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Transforming the Future

Acer Corporate Reponsibility Report 2013

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About this Report

Acer began issuing its environmental reports in 2005 and corporate responsibility (CR) reports on a regular basis each year in 2008, disclosing information and future plans on the three aspects of corporate governance, environment, and society. The reports aim to give stakeholders in all sectors an understanding of Acer's determination to carry out sustainable development and social responsibility, and our performance in carrying out that determination. To download or access past Acer CR Reports and for the latest sustainable development information, please visit Acer Group's website at http://www.acer-group.com/public/Sustainability/index.htm.

Boundaries and Scope

This report establishes organizational boundaries in accordance with the principles of consolidated financial reporting. The scope of the Report encompasses Group subsidiaries, Acer Foundation and Gateway Foundation but not reinvested enterprises, and additionally includes supply chain, customer, and community information, however some performance information is not included. Any adjustment of the data will be separately explained in the text of the Report. The Chinese and English versions of the Report were released simultaneously on the Acer Group's Sustainable Acer website. For more detailed financial information, please refer to "Investor Relations" on the Acer Group website at http://www.acer-group.com/public/Investor_Relations/overview.htm

Issue Date and Frequency

This report was issued in July 2014 and discloses the Company's performance on all key issues of sustainable development in calendar year 2013 (1 January 2013 to 31 December 2013). Acer continues to issue CSR reports each year; the previous report was issued in August 2013.

Standards and Guidelines

The contents and framework of this report were compiled in accordance with the GRI G4 guideline that was announced in 2013 by the Global Report Initiative (GRI), and its final page contains its framework content and a cross-reference table of GRI indicators.

External Assurance

The report was externally assured in accordance with GRI G4 Core option and AA1000 AS (2008) Type 1 High level by SGS Taiwan Ltd. The independent assurance statement can be found at the end of this report.

Contact Us

If you have any questions or suggestions regarding this report or any sustainability issues related to Acer, please contact the Acer Corporate Sustainability Office at: cr@acer.com.

Message from the Honorary Chairman
—— Stan Shih [1]

Since 1992 sustainable development has been a global focal point and after 21 years the challenges involved continue to increase. As a result of blind-spots inherent in management practices, insufficient value is being created, interests are not being balanced and there is a disparity between the needs of the organization and the ecology. With these characteristics organizations from all over the world cannot be altruistic and sustainable in the long-term.

Since establishing Acer in 1976, I have worked every day with CSR in mind and believe that the "hidden" values of intangible/indirect/future are the cornerstone of business continuity. After leading two transformations in 1992 and 2000 I once again stepped in to lead a new transformation in November 2013. Without change, Acer's business could not be sustained and therefore had to face the reality of the situation, develop a winning formula for change and use a more unassuming and macro vision to reform the entire company.

Firstly I would like to talk about the foundation of Acer's transformation, namely the benevolent thinking of the WangDao ideology and its three core beliefs: Sustainable Development, Value Creation, and Balance of Interests. For a business to grow it must follow the proper way and comply with the ways of the Universe, Earth and Man. A responsible business must create value by considering the Hexa-Aspect Values including Tangible/Intangible, Direct/Indirect, and Present/Future so that it will not become opportunistic and short-sighted. Value creation is a joint effort of all stakeholders and therefore a business must be committed to the balance of interests for sustained cooperation.

Secondly, we have reengineered the organization culture by engraining the benevolent thinking of WangDao ideology to combine the qualities of East and West, innovation and discipline and professionalism and entrepreneurship.

Acer's vision and basic direction for the future is Build Your Own Cloud (BYOC ™), a self-built cloud that will enable its customers to seamlessly integrate their PCs and mobile devices to access their data — anytime, anywhere. The vision is also about transforming from a hardware company into a "hardware + software + services" player as we prepare to embrace new opportunities in the era of cloud technology. With the growing trend of the "Internet of Things," BYOC is Acer's strategy to win the future; therefore we will continue to build up our core competencies under this vision and innovate.

Lastly I'd like to emphasize that while WangDao ideology is driving our transformation, Acer will also continue to deliver its brand values (Curious, Progressive, Human) to its customers. Also another important area driving change from within Acer is communication. Whatever country we operate in, we must become a local corporate citizen and create value for all stakeholders, therefore close communications and partnerships with local stakeholders are key elements in the pursuit of coexistence and prosperity. Based on this ideology, I believe the transformation to a New New Acer may be achieved in the near future.

[1]
Stan Shih stepped down from Acer chairmanship on June 18, 2014 and remains with the company as Honorary Chairman.

Message from the Chairman
—— George Huang

I have come a long way with Acer as one of the founding members through its highs and lows. Faced with one of its toughest challenges yet, I returned to Acer on November 5, 2013 to step into the front line and to contribute toward its turnaround.

With the approval by the Board of Directors we set up the Transformation Committee and I became its Executive Secretary tasked with gathering the valuable inputs of our colleagues on transforming Acer. We held intensive talks with department leaders at the Taiwan headquarters and with around 40 executives globally, eventually reaching the consensus for the future development and vision of the "New New Acer."

On June 18, 2014, entrusted by Stan Shih and the Board of Directors, I officially stepped into the role of Acer Chairman and assumed the related duties. It's a heavy responsibility to shoulder and I will do my utmost along with our CEO, Jason Chen, and the management team to face the challenges. Acer needs to build on the foundation of its existing PC, tablet, smartphone and other hardware to strengthen product competitiveness, and at the same time, embrace new opportunities in the era of the cloud. Acer BYOC ™ (Build Your Own Cloud) has

a huge potential for development; with 13 years of experience we have already established a profitable model and will actively seize new opportunities that arise in the future to lead Acer back to the success of its hey days!

During this important time, we have and will continue to work on our corporate responsibilities. In strengthening our corporate governance, we established a new Audit Committee chaired by the independent director Dr. F.C. Tseng to replace the former Financial Statement and Internal Control Review Committee. Meanwhile, our Compensation Committee is chaired by the independent director Dr. Ji-Ren Lee, and the Assets Management and Handling Committee is being chaired by Stan Shih.

This corporate responsibility report outlines the efforts we made in 2013 towards governance, environment, society, and communication. Acer is changing its vision, strategy, communication, and consensus in order to remain a sustainable company for the future.

Message from the Corporate President & CEO
——— Jason Chen

As an ICT industry pioneer in Taiwan and a global brand, Acer has a responsibility to develop and promote green products for the benefit of the economy and become a model for the industry.

In 2008 Acer established its Corporate Sustainability Office and thereafter began to focus more on CSR related issues. Starting in 2011 Acer began to fully incorporate CSR into its strategic planning and in 2012 formed the Global Corporate Social Responsibility Committee to strengthen its CSR governance and ensure the integration of CSR into the daily operations of its various business groups and departments.

Regarding the topic of energy, climate change and supply chain management, in 2013 Acer held its fifth annual Acer CSR Forum, under the theme of "Collaborate for the Future We Want." The forum was conducted with the goal of providing the Taiwan ICT industry insight into global trends and finding ways to work together to create a sustainable future. At the forum, lectures, panels and workshops were conducted to discuss how to expand business opportunities in low-carbon and green product innovation. Also discussed was the topic of combining CSR and financial information into an integrated report and its long-term investment value for businesses as well as the need to gain support from investors for this global investment trends. For the future of Taiwan's ICT industry and promotion of sustainable development, Acer seeks to lead by example and work with the ICT industry to create new green business opportunities and build a better future.

Today Acer continues to develop green products and be recognized for its efforts. For example, in 2013 Acer V6 series monitors won the "Computex Best Choice Green ICT Award" and SEAD's "Global Efficiency Medal". In addition, Taiwan's Business Next magazine also awarded Acer the 2013 "Top Green Brands" award in the ICT category.

To enhance greenhouse gas management

Acer has been involved in the Carbon Disclosure Project (CDP) Supply Chain Program since 2008 and is currently the only Taiwanese enterprise to do so. Acer requires its suppliers to fill out questionnaires regarding their greenhouse gas emissions and climate change policy as well as disclose relevant information to the CDP and its participants. Acer's supply chain continually performs better than the global average. In 2013 our suppliers' CDP response rate was 80%, with an average score of 64 points resulting in a B grade.

In 2013 Acer also began to leverage Vendor CSR Scorecards to gauge the CSR performance of its original design manufacturers and key component suppliers. This mechanism assesses them in three main areas including Sustainability Management; Environment, Energy and Climate Change Management; and Labor, Ethics, Health and Safety Management. With clearly defined assessment criteria and metrics, Acer helps its vendor and suppliers to continually improve

their performance. To drive closer synergy with its vendors, the results of the scorecards are incorporated into business review meetings and submitted to the management of both sides.

Looking into the future, Acer will continue to work and develop higher standard green products, enhance the added value of its products, increase its brand awareness, strengthen preference for its product, and further transform into a Hardware + Software + Services company. Acer will also continue to maintain a transparent, pragmatic and open-minded attitude to closely work with all stakeholders to achieve long-term success.

2013 Goals and Achievements

2013 Goals and Commitments		Status	Results
Environmental	Expand the breadth of Scope 3 GHG inventory items based on the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.	●	Expanded disclosure of emissions from asset leasing, product components and assembly.
	Expand the utilization of recycled plastics in our products.	◐	• Monitors in the V6/B6 series make use of post-consumer recycled (PCR) plastics for at least 10% of plastics. • All-in-one desktop PCs in the Veriton Z series (VZ2640G/VZ2660G) use PCR for 15.9% of plastics. • Carried out feasibility studies into the use of PCR plastics in notebook computers.
Social	Carry out due diligence in the conflict-mineral supply chain according to the Second-Edition OECD Guidance and publish the findings, to promote the industry's development towards conflict-free minerals.	◐	Completed due diligence in the conflict-minerals supply chain, with list of smelters to be published in 2014. Formally joined the Public-Private Alliance for Responsible Minerals Trade (PPA) to promote industrial movement toward conflict-mineral-free development.
	Increase the cumulative number of supplier audits to over 200.	●	Accumulated a total of 208 supplier audits.
	Continue establishment of global human resources management, development of the application system, and create strong foundations befitting a global company.	◐	Completed a portion of global human resources management establishment and application system development, and continuing to implement other global systems.
	Enforce implementation of the talent development policy, including developmental training for talent, cross-regional and cross functional transfer, and a multi-dimensional feedback mechanism designed to enhance capabilities.	●	Updated talent development policy and architecture, as well as implementing senior management training, cross-regional talent transfer, and multi-dimensional feedback mechanism for senior management and the enhancement of capabilities.
Governance	Strengthen corporate governance, including performance appraisal questionnaires for directors and supervisors in respect of overall operations, targets and rewards for ranking executives, and a succession system, so as to ensure a sustainable business.	●	Board performance appraisal questionnaires and reports completed, executive compensation and succession systems developed.
	Formulate CSR performance management norms.	◐	Proposed CSR performance principles and plans, as well as departmental CSR performance principles for Global Corporate Social Responsibility Committee (GCSRC) members.
	Launch a Vendor CSR Scorecard mechanism to push suppliers to effectively incorporate CSR into their business operations.	●	vendor CSR scoring, continued promoting CSR's incorporation into business operations among suppliers.

● Completed   ◐ Partially completed

2014 Goals and Commitments

Environmental

- Increase number of suppliers participating in CDP Supply Chain Program.
- Set energy performance standards for selected models higher than the ENERGY STAR ® 30% standard.
- Increase proportion of green electricity used.
- Continue using recycled materials in new models.

Social

- In response to corporate transformation and the new "Build Your Own Cloud" (BYOC) vision, rearrange the organization and workforce deployment of the company, as well as redefining our core values to shape the corporate culture.
- Publish smelter list and participate in Conflict-Free Smelter (CFS) initiative.

Governance

- Continued strengthening corporate governance, including continued review of Board performance and setting incentives and targets for senior management based on the Company's strategic goals, along with Wangdao training for continued sustainability of operation.

Breaking down barriers between
people and technology.

Acer Overview

Established in 1976 and headquartered in Xizhi in Taipei, Acer is a hardware + software + services company dedicated to the research, design, marketing, sale and support of innovative products that enhance people's lives. Acer's product offering includes PCs, displays, projectors, servers, tablets and smartphones. We are also actively developing a cloud solution—Build Your Own Cloud (BYOC ™). Our client base includes consumer product users, small and medium enterprises, large corporations, schools and government agencies. In 2013 Acer Inc. generated a total revenue of US$12.02B and ranks No. 4 for total PCs worldwide (IDC data).

History and Development

The Acer Group is a family of three brands - Acer, Gateway and Packard Bell; has a global workforce of 7,400 employees; and has a presence in more than 100 countries with operational headquarters in Europe, the Americas, Asia-Pacific, China and Taiwan, operating in local consumer and commercial markets. Acer's main outsourced notebook manufacturing and supply base is located in Chongqing, China, with additional R&D facilities in Taiwan and China.

Acer's corporate mission is to break down the barriers between people and technology through the brand spirit exemplified in our slogan, "Explore Beyond Limits." Acer's vision and basic direction for transformation, Build Your Own Cloud (BYOC ™), a self-built cloud that will enable our customers to seamlessly integrate their PCs and mobile devices to access their data — anytime, anywhere. The vision is also about transforming from a hardware company into a "hardware + software + services" player as we prepare to embrace new opportunities in the era of cloud technology. Acer Group shares are listed on the Taiwan Stock Exchange (TSE) under the stock code 2353.

Amid sluggish economic conditions in Europe and America, in 2013 the Company's consolidated operating income was US$12,024M, down 16.2% on 2012, with net operating loss of US$381M and an after-tax loss per share of US$0.25. For more detailed operating performance and financial information, please refer to the company's 2013 Annual Report. Acer has strengthened its management team,

made organizational adjustments and developed a business strategy that addresses the current and future state of the industry.

The electronic goods industry has undergone seismic changes in recent years. In the past, personal computers dominated and Wintel architecture enjoyed absolute market superiority while manufacturers lacked autonomy. Now the situation is more diverse, with three ecosystems — iOS, Android and Windows — no single operating platform, and integrated products also beginning to emerge. The old rules of the game no longer apply and industry players have even more room for innovation.

In the previous single-system environment of the PC industry, manufacturers competed on efficiency, speed, cost, and size. In the current diversified landscape, the keys to success are being able to provide the ultimate user experience, and creating product differentiation and customer value. This is why this company continues to pursue innovation and improvement in our products and services.

In recent years, the company has faced many complex and demanding challenges, as well as experiencing several years of unsatisfactory financial performance. On November 21, 2013, chairman JT Wang and corporate president Jim Wong both resigned, taking responsibility for the recent poor performance of the Company. After the Board of Directors accepted their resignations, elections were immediately held to fill the positions, with founder Stan Shih elected to serve as chairman and interim president.

1

Using ROC Generally Accepted Accounting Principles (ROC GAAP).

2

Using ROC Generally Accepted Accounting Principles (ROC GAAP).

	2011 [1]	2012 [1]	2013 [2]
Consolidated revenue	US$15,693M	US$14,742M	US$12,024M
Net operating profit	(US$211M)	US$35M	(US$381M)
PAT	(US$218M)	(US$100M)	(US$685M)
EPS	(US$0.08)	(US$0.04)	(US$0.25)
Operating expense	(US$1,486M)	(US$1,447M)	(US$1,142M)
Employee benefits	(US$583M)	(US$568M)	(US$524M)
Retained earnings	0	0	0
Income tax expense	US$27M	(US$9M)	US$18M

Stronger corporate governance
According to law, the chairman is the company's legal representative and must take on civil or criminal responsibility where necessary, whereas the chief executive is considered corporate management. Having different people serve in each role can help improve checks and balances in the company, as well as implement the fundamental spirit of corporate governance. Moreover, with a clear split between the supervisor of decision-making and the executor of those decisions, the company avoids the potential for a negative impact on performance caused by too much concentration of power.

The implementation of risk management   According to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, the chairman and the CEO both have clearly defined roles and duties, and the two roles should not be filled by the same person. Thus by separating the two roles, the company effects a form of risk management.

The following month, on December 23, Acer's Board of Directors announced that Jason Chen, former vice president of worldwide sales and marketing at Taiwan Semiconductor Manufacturing Company (TSMC), had been recruited to serve as corporate president and chief executive1, effective January 1, 2014.

As part of restructuring efforts, on November 5, 2013, the board established the Transformation Committee, with Stan Shih invited to serve as chairman and co-founder George Huang as executive secretary. This committee drafts plans, visions, and practical strategies for Acer's ongoing growth, and after they have been approved by the board, the management team then promotes the new changes. Upon taking up his position on January 1, 2014, new president and chief executive Jason Chen immediately joined the Transformation Committee, aiming to improve communication and cooperation between the board and the management team.

The "Wangdao" management philosophy is at the root of the changes the Company is pursuing. This philosophy rests on three core beliefs: sustainable operation, creation of value and balance of interests. Implementing this management approach demands constant innovation and creation of value, as well as the ongoing establishment of mechanisms for the co-creation of value and the balancing of interests. This will facilitate Acer's pursuit of sustainable operation goals.

Into the future, Acer intends to use the Wangdao philosophy to promote change, reshape the corporate culture, and enhance the value of existing core products. Atop this foundation the Company has developed the Build Your Own Cloud (BYOC ™) services, transforming into not only a hardware manufacturer, but a company committed to hardware, software, and services. By seizing the opportunities of the cloud computing era, Acer is creating even greater value for its customers.

The development of BYOC is representative of the company's new vision. Acer is committed to enabling users to build their own clouds, which will be seamlessly integrated with personal computers and mobile devices, letting users enjoy their content anytime, anywhere. BYOC is built on an open platform, upholding the ideas of Wangdao, and provides users a means to pursue innovative applications that will improve quality of life and facilitate cooperative creation of value and sharing of benefits.

