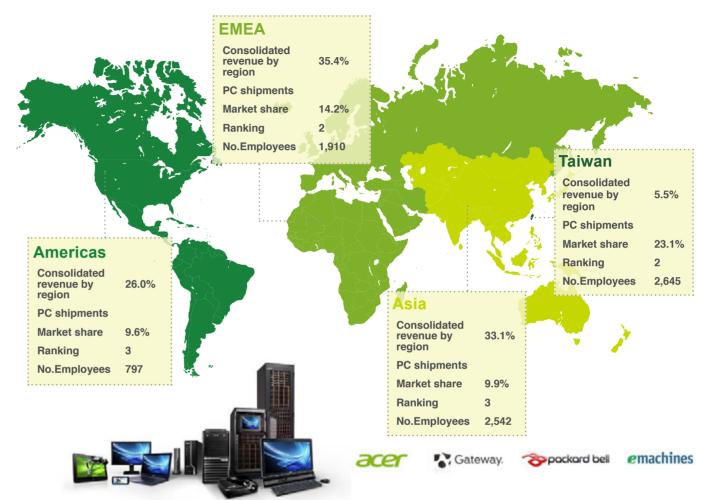
As a leading ICT brand, the implications of corporate social responsibility to Acer means promoting energy efficiency, low carbon, fewer resource consumption and responsible management of chemicals. After all the efforts we made in 2011, Acer will strive to create more energy-efficient products and services to the worldwide market in order to make a concrete contribution to the Green Revolution for ICT. We believe this is an opportunity for Acer, as well as a new hope for world sustainability.

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Chairman & CFO



# **Acer Global Overview**



	2009	2010	2011
Consolidated revenue	NT\$573.98 B	NT\$629.06 B	NT\$475.34 B
Operating income	NT\$15.33 B	NT\$18.20 B	(NT\$6.40 B)
Net income (loss) after tax	NT\$11.35 B	NT\$15.12 B	(NT\$6.60 B)
EPS	NT\$4.3	NT\$5.7	(NT\$2.5)

	2009	2010	2011
PC shipments	Approx. 39.80 million	Approx. 45.50 million	Approx. 39.50 million
Market share	12.60%	13.00%	11.2%
Global Market Share Ranking	2	2	4