BYOC
Build Your Own Cloud

Acer Organization Chart

2013.12.31
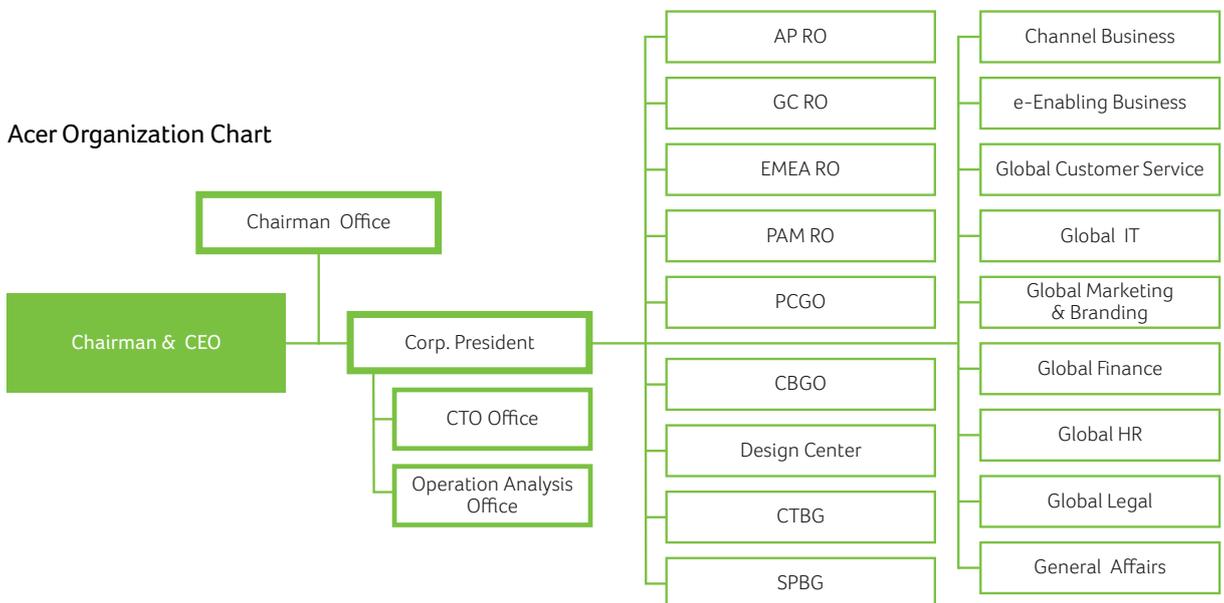
Acer PC Shipment and Market Share

Area	PC shipments (10,000 units)	Market share	Market share ranking	Revenue share
Global	2,451	7.8%	4	100%
EMEA	930	10.5%	3	38.42%
Americas	607	5.9%	5	24.13%
Asia Pacific	505	8.9%	4	18.37%
China	392	6.1%	5	12.87%
Taiwan	47	17.4%	2	6.21%

Brand Values and Introduction

Acer Group's latest interpretation of the brand spirit is "Explore Beyond Limits," envisaging each consumer as a modern-day explorer and our mission being to provide the best tools to help the consumer explore infinite possibilities and go beyond previous limits. The values represented by Acer Group brands are "Curious," "Progressive" and "Human."

In accordance with IAS 36 (Impairment of Assets) reporting guidelines, on November 5, 2013, Acer reported US$332M in impairment loss of intangible assets; this included trademark and goodwill losses, primarily from the Gateway brand, followed by the Packard Bell and Founder

brands, with a small part accounted for by iGware and Eten.

Given the impairment of these intangible assets, we must first and foremost consider the present and future operating strategies of the Gateway and Packard Bell brands, repositioning them and coming into line with International Financial Reporting Standards (IFRS) specifications. The impairment of intangible assets is something to be addressed in accounting, its losses coming from writing off non-cash assets. It is unrelated to the liquidity of the Company, and will have no impact on the business or working capital of Acer.

Market Recognition

Starting from the consumer's actual needs, Acer strives to develop innovative, easy-to-use products that provide the finest user experience and fulfill consumers' requirements. Furthermore, in order to fulfill its environmental responsibilities as a global citizen, Acer is also actively developing green products. Acer received a number of major international and domestic product and CSR-related awards during 2013, as summarized below:

- Acer was named at the top of the IT section in the Business Next 2013 Green Brand Awards.

- Acer also received three titles in the Taiwan Institute for Sustainable Energy's 2013 Taiwan Corporate Sustainability Awards, including an Award for Excellence in the Taiwan Top 50 Corporate Sustainability Reporting Awards; the top gong in the Climate Leadership category of the Corporate Sustainable Development Awards; and an Exemplary Award in the Creativity in Communication category.

Awards

Easy way into the smartphone world

Liquid Z3

Good Design Award

The notebook designed for touch

Aspire R7

Red Dot Award for Design Excellence

Best Choice and Design & Innovation Awards at Computex Taipei 2013

LED-backlit displays

T2 Series

Red Dot Award for for Design Excellence

LED-backlit displays

V6 Series

SEAD Global Efficiency Medal

LED-backlit displays

B6 series

Best Choice Award in the Green ICT Awards at Computex Taipei 2013

Marketing Communications

Acer holds firmly to the principles of integrity, transparency, proactiveness, timeliness, and regularity, and carries out marketing communication with consumers and partners, in compliance with local laws and regulations, through the corporate website, subsidiary websites, advertising, product exhibitions, press conferences, and sponsorship of activities. In these ways the Company communicates information on its corporate ideals, products, and services.

Into the future, Acer will continue to integrate its scale and strength of the PC industry, cloud technology, and core competencies to expand from simply a hardware company to one focused on hardware, software, and services, seizing on the opportunity presented by the cloud era. All of Acer's future product design will be closely linked with this vision, and all users will be able to Build Their Own Clouds using Acer computers and mobile devices.

Corporate Governance

Acer adheres to the principles of operational transparency, focuses on shareholders' rights and interests, and believes that a sound and effective Board is the foundation for excellent corporate governance. Acer's directors not only have required qualifications and experience in compliance with legal and regulatory requirements, but also meet the highest professional standards. All of Acer's directors have taken senior positions in internationally well-known enterprises, and have extensive experience in commerce, finance, accounting, corporate business, and so forth. They are elected in the general meeting. In the re-election of Acer's Board in 2011, two independent directors, Dr. F.C. Tseng and Sir Julian Michael Horn-Smith, were elected with the aim of using their wisdom and professionalism to participate in corporate operations and decision-making, carry out corporate governance, and improve management quality. As of December 31, 2013, the Board consists of seven directors (including two independent directors) and two supervisors. With the exception of one supervisor who is female, all board members are male. According to Taiwan laws, current supervisors

and directors have a tenure of three years, starting from June 15, 2011 to June 14, 2014.

Acer takes conflicts of interest very seriously and in 2012 amended the Regulations Governing Procedure for Board of Directors Meetings in accordance with the Rules for Avoidance of Conflicts of Interest formulated by the competent authorities. In accordance with the existing Acer Regulations Governing Procedure for Board of Directors Meetings, if any director or any legal person represented by such director has any interest in subjects discussed subjects in the Board meeting, said director should further explain; if there exists any possibility of causing detriment to the Company, said director may neither participate in discussion or vote, nor serve as a proxy for another director for exercising their voting right. Additionally, should an independent director oppose or express reservations on the record and/or in writing about any issue resolved by the Board, this should not only be recorded clearly in the minutes, but also be reported within two days of the meeting through the reporting website specified by the competent authority.

Except for specific matters, all Acer's daily business (including finance, environmental protection, and social matters) shall be determined by the Board. In order to ensure that business implementation is consistent with the results of Board's discussions and that investors are aware of how the Board exercises its authority, Acer publishes the attendance of Board meetings in its annual reports.

In 2013, the Company undertook an online evaluation of board performance, asking directors and supervisors to fill out anonymous self-assessments online. The evaluation addressed five major areas, including effectiveness of the Board, strategic and risk management, and others. In addition to providing a self-assessment in these areas, directors and supervisors were also asked to offer feedback on how the Board could improve its performance next year. The evaluation result is reported to the Remuneration Committee and the Board. Several improvement actions have been taken as well, such as increasing the number of independent directors so that the Board can operate in a more objective way and comply with corporate governance.

The Company has set up four committees under the Board, including the Assets Disposal Executive Committee, Transformation Committee, Financial Statement/Internal Control Audit Committee and Remuneration Committee. Said four committees are operated in accordance with the Regulations Governing Procedure for Board of Directors Meeting, the Articles of Incorporation Governing the Financial Statement/Internal Control Audit Committee, and the Articles of Incorporation Governing the Remuneration Committee respectively. The Transformation Committee established in November 2013 is chaired by Stan Shih. The Financial Statement/Internal Control Audit Committee and the Remuneration Committee are chaired by the independent directors Sir Julian Michael Horn-Smith and Dr. F. C. Tseng respectively, with the goal of taking advantage of their independence and also to enhance corporate governance.

Financial Statement/Internal Control Audit Committee

The Financial Statement/Internal Control Audit Committee is chaired by independent director Dr. F.C. Tseng. Dr. Tseng formerly served as the Deputy Chief Executive Officer of TSMC and is currently

4

Stan Shih is also the director of Qisda and Wistron Corporation.

5

Non-Executive Director There is no definition of "non-executive director" in ROC law. Non-Executive Director herein denotes a director who does not hold any management position within the Company.

6

JT Wang resigned from directorship on January 21, 2014.

7

Smart Capital simultaneously holds a directorship of Wistron Corporation.

8

Independent Director
In accordance with the Securities and Exchange Act, independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest with the company.

Board of Directors

Name of Director	Board title	Gender
Stan Shih [4]	Non-Executive Director [5]	Male
Hsin-I Lin	Non-Executive Director	Male
Hung Rouan Investment	Non-Executive Director	N/A
J.T. Wang	Executive Director [6]	Male
Smart Capital [7] (Legal representative: Philip Peng)	Non-Executive Director	Male
Julian Michael Horn-Smith	Independent Non-Executive Director [8]	Male
F.C. Tseng	Independent Non-Executive Director	Male

2013.12.31

Members of the Committees

Committee	Chair	Members
Financial Statement/Internal Control Audit Committee	F.C. Tseng	George Huang, Carolyn Yeh, Philip Peng, Hsin-I Lin
Remuneration Committee	Julian Michael Horn-Smith	F.C. Tseng, Hsin-I Lin
Assets Disposal Executive Committee	Stan Shih	Philip Peng, George Huang
Transformation Committee	Stan Shih	George Huang, Jason Chen

2013.12.31

TSMC's Vice Chairman. Hence, Acer draws on his ample experience in company operations to chair the Financial Statement/Internal Control Audit Committee. The responsibilities of the Financial Statement/Internal Control Audit Committee include reviewing the implementation effectiveness, stipulations, and correction of the Company's internal control system; reviewing the Company's accounting system, financial condition and financial reporting procedures; and reviewing the qualifications of accountants and communication with the Company's certified public accountants. In 2011, we proactively built a more comprehensive internal privacy protection framework to ensure smoother channels for employees to provide suggestions to the independent directors chairing the audit committee and better protection of employees' suggestions.

Additionally, in accordance with the decision of the 2013 general meeting, once new Board members are elected in the 2014 general meeting, the Board will formally establish the Audit Committee. The Financial Statement/Internal Control Audit Committee will be dissolved, functions of which will be wholly undertaken by said Audit Committee.

Remuneration Committee

Another independent director, Sir Julian Horn-Smith, serves as chair of the Remuneration Committee. Sir Julian was formerly the Deputy Chief Executive of world-renowned telecommunication company Vodafone and has held directorships or senior positions in a number of internationally famous companies and financial institutions. Sir Julian's international background and experience have already reinforced Acer's global orientation. The responsibilities of the Remuneration Committee include CEO performance appraisal and salary setting, operations team performance appraisal, and prescribing policies on staff remuneration and dividends. The Committee annually reviews and approves related matters and convenes extraordinary meetings on an ad hoc basis. The Remuneration Committee convened five times from January 1, 2013 to December 31, 2013.

According to the Company's Articles of Association, Principles Governing Remuneration for Directors and Supervisors, and Management Principles Governing Remuneration for Senior Officers, directorial remuneration should be first subject to advice from

the Remuneration Committee and then approved by the Board before coming into effect. In addition, the Company's Articles of Association also specify that, where the Company has profits at the end of a fiscal year, after paying all relevant taxes and making up losses in the previous year, the Company shall first set aside ten percent (10%) of said profit as legal reserve (unless such legal reserve amounts to the total authorized capital). After the Company sets aside or reverse a special reserve in accordance with the applicable laws and regulations, and if any balance remains, no more than 1% shall be set aside as remuneration to directors and supervisors.

Remuneration is paid to directors and supervisors in accordance with the Principles Governing Remuneration for Directors and Supervisors. Any director who also serves as a manager of the Company shall not receive remuneration for directors and supervisors. The remuneration structure for the Company's senior executives is governed by the Principles Governing Remuneration for Senior Executives. Short-term incentives are linked to the overall performance of both individual and Company, whereas long-term incentives are linked to shareholder value. Any executive's annual KPI is composed of strategic KPI and targets, related to finance or non-finance, designated by decision-making executives to ensure that senior executives can understand and reach the strategic goals of the Company. Severance payments are made in accordance with local regulations.

Senior executives are reminded of the mandatory requirement of compliance with the Standards of Business Conduct in the remuneration confirmation letter each year.

Assets Disposal Executive Committee

Chairman Stan Shih presides over the Assets Disposal Executive Committee. In addition to Acer, Mr. Shih has chaired several investment companies and actively participates in various asset management projects. He has been appointed as the chair of Acer's Assets Disposal Executive Committee due to his extensive experience with investment and asset management.

Transformation Committee

In recent years, as the outside world has changed

rapidly, the information and communication technologies (ICT) industry has undergone its own tremendous change. Acer faces its biggest challenge since its establishment. Necessary transformations should be implemented without delay. In order to respond to the unpredictable, multifaceted development of the industry into the future, in November 2013 the Board resolved to establish a "Transformation Committee," headed up by Acer founder Stan Shih, and with co-founder George Huang, serving as executive secretary. Additionally, the Company recruited Jason Chen, the former vice president of TSMC as the Company's CEO and President, hoping to draw on his capability in strategic planning and execution. Upon his formal commencement of his position with Acer on January 1, 2014, Mr. Chen also became a member of the Transformation Committee.

The Transformation Committee has two primary goals: First is to make Acer more competitive in the future through necessary reformation of Acer's current mainstream products (e.g. PCs, tablets, and smartphones) on the basis of existing operation systems and thought models in response to different industry environments and future competition. The other goal is to contemplate and find new businesses with comparatively promising futures, large scales and competitiveness by drawing on Acer's existing tangible and intangible organizational strengths. With regard to new business directions, in addition to considering how to make use of Acer's existing

core competencies and strengths, Acer must also actively seek external partners which may complement Acer's existing business.

Future Development of Corporate Governance

Acer continues to pursue a higher level of corporate governance, while the current Board also continues to strengthen the Company's corporate governance function with a view to attaining the standard befitting a first-rate multinational corporation. Since the current Board was elected in the 2011 general meeting, Acer has gradually revised and issued a number of internal rules, and the Board passed an amendment to the Company's Articles of Association in 2013, which was also adopted at the 2013 general meeting. According to the proposed amendment, once a new Board is elected by shareholders in 2014, the Board will formally establish an audit committee to replace the functions of supervisors. In addition, the Board will expand from 9 to 11 members, who are elected from the candidate list through the candidate nomination system at the general meeting. The candidate list will be proposed in consideration of diversity, gender, professionalism and background. The Board will be composed of at least three independent directors, who will comprise the newly established audit committee. We believe that this will reinforce the Board's independence and significantly improve the effectiveness of Acer's corporate governance.

Legal Compliance

Acer has always complied with the laws in a prudent way. 2013 saw no incidences of: (1) receipt of any fines regarding environmental damage, nor any related disputes; (2) receipt of any significant fines or non-monetary sanctions arising from breaches of the law; (3) breaches of safety regulations or self-discipline codes with regard to consumers' health and safety caused by products or services; (4) breaches of regulations or self-discipline codes with regard to product or service information/labeling; (5) breaches of any regulations or self-discipline codes caused by marketing activities (including advertising, promotions, and sponsorships); (6) receipt of complaints due to breaches of customer personal data protection or loss of such data; (7) receipt of significant fines due to breach of regulations

regarding the provision or use of products or services.

Additionally, in 2013 Acer did not violate any anti-bribery policies, nor has the Company been involved in any litigation regarding anti-competitive, anti-trust, or monopolistic behaviors. Neither did the Company make any political donations. With regard specifically to the advocating and introduction of anti-competitive behavior, Acer not only announced Antitrust and Fair Competition Guidelines and related education material to its global employees on June 14, 2013, but also provided a report on anti-trust laws to the Board on August 7, 2013 for further clarification.

Corporate Responsibility Policies and Strategies

Since the 2006 First Acer Sustainability Year, Acer has viewed and promoted essential sustainability issues with a more proactive attitude and participates in international CSR initiatives and organizations. In 2008, we formally installed the CSR Executive Committee, and established the Corporate Sustainability Office (CSO) as an establishment directly in charge of Acer Group's CSR affairs, to achieve more organized governance, promote the five major action plans — Energy and Climate Change, Green Products, Product Recycling, Supply Chain Management, and Reporting — and fulfill our CSR commitment.

We formally entered a strategic CSR phase in 2011 by setting up a Global Corporate Social Responsibility Committee (GCSRC) to expand the scope of the Company's internal CSR governance system. We also reviewed the original five major orientations and carried out a re-categorization of key issues, proposing four major orientations for the next stage of development —environment, society, governance, and communication (ESGC) to strengthen Acer's brand differentiation and build a market-leading brand with valuable innovation capabilities.

Definition of Acer's Corporate Sustainability

We define Acer's corporate sustainability as "a successful global IT company that achieves in triple-bottom line, i.e., outstanding balanced performance in economy, environment and society", thus pursuing financial growth, environmental protection and social advancement as Acer actively works to fulfill its CSR.

Corporate Responsibility Policy

• We aim to meet the growing expectations of stakeholders and seek continuous improvement in business operations, better communication with stakeholders, and recognition and support from the market.

• 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.

• We will manage the risks and explore the opportunities of sustainable development through efficient governance wherever we operate.

• We will engage suppliers to work together for business ethics, mitigating climate change and improving resource efficiency.

2011–2014 Key Strategic CSR Areas

• Employees
• Supply chain
• Community

• Reports
• Website disclosure
• Stakeholder Engagements
• Green marketing
• Socially responsible investment
• Carbon disclosure

Social

Communication

CSR

Environmental

Governance

• Green products
• Energy and climate
• Recycling
• Waste
• Water

• Corporate governance
• CSR governance
• Green incentives and low carbon innovations
• Smart strategies

CSR: Major orientations and achievements at each stage

2005-2007   Preparation

- Acer was awarded the ISO14001:2004 certificate
- Acer began to regularly publish its annual environmental report and meet European Union WEEE and RoHS directives
- The HSF and Green Product initiatives launched
- Periodic supplier conferences begun
- Acer began to participate in the Carbon Disclosure Project

2008-2010   Building a Foundation

- Corporate Sustainability Office (CSO) established
- Acer's CSR policies formulated
- Five initiatives and orientations determined: supply chain social and environmental performance management, development of green products, policies and policy management battling climate change, communication with stakeholders and information disclosure, and product recycling
- Annual stakeholders communication meeting inaugurated
- Timeline climate-friendly notebooks: a business model concerning sustainability was set up internally
- Labor ethics issues were gradually incorporated into supply chain management

2010-2014   Mapping Strategies

- Internalize the issue of sustainability into all departments' daily operations, in line with global trends
- Promote realization of important issues
- Develop strategies for each issue
- Established Global CSR Committee
- Confirmed ESGC Working Group items
- Enhanced internalization of sustainability into all regional offices (RO)
- All regional offices commence leadership in sustainability-related operations
- CSR Key Performance Indicators
- Green Innovation
- Vendor CSR scorecard

2015-2020   Creating Value
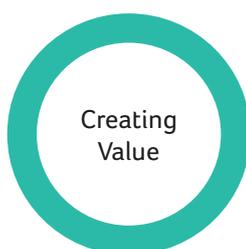
- Accumulation of intangible assets
- Brand differentiation

Corporate Responsibility Governance

We have hosted the Global Corporate Social Responsibility Committee (GCSRC) since 2012, in the hopes of using global CSR organization to define CSR risks and opportunities, as well as to assess CSR performance. Through building a global consensus on CSR and sharing experiences, we expect to be able to improve the performance of Acer's own CSR mechanisms.

GCSRC meetings were held in March and October of 2013, the main topics of which were the setting of CSR key performance indicators (KPI) and the related driving of organizations to innovate in comprehensive CSR management. According to the resolutions of those meetings, the basic principles of setting such KPIs should continue to be focused on reducing carbon emissions and improving in

international standings for such, as well as working with CSR data points to develop appropriate working goals. It is currently expected that CSR KPIs by the various members of the GCSRC will be in practice as trials in 2015, and formally implemented in 2016. Other key topics discussed and their conclusions are as follows:

- Tracking 2012 CSR implementation performance
- Identifying CSR risks for 2013 and proposing responses
- Setting 2014 CSR budgets and programs
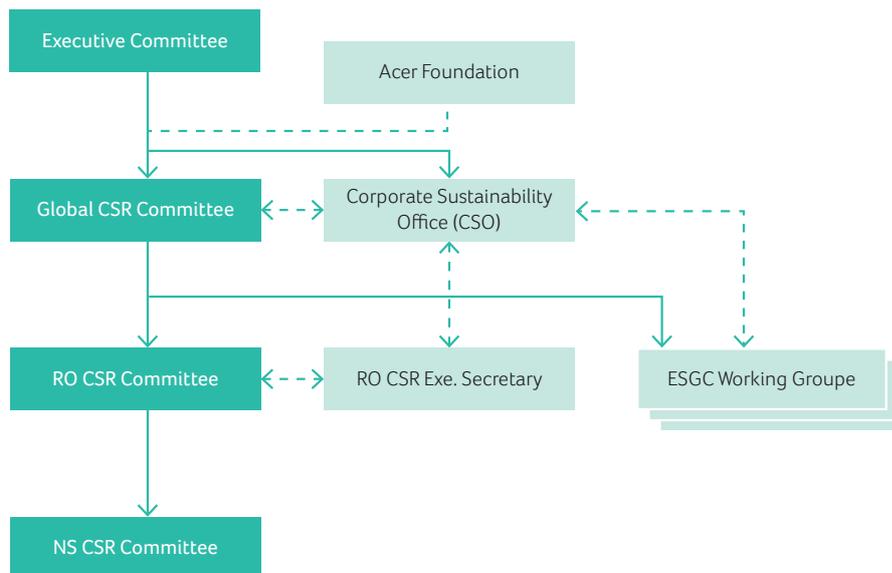- Discussing and drafting principles for engagement with local stakeholders by subsidiaries and affiliates in various countries in order to strengthen interaction with said stakeholders.

Governance Structure of Acer Sustainable Development

Risk Management

In addition to setting up the GCSRC, in the area of enterprise risk management we have launched an integrated, organizational risk control mechanism. Given that risk management has a huge impact on business operations, we decided to address deficiencies in the current risk management system, thereby strengthening the integrated control between the various risk items.

In November 2012, Acer set up a special working group on economic, environmental and social considerations, aiming at conducting an inventory of risk factors within the organization starting with

risk identification and project analysis. We use risk maps to analyze and forecast the probability of risks arising and their severity, as well as whether or not there may be potential risks between value chain activities and corporate strategy; at the same time, we use correlation analysis, sensitivity analysis, stress testing and other methods to analyze financial risk and other operational risks. Finally, we take the results of the various risk assessments, categorize them by level, and draft risk responses, mitigation planning, and crisis management mechanisms for early warning, mitigating the potential impacts of these risks on organizational operations.

Taking into consideration the global environment and our strategic priorities, we identified seven key risk categories in 2013, namely legal risks, financial risks, climate change risks, brand risks, supply chain risks, information security risks and environmental safety and health risks. These aforementioned risks were then evaluated and response strategies and contingency plans were drawn up.

Stakeholder Engagement

Stakeholder Identification

Meeting the expectations of stakeholders is an important part of Acer's CSR policy, and communicating with stakeholders is a key part of Acer's CSR strategy. Through communication with stakeholders, we hope to understand the needs and aspirations of those stakeholders and to foster strong two-way communication. Doing so will not only improve our products and processes, it can also be the first step to finding new strategies and opportunities.

Acer's stakeholders include employees, non-governmental organizations (NGO), customers, suppliers, communities, government agencies, media, investors, industry associations, creditors, and academic groups. With regard to the differing needs of our stakeholders, Acer undertakes communication in four ways.

Material Aspects and Boundaries Identification

In May 2013, the Global Reporting Initiative (GRI) released the fourth generation of their guidelines, known as G4. In accordance with these guidelines, Acer conducts materiality analysis of issues related to sustainable development using the following process:

- Listing sustainable development issues pertaining to Acer in line with the aspects outlined in the G4, as well as those in the Dow Jones Sustainability Index (DJSI) and those of the Sustainability Accounting Standards Board (SASB). These issues are then examined for boundaries, including head office, global subsidiaries, suppliers, customers, and communities.

- Each aspect is then classified into high, medium, and low levels based on materiality.

Stakeholder Concern Management Procedure

Inclusivity	Materiality	Responsiveness
• Identify Stakeholder • Stakeholder Engagement Types	• Focus Issues • Materiality Analysis	• Stakeholder Engagement • Performance Evaluation & Reporting

Approaches to Stakeholder Engagement

Communicate
- Information
- Document
- Report
- Website
- Presentation

Consult
- Survey
- Meeting
- Feedback mechanism

Dialogue
- Workshop
- Forum
- Leaders meeting

Collaborate
- Partnership
- Multi-stakeholder Initiative

- Those aspects considered of high materiality are then grouped by relevant aspect and a survey conducted, with the survey grouping issues into a total of 17 in order to reduce the burden on those taking the survey.
- We then carry out opinion surveys of stakeholders in order to determine their level of concern. These stakeholders include staff, NGOs, customers, suppliers, communities, government agencies, media, investors, industry associations, creditors, and academic groups. For our own staff, we invite one or two representatives from key departments/regions to fill out the survey; for external stakeholders, we invite one to four representatives from each category with whom we are in regular communication. External stakeholders accounted for 52.1% of respondents.
- In terms of the importance of issues related to Acer, the degree of importance is determined through having senior managers from relevant departments from GCSRC members serve as survey respondents.
- The results of this analysis determine the materiality aspect.

Process of Defining Material Aspects and Boundaries

1 Identification	2 Prioritization	3 Validation
In the Context of Sustainability	**Materiality**	**Completeness**
• GRI G4 aspects • DJSI sustainability issues • SASB material ESG issues for the technology & communications sector	• Stakeholders Materiality Survey • Acer GCSRC members materiality survey	• Confirm the material Aspects and their Scope, Boundaries, and Period of Time

Stakeholder Inclusiveness

Qualitative and Quantitative Engagement of Stakeholders

Rate of Stakeholders' Participation

Employee	48%		Community	4%
NGO	10%		Debtee	4%
Supplier	8%		Investor	4%
Customer	6%		Government	2%
Media	6%		Industry	2%
Academy	4%			

Report

4 Review

Sustainability Context	Stakeholder Inclusiveness

Review the Aspects that were material in the previous reporting period and stakeholders' feedback

Material aspects identification and boundaries setting

● Represents items disclosed within this report   ◎ Represents items for future disclosure

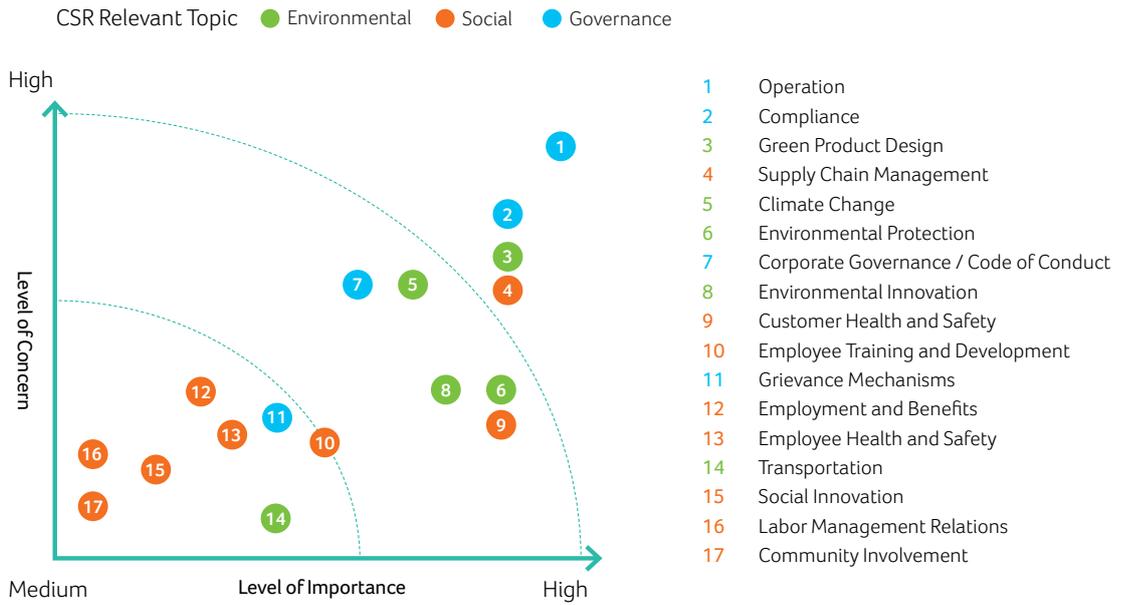| Category	Relevant topic	Aspect	GRI [1]	Impact of boundaries/ Within the company		Impact of boundaries/ Outside the company		
				Headquarter	Regional offices and national subsidiaries	Customers	Suppliers	Community
Governance	Operation	Economic Performance	EC1–EC4	●	●			
	Corporate governance/ Code of conduct	Anti-corruption	SO3–SO5	●			◎	
		Anti-competitive Behavior	SO7	●				
		Non-discrimination	HR3	●	●		◎	
		Child Labor	HR5				●	
		Forced or Compulsory Labor	HR6				●	
	Compliance	Compliance	SO8	●			◎	
		Compliance (Products and services)	PR9	●	●			
		Compliance (breaches of customer privacy and losses of customer data)	PR8	●	●	●		
		Compliance	EN29	●		●	●	
		Product and service labeling	PR3–PR5	●				
	Grievance Mechanisms	Environmental Grievance Mechanisms	EN34	●			●	
		Labor Practices Grievance Mechanisms	LA16	●			◎	
		Human Rights Grievance Mechanisms	HR12	●			◎	
		Grievance Mechanisms for Impacts on Society	SO11	●			◎	
Environmental	Climate change	Energy	EN3–EN7	●	●		●	
		Emissions	EN15–EN21	●	●	●	●	
	Green product design	Hazardous Substances	Other	●	●	●		
		Products and Services	EN27–EN28	●	●		●	
	Transport	Transport	EN30	●	●		●	
	Environmental protection	Materials	EN1–EN2	●				
		Water	EN8–EN10	●			●	
		Effluents and Waste	EN22–EN26	●	●		◎	
	Environmental innovation	The case of cost saving & revenue generation	DJSI 2.1.2	●	●			
Social	Customer Health and Safety	Customer Health and Safety	PR1–PR2	●		●		
	Employee health and safety	Occupational Health and Safety	LA5–LA8	●	●		◎	
	Employee training and development	Training and Education	LA9–LA11	●	●			
	Labor/Management Relations	Labor/Management Relations	LA4	●	●			
	Employment and benefits	Employment	LA1–LA3	●	●			
		Diversity and Equal Opportunity	LA12	●	●			
	Community involvement	Corporate Citizenship and Philanthropy	Other	●	●			●
		Digital Inclusion	Other	●	●			●
	Social innovation	The case of cost saving & revenue generation	Other	●				
	Supplier management	Supplier Environmental Assessment	EN32–EN33	●			◎	
		Supplier Assessment for Labor Practices	LA14–LA15	●			◎	
		Supplier Human Rights Assessment	HR10–HR11	●			◎	
		Supplier Assessment for Impacts on Society	SO9–SO10	◎			◎	
		Procurement Practices	EC9	●	●		◎	

[1] The GRI indicators listed in this column cover all of the subindicators therein. For full information, please refer to the GRI indicators index.
Issues faced by Acer by not yet covered by GRI indicators are listed here as "Other".

Materiality analysis of stakeholder concerns

CSR Relevant Topic ● Environmental   ● Social   ● Governance

1	Operation
2	Compliance
3	Green Product Design
4	Supply Chain Management
5	Climate Change
6	Environmental Protection
7	Corporate Governance / Code of Conduct
8	Environmental Innovation
9	Customer Health and Safety
10	Employee Training and Development
11	Grievance Mechanisms
12	Employment and Benefits
13	Employee Health and Safety
14	Transportation
15	Social Innovation
16	Labor Management Relations
17	Community Involvement

Acer Corporate Social Responsibility Forum

Since 2008, Acer has decided to employ a more open approach, combining external initiatives with stronger internal governance. Through holding the Acer Corporate Social Responsibility Forum, Acer aims to facilitate discussion of CSR issues with the Company's suppliers through inviting major stakeholder organizations from around the world to participate in the forum.
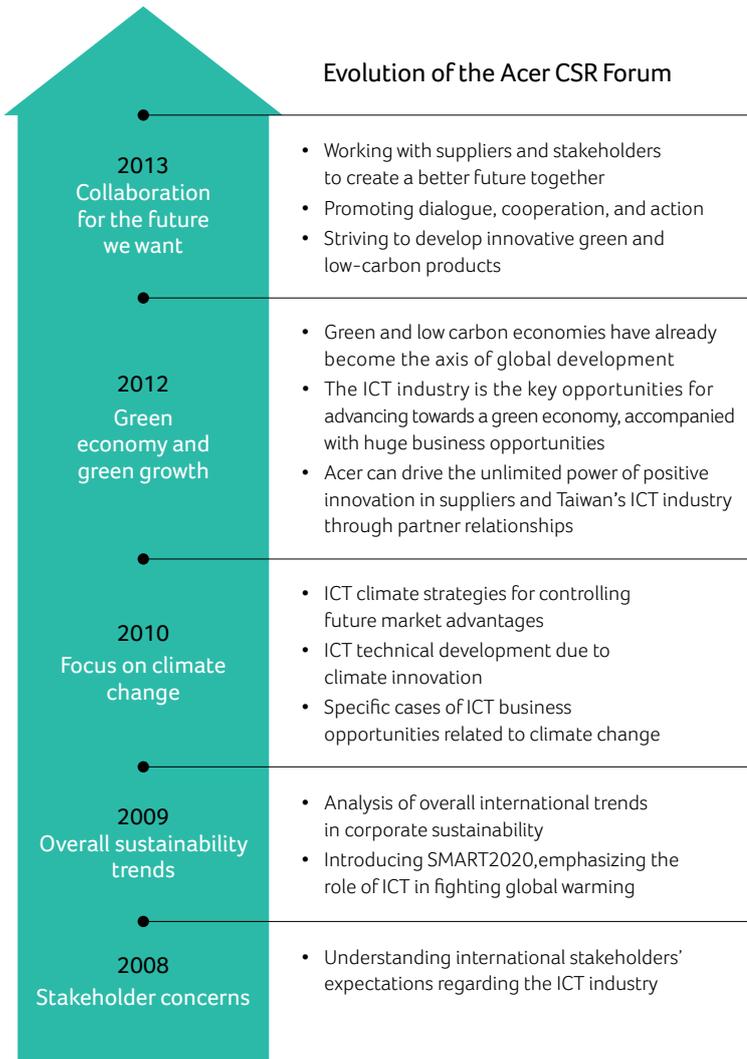
2013's forum was the fifth, and was focused on the theme "Collaboration for the Future We Want." The aim was to help Taiwan's ICT industry gain insight into worldwide trends and encourage them to work together to create green business opportunities and move toward a more sustainable future. After a speech by Minister of the Environmental Protection Agency Stephen Shen, two keynote speeches were held. The first was given by the president and CEO of the World Business Council for Sustainable Development (WBCSD), Mr. Peter Bakker, who spoke on the Taiwanese ICT industry, giving his analysis of how the industry can expand on the global application and opportunities of innovative low-carbon green products. The second was presented by Mr. Wim Bartels, global head of sustainability reporting and assurance for KPMG. Mr. Bartels' seminar explored how financial reporting and non-financial CSR performance information can be presented in an integrated report, helping earn the support of investors by demonstrating the long-term investment value to capital markets by CSR business strategies. After the seminars, we invited the managing editor of Commonwealth magazine Ms. Wu Ying-chun to host our high-level

panel discussion, coordinating a discussion with the chairman of the board and the two keynote speakers and leading a Q&A session with the audience with a focus on providing advice to the Taiwanese ICT industry in regards to global moves in finance and sustainability governance, innovation, and disclosure.
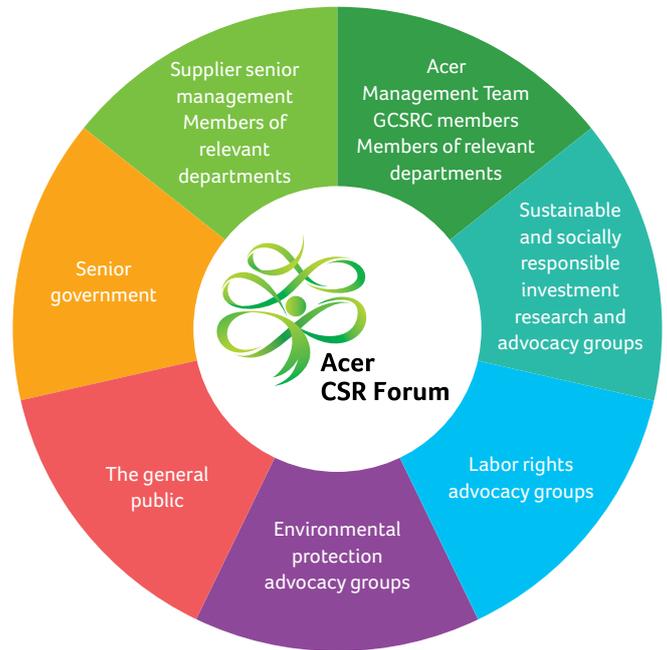
The forum also included four workshops, namely "Conflict Minerals Management", "Supply Chain Management", "Corporate Climate Strategies and Carbon Management" and "Product Materials Management", with groups such as the Carbon Disclosure Project (CDP), Electronic Industry Citizenship Coalition (EICC), the US Green Electronics Council (GEC), Greenpeace, and RobecoSAM sharing their experiences and engaging in in-depth discussions. We also invited suppliers AUO, Qisda, Seagate and Wistron Advanced Materials to share their experiences for the benefit of other suppliers in attendance and help our international stakeholders better understand Acer's supply chain, its operations, and its problems.