# **2011 Goals and Achievements**

	2011 Goals and Commitments	Status	Achievements and Details
Corporate Governance and Stake- holder Engagement	Continued holding of Acer CSR Forum and communication with international stakeholders.	0	The timing of the Forum was switched from the fourth quarter to the first quarter beginning in 2011 to coordinate with Acer global CSR governance mechanism.
	Development of an internal corporate responsibility sharing platform.	0	In development; Completion expected in second quarter of 2012.
	Establishment of information platform for supply chain SER management.	0	Being done according to the timetable for development of the EICC On supply chain social responsibility platform; suppliers expected to be asked to join the platform in fourth quarter of 2012.
	Achievement of organizational reform of global CR governance for transferring existing responsive actions to 2011-2014 strategic actions.	0	Following Acer's major personnel reorganization in 2011, corporate governance has been strengthened, and a global CSR committee has been set up under executive committee.
Environment and Energy Managemen	Improvement of HSF-related trial runs and mass-production on every production line.	0	HSF machines are being added to each production line, and ratio of HSF machines on all lines is growing.
	Continued participation in international legislative discussions on halogen-free manufacturing.	•	Acer participated in discussions on legislation to revise EU's RoHS, which was completed in July 2011.
	Continued participation in CDP Supply Chain Program and improvement of questionnaire feedback quality.	•	Acer continued asking major suppliers to join Carbon Disclosure Project (CDP) in 2011; 74 suppliers responded to question naire, for a response rate of 97%.
	Participation in domestic and international discussions on and formulation of carbon footprint standards.	•	Acer participated in WRI/WBCSD global pilot project for product and value-chain carbon footprint standards, entering models of netbook, display, and projector, and also joined Environmental Protection Administration's "Discover the Carbon Footprint Labe activity.
	Continued promotion of energy conservation programs in workplace.	•	When renovating our offices we choose green materials and energy-saving lighting, and install automatic light shutoff system: We also promote energy conservation and carbon reduction in public areas; for example, at Acer's Taiwan headquarters, we have cut greenhouse gas emission by 3.2% in 2011.
Responsible Supply Chain	Boosting of percentage of medium- and high-risk suppliers audited from 16% to 50%.	0	SER on-site inspections of 40 suppliers were carried out in 2011.
	Increase of percentage of suppliers filling out SAQs to 100%.	0	Percentage of suppliers filling out SAQs reached 80%.
	Provision of suppliers with training and lecture, topics including : Greenhouse gases, CDP, Conflict minerals, Global trends in SER	•	Before sending out CDP Supply Chain Program questionnaire, we held a supplier questionnaire capacity-building workshop.
	Organizing of supply-chain SER meetings.	0	In line with Acer's global CSR governance mechanism, supply-chain SER meetings will be merged with first-quarter 2012 CS Forum.
	Requirement for all ODM suppliers to obtain OHSAS 18001 accreditation by 2011 and OHSAS 18001 accreditation by 2012.	•	All ODM suppliers have introduced OHSAS 18001 occupational safety and health management system.
	Continued implementation of Acer Group Standards of Business Conduct.	•	Standards of Business Conduct have been incorporated into the performance management system.
	Formulation and implementation of a global training and development program, including online training courses.	0	A global personnel developmetn system has been designed and is being implemented by region as needed.
Employee Welfare and Advancement	Conducting of environmental safety and health training.	•	573 new employees were given three hours of training; training will be extended to all employees in 2012.
Advancement	Implementation of a performance evaluation system.	•	1. Performance management systems have been set up in all regions, and the global personnel databank will be integrated i 2012~2013.
			2. The global personnel management policy has been updated in such areas as limits of authority and target management.
<b>Customer Service</b>	Continued consolidation of the Acer Global Customer Service System (CSS).	•	Establishment of this system was initiated in 2010, and it is now in use in Europe, the Middle East, Africa, and the Americas.
	Promotion of Acer Volunteer Team services.	•	The Acer Volunteer Team has provided such volunteer services as environmental protection and concern for disadvantage groups, and holds regular donations of funds and blood.
Community Involvement			The following digital opportunity projects were initiated in 2011:
anvoivomont.	Development of community-centric digital opportunity projects.	•	Cambodian Digital Opportunity Center, Three Philippine Digital Opportunity Centers, Remote Chinese School Digital Opportunity Project

# **Corporate Responsibility**

# **Corporate Responsibility Policy and Strategy**

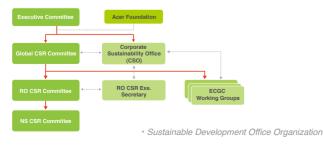
After years of effort, we entered the CSR strategy implementation stage by setting up a Global CSR Committee to expand the scope of the company's internal CSR governance system. We carried out a re-categorization of key issues, proposing four major orientations for the next stage of development—environment, society, governance, and communication (ESGC).



· Corporate Key Aspects and Issues 2011-2014

# Corporate Responsibility Governance

We readjusted our CSR governance and implementing organization and established a new Global CSR Committee based on implementation and experience built up over recent years. The Global CSR Committee must set up relevant strategies at the beginning of the year, review strategic directions and progress of implementation in the middle of the year, and carry out an annual summation and review of programs implemented at the end of the year.



# **Stakeholder Engagement**

Acer understands that the pursuit of sustainable development can be carried out successfully only with the cooperation of stakeholders of all kinds. To this end we have engaged in a long-term effort to build up mechanisms and platforms for communication with stakeholders.

In coordination with the readjustment of Acer's global CSR governance mechanism, we decided in 2011 to move the annual Acer CSR Forum from the fourth quarter to the first quarter with the aim of helping more senior managers to understand global trends in sustainable development and think about Acer's role and strategies in this regard.

# **Public Policy Participation**

# **Suggestions on Energy and Climate Change Policy**

In a "weekly journal" interview hosted by ROC President Ma Ying-jeou this year, J.T. Wang, in his capacity as Acer's chairman and group CEO as well as chairman of the Taipei Computer Association, suggested to the president that the government should devote more effort to develop policies to encourage industries to develop green, low-carbon products. He expressed the hope that in the future, the government would work actively to provide a market mechanism under which companies would voluntarily purchase clean energy and be encouraged to implement energy conservation and carbon reduction measures. At the end of 2011 the government announced a "green electricity pricing policy," which was expected to be implemented in 2012.

# **Preventive Management of Chemicals**

During the 2009-2011 consultation period for the revision of the EU's RoHS, Acer cooperated with its allies in voicing to the European Parliament the hope of having PVC/BFR and other chemical substances containing organic chloride and organic bromine listed in the law so as to avoid harming the environment. Although the final revision has not yet been passed, we hope to take advantage of the law to implement across-the-board management and carry on continuing communication and discussion with suppliers and other stakeholders worldwide.

Sponsor of CDP pre-launch and launch events in Taiwan for 4 years running.

# **Support for New Issues**

## **Carbon Disclosure Project**

Acer and the Acer Foundation have provided long-term sponsorship for the CDP's promotional activities in Taiwan beginning in 2008, helping the island's industries to learn about the latest trends in carbon control and invite all Acer suppliers to participate in these meetings. In 2011 we started inviting financial experts to participate and analyze, from the viewpoint of capital markets and institutional investors, the concerns and attitudes of international stakeholders in regard to the issue of carbon emissions control.

# WRI/WBCSD Global Pilot Project for Product and Value Chain Carbon Footprint Standards

In 2011 Acer continued leading suppliers and one model each of netbooks, displays, and projectors in participation in the GHG Protocol Global Pilot Project for Product and Value Chain Carbon Footprint Standards as formulated by the WBCSD and WRI, sharing experiences and suggestions on the carbon footprint inventory for ICT products to serve as a basis for the setting and improvement of standards.

#### Vision 2050

Acer responded to Vision 2050 proposal of WBCSD in 2010. At the end of 2011 we began working, together with companies in the Taiwan Corporate Sustainability Forum that are concerned with the issue of sustainability, on formulating a local Taiwan Vision 2050 with the hope of providing companies, the government, and society with a blueprint and a role definition for the island's sustainable development in the future.

## The Water Issue

As an ICT product value chain integrator, we held two New Focus on Management Tools to Develop Sustainable Global Enterprises seminars this year. A total of 45 enterprises participated in the two seminars, helping domestic enterprises to understand the new trends affecting corporate sustainable development.

# **Environmental and Energy**

▶ Recipient of EPEAT gold medals for 31 products ▶ 100% of notebook models have received Energy Star certification.

The environmental responsibility facet of our corporate sustainable development is seen in both our business operations and product design. We maintain a firm grasp of the risks and opportunities inherent in climate change so that we can advance toward our target of becoming a climate-friendly corporation.

# **Our Operations and the** Environment

We take the administering of our EHS system very seriously. We set targets and draw up action plans every year related to improving EHS performance and try our best to reduce the impact that our operations have on the environment.

#### **Acer Water Plan**

As we do not have factories, our primary facilities are offices, and thus the water we consume is used for typical office-block facilities such as washrooms and air-conditioning. In 2011 we started to collect data on our total worldwide consumption of water and arrived at the figure of 39.000 tonnes. This amount accounted for 63.5% of our employees.



Acer Water Plan administrative procedures.

Water issues are becoming more prominent by the day and this will bring both direct and indirect challenges to our commercial development. We have thus drawn up the Acer Water Plan, and marks the first time that we have employed the Global Water Tool developed by the WBCSD to conduct water resource risk analysis at all Acer operations centers globally. It was found that over 50% of our operations centers are situated in areas that are "extremely likely" to face water shortages in the future.