In addition, this forum also included a seminar on Integrated Reporting, with the Taiwan Stock Exchange, accounting firms, asset management firms, and both life and non-life insurance associations invited to participate. Our hope was to drive listed Taiwanese companies toward transformation to fit the green economy and gain the support of Taiwanese financial institutions, capital markets, and supervisory authorities in building a link between disclosure mechanisms and corporate investment value.

Evolution of the Acer CSR Forum

2013
Collaboration for the future we want

- Working with suppliers and stakeholders to create a better future together
- Promoting dialogue, cooperation, and action
- Striving to develop innovative green and low-carbon products

2012
Green economy and green growth

- Green and low carbon economies have already become the axis of global development
- The ICT industry is the key opportunities for advancing towards a green economy, accompanied with huge business opportunities
- Acer can drive the unlimited power of positive innovation in suppliers and Taiwan's ICT industry through partner relationships

2010
Focus on climate change

- ICT climate strategies for controlling future market advantages
- ICT technical development due to climate innovation
- Specific cases of ICT business opportunities related to climate change

2009
Overall sustainability trends

- Analysis of overall international trends in corporate sustainability
- Introducing SMART2020,emphasizing the role of ICT in fighting global warming

2008
Stakeholder concerns

- Understanding international stakeholders' expectations regarding the ICT industry

Acer CSR Forum Participants

Supplier senior management Members of relevant departments

Acer Management Team GCSRC members Members of relevant departments

Sustainable and socially responsible investment research and advocacy groups

Senior government

Acer CSR Forum

Labor rights advocacy groups

The general public

Environmental protection advocacy groups

Main Points from 2013 Seminars and Q&A Session

CDP

- Carbon reduction in the supply chain is a major focus for Acer in its carbon reduction efforts
- Carbon reduction is not a total cost increaser, but rather can create win-win results
- Carbon credits are a short-term solution; innovative carbon reduction methods are a long-term solution

RobecoSAM

- Investors are paying increasing attention to the issue of climate change
- Sustainabilit y is a long-term investment that can exceed market performance
- Companies need to inform and educate stakeholders
- Companies should work together with suppliers to realize solutions

EICC

- Conflict minerals

- The current emphasis is on traceability and tracking 3TG (the "three T's" - tantalum, tin and tungsten - and gold), rather than a blanket ban on the use of Congolese minerals
- Main regulatory mechanisms and steps from the U.S. Securities and Exchange Commission
- EICC and GeSI management framework and timetable regarding conflict minerals
- Smelters not currently on the CFS list can currently be flagged as "underdetermined"

- Supply Chain Management

- Suppliers' CSR performance is included in the quarterly business review as an effective method   of managing the supply chain
- EICC validated auditing processes (VAP) for the assessment of suppliers' upholding of the EICC Code of Conduct
- Improving supplier capability through cooperation and the exchange of information and operational practices is an important direction for supply chain management

GEC

- Sustainability of materials is a growing global trend

- Such materials do not cause harm
- Such materials provide optimization of resources
- The makeup of such materials is transparent

Greenpeace

- From safe chemicals to sustainable materials

- Expose bad practices; encourage good practices
- Use non-violent methods to oppose destructive practices
- Find solutions and promote open debates with society on environmental choices
- No permanent allies or enemies
- Ensure independence from political and commercial interests

Overview of the Acer CSR Forum

Theme	Communication between Acer and stakeholders	Communication between suppliers and stakeholders	Participating stakeholders
2008 Global Challenges to the Sustainable Development of the ICT Industry	Eight major stakeholder expectations were concluded during the meeting	• A high-level forum was held, allowing stakeholders and high-ranking executives representing suppliers to communicate face-to-face • An open forum was hosted to strengthen CSR understanding among technical personnel working for suppliers	• Association for Sustainable & Responsible Investment in Asia ASrIA • Carbon Disclosure Project CDP • Climate Savers Computing Initiative CSCI • Electronic Industry Citizenship Coalition EICC • Greenpeace • Centre for Research on Multinational Corporations SOMO • Workers' Assistance Center WAC
2009 Bridging the Gap & Walking the Talk	Meeting with environmental protection groups in Taiwan (Cancelled))	• A high-level forum was hosted to inform 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	• World Business Council for Sustainable Development WBCSD • Global e-Sustainability Initiative GeSI • Electronic Industry Citizenship Coalition EICC • Climate Savers Computing Initiative CSCI • Association for Sustainable & Responsible Investment in Asia ASrIA • International Chemical Secretariat ChemSec • Workers' Assistance Center WAC
2010 Building a Responsible Supply Chain	A communication meeting was held to map out Acer's five major orientations	• A high-level forum was hosted to inform executives representing our suppliers of the latest sustainability developments in ICT • Organized workshops on Green Products, Supply Chain & Labor Rights, Energy & Climate Change, and Corporate Communications	• Carbon Disclosure Project CDP • 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
2012 Green ICT Green Economy	Three communication meetings were held at the Acer headquarters, during which Acer executives and employees discussed issues of concern with stakeholders	• A high-level forum was hosted to inform executives representing our suppliers of the latest sustainability developments in ICT • Organized four workshops on issues of Supply Chain Management, Communication, Green Products, and Energy & Climate Change	• Climate Savers Computing Initiative CSCI • Carbon Disclosure Project CDP • Greenpeace • Sustainable Asset Management SAM [2] • Green Electronics Council GEC • Electronic Industry Citizenship Coalition EICC
2013 Collaboration for the Future We Want	Communication meetings were held with stakeholders and GCSRC members	• A high-level forum was hosted to inform executives representing our suppliers of the latest sustainability developments in ICT • Organized four workshops on issues of Conflict Minerals Management, Supply Chain Management, Corporate Climate Strategy and Carbon Management, and Product Materials Management	• Carbon Disclosure Project CDP • Greenpeace • RobecoSAM • Green Electronics Council GEC • Electronic Industry Citizenship Coalition EICC

[2]   In 2013 SAM was renamed RobecoSAM.

Honored participants of the 2013 Acer CSR Forum

Major Initiatives and Participation

In order to study CSR-related issues in greater depth and join forces with NGOs and businesses in improving the sustainability of the ICT industry, we are members of the CSR-related organizations listed below. Furthermore, former Acer chairman J.T. Wang serves as chairman of the Taipei Computer Association (TCA), aiming to use the TCA's leadership to encourage more businesses to practice CSR, in addition to its main goal of leading ICT industry development and application.

- World Business Council for Sustainable Development (WBCSD)
- Information Technology Industry Environmental Leadership Council (ITI ELC)
- Electronic Industry Citizenship Coalition
- CDP Supply Chain Program
- Taiwan Business Council for Sustainable Development
- Taiwan Corporate Sustainability Forum
- Taiwan Corporate Green Competitiveness Alliance
- Public-Private Alliance for Responsible Minerals Trade (PPA)

Carbon Disclosure Project

Since 2008, Acer and the Acer Foundation have promoted the Carbon Disclosure Project (CDP) in Taiwan. In 2013, we enjoyed a breakthrough, working with major local financial holding companies to focus attention on climate risks and their potential impact on corporate operations. For the annual CDP publication, representatives of Bloomberg were invited to assist in stressing the importance of disclosure, in the hopes of getting the Taiwanese capital markets to pay closer attention to CSR and sustainability issues, and thus get on track with the international markets.

Promotion of the Taiwan Corporate Sustainability Forum

Since 2008, Acer has been involved in the Taiwan Corporate Sustainability Forum (TCSF). With energy and climate change issues significantly affecting industry, Acer and other TCSF members hope to gather the experiences of domestic businesses and international research results. In 2014, the forum will issue a white paper on energy and climate policy, providing a reference to the Taiwanese government for drafting their own related strategies and thus creating an even more proactive policy environment in Taiwan in this regard. In 2013 the TCSF set up two working groups, "Enhancing Energy and Resource Efficiency" and "Sound Taxation and Regulations." The Company served as convener for the former, working with industrial partners to develop joint policy recommendations.

Initiation of the Corporate Green Competitiveness Alliance

To help its members address global environmental guidelines and create green value, as well as to collate industrial recommendations and policy issues, the Taipei Computer Association worked with members of Taiwan's ICT industry to create the Corporate Green Competitiveness Alliance. The alliance's members include original design manufacturer (ODM) and original equipment manufacturer (OEM) firms, brand enterprises, and consultancy firms, and through this multiparty communication platform, the alliance is able to promote greater understanding in brand enterprises of the capacities of ODM/OEM firms and more communication about requisite product standards. It also offers policy suggestions to the

government based on the needs of both brand enterprises and ODM/OEM firms, helping spur industry growth. Acer also acts as convener of the brand group, promoting exchanges of green information and technical specifications in the ICT industry.

Inviting EICC to Convene Meeting in Taiwan

Acer has been a member of the Electronic Industry Citizenship Coalition (EICC) since 2008, and hopes through participating in such a global electronics industry organization to better understand international trends in CSR and share in the practical experience of its members. And by adopting the EICC Code of Conduct, Acer is able to ensure the safety of the working environments in our supply chain, that workers are treated with respect and dignity, and that its commercial operations are environmentally responsible.

For five consecutive years we have invited the chair of the EICC to serve as a stakeholder representative at the Acer CSR Forum, not only to meet with senior management, but also to share the EICC's experience with suppliers and the Taiwanese ICT industry. In 2013, we campaigned to have the EICC's Membership Meeting held in Taipei, while also inviting EICC members to participate in the Acer CSR Forum, thus aiming for greater synergy.

Participation in the Public-Private Alliance for Responsible Minerals Trade

The Public-Private Alliance for Responsible Minerals Trade (PPA) is a multi-sectoral and multi-stakeholder advocacy group that aims to publicize the issue of conflict minerals in the Democratic Republic of the Congo and the African Great Lakes Region and propose supply chain solutions. PPA provides funding and coordination support to help organizations in the region develop conflict-free, verifiable supply chains and promote cooperation between regional organizations so as to ensure that planning and implementation of chains of custody is consistent. The PPA also encourages responsible purchasing behavior in the region, improving transparency and strengthening the capacity of both civil society and regional governments. In 2013, we became a member of the PPA. We will continue to work with government, industry, and civil groups to gain support in addressing the challenges in our supply chain and using only legal, conflict-free minerals.

Environmental and Energy Management

Climate change and the depletion of natural resources have a significant impact on the way we live and work. We believe that ICT technology will play a central role in helping businesses and consumers adapt to a low-carbon economy. Therefore, at Acer we are continuously improving the environmental performance of our products and services, shouldering our responsibilities to corporate sustainable development and the environment from the dual aspects of product design and company operations, and more proactively dealing with the risks and opportunities of climate change, as we move towards our goal of becoming a climate-friendly business.

Acer proposes new IT solutions to help businesses and consumers use energy more efficiently. At the same time, we hope to exert our influence to help suppliers and customers reduce environmental impact through our products and services, working together for the sake of the environment.

Incorporating Environmental Considerations into Product Design

Acer is fully aware of the potential impact our products and services may have on the environment. We carefully consider environmental factors in every stage of the product life cycle. This includes selecting materials during design, through packaging and shipping, to usage and recycling. We hope to work with consumers to reduce environmental impact. Our green product policies are:

• Based on the "product life cycle" concept, we offer high-quality products that are energy and resource efficient, low in pollutants and hazardous substances, and easy to recycle

• By employing green purchasing and through communications with our suppliers we have been able to establish a green supply chain that is fully compliant with international environmental practice.

Design

Prudent Management of Chemicals in Materials

We need to understand the use of the many chemical substances found in our products, and to strive to minimize the potential risks such substances pose to the environment and health. With this in mind, all Acer products are in compliance with regulatory and customer requirements in all respective territories, protecting the health and safety of users and reducing potential risk to the environment. During R&D or earlier, we provide our suppliers with lists of health and safety requirements for the relevant products, such as EU regulations and directives like RoHS and REACH. This helps facilitate suppliers' compliance during design and in the selection of components.

In addition to legal compliance, we also proactively comply with our various markets' voluntary environmental demands, including obtaining optional certifications like the Swedish TCO certification and Taiwan Green Mark, and having products registered as EPEAT Gold and Silver. TCO and EPEAT in particular include product life cycle considerations such as energy efficiency, reduced use of toxic and/or hazardous substances, and end-of-life product processing.

As well as complying with EU requirements, we take our consideration further, looking at the potential human health impacts of new chemicals. In 2013, we added seven new requirements and management processes for phthalates, as well as completing a full investigation into and disclosure of five chemical substances used in some notebook products, namely

PVC/BFR-free Product Line with Model Numbers from 2009 to 2012

Notebooks			Desktop PCs and accessories	Monitors	Smartphones
Asprie 3811TZ	NS51 (Gateway)	TravelMate P633-M	Aspire Revo	C233HL	CONIA SMART
Asprie 3811TZG	TravelMate 6595T	TravelMate P633-V	Veriton L4620G	C193WL	Liquid S500
TravelMate 8172T	TravelMate 6595TG	TravelMate P643-M	Veriton L6620G	C223HQL	Liquid S2
TravelMate 8372T	TravelMate 8573T	TravelMate P643-V	Veriton N4620G		
TravelMate 8472T	TravelMate 8573TG	TravelMate P653-M	Acer Tastatur KB 75211		
TravelMate 8572T	TravelMate 6495T	TravelMate P653-V	Acer Wired USB Mouse (MONANUOA)		
NS10 (Gateway)	TravelMate 6495TG	Aspire S5-391			
NS30 (Gateway)	TravelMate 8473T	TravelMate P645			
NS40 (Gateway)	TravelMate 8473TG				

beryllium, antimony, arsenic, selenium, and bismuth. Furthermore, Acer has continued to voluntarily introduce notebooks, desktops, and smartphones that do not include PVCs or BFRs, continuing to move forward onhalogen free products.

Design
Use of Post-Consumer Recycled Plastics

In order to promote the reuse of resources, Acer has taken the initiative in using postconsumer recycled plastics (PCR) in its products. To address the pollution and safety issues that readily occur during the recycling of reusable materials, we encourage our plastic suppliers and upstream recycling partners to meet the relevant international standards on quality, environment, health and safety, and responsible recycling (R2), and to obtain an international export license and recycling permit approved by the their respective local government.

When deciding on machinery and proportion of post-consumer recycled plastics during the planning of products, we are careful in our selection of plastics suppliers. For new products using post-consumer recycled plastics, we strive to stay as close as possible to the physical properties of our materials during formulation; in the design process, we focus on improving strength and reliability, and in product testing we have added stronger tests of strength, reliability, and lifespan to ensure product quality. This means that users can not only enjoy products made of quality recycled plastics, but also join Acer in supporting the use of reused or recycled materials.

In 2013, we continued to expand our use of recycled plastics in displays and all-in-one computers, as well as carrying out feasibility studies into the use of recyclables in notebook computers. Of our display models, the entire commercial B&V series use post-consumer recycled plastics; according to the formula created by EPEAT, recycled plastics account for between 11% and 18% of each unit. For All-in-One computer products, we have opted to introduce post-consumer recycled plastics in some models, and the percentage in these units is 15%. The table below lists the models of Acer product year by year using post-consumer recycled plastics.

Packaging
Towards Sophisticated Packaging Design

Good packaging design isn't just about providing products with appropriate protection, but also about reducing both financial and environmental impact. Through the Acer Packaging Design Principles, we are able to examine the life cycle of our packaging material and make informed decisions about the environmental impact of our packaging at every stage, from initial R&D into and selection of materials through production methods, transportation and fuel consumption, durability in use, and waste handling. The Acer Packaging Design Principles also address ongoing reduction in design, the use of environmentally friendly materials, and improved recyclability.