## **Product Design that Incorporates Environmental Considerations**

Here at Acer we are continually trying to reduce the environmental impact of our products beyond just adhering to government regulations. By reducing the environmental impact of our products at every stage of their life-cycle, we are helping our customers to save time and resources and live and work in a more sustainable way.

#### Raising Energy Efficiency

Being in accordance with the EU's ErP directive is the basic energy efficiency requirement of all Acer products, including for "powerdown" and "switch off" functions, and for external power supply equipment. In 2011 all of our range of notebook computers was accredited by ENERGY STAR®, and from 2012 all of our monitors will carry the ENERGY STAR label. The Acer range of notebooks now also have screens that use energy-saving LED backlighting. We believe that raising the energy efficiency of our products is a big part of our responsibility to the citizens of the world and future generations to come.

#### **Properly Managing Chemical Substances**

In terms of managing chemical substances, all Acer products are now fully accordant with the requirements of the EU's RoHS and REACH directives. In fact, in our enthusiasm to be eco-friendly we have taken the principle of preemption a step further and now have a system of mutual chemical substance management with our suppliers.

Out of the many voluntary environmental protection standards. the EPEAT standards are becoming more prominent due to their successful global development. EPEAT encourages the use of plastic regrind, which increases the distribution of materials from recycled electronic products. We are working hard to overcome

managerial and technical challenges to reduce the number of these hazardous substances – permitted though they may be – so that our products meet EPEAT's strict standards. In 2011, 31 of our products were awarded the EPEAT Gold and 61 of them were awarded their Silver

In addition to EPEAT we are also eagerly applying for voluntary environmental labeling or accreditation in a number of countries around the world, including accreditation for energy saving from the China Standard Certification Center, China's Ten Central Certification, Taiwan's Green Mark, and TCO certification. Attaining certification is an important way of proving our commitment to environmental protection.

# **Advancing Eco-Efficiency of Product Packaging**

Acer product packaging design aims to reduce all areas of environmental impact by taking a "whole life cycle" approach. We do our best to reduce packaging material, use recycled materials and restrict hazardous substances, while adopting sustainable packaging principles to guide the design of our product packaging. We have initiated corresponding actions for each of our product lines to reduce the use of paper and packaging.

- Tablet PC: From August 2011, instead of providing paper with printed instructions on starting the computer, we now provide this information on a document that can be downloaded from our website.
- Notebook PC: From 2010, we reduced the use of manual pages by 80%, downsizing from 102 pages to 12 pages.
- · Desktop PC: From 2007, European and US regions no longer provide a user's manual and have reduced the weight of paper used in other documents from 80 grams to 70 grams.
- Monitors: From September 2010, user's manuals are no longer provided for 95% of monitor products; from 2011 over 40% of LED monitors were packaged with cardboard of new design which reduces overall packaging volume by 40%.

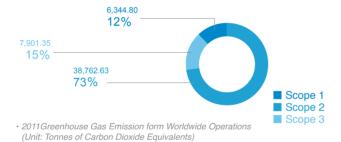
To attain our goals for using reusable packaging materials, all external packaging of notebook PCs is made from recycled paper and from 2009 all notebook PCs have been wrapped in reusable felt.

# **Energy and Climate Change Response**

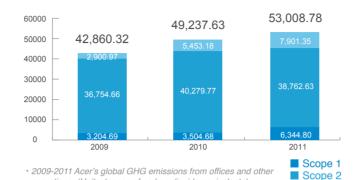
Climate change is at once both risk and opportunity for the ICT industry. The industry must not only work to reduce its own emissions, but also must stay attuned to the risks climate change pose to its operations, while creating opportunities for other sectors to apply ICT toward carbon reduction initiatives.

## Greenhouse Gas(GHG) Inventory

The total GHG emissions from worldwide offices and operations in 2011 amounted to 53,008.78 tonnes of carbon dioxide equivalents, which is further divided into three scopes. Scope 1 emissions are mainly fuel combustion and fugitive refrigerants. Scope 2 comprises the largest contributor of emissions at 73% of the total, and are the indirect emissions from the electricity used to operate our offices and points of operation. Scope 3 emissions are transportation related emissions caused by the airplane travel of our staff, and accounted for 15% of total emissions in 2011.



We readjusted our inventory boundary to proportionally divide all of the eDC electricity use into two parts: emissions generated from the client's independent electricity use is categorized under the client's Scope 2 emissions, while emissions generated from non-client independent electricity use is categorized under Acer's Scope 2 emissions. This boundary adjustment created a major difference in our overall emissions and thus we started back at the baseline year to recalculate GHG emissions of global operations from 2009 to 2011, as shown in the following chart.



operations. (Units: tonnes of carbon dioxide equivalents)

# **GHG Reduction**

Acer has always supported the two GHG absolute reduction targets set forth by the EU, that is, for industrialized nations to reduce emissions 30% (with 1990 as the baseline year) by 2020 and 50% by 2050. We aim to meet these goals through internal energy efficiency upgrades, investments in renewable energy, and procurement of green energy.

Recording energy consumption of 1,200,000 kWh in 2011, Acer Germany took the lead in procuring certified renewable energy to offset all 649 tonnes of carbon dioxide equivalents from energy consumption. This offset plan won the TÜV NORD certificate and became the highlight of Acer Europe as the first carbon-neutral initiative for power consumption. From October 2011 Acer Italy cooperated with the local E-Piu renewable energy supplier to use green power, while saving approximately 800 tonnes of carbon dioxide equivalents and 12.5% of electricity costs.

## Acer e-Enabling Data Center

A data center can be a considerable power consumer as it must maintain system stability 24 hours a day. Since its establishment, Acer e-Enabling Data Center has surpassed industrial energy consumption standards and provided clients with the most energy efficient service.

While maintaining the operation of our renewable energy generation systems, we also look for ways to improve the efficiency of existing operations. For example, in 2011 we launched a project to reduce the escape of air from our air conditioners and increase the efficiency of air circulation. It is estimated that over 900,000 kWh can be saved each year as well as over NT\$2 million in electricity fees – truly a win-win situation both economically and environmentally.

# **Green Product Innovation**

In the latter half of 2011, we satisfied consumer demands for rapid start-up, internet connection and portability with the introduction of the Ultrabook Aspire S series

This model is under 1.35 kg and features a unique heat dissipation and ventilation system as well as a lightweight exterior and the capacity to maintain continuous stand-by for up to 50 days. The Ultrabook Aspire S series uses smart energy-saving technology to greatly increase battery longevity; this technology enables batteries to be recharged 1000 times, a 3.3-fold increase over the 300 charges of standard lithium battery and open-cell display technology to reduce metal used. If five million Aspire S series Ultrabooks with the innovation technology were to replace traditional notebook computers, the result in terms of carbon reduction would be equivalent to plant 30 million trees.

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#### **Energy Consumption Comparison**

Acer Aspire S3

Scope 3

Normal Use: 6 W/h

Sleep Mode: 0.28 W/h

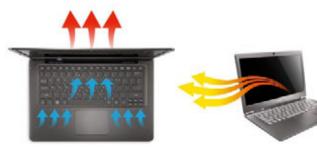
Hibernation: 0.015 W/h

Traditional Notebooks

Normal Use: 8 W/h

Sleep Mode: 0.35 W/h

Hibernation: 0.03 W/h



Air enters through spaces between keys in the keyboard to directly cool down hot components, and make the most efficient use of overall power consumption. Smart design concentrates heat sources and diverts heat more effectively.