Ongoing Reduction in Design

Reducing packaging can have a direct impact

Acer Products and Model Numbers that use Recycled Plastics

	2011	2012	2013		2014 Plan
Monitors	B173 xK V173 xK B193 xK V193 xK B193W xK V193W xK B223W V223W xK	V235HL Kbd 6 V226HQL B235HL B225HQL	B196L B226HQL B236HL B226WL B246HYL B246HL B276HL B276HUL B286HL B296CL B326HUL	V196L V226HQL V226WL V236HL V246HYL V246HL V276HL	B6 series-new models V6 series-new models
ALL-in-One Computers			Veriton Z2640G Veriton Z2660G		Veriton Z2120G Veriton Z4810G

on the environment through measures such as reducing the amount of materials used, reducing the carbon footprint of product shipping, and reducing the amount of waste produced at the user end, not to mention reducing financial costs for the Company. As such, Acer actively pursues reductions in packaging volume and weight through principles like simplified packaging, unified dimensions, and minimized printing. In 2013, we achieved a reduction in paper usage of almost 2,400 tonnes and in plastics usage of almost 68 tonnes in the packaging of both our notebook and desktop product lines. Across notebooks of the same form factor, our consistency of carton type and dimensions has facilitated greater commonality of use and reduced stagnancy of materials. In addition, we have gradually phased out the inclusion of CD-ROMs with our projectors, leading to a total reduction as of 4,229,000 disks in 2013, accounting for a total reduction in weight of almost 7,200 kilograms.

Using Environmentally Friendly Materials

The vast majority of product packaging becomes waste after it has finished its job of protecting the product(s) within. Given this, we carefully consider the materials we use in our packaging, with packaging design emphasizing recyclability and striving to use easily recyclable materials. For the inner cushioning of the cartons, we have substituted folded cardboard with moulded pulp in 2013 for 70% of our new notebook models, with the amount of recycled paper used increasing from 80% to 90%.

The moulded pulp package cushioning can be produced using as much as 90% recycled paper.
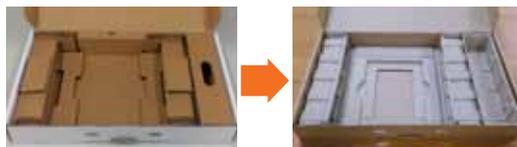
Folded Cardboard Packaging

Moulded Pulp Packaging

On top of this, all of the in-box posters are produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks. As for desktop computers, a portion of commercial desktops sold in the United States use 100% recycled paper for their package cushioning. The packaging for all notebook and desktop computers contains absolutely no PVC.

Transport

Refining Product Transport Efficiency

Tens of thousands of Acer products are delivered to consumers daily, so Acer is striving to reduce the volume and weight of product packaging to improve transportation efficiency and energy consumption, and to further reduce carbon emissions and transport costs. We reduce CO_2 emissions through the three following methods.

Increasing Loading Efficiency

Acer continues to pursue reductions in packaging size and change loading methods, ensuring optimal loading of pallets and containers. In 2013 we achieved a 10% increase over 2012 in loading capacity of our 15-inch notebook computers on 120cm x 100cm pallets. For our desktop computers, we achieved an increase of 17% in the loading capacity of containers for 8.5-liter products, and 5% for 30-liter products.

Improvement in Pallet (120 x 100 cm) Load Efficiency from 2009 to 2013
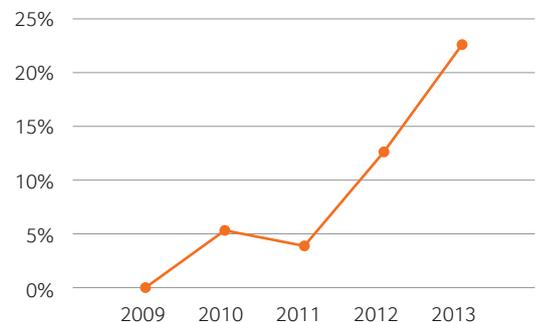
Acer PC Product Packaging Reductions

Units: grams (g)

Year	14-inch Notebooks	15-inch Notebooks	XC Series Desktops
2012	824	874	998
2013	546	620.5	727
Percentage Reduction	33.7%	29.0%	27.2%

Additionally, in our maritime shipping to overseas markets we have adopted a merged model of shipping from Europe to Asia and the Americas, reducing the number of containers required and the number of trips needed.

Changing Shipping Modes and Improving Supply Chain Management

We have reduced the amount of air shipping used and increased the percentage of maritime shipping; compared with 2012, in 2013 we accomplished a 7% reduction in global air shipping of notebook computers and an increase of 9% in maritime and rail shipping. Together with our partners, we have adjusted our container shipping management, enabling us to handle empty container deliveries at our Chongqing production site and eliminating the 1800-plus-kilometers of overland transportation between Shenzhen and Chongqing. In 2013, the Chongqing site directly handled some 26% more in empty container deliveries than in 2012, not only reducing shipping time and cost, but also improving supply chain lead time and eliminating approximately 3,724 tons in carbon emissions.

Reducing Use of Packaging Materials

Reducing packaging weight and volume has a direct impact on improving loading efficiency, and as such we continue to pursue research into packaging design in order to find packaging that offers the same protection to products, while reducing the consumption of materials and carbon emissions from transportation. For example, in 2013 our 14- and 15-inch notebooks saw an average reduction in packaging weight of 25%.

Use
Improving Product Energy Efficiency

We live in an age where society is acutely aware of the need for reductions in energy usage and carbon emissions. To this end, we have gradually replaced cold cathode fluorescent lamp backlighting modules in our display units with LED modules. This not only improves energy efficiency, but also makes the products lighter and thinner, saving space as well. Beginning in 2013, all of our new LCD monitor models use these LED backlighting modules.

Acer is committed to improving energy efficiency in our products to help consumers reduce the amount of energy they consume while using our products. During product design, we comply with energy consumption guidelines in each of our markets, including the European ErP eco-design directive. To ensure our products comply with the requirements of particular customers and markets around the world, we have acquired US Energy Star® and China Energy Conservation labels for selected products.

Acer intends to continue working with suppliers, labs, and agents into the future to stay on top of the latest developments and promptly provide R&D, design, and other related departments with the information necessary to adjust to changes in standards.

Recycling
Improving Product Recycling Channels

Acer incorporates environmental concerns during product design, striving to reduce the environmental impact of the product at each stage of its life cycle and aiming to design environmentally friendly, easily recycled products. Through both voluntary and legally required recycling programs, we provide consumers with compliant, convenient recycling channels and promote recycling and reuse of ICT products. We support Individual Producer Responsibility (IPR), and pledge to work with stakeholders like governments, consumers and retailers to undertake responsibility for the recycling and management of e-waste.

In 2013, Acer US continued its participation in the Consumer Electronics Association's "Billion Pound Challenge." Through this voluntary program, we achieved a total recycling weight of 1,498,613 kilograms in 2013. Acer has also continued to support Best Buy's recycling program, in which consumers bring the end-of-life product to a Best Buy store. This has also seen a year-on-year increase in recycling weight. In 2013, Acer US recycled a total of 8,567,508 kilograms in North America.

In Europe, Acer conducts recycling and uses designs that minimize waste in accordance with the various regulations for products, batteries and packaging etc., stipulated in the European Union Waste Electrical and Electronic Equipment (WEEE) directive. For detailed information on recycling channels, please visit the European Acer websites. In Denmark, France, Norway, Sweden, Finland, Italy, the Netherlands, the Czech

Republic, Russia and the United Kingdom in 2013, we achieved a total of 13,324,774 kilograms of recycled electronic waste.

Many countries in the Asia-Pacific region, including Malaysia, and Australia, promote voluntary product recycling services that offer consumers postal and drop-in options. In this way, we hope to work together with consumers to reduce the load placed on both the environment and society by electronic waste.

In August 2013, we launched a year-long voluntary recycling program in Malaysia; for recycling their Acer products, consumers receive a 200-ringgit discount coupon for selected Acer products.

In January 2013 Acer launched a six-month recycling program in Australia, offering a convenient means for consumers to recycle notebooks, netbooks, desktops (not including monitors), all-in-ones, and tablets of all brands. All consumers had to do was register the product they want to recycle online and mail it in, with Acer not only covering postage, but also providing the consumer with an AU$120 discount voucher for the purchase of new Acer products. Through this project, we accrued a total of 10,529 kilograms in electronic waste recycling.

Acer Taiwan has been recycling products through participation in the recycling system run by the Environmental Protection Administration (EPA) of the Executive Yuan. We have estimated the recycling data for Acer products in Taiwan from rates in the Taiwan region issued annually by the EPA Recycling Management Fund. In addition, since 2010 Acer Taiwan has set up recycling bins for old cellphones in 25 service locations, which have made it easier for consumers to recycle their old phones. In 2011, we added recycling bins for notebook batteries.

Acer Japan partnered with the local Japanese PC3R Promotion Association, which allows consumers to register through the Acer Japan recycling website, by email, or by fax, and then send their waste products for recycling through the post. Between them, the Acer, eMachines and Gateway brands recycled 6,839 products with a total weight of 58711.5 kilograms during the 2013 financial year.

In Thailand we organized a donation of used tablet computers, giving 14 tablets that were past their shelf lives but still in good condition to the Thai Board of Investment to donate to underprivileged students.

Recycling Amount by Year for Acer in Taiwan

Year	Number of computers recycled (units)	Recycling rate (%)	Total weight recycled (tons)
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
2011	207,871	37.72%	2,361
2012	112,863	18.70%	1,269
2013	204,788	30.97%	2,325

Recycling Amount for Acer in Japan in 2013

Product type	Category	Recycled weight (kg)	Number of units recycled	Amount processed for recycling (kg)	Reusable amount (kg)	Recycling rate (%)
Desktop PCs [1]	Commercial	924.10	79	32,167.60	27,795.30	86.40%
	Consumer	31,243.50	2,671			
	Total	32,167.60	2,750			
Notebooks	Commercial	94.90	37	5,078.80	2,457.00	48.40%
	Consumer	4,983.90	1944			
	Total	5,078.80	1981			
CRT monitors	Commercial	635.20	35	15,298.80	12,296.40	80.40%
	Consumer	14,663.60	808			
	Total	15,298.80	843			
LED monitors	Commercial	165.70	34	6,166.30	4,560.00	73.90%
	Consumer	6,000.60	1,231			
	Total	6,166.30	1,265			

[1]
Including All-in-One desktop PCs

Product Innovations

TravelMate P645 Series

Aspire S7-392 Series

Notebooks

• TravelMate P645

The Acer TravelMate P645 offers a new option for energy- and environmentally conscious users. This line of notebooks is fully RoHS/WEEE compliant and contains no BFRs or PVCs (external power cord excluded). In terms of energy efficiency, as well as meeting Energy Star® standards, through Acer Power Management's smart energy usage software, even further unnecessary power consumption can be limited. Its various features earned the TravelMate P645 line EPEAT® Gold or Silver ratings, marking it as providing a powerful work platform that also helps protect the natural environment.

• Aspire S7-392

In 2012, Acer introduced the Aspire S7 Ultrabook (Aspire S7-391), and further launched Aspire S7-392 in 2013. The S7 boasts the following eco-friendly features:

Optimal Use of Materials

The Aspire S7-392 features an Acer-patented structural design wherein the cover, made of white Gorilla® Glass 2, also forms part of the Ultrabook's framework. This design enables the S7-392 to be built super thin; the Gorilla® Glass makes the cover strong, scratch resistant, easy to clean and elegant. This unique structural design requires minimal aluminum and uses 94% less raw material than conventional unibody designs.

Less Power Consumption

The Aspire S7-392 Series benchmark for power consumption is higher than the industry standard and consumes 82% less power than is mandated by the Energy Star® 5.2 specification. This model uses smart energy technology that allows the battery to be recharged 1000 times and still has 80% of initial capacity. In addition, the TwinAir system is able to achieve rapid cooling and keep the case at a comfortable temperature.

Environmentally Responsible

The Aspire S7-391 is built with glass, a recyclable metal chassis, and a mercury-free LED display. It meets RoHS Directive, Energy Star® 5.2 specification and EPEAT Gold criteria.

Quintus Lin

Senior Specialist
Digital Display Business Unit

"

Our products and services may have potential impacts on the environment, so from the earliest stages of product development we not only focus on user requirements, functionality, and added value, but also on using environmentally friendly materials and principles in design. In this way, we hope to provide consumers with energy efficient, environmentally friendly monitors.

During the product design process, I work with the mechanical and environmental management departments, along with supplier partners, in holding a series of meetings to select materials, focusing on those that are both highly environmentally friendly and high cost in the hopes of providing the most ecofriendly products we can. During the preparatory phase, I communicate frequently with our suppliers, discussing the EPEAT evaluation mechanism. Thanks to constant hard work and coordination, Acer's B6 and V6 series of commercial monitors is fully compliant with EPEAT Gold rating standards. I am glad that Acer's commercial monitors have all been successfully listed as green electronics; as this will let consumers better do their part for the environment while enjoying the latest technology. "

The energy consumption of the Aspire S7-392 is 82% lower than the standards stipulated in ENERGY STAR® 5.2.

kWh
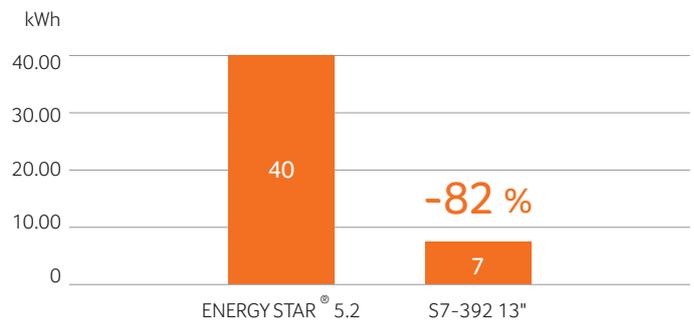
Monitors

• B6/V6 Series

Designed with green in mind

Acer B6 Series monitors are manufactured with at least 10% (by weight) post-consumer recycled plastic. Furthermore, these monitors were designed from the outset to be environmentally friendly, with a mercury- and arsenic-free LCD panel plus LED backlighting for lower power consumption. All this has helped the Acer B6 monitor to win the Best Choice Award in the Green ICT category at Computex 2013.

Recognized green credentials

Acer B6 Series monitors are RoHS and Energy Star® 6.0 compliant, TCO 6.0 certified, as well as being EPEAT® Gold* registered. Additionally, the display was manufactured in ISO14001-certified factories.

Green design

The slim design of Acer B6 Series monitors helps to reduce the packaging required, while raw materials used are obtained only from responsible forestry sources. As part of our commitment to sustainable operations and corporate social responsibility, Acer uses methods to carry out product design and material management distinctly meant to reduce environmental impact.

All-in-One Computers

The Veriton Z series of computers uses as much as 15.9% post-consumer recycled plastics across the line, helping protect the environment. This series is Energy Star® 5.2 compliant, providing optimal energy efficiency and reducing power costs. Having EPEAT® Gold ratings and RoHS, WEEE and GS certifications demonstrates this line's compliance with the strictest environmental standards and safety regulations. In addition, this line of products also uses a screwless back cover design and modular parts, making maintenance both environmentally friendly and easy, demonstrating that our commitment to the environment is more than just lip service.

B6/V6 Series

Veriton Z Series

Liquid S2

Smartphones

In 2013, Acer's flagship smartphone, the Liquid S2, made use of no PVCs or BFRs in its design, letting users enjoy the powerful video functionality of the Liquid S2 while also experiencing for themselves Acer's commitment to halogen-free products.

Acer Smart Cloud Builder

Acer's Smart Cloud Builder helps clients build their own cloud. This cloud platform includes high-performance server, storage, network devices, and OS virtualization, along with the Cloud Smart Portal (CSP). Our system provides clients with flexible resource scalability and cross-platform centralized management, making it more agile and a better fit for clients' needs.

The Cloud Smart Portal (CSP) is a cloud-based "Infrastructure as a Service" (IaaS) management platform built on the Acer e-Enabling Data Center's accumulated server rooms, systems, network, and information security capabilities.

Through Acer's cloud computing solutions, clients can enjoy reduced capital expenses and operating costs, saving on overall expenses and taking a further step toward reduced electricity usage and greenhouse gas emissions. Taking a traditional 30U server rack as an example, the Acer cloud platform requires only 9U, using a greatly reduced amount of space and resources while also saving as much as 1,000,000 kilowatt-hours of electricity (kWh).

The Acer cloud platform can combine server resources and improve resource utilization efficiency, while also automatically monitoring resource utilization efficiency to provide a variety of relevant reports and help clients better understand how their ICT resources are being used. By helping clients in business, academia, the medical field, and government reduce the space and resources they use, we also help them increase operating efficiency and reduce their greenhouse gas emissions.

Responding to Energy and Climate Change Issues

Risks and Opportunities of Climate Change

In 2012, Acer established the Special Working Group on Risk Management, which is tasked with undertaking an inventory of risk factors in three dimensions—financial, environmental, and social. This inventory begins with the identification of risk items, analyzing the possibility of such risks arising between value chain activities and corporate strategy. From there, it moves into forecasting the probability and potential impact of these risks, drafting contingencies and risk mitigation measures, and developing crisis management and early warning mechanisms to mitigate the impact of risks on organizational operation.

We have identified the main risks related to climate change, including the impact of natural disasters on the supply chain, product shipping, and sales. These risks also include the various regulations of different countries pertaining to business operations and products, as well as consumers' preferences for highly energy efficient and climate-friendly products and brands. With regard to the aforementioned risks, we have

analyzed and developed countermeasures according to their probability of occurrence and their potential impact, and we anticipate seeing a reduction in the impact of climate change risks.

In addition, we also strive to make the most of the opportunities that come with climate change, actively investing in developing products with greater energy efficiency to aid consumers in reducing their energy consumption while also achieving our energy and carbon reduction goals.

Greenhouse Gas Inventory

Since 2011, Acer has contracted a third-party verification agency with both CDP and Taiwan EPA accreditation to undertake Scope 1 and Scope 2 inspections, along with Scope 3 inspections of the emissions produced by staff business flights. Through this, we found that the Acer Group was responsible for 36,739.37 tons of carbon emissions in 2013, with Scope 1 emissions primarily from natural gas usage in North American and European and global combustion activity, and Scope 2 electricity usage accounting for approximately 80% of those emissions. Total emissions in 2013 were reduced by approximately 12.6% compared with the base year. Per capita emissions were approximately 4.98 tons.[2] ∘

In addition, we continue to inspect the emissions produced by staff business flights in accordance with GHG Protocol Scope 3 principles, expanding the range of our inspection to include product purchases, product shipping, and leased assets. The details of each emission item are as below. After Scope 3 inventory, we more fully understand how to control the carbon risks and opportunities in the value chain, which will further help in reduction strategies.

Greenhouse Gas Emissions and Reduction Targets for Acer Group
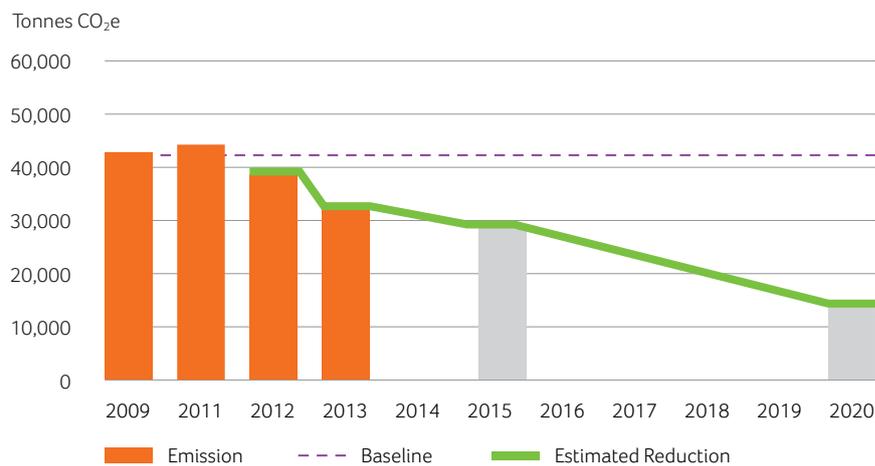
Tonnes CO_2e

Greenhouse Gas Inventory Scope

CO_2 SF_6 CH_4 N_2O HFC_S PCF_S NF_3

Scope 1
Direct GHG emissions

Own oil/gas use

Own Cars

Scope 2
Energy indirect GHG emissions

Electricity

Scope 3
Other indirect GHG emissions

Staff business flights

Product and service purchases

Product transportation

Leased Assets
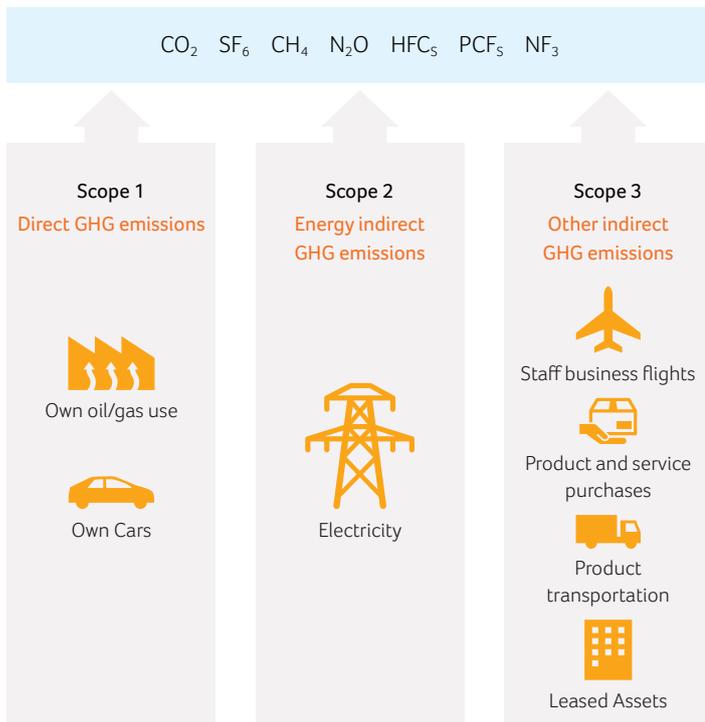
Scope 3	Emissions (tons)	Note
Staff business flights	7,364.75	Emissions figure covers business flights by global staff and has been audited by an external agency using Taiwan staff flight figures primarily
Product and service purchases	103,760.32	Primarily notebook ODMs' allocation for Acer in 2012
Product transportation	48,406.09	Europe, Asia, Africa, Middle East, and China primarily
Leased assets	86,314.85	Primarily e-Enabling Data Center and rented facilities in North Sioux City, US

Greenhouse Gas Reductions and Strategy

After collecting and analyzing the available information, we have found that Acer Group's principal issue with regard to carbon reduction and energy savings lies in office electricity utilization. When looking for cost efficiency, the priority is improving operational energy efficiency first, followed by the use of green electricity. These, alongside other considerations such as appropriate renewable energy generation facilities and renewable energy credits (RECs) or carbon credits, are in use in support of our commitment to renewable energy and the climate change issue.

Our reduction goals set 2009 as the base year. Our plan is to have Acer's global greenhouse gas emissions reduced by 30% on 2009 levels by2015, and by 60% by 2020.

Managing Greenhouse Gases in the Supply Chain

Acer has been a member of this CDP program since 2008, and we have encouraged our suppliers to respond questionnaires from the CDP regarding greenhouse gas emissions and policies in response to climate change. This information has then been made public or disclosed to members of the CDP Supply Chain Program. As of the end of 2013, Acer was the only company from the Sinosphere to be a participant in the Carbon Disclosure Project Supply Chain Program, with suppliers performing better than the global average.

Our suppliers showed an 80% return rate in 2013, above the global average, and an average disclosure score of 64, not only an improvement on 2012's average of 56, but also better than the CDP Supply Chain Program participant average of 49. This performance gives us a B grade, compared to the global average of a C.

In addition, in 2013 we launched a vendor CSR scorecard, divided into three main sections: sustainable operations, the environment, and labour ethics. The environment section accounts for over 40% of the scorecard, addressing tier one and tier two suppliers' overall carbon management, carbon reduction results, and green energy usage status,

Acer Supplier CDP Response Rates

Acer suppliers' performance trends	2011	2012	2013	The Average of Global suppliers in 2013 Number of suppliers who disclosed=286
suppliers who report emissions reductions initiatives	63%	75%	83%	60%
suppliers who achieved emissions related savings	47%	40%	63%	32%
suppliers reporting Scope 1+2 emissions reduction	21%	40%	43%	28%
suppliers reporting investments into emissions reduction initiatives	46%	47%	62%	31%
suppliers who report downstream emissions reduction	36%	42%	50%	36%
Supplier's average disclosure score	53	56	64	49
Supplier's average performance band	D	C	B	C

amongst other items. These evaluations also include whether or not the group's greenhouse gases inventory and verification has been completed for the year and whether or not the supplier reached its intensity reduction target of 5%. In the medium term, we intend to make vendor CSR scorecards part of our evaluation and review of our suppliers, as through this we will be able to elevate the overall performance of our supply chain in responding to climate change.

Product Carbon Footprint

In 2013, Acer worked with several major suppliers and outside consultancy teams to look at suppliers in primary production areas and provide guidance on product carbon footprint. The product lines in question include notebooks and projectors, and a total of 53 suppliers took part, including suppliers of conne ctors, motherboards, and packaging. Through questionnaires and on-site training, we were able to explain to suppliers the definition of "carbon footprints", the inventory method, and how to reduce those emissions for products.

Additionally, we developed a simple, easy-to-use tool for calculating product carbon footprints and provided carbon footprint information on our major products—notebooks, desktops, and monitors—to help suppliers understand which stages of production are most energy consuming and how they can take measures to improve the energy efficiency.

In 2014, we anticipate participating in the Taiwanese EPA's Product Carbon Footprint Cloud Calculation Platform program, and we plan to introduce product carbon footprint disclosure into our vendor CSR

scorecards. This will offer more comprehensive information on carbon footprint and, we expect concrete ways in which we can achieve our product carbon footprint reduction goals.

Disclosure, Communication, and Initiatives

Carbon Disclosure Project

Acer is committed to continual improvements of its carbon disclosure. Through the results of our 2013 CDP questionnaire, we earned a score of 89 and a B grade for our disclosure quality and performance, an advance on 2012. We were also honored with the Climate Leadership (Non-Manufacturing) Prize by the Taiwan Institute for Sustainable Energy in their 2013 Taiwan Sustainability Awards. Into the future, we will continue to make full use of our role as a major brand to take the lead and help our suppliers and our clients engage in more effective carbon reduction planning.

In addition, former chairman Mr. JT Wang was invited to discuss corporate leadership at the 2013 CDP Global Forum alongside experts including the executive secretary of the UN Framework Convention on Climate Change. Together, they called on governments and companies around the world to focus on carbon reduction efficiency in the ICT industry.

Taiwan Green Power Initiative

Since 2011, Acer has, through the Taipei Computer Association, made recommendations to the president and relevant government departments to promote a green electricity

pricing policy. Along the way, we have encouraged the development of renewable energy as a whole, communicating closely with relevant authorities, legislators, and community organizations. Through campaigns over the past two years with representatives from all industries, the Ministry of Economic Affairs and the Taiwan Power Company have laid out a plan, beginning in 2014, for a three-year green electricity pricing pilot program. This program is open to any interested company or electricity consumer willing to buy green energy, offering differential pricing. We look forward to this program being able to help Taiwan's renewable energy sector mature and to increase the proportion of renewable energy in Taiwan's total power generation.

Signing on to BICEP

The climate change issue is one that demands proactive response and the support of new policies. To support the American government's policy action on climate, in 2013 Acer US formally signed the Business for Innovative Climate Change and Energy Policy Climate Declaration[3] by the Coalition for Environmentally Responsible Economics (known as Ceres). This initiative involves working with government policy-makers to develop a more effective set of policies and regulations in response to climate change and encouraging the United States, one of the world's leaders in carbon emissions, to move toward becoming a low-carbon society.

Our Operations and the Environment

We implement stringent management of environment, health and safety (EHS), setting targets and action plans each year to continually improve EHS performance. We also strive to reduce the impact of business operations, in terms of water, energy resources, paper and waste generation on the global environment and local community.

Sound Environmental and Health Management

Acer business and global operations are primarily run from offices and certain storage locations. Global headquarters are located in a normal office building in the Xizhi Eastern Science Park.

Observing EHS policies and implementing the Acer EHS management system have assisted us in fulfilling our pledges and reaching our corporate targets, including management of potential hazards to people and the environment, reducing the environmental impact of our company operations and products, regular monitoring to ensure we are compliant with relevant laws and Acer standards, and ensuring Acer staff enjoy a comfortable environment and attach importance to health and safety precautions.

In 2013, Acer held 15 classes on environmental management, a total of 29.5 hours, and 19 classes

on health and safety management, a total of 38 hours. We have an accredited external agency audit our performance each year to ensure that every item in our EHS management program is being fully implemented. In 2013, all business units in our Xizhi headquarters passed ISO 14001:2004 and OHSAS 18001:2007 certifications. We also increased guidance and training for five external business units in Taoyuan and north. In 2014, we expect to do the same for seven units across the rest of Taiwan, and by the end of the year we plan to have all 12 units nationwide brought into the scope of our auditing and certification.

Additionally, Acer China's Beijing office also passed both ISO 9001 and ISO 14001 certification in 2013, and in 2014 this effort will continue, expanding to our offices in Chongqing and Shanghai. Acer will continue to implement EHS management system requirements, maintain a comfortable working environment for the entire workforce, and ensure the health and safety of all personnel entering and leaving the site.

Acer also requires all suppliers to establish EHS systems. Currently, all of Acer's ODM suppliers have obtained ISO 14001 certification, and the vast majority are either implementing the OHSAS18001 system or in the process of obtaining certification. Acer also conducts audits of supplier EHS management systems each year to ascertain

[3]
The Climate Declaration is available for viewing on the official Ceres website, http://www.ceres.org/bicep/climate-declaration.

the degree of implementation and effectiveness.

Energy Conservation Projects

The primary source of energy consumption in Acer is office electricity use, but each year we continue to explore the feasibility of new power-saving measures, as well as bringing in experts to provide advice and guidance in the process. In 2013, our Xizhi headquarters took part in an initiative from the New Taipei City Government's Economic Development Department, the Energy Saving and Carbon Reduction Guidance Project, receiving the Carbon and Energy Reduction Movement Award. Aspire Resort, situated in Aspire Park, Longtan, also received a Gold Level Green Mark certification from the Environmental Protection Agency. Acer Taiwan's major energy-saving measures in 2013 are listed below; compared with 2012, we were able to reduce total power consumption by some 420,000 kWh.

Water Resource Management

With Acer's global business model primarily focused around product sales and customer service, none of our own manufacturing, our working environment is primarily that of office buildings. There are no large-scale water uses, with daily-use water in the offices coming primarily for municipal sources and thus having no significant impact on water resources. In 2013, our total water usage was 241,623 metric tons.

Waste water produced by our global offices consists of domestic sewage, calculated at 80% of water used. Our waste water is transferred into public sewers according to local laws, processed by local sewage treatment facilities, and has no obvious environmental impact.

We value our water resources, and as such continue to explore the feasibility of new water-saving measures, as well as making improvements to existing systems to improve efficiency. We also educate our colleagues on how to save water, find and report the source of any leaks, and engage in daily inspections.

Waste Management

In order to implement waste management, from 2012 we set about investigating the quantities of recyclable waste and treatment methods in our global centers for different types of waste (including paper, aluminum, plastics, glass, IT equipment and

Major Energy Conservation Projects in 2013

Type	Energy Saving Measures	Affected Location (s)	
Green electricity	Solar power generation system	• Acer Taiwan Aspire Park	• e-Enabling Data Center
	Wind power generation system	• e-Enabling Data Center	
Air-conditioning system	Replacing cooling towers, using energy-efficient equipment	• Acer Taiwan Xizhi HQ	
	Installed variable-frequency drives on air conditioning system	• Acer Taiwan Xizhi HQ	
	Set up air conditioning monitoring system	• Acer Taiwan Xizhi HQ	
Lighting Equipment	Renovated office to use energy-saving lamps	• Acer Taiwan Xizhi HQ	
	Changed to energy-saving lamps in office areas	• Acer Taiwan Xizhi HQ	• e-Enabling Data Center
	Set up timers on bathroom lighting	• Acer Taiwan Xizhi HQ	
Fire alarm lights	Changed to energy-saving lamps	• Acer Taiwan Aspire Park	• Acer Taiwan Da'an Office
Other Facilities	Hung blackout curtains to reduce the need for air-conditioning	• Acer Taiwan Da'an Office	

more). To encourage staff to separate waste and recycle resources at Acer Taiwan, we separate refuse into common waste, recycling and IT equipment. Common waste will be processed in accordance with the regulations of the building management committee or delivered to the local cleaning teams for disposal; recycling items will be sent to the recycling firms after sorting or be collected by recycling trucks; waste IT equipment will be sent to contractors for processing in accordance with annual operations.

Paper Reduction and Recycling

Since 2012, Acer Taiwan has chosen to use FSC-certified copy paper to reduce environmental impact and to protect forests and biological integrity. To reduce paper use, we have been encouraging staff to reduce printing volume and to print on both sides, which has reduced printing volume since 2011.

In Taiwan and Singapore, we destroy unwanted confidential documents using water, instead of burning or burying them, which avoids polluting the atmosphere or soil; in 2013 we destroyed about 17,940 kilograms in this manner.

Staff Transportation and Commuting

To reduce the environmental impact caused by staff transportation, Acer Taiwan established a carpool system at its Xizhi headquarters in 2012 to encourage staff to carpool to and from work, as well as reminding them to use conference calls instead of traveling abroad for business meetings. Total distance traveled for overseas business has reduced year by year since 2011.

Acer Taiwan's 2013 Water Saving Measures

Water Saving Measures	Affected Location (s)
Set up water-saving devices	Acer Taiwan Xizhi HQ
Rainwater reuse and recycling	e-Enabling Data Center
Constructed deep water wells to provide water for air conditioner cooling	e-Enabling Data Center
Put into use a water recycling system to provide irrigation for grass and plants	Acer Taiwan Aspire Park
Guest rooms use dual-flush toilets and no bathtubs	Acer Taiwan Aspire Resort

Copy paper consumption, 2011-2013

Sheet

4,500,000

4,400,000

4,300,000

4,200,000

4,100,000

4,000,000

3,900,000

2011: 4,459,640

2012: 4,179,281 (-6 %)

2013: 4,116,197 (-2 %)
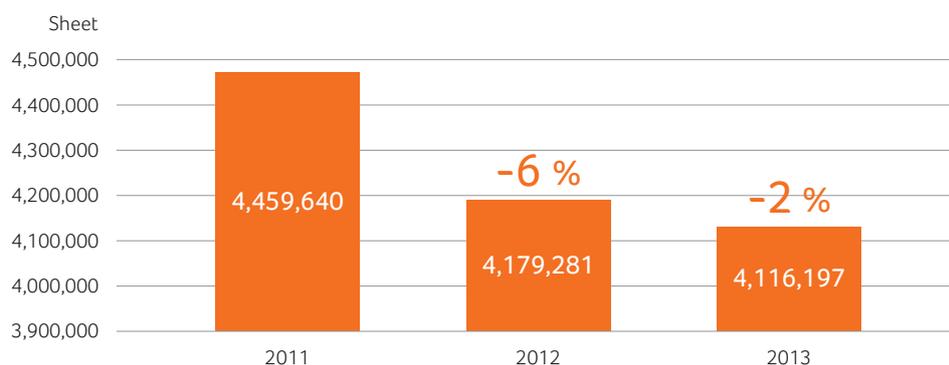
Business Trip Mileage, 2011–2013

	2011	2012	2013
km	19,305,294	−11 % 17,264,807	−1 % 17,105,812
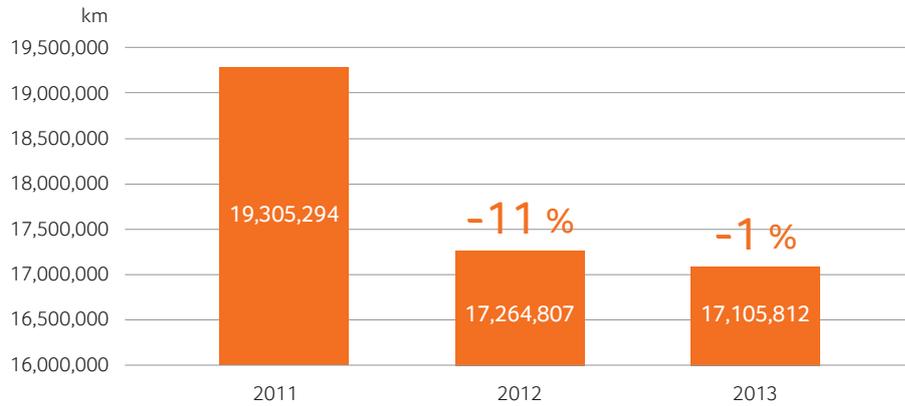
Environmental Information

Environmental information, including the total input (direct and indirect energy resources) and total output (greenhouse gases, waste water, and solid waste), for Acer in 2012 is shown in the table below.