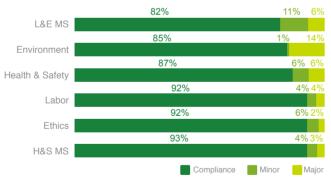
# **Responsible Supply Chain**

We realize the important role that a branded company has to play in the social and environmental impact of its suppliers. Acer not only demands that all of its suppliers operate within local regulations and according to Acer's own in-house policies, but also informs suppliers about the latest trends in social and environmental responsibilities so they can build their capacity to meet the challenges of sustainable development.

#### **On-site Audits**

Acer has adopted the Electronic Industry Citizenship Coalition (EICC) code of conduct to guarantee that the manufacturing operations of our suppliers accord with their social and environmental responsibilities, and that their employees are treated with respect and dignity. Acer is committed to promoting social responsibility by improving the labor rights, business ethics, environmental safety and health practices of the electronics industry supply chain. We have carried out EICC on-site audits for 40 higher risk suppliers in 2011 and taken corrective actions for issues found.

# Compliance of the EICC Code of Conduct



#### The EICC Validated Audit Process

We believe that participation in such a Labor & Ethics Lead Auditor Course from IRCA-EICC-GeSI (International Register of Certificated Auditors, IRCA) of the EICC Validated Audit Process (VAP) can increase our understanding of VAP and enhance the quality and effectiveness of our audits. To this end, in 2011 we were able to persuade the only organization in the world offering this kind of training — Verité — to hold a course in Taiwan. We also invited our

► Conducts on-site audits for 40 suppliers.

suppliers to take the workshop with us in order to raise auditing competence and quality throughout our supply chain. Seven suppliers did send staff from different departments to participate in the course

# **Top Five Areas of Non-compliance**

EICC Provision	Issue	Actions	
Improvement Objectives	Suppliers are not implementing the appropriate procedure to establish performance objectives and implementation plans of labor and ethics.	We require suppliers to develop specific labor and ethical performance objectives and implementation plans according to procedures, and implement it.	
Young Workers	Young workers exceeded the prescribed limit for overtime hours.	We require suppliers to establish an overtime warning	
Working Hours	Workers exceeded the prescribed limit for overtime hours and worked an average of seven days without a day off.	function in their staff management system and propose a working hour management and improvement plan.	
Industrial Hygiene	Personal protective equipment missing or is not used	We require suppliers that workers must wear the required personal protective equipment and receive risk education to ensure the proper use of personal protective equipment as well as monitoring by managers.	

# **Response to Conflict Mineral**

We are deeply concerned about the social and environmental issues related to the materials contained within product parts and to the manufacturing process. The rich mineral resources in the Democratic Republic of Congo (DRC) have fueled one of the world's deadliest conflicts. There are often multiple sources for metals including recycled metal, metal inventories and crude ore. However, we understand we have the opportunity to have a positive impact on this complex issue as an individual company, and we support the legislation of related regulations.

We adopted EICC/GeSI Due Diligence Template tool to investigate which companies refine our supply of tantalum, tin, tungsten, and gold in 2011. The preliminary analysis indicated the companies

that refine gold, tantalum, and tin are mainly located in China, Japan and USA. Tungsten, on the other hand, is located mainly in China and Indonesia. We'll continue to cooperate with the EICC/GeSI Extractives working group to support EICC/GeSI Conflict-free Smelter (CFS) Program.

# **Supplier GHG Management**

We use using the weight of our influence as a large branded corporation to organize a GHG working group among our major suppliers. This team conducts regular carbon data tracking, which is a valuable aid to cultivating the GHG management capabilities of our suppliers. In addition, Acer is also participating in a number of external carbon reduction-related initiatives that when internalized should prove useful in facilitating a greener, low-carbon supply chain.