Total Input	Direct Energy and Resource Use	Natural Gas: 41,011,747.38 megajoules Petroleum: 878,435.43 liters Diesel: 991,531.54 liters Water: 241,623 metric tons [4]
	Indirect Energy Use	Electricity usage: 54,243,958.12 kWh [5] including green electricity usage of approx: 3,292,924 kWh [6]
Total Output	Greenhouse Gas Emissions Unit: Carbon dioxide equivalent in tons	**Scope 1** 7,801.41 tons **Scope 2** 28,937.96 tons **Scope 3** Staff flights for global business travel: 7,364.75 tons Product Transportation [7]: 48,406.09 tons
	Waste water	Domestic sewage: 193,298 tons [8]
	Solid Waste	Municipal solid waste: 835 metric tons [9] Recyclables: 1,172 metric tons [10] Electronic waste: 651 metric tons [11]

4

Our water use statistics cover 87% of Acer's global employees.

5

Average per-capita power use worldwide is 7,346.15 kWh.

6

We use some 3.22 million kWh of green electricity purchased from external sources in our offices in Germany, Italy, and our Europe-Africa-Middle East headquarters in Switzerland. Our privately produced green electricity mostly comes from Aspire Park and Acer eDCs in Taiwan.

7

Scope 3 product shipping includes the Europe-Africa-Middle East Region and the China Region.

8

Domestic sewage accounts for an estimated 80% of water usage, with the remaining 20% used for air conditioning. Our statistics for this cover 87% of Acer's global staff.

9

Ordinary garbage statistics cover 67% of Acer's global staff.

10

Resource recycling statistics cover 74% of Acer's global staff.

11

Electronic waste statistics cover 68% of Acer's global staff.

Responsible Supply Chain

We treat our top suppliers from all parts of the globe with consistent fairness in order to achieve efficient global operations and partnerships and to provide clients with high quality products. We also strive to ensure that a safe working environment is provided throughout the supply chain, that employees are treated with dignity and respect, and that suppliers observe ethical codes and shoulder their environmental responsibilities throughout their business operations. We are grateful to all our suppliers for working hard with Acer to establish a supply chain that is responsible to society and the environment. We will carefully investigate the necessary responses to sustainability issues with a positive attitude and from a broad perspective so as to increase the positive effect of the supply chain on society and the environment. Our target is to develop a supply chain comprising the most socially and environmentally responsible suppliers in the world.

Supplier Social and Environmental Management Structures

To satisfy customer demand for innovative, high-quality products, Acer works with component suppliers from the United States, Japan, Taiwan, China, Korea and other countries, as well as with second- and third-tier suppliers clustered around ODM and operating on a just-in-time production system that enables them to quickly provide the necessary electronic, mechanical, plastic, and packaging components. This enables us to respond immediately to market demands. In 2013, Acer's supply chain experienced no major changes.

Since joining the Electronic Industry Citizenship Coalition (EICC) in 2008, Acer has enthusiastically participated in EICC events and activities to understand the latest international approaches to implementing corporate social responsibility (CSR) and share our practical experience with fellow members. Manufacturing suppliers are expected to comply with the EICC code of conduct and local regulations, and to reach a consistent standard regardless of their location. We also encourage our suppliers to fulfill their corporate responsibilities and promote the code of conduct among their own suppliers, thus helping to raise working conditions in global supply chains in the electronics industry.

In 2013, we began implementing vendor CSR scorecard assessment in order to look at vendor performance in CSR and with regard to the environment, society, and governance. In 2014, we expect to include and review suppliers' CSR performance in the business review meeting.

We work positively and in partnership with our suppliers to set management standards, develop more communication channels, and help suppliers improve their capabilities. We have adopted the EICC Code of Conduct as our standard, and refer to the EICC Supplier Engagement Process by dividing our suppliers' social and environmental management process into four stages: Introduction, Assessment, Validation, and Continuing Improvement.

Phase 1 - Introduction
Risk Assessment I

We conduct an initial risk assessment of the supplier in accordance with the factory location, manufacturing processes, business relations with Acer, and basic factory data. We incorporate all suppliers with medium and high risks into the next phase of supplier management.

Supplier Declaration

Acer not only requires suppliers to sign the Declaration of Compliance with the EICC Code of Conduct and provide social and environmental data, but also to verify that the operations of their own suppliers comply with the EICC Code of Conduct. In 2012, we also incorporated these requirements into the contracts our new suppliers are required to sign.

Phase 2 - Assessment
Supplier Self-Assessment Questionnaire

As the basis of managing the social and environmental risks of our suppliers, all vendors identified as medium or high risk in Risk Assessment 1 must complete the EICC-GeSI Supplier Self-Assessment Questionnaire (SAQ), which focuses on self-evaluation in four key areas: Labor, Health and Safety, Ethics and the Environment.

Risk Assessment II

Risk Assessment II is conducted with reference to the supplier self-assessment, prior audit results,

Supplier Social and Environmental Management Process

Introduction	Assessment	Validation	Continual Improvement
• Risk Assessment I • Supplier Declaration	• Supplier Self-Assessment Questionnaire • Risk Assessment II	• On-site audit • Confirm improvement	• Communication • Training

the degree of risk associated with the factory location, business relations with Acer, and consideration of the concerns of all stakeholders involved.

Phase 3 - Validation
On-site Audit

Acer continues to audit the social and environmental performance of our suppliers because we believe on-site inspections are the most direct and comprehensive way to confirm our suppliers are living up to their social and environmental obligations. We primarily commission third party auditors to inspect the social and environmental performance of our suppliers. The inspections are led by Acer audit managers and run using comprehensive EICC tools to achieve the dual objectives of Acer-led management and objective third party auditing. We also encourage suppliers to participate in the EICC Validated Audit Process (VAP) to reduce the burden of having to undergo audits for different clients. From 2013, we will also require low-risk suppliers to submit a report for verification.

Corrective Action Verification

We require suppliers to submit a Corrective Action Report (CAR) in response to the issues identified in the audit within 30 days of receiving the audit report, which will be approved in writing by management personnel and verified against the on-site audit in the following year.

Phase 4 - Continual Improvement
Communication

Our close partnership with suppliers is also reflected in our work on social and environment responsibility. We maintain two-way communication with our suppliers through focus groups, the annual Supplier CSR Communication Meeting, the CSR forum and CSR related discussions.

Training

In addition to requiring compliance with local and Acer regulations, we also provide suppliers with training in social and environmental responsibility, along with the information on the latest trends in these areas, thus improving responses to the challenges of sustainable development through-out the supply chain.

Acer works with suppliers in key areas to establish a sustainable supply chain by focusing on the four management processes above.

Vendor CSR Scorecard

In 2012, we developed our vendor CSR scorecard, to be used to investigate suppliers' performance in regard to CSR. The hope is that we will be able to gain an early insight into supply chain risks as concern the environment, society, and governance, and then help suppliers implement appropriate measures to mitigate or eliminate those risks. The vendor CSR scorecard was first put into use in 2013.

The scorecard mechanism focuses on ODMs and key component suppliers, and focuses on three major assessment areas: sustainable corporate management; environmental, energy, and climate change management; and labor, ethics, and health and safety management. Each area is broken down into smaller indicators and contains quantifiable, weighted assessment standards, encouraging suppliers to continue improving their performance in regards to sustainable development. The results of this scorecard will be presented in the business review meeting submitted to both Acer's own management and the senior management of suppliers, hopefully gradually creating a motivator for improvement on both sides.

Vendor Assessment Areas

On-site Check

Acer continues to audit supplier performance in terms of social and environmental responsibility. Auditing methods include audits led by management personnel, audits run by third parties, and the EICC Validated Audit Process (VAP). We use different auditing methods to identify supplier non-compliance in the fields of environmental and social responsibility, and to maintain effective management of these issues in the Acer supply chain.

Acer is committed to ensuring that all suppliers treat their employees with respect, adopt manufacturing processes that demonstrate environmental responsibility, and provide safe working conditions. We have adopted the EICC Code of Conduct, which covers five major areas: Labor, Ethics, Health and Safety, Environment, and Management System.

In 2013, we conducted on-site audits of the manufacturing plants of 65 higher-importance suppliers. Between 2008 and 2013 we conducted a total of 208 supplier audits. The companies audited in 2013 employ over 140,000 people, of whom some 650 were interviewed. Acer expressly prohibits child labor. Anyone employed or participating in work must be at least 15 years of age, or the minimum legal age for employment,

whichever is higher. Our 2013 audits found no instances of child labor.

We require suppliers to submit a Corrective Action Report (CAR) in response to issues identified in audits within 30 days of receiving the relevant audit report, which will be approved in writing by management personnel and verified against the on-site audit in the following year. All the suppliers audited in 2013 proposed CAR for the audit findings. Acer adjusts procurement strategies for those suppliers identified as high risk in audits. No suppliers' contracts were terminated as a result of assessment.

New suppliers are screened using supplier CSR assessment, covering items of CSR, environment, labor, human rights, health and safety, and society. All the new suppliers in 2013 passed the supplier CSR investigation.

Stocks of hazardous chemicals must be appropriately categorized, labeled, stored, and disposed of according to regulations.


Workers must wear personal protective equipment and safely operate machinery in accordance with regulations.

Significant Actual and Potential Negative Impacts Identified in the Supply Chain

Risk Category	Potential Risk	Actual Risk Identified	
		Findings	Non-conformance Rate
Environment	Hazardous Substances	Assessments, visit minutes or Audit reports, with possible areas for improvement are not available for each hazardous waste vendor used by the supplier.	12%
	Hazardous Substances	Hazardous materials are not categorized, handled, stored and transported within the facility adequately.	60%
	Wastewater and Solid Waste	Monitoring and reporting records are not available for review, in line with legal requirements and complete.	2%
	Air Emissions	Monitoring and reporting records are not available for review, in line with legal requirements and complete.	10%
Health and Safety	Occupational Safety	Appropriate personal protective equipment (PPE) is not consistently and correctly used where required to control safety hazards and worker exposure.	55%
	Machine Safeguarding	Machines do not have adequate safeguarding in good working condition and adequate emergency stops.	31%
Labor	Child Labor Avoidance	Workers under the age of 18 are performing jobs overtime.	43%
	Working Hours	Overtime working hours exceed requirements.	100%
	Wages and Benefits	Social insurance scheme as required by local law is not provided to all workers.	33%
Human Rights	Non-Discrimination	Pregnancy testing is used as a condition of employment.	14%

2013 Site Check Results

Results of Initial Audits and Re-Audits, 2013
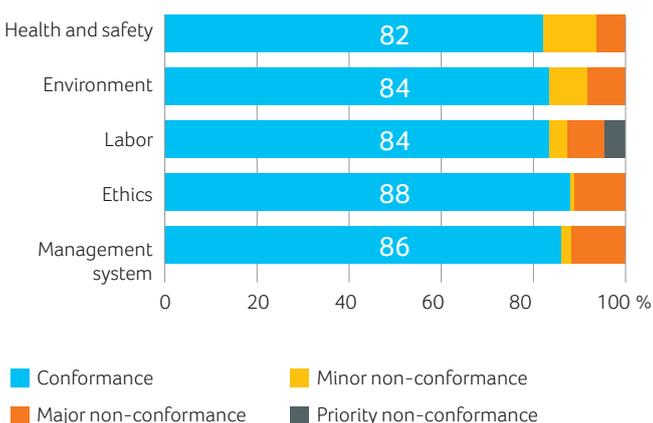
Shushu Hsieh
Director
Outsourcing Relationship Management Division

Acer works closely with ODM partners to produce innovative products to meet consumer demand. As such, the communication and cooperation between Acer and ODMs is of great importance to the Company. I am responsible for managing cooperation meetings with ODMs, problem solving, and outsourcing relationships, as well as providing a communication bridge between Acer and ODMs.

In recent years, Acer has begun working with ODMs to help them better understand and put into practice corporate social responsibility. When selecting a new ODM partner, we will ask the candidate vendors to provide operating performance data concerning environmental, social, and economic aspects. This information then serves as one of indicators used in assessing whether to move forward with discussions. For existing vendors, we rigorously monitor compliance with EICC standards and guidelines regarding conflict minerals, as well as having them participate in our vendor CSR scorecard initiative. If an ODM's performance is judged to be less than ideal, we work to understand why and help them improve. Through our annual Supplier CSR Communication Meeting and the Acer CSR Forum, we aim to explain to ODMs our annual CSR projects and global trends in sustainability.

Over the past few years, thanks to the support of our suppliers, we have been able to work together to create growth based on sustainable development. Into the future, we will continue to play the role of facilitator, applying the spirit of Wangdao, creating value, and pursuing a balance of interests that helps the Acer brand be one committed to sustainability.

Number and Type of Supplier Audits, 2008-2013

Legend:
- 3rd party audit
- VAP
- Report Review
- Surveillance Audit
- Re-Audit
- Initial Audit
- Cumulative

No. of Supplier Audit %

Cumulated No. of supplier audit

2008: 3
2009: 10
2010: 27
2011: 67
2012: 144
2013: 209
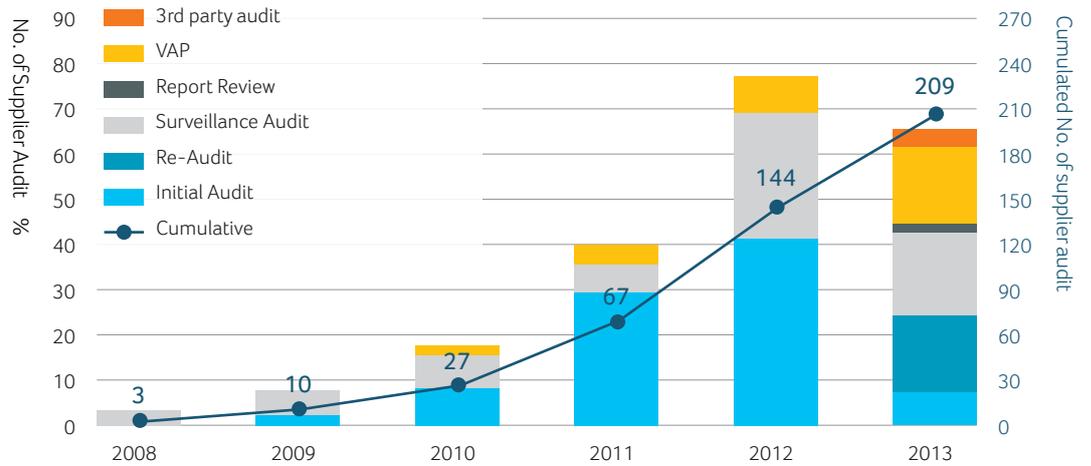
Distribution of Results of Initial Audits and Re-Audits, 2013
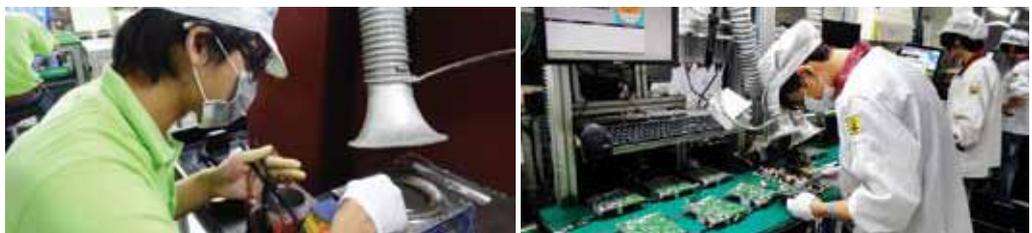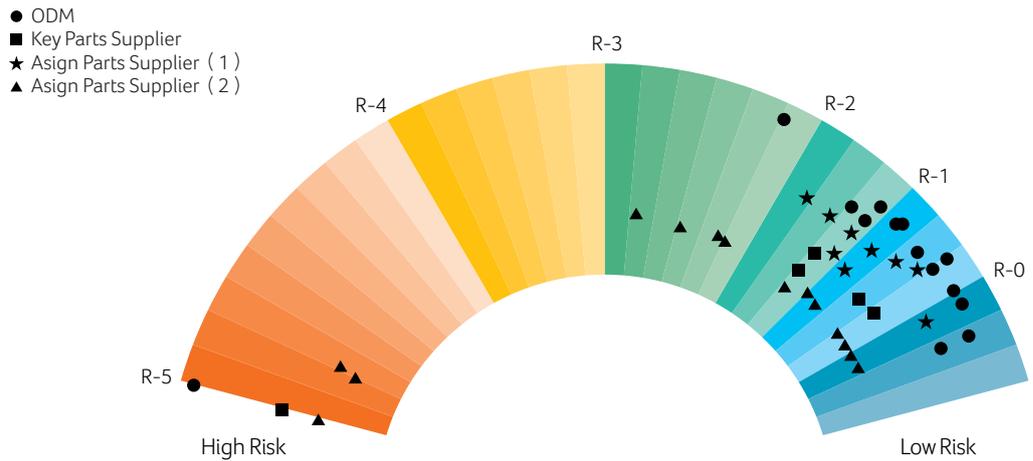
- ● ODM
- ■ Key Parts Supplier
- ★ Asign Parts Supplier（1）
- ▲ Asign Parts Supplier（2）

R-3
R-4
R-2
R-1
R-0
R-5

High Risk

Low Risk

Workers must wear personal protective equipment and safely operate machinery in accordance with regulations.

2013 Performance Improvements

Acer and its suppliers have been through years of hard work, and the results of the 2013 audits, as shown below, indicate a clear reduction in the incidence of major problems.