# Carbon Disclosure Project – Supply Chain Program and EICC Carbon Reporting System

In 2011 Acer continued to require that our major suppliers take part in our Carbon Disclosure Project – Supply Chain Program. A total of 74 suppliers were asked to submit questionnaires through an online response system, attaining a response rate of 97%. Acer intends to continue improving supplier carbon disclosure and actual performance figures. We will also continue to ask our Tier 1 suppliers to participate in the EICC Carbon Reporting System and, through participation in international mainstream external initiatives, getting a firmer grip on

## **Supply Chain GHG Working Group**

In 2011 our Tier 1 suppliers of smart handheld devices, projectors, and monitors were included in the Supply Chain GHG Working Group, and the scope of carbon disclosure was expanded to include Tier 2 suppliers. We also continue requesting our Tier 1 suppliers to send in quarterly GHG emissions data for all Acer products they manufacture or assemble. This includes their own emissions data, plus that of Tier 2 suppliers – such as key component manufacturers – that they deal with. We also intend to begin requesting our major suppliers to draw up mid- and long-term carbon emissions reduction plans and to regularly compile data on their emissions reduction performances so that we can build up a complete picture of carbon reduction results for the whole of our supply chain.

# **Employee Advancement**

Acer strives to upgrade employees' professional abilities and career development through systematic training and staff development projects.

At the end of December 2011 Acer employed 7,894 persons worldwide, including 202 managers, 7,036 professionals, and 656 administrators. Their average age was 37.2 years and average seniority was 5.4 years.

# **Personnel Training and Career Development**

The focus of our training was adjusted in line with Acer's strategic repositioning in 2011 to give added emphasis to employee growth and strengthen core competence, thereby assuring the effective implementation of the Company's strategies. Our training priorities in 2011 included the creation of value for customers through innovation, boosting of the efficiency of implementation by reinforcing process management, strengthening brand image by enhancing product quality, and moving from "push" to "pull" in marketing.

	Male	Female	Total
No. of Trainees	4,807	3,114	7,921
Total Person-Hours of Training	39,941	22,573	62,514
Average Hours of Training per Trainee	8.31	7.25	7.89

Each employee can upgrade his or her professional competence through a diverse range of development paths. Internally, these paths include on-the-job training, job coaching, job transfers, lectures, online learning, and study groups. Externally, employees can participate in professional seminars as well as short-term training at prominent universities and training institutions. We have also formulated "Incentives for Professional Certification" to encourage employees to upgrade their skills and achieve professional certification by providing incentives and subsidies to cover the cost of professional certification.

▶ Provided education and training for **7.921** people worldwide, accounting for over **62.000** hours of training time.

# **Training Framework**

#### Managerial Skills

Typical training courses include leading change at the senior management level; coaching and communication; building high-performance teams at the intermediate management level; and enhancing fundamental management competence at the supervisor level.



# **Customer Service**

Provider of Acer E-Academy, which has over 8,000 users amongst staff and partners.

To satisfy our customers we work proactively to understand their needs and constantly introduce products that are better and easier to use. Our aim is to provide customer services which meet or exceed the expectations of our customers and create greater value for them.

# **Acer Group Service Model**

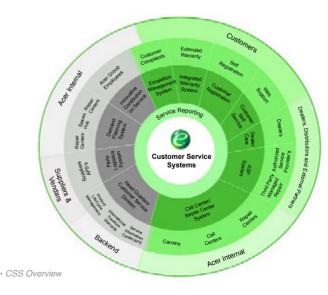
The Acer Group Service Model is unique in today's IT industry. In addition to operating service centers around the world, the Acer Group also partners with Authorized Service Providers wherever required. The four key attributes of this model are:

- Hybrid model Own facilities and operations complemented by a network of partners.
- Self-owned IT system: 'One Company, One System' Allows seamless real-time links among all service entities.
- Spare parts logistics Central and local inventory managed by one single system.
- Multiple brands Meets the brand requirements (Acer, Packard Bell, Gateway, eMachines, and Founder) of specific customers across the globe.

When a customer's product requires repair, whether it is in Milan; Kuala Lumpur; Temple, TX; or the location of any other Acer Repair Center, it will be subjected to the same repair process, under the same rigid quality standards. Almost 60% of our global repair volume is handled directly by Acer, giving us total control over the operations and assuring the highest standard of repair quality.

# **Acer's Customer Service System**

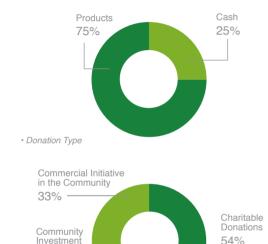
To further enhance the quality of customer service, we have developed the Customer Service System as a home-grown suite of programs that provides one unified system for management of repair centers, authorized service providers, third-party maintenance partners, contact centers, parts planning and warehouse management. It also manages various other web-based customer interactions.



# **Community Involvement**

Ever since their establishment, Acer and the Acer Foundation have used their technology and their products, the abilities of their staff, and their donations to give back to society.

The total value of Acer's global community participation in 2011 was approximately NT\$220.85 million and was focused primarily on education, Acer volunteer work, disaster relief, and environmental conservation, with special attention in education work given to enhancing digital opportunities for disadvantaged groups.



# **Education**

13%

· Community Donation

We serve students, teachers, women, and other disadvantaged groups in remote areas through the development of computer-assisted instruction, increasing their opportunities to come in contact with computers and study them; and encouraging them, in this way, to use e-learning to boost their digital competitiveness and further helping them prepare to compete in the information economy.

- · European Educational Netbook Project
- · Upgrading the Information Ability of Indonesian Teachers

- ► Community involvement worth approx. NT\$220,850,000 ► Provided access to 8,374 people through Acer's Mobile Digital Classroom.
- Provided access to Participated in European "Schoolnet Educational Netbook Pilot Project," serving over 7.000 students.
- Upgrading Digital Opportunity in Remote Areas
- · Digital Opportunities for Remote Schools in China
- · Philippine Digital Opportunity Centers
- · Acer Digital Vans
- · Combodia Digital Center
- · Women's Information Ability Enhancement Project in Italy



# **Acer Volunteers**

Acer Taiwan's volunteer team holds regular internal employee donation activities every year, as well as blood donation and LOHAS environmental protection activities at Acer's headquarters in Xizhi during Earth Months each year. In their community involvement, Acer volunteers organize all kinds of community service activities every year, and Acer employees are encouraged to use their volunteer leave to participate. In 2011 these activities comprised two major categories, environmental protection and care for disadvantaged groups, with a total of 115 employees participating.

Our regional offices also organized their own volunteer activities in 2011. For instance, Acer Thailand invited its employees to record audio books for the blind, and within five months 17 books were produced and donated to foundations for the blind. The CSR Club organized by the employees of Acer India



continued to carry out energy conservation, carbon reduction and community service activities. When natural disasters happened, Acer employees in different places immediately joined local volunteer efforts to help the disaster areas weather their difficulties.

#### **Disaster Relief**

Major disasters can affect all of society and even the whole country. When such disasters occur, as members of their communities, Acer and Acer volunteers cooperate with local humanitarian relief organizations in contributing needed resources and manpower to support community reconstruction. In 2011 our global disaster relief activities provided help following the Japanese tsunami, Thai flooding, American flooding, and Philippine typhoons.





 Futaba-machi residents used Acer computers to communicate with the

 Awards were presented to outstanding "15 Green Days with

#### **Environmental Conservation**

We promote environmental conservation concepts through our volunteer activities. The Acer Taiwan volunteer team, for example, organizes environmental conservation activities; Acer Singapore participates in Earth Hour; Acer India holds an Environment Week; and in Japan we provide a temperature-sensitive calendar. We also work with non-profit organizations to strengthen environmental awareness among the public and Acer employees by holding environmental activities.

In Vietnam we held "15 Green Days with Acer", a 42-day "PC4Life – Trans-Vietnam Green Journey" through 16 provinces, and sponsored a "Green Business Forum". In the Philippines we build an "Acer Bamboo Greenhouse" cultivate tree seedlings and also to be used by the community and by Acer employees as a place for environmental education.

www.acer-group.com



To learn more information, please visit Acer Group's Sustainability <u>website</u> or view our complete 2011 Corporate Responsibility Report.