Categories	EICC Provision	Major Issues	Corrective Actions	Reduction of non-conformance rate 2012 non-conformance rate → 2013 non-conformance rate
Labor	Working Hours	Workers do not receive at least one day off per every seven days	• We recommend suppliers add a "One day off per every seven days" automatic warning function into their overtime management system; where an employee works beyond that, management should step in. • We require suppliers to make "One day off per every seven days" a focus of improvements, and will continue to pursue such improvements. • We recommend that suppliers make effective shift rotation arrangements and/or employ more workers as production capacity demands in order to address the "One day off per every seven days" commitment.	83% → 71%
Environment	Hazardous substances	Hazardous materials including wastes are not properly categorized, labeled, handled, stored, transported and disposed.	• We require suppliers to propose improvement plans for avoiding damage caused by hazardous substances. • We require suppliers to clearly label hazardous chemicals and ensure they are considered an element of day-to-day management.	90% → 67%
Labor	Wages and benefits	Wages are deducted or reduced for disciplinary reasons	• We require suppliers to not adopt deduction of wages as a disciplinary measure. • We require suppliers should implement measures for management in training and communication.	32% → 21%
Health and Safety	Emergency preparedness	Exit doors are locked or blocked.	• We require suppliers to ensure exit doors and escape routes be fully planned, available, and recorded.	29% → 7%

Improving Supplier Capabilities

Acer offers information and training regarding the latest trends and developments in social and environmental responsibility, thus helping improve their ability to confront the challenge of sustainable development. We continue to invite suppliers to participate in the Acer CSR Forum, supplier CSR communication meetings, and CDP Pre-Launch and Launch Event, helping them get access to the latest information on social and environmental responsibility. This also presents opportunities for suppliers to engage in two-way communication with Acer senior management or relevant experts. In 2013, we placed a focus on Chinese labor management issues, carrying out surveys of particular suppliers regarding employee communication training and student labor management.

Employee Communication Training

With the shortage of labor in China intensifying, insufficient manpower is the greatest challenge faced by many Chinese suppliers, and one of the main factors in worker turnover is inadequate communication channels and abilities. To assist suppliers in communicating effectively with workers, we require particular suppliers to participate in communication training. Through this, we enable the suppliers to understand communication systems and improve their own, as well as encouraging effective handling of communication with workers, facilitating the discovery of worker problems and their resolution.

Management of Student Workers

To ease labor pressure, some suppliers in China employ young workers, student workers, or interns to meet production needs in their factories. Compliance with laws and regulations, rejection of child labor, and the provision of special protections for young workers, student workers and interns are the most fundamental requirements Acer has of our supply chain. However, management of student labor involves not only management of manufacturing, but also the planning of student internships, pre-employment training, plant management, and working closely with schools. In December 2013, we and selected suppliers participated in an EICC/Labor Education and Service Network (LESN)/Nanjing University survey of student labor. The goal of this was to explore the problems facing student labor in China and find optimal approaches for our suppliers. In 2014, we will discuss the results and suggestions that came out of this project, and we will continue to expand student internship opportunities within our supply chain.

Responsible Sourcing of Minerals

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. We realize that we have the opportunity to have a positive impact on this complex issue as an individual company, and as such Acer's Policy on Conflict Minerals outlines our commitment to ensuring that working conditions in our supply chain are safe and that workers are treated with respect and dignity, while sourcing minerals from the African Great Lakes Region.

Since 2009, Acer has engaged its suppliers to educate them on the issue and begin tracing its supply chain back to the sources of cobalt, gold, palladium, tantalum, tin, and tungsten.

In 2010, Acer began participation in the EICC/GeSI Extractives working group and Extractives Due Diligence sub-working group. Acer also contributed to the development of the Conflict Minerals Reporting Template tool (Template), which facilitates disclosure and communication of information regarding smelters that provide material to a company's supply chain.

In 2011, we participated in the template pilot by conducting a test-run with Acer's suppliers and gathering feedback for further refinement of the template, and in the same year, we began using the tool to launch surveys of our suppliers with regard to smelting of tantalum, tin, tungsten, and gold (known as "3TG").

In 2012, following the initial identification of the smelters in our supply chain, we submitted our smelter lists into the EICC/GeSI CFS program to facilitate the creation of an industry smelter master list, which would be used going forward to target smelter companies for CFS Program participation. We also published the initial results on the website. Furthermore, we began a targeted effort to verify smelter status and then to reach out to certain smelters to encourage them to participate in the CFS Program. Acer joined the "Implementation Programme of the Supplement on Gold to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas" in November 2012. Acer will

continue to participate by implementing the OECD Guidance and participating in discussions to build due diligence capacity in our supply chain and in the region, and to share our experiences in program implementation.

In 2013, Acer joined the Public- Private Alliance for Responsible Minerals Trade (PPA), and began using the version 2 due diligence tool to launch surveys of our suppliers regarding smelting plants, including the use and sources of 3TG, along with gaining feedback through surveys of smelters.

We also continue to hold meetings with suppliers to ascertain progress on the issue of conflict minerals, to explain Acer's commitments and supplier requirements, and to ensure they have a greater awareness and more thorough understanding of the issues. In the meantime, we will search for other opportunities for due diligence to ensure best practice and to effectively ameliorate the mineral conflict between the DRC and its neighbors. Acer hopes to be able to contribute along with other companies, governments, and civil societies to support solutions to supply chain challenges and enable the future sourcing of legitimate, conflict-free minerals from the region.

Indonesian Tin Mining

Acer is aware of the poor labor conditions and environmental degradation associated with tin mining on the Indonesian islands of Bangka and Belitung. Therefore, Acer will commit to the following activities to address this situation:

- Continue to use our current conflict minerals due diligence program to gain additional visibility of the tin smelters/refiners in our supply chain that may be sourcing tin from within Indonesia.
- Support and follow the lead of the Tin Working Group/ Sustainable Trade Initiative (IDH) as the situation is investigated and methods are developed to support sustainable growth through responsible sourcing.
- Require our suppliers to use only responsibly sourced tin from Indonesia once the methods above are identified and sufficient sources of responsible sourced tin are made available.
- Provide periodic updates on our progress related to the above activities via our publicly availabl e website.

Employee Welfare and Advancement

Acer strives to create a high-quality working environment, promote a work-life balance program, care for employees' physical and mental health, provide competitive compensation, and enhance employees' core and professional competencies and career development through systematic training and staff development plans.

Staff Structure

Hiring

As of the end of December 2013, Acer had 7,384 employees worldwide, including 1,487 managers, 2,031 members of professional staff, 1,344 members of administrative staff and 2,522 technicians. The average age is 37.2 and staff members have worked at the company for an average of 6.4 years. Contracted and temporary staff number 1,011, of which 506 are male and 505 female.

Recruitment

When hiring employees, we abide by the local labor laws of each location and prioritize the hiring of local employees. We adhere to equal opportunity principles and do not discriminate on the basis on race, gender, age, religion, nationality or politics. We prohibit the use of child labor. We make hiring decisions based on merit and recruit talent from around the world. In 2013, staff turnover was 22.8%, primarily due to corporate transformation, organizational restructuring, and a reduction in required manpower.

In the event of significant operational changes, Acer notified all affected colleagues in accordance with relevant local laws. For example, staff at the Acer headquarters in Taiwan who have worked for the company for longer than three months but less than one year are given ten days notice; staff who have worked continuously for the company for longer than one year but less than three years are given twenty days notice; and staff who have worked continuously for the company for longer than three years are given thirty days notice.

Data for turnover and employment rates by region

Region	Turnover Number of people	Turnover Percentage[1]	Employment rate Number of people	Employment rate Percentage[2]
Taiwan	472	17.2%	238	8.7%
China	230	26.1%	75	8.5%
Pan–America	335	18.9%	136	7.7%
EMEA	152	20.9%	34	4.7%
Asia Pacific	496	39.4%	54	4.3%
Total	1685	22.8%	537	7.3%

[1]
Turnover rate is calculated based on the number of staff leaving the post per month divided by the number of current staff per month, with the annual rate based on the total for the twelve months.

[2]
Employment rate is calculated based on the number of new staff divided by the number of current staff per month, with the annual rate based on the total for the twelve months.

Staff Qualification Percentages

■ Bachelor	41%
■ Masters	29%
■ Vocational school	25%
■ High school and lower	4%
■ Ph.D	1%

Staff

■ Technicians	34%	2,522 people
■ Professional staff	28%	2,031 people
■ Executive officers	20%	1,487 people
■ Administrative staff	18%	1,344 people

Work location

■ Taiwan	37%	2,745 people
■ EMEA	24%	1,771 people
■ Asia Pacific	17%	1,260 people
■ China	12%	881 people
■ Pan-America	10%	727 people

Age

■ 31–40	51%	3,778 people
■ 41–50	23%	1,666 people
■ ≦30	19%	1,431 people
■ ≧51	7%	508 people

Gender

■ Male	66%	4,880 people
■ Female	34%	2,504 people

Parental Leave at Acer Taiwan in 2013

	Male	Female	Total
Number of Employees Entitled to Parental Leave	95	42	137
Number of Employees Who Took Parental Leave	4	15	19
Number of Employees Expected to Return to Work After Parental Leave	3	16	19
Number of Employees that Returned to Work After Parental Leave	1	8	9
Number of Employees Still Employed 12 Months After Return	5	2	7
Number of Employees that Returned to Work After Parental Leave the Previous Year	6	2	8
Applicants for Parental Leave (%)	4.2	35.7	13.9
Post Parental Leave Return-to-Work Rate (%)	33.3	50.0	47.4
Post Parental Leave Retention Rate (%)	83.3	100.0	87.5

Competitive Compensation Packages

Salary

Competition is fierce in the global technology market, and competition for talent is much the same. In order to attract and retain outstanding employees, we provide competitive comprehensive salary packages. When developing salary policies, we comply with the requirements of the local labor laws of each location and do not discriminate on the basis of gender, religion, race or politics. We consult salary survey information from management consulting companies to ensure our salaries are competitive in the talent markets of each region. In addition, we also issue bonuses based on company profit and unit and individual performance to reward outstanding employees. For example, Acer Taiwan provides performance and employee bonuses.

The Acer salary policy system is based on the following principles:

- Must take into account the interests of shareholders and employees
- Must be able to attract and retain outstanding talent
- Provide appropriate incentives to reward employees who make a contribution to the company

Employee Benefits

In addition to the benefits as stipulated by law, we also provide group medical insurance and outstanding employee benefits based on local customs. For example, the Taiwan Employee Welfare Committee - Acer Welfare Committee provided the following three major employee benefits in 2013:

1. Recreation and Entertainment Benefits

The company organized numerous activities for colleagues and their families. Over 20,000 people attended the 2-3 day tours, family day and arts appreciation activities, which gave colleagues the chance to relax and spend time with their families. We also provided recreational subsidies with which colleagues can make their own plans, allowing them to choose their own recreation and entertainment, promoting the balanced development of body and spirit.

2. Social development activities

We provided funds for a variety of social activities to promote emotional interaction between colleagues. Colleagues deeply appreciate the variety of relaxation areas including massage chairs, electronic games facilities, exercise facilities, a lounge and a café.

3. Cash benefits

We provided vouchers for the three major festivals (Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival) as well as birthdays, along with scholarships and cash subsidies for weddings and funerals.

Retirement System

Acer's retirement system adheres to the local regulations for each of the Company's global locations. In Taiwan, for example, staff pensions are contributed to in line with the Labor Standards Act and the Labor Pension Act. Staff who were

Acer Vietnam staff sharing fun times on their annual company trip.

employed by Acer on or before June 30, 2005, and were covered by the old system may freely opt into the new system and enjoy the new benefits. As of the end of 2013, the Company's deposits with the Central Trust of China under the old system totaled approximately NT$357 million. As for the new system, the Company currently contributes 6% of employee pay, while the employees may contribute anything between 0% and 6%. The company has also established an "Early Retirement System". Any employees who are 50 years of age or over and have worked for the company for 15 years may apply for retirement and start planning for their futures as early as possible.

Acer Family day is an important activity for facilitating interaction between staff and families.

Staff and families make happy memories together in tours.

Employee Relations

Employee Communication

Acer values employees' ideas and provides open internal communication channels including a logistics service hotline, cross-level executive communication, and a biennial online global employee opinion survey including an opinion survey about the degree of implementation of CSR, covering topics such as awareness of CSR plans, green products, business ethics, CSR disclosure and individual roles in CSR.

With regard to employee feedback, Acer Taiwan organizes quarterly Employee Representative Meetings. The Chairman and CEO of the company meets face to face with representatives selected by employees to discuss and implement resolutions for matters relating to operations management, work environment and employees' rights. In 2013, employees in Taiwan reported the following major resolutions through the Employee Representative Meetings. We have formulated and are carrying out improvement plans for each resolution.

Major resolutions of the 2013 Employee Representative Meetings (Taiwan Region)

- Unify the travel class for business travel worldwide and establish a global business travel management system
- Establish an Employee Service Request System
- Increase channels for employee feedback on products
- Increase meeting rooms and improve meeting room facilities
- Improve the office health and safety environment
- Establish a cost-saving MVPN telephony system
- Establishing a staff purchasing website
- Implement energy and electricity savings campaign
- Encourage employees to get health checks; provide health promotion programs

Kevin Abson
Principal Specialist
Customer Experience & Publishing Dept.
Product Marketing & Marketing Services Unit

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After working as a Technical Writer for Packard Bell in Europe, I transferred to Acer in Taiwan in 2009. This was a big move as I had only visited Taiwan once before and wasn't entirely sure what was waiting for me. Acer HR was welcoming and helpful, offering to help find an apartment and apply for visas and permits. I joined an international team, fortunately with no need to speak Chinese, though with opportunities to learn.

After a few years working in the writer team, and seeking a change of pace, I applied for a Technical Marketing position the Enterprise business unit and created marketing documents to support Server sales. At the beginning of 2014, I made another transfer, to the Marketing Planning team, communicating between departments for the preparation of guides and marketing materials. Positions for internal transfers are advertised within the company, interviews are informal, and a speedy transfer system keeps the process simple and streamlined.

My latest responsibilities place me between several teams, so it can be difficult at times to balance requests against available resources. Fortunately Acer remains flexible, so we can usually find an agreement and keep projects moving.

Over the last five years, thanks to annual Acer Family events, I have participated in the Sun Moon Lake swim, seen beaches in the south and forests in the center of Taiwan. The scale of organized activities varies enormously, from a huge family day for the whole company, to subsidized cinema tickets. There is something for all tastes, from an annual stair climb to calming neck massages. Five years at Acer has allowed me to explore both professionally and physically, and I look forward to learning more. "

In addition, in line with the Company's transformation, we adopted the following measures to strengthen staff communication:

- Added "Stan Shares," a channel for communicating the ideas and methods of WangDao with colleagues
- Set up a mailbox for communication with the Transformation Committee, facilitating understanding among colleagues of the direction, strategy, and progress of reforms as well as enabling collection of colleagues' opinions and feedback for reference.
- Holding communication meetings between the Transformation Committee, management, and staff to communicate vision, direction, strategy, and progress face-to-face, as well as to respond to questions raised by colleagues.
- Distributing Acer Daily News to staff, enabling them to get prompt access to all media information relating to the Company.

Through constant communication, we can build consensus and commitment among staff and get everyone on the same page regarding our transformational efforts.

Human Rights and Freedom of Association

Acer believes that every employee has the right to receive respect and fair treatment. In addition to its commitment to respecting internationally recognized human rights (such as the United Nations Declaration of Human Rights and the International Labor Organization's Fundamental Conventions), the company has formulated the Standards of Business Conduct, which sets down related human rights policies including respect of diversity, fair treatment, and anti-discrimination and harassment. The company has also formulated human rights policies to enable communication of business ethics with related stakeholders, and has never prevented or hindered the freedom of association of any employee. The percentage of employees covered by collective agreements in countries with unions is 3.2%, mainly the United States and France.

In order to protect gender equality and human dignity and provide a work environment free of sexual harassment and gender discrimination, the Taiwan region has specifically drawn up the Sexual Harassment Prevention Measures and Disciplinary Actions, clarifying complaints channels, operating procedures and disciplinary regulations, as well as providing training courses for the prevention of sexual harassment to increase employee awareness and preventing sexual harassment. The company received two complaints in 2013, both of which were investigated and handled immediately and for which disciplinary action has been taken in accordance with relevant laws and regulations. No incidences of racial discrimination occurred.

Continuous Learning and Growth

Personnel Training and Career Development

In 2013, Acer founder Stan Shih again took on the role of chairman, proposing a transformation built on the ideas of WangDao. In line with this, the focus of 2013's training efforts was on communicating the core concepts of WangDao, including continuous innovation and value creation, the construction of a mechanism for balancing interests, and the pursuit of sustainable operations.

Management training focused on strengthening managerial staff's understanding of WangDao operational ideals and management philosophy with professional training courses built around value creation, incorporating the core concept of the hexa-aspect values and focusing on high-quality Chinese lifestyle innovations that can improve product competitiveness. General education courses, meanwhile, aim to teach colleagues the 5Cs: Communication, Communication, Communication, Consensus, and Commitment. In this way, we can confront challenges with synergistic teamwork, collective overcoming of plateaus, and the creation of value.

To ensure the quality implementation of such training, all training is done in accordance with the Management Process of Internal and External Training. In the Taiwan region in 2013, for example, we held 190 classes with a total of 2,759 attendees, accounting for 12,362 man-hours. All training was done in accordance with the principles of operational necessity, gender equality, and equal opportunity.

Development of Diversified Learning

The promotion of WangDao ideology has been accomplished through several channels, such as face-to-face communication between top-level management and scholars, as well as through the invitation of renowned experts in a variety of fields to share their experiences and broaden the Company's management horizons. And through the internal communication platform "My Acer," we are able to share WangDao ideas with staff, while a deeper understanding of the WangDao culture is available through Mr. Shih's collected writings.

With regard to the improvement of professional competencies, development opportunities within the company include job training, coaching, job transfers, seminars, online learning and study groups. Externally, employees can participate in professional seminars and short-term training courses at prestigious foreign universities and training organizations. In addition, in order to encourage colleagues to obtain professional certification and improve their professional capabilities, the Electronic Service Business Group formulated the Incentives for Professional Certification to provide subsidies and bonuses to cover test fees for professional certification.

Acer Europe Training Activities

In June and August 2013 employees in Italy and Switzerland respectively held one-day team-building exercises, using team-based competitions to demonstrate how teamwork can solve problems and increase team consensus and drive.

Data on Employees Trained and Training Hours Worldwide for the Taiwan Region

Type of Employee	Participants	Course Man-hours	Average Training Hours
Senior Management	331	1,607	4.9
Middle/Base-level Management	552	2,843	5.2
Rank-and-file Colleagues	1,876	7,912	4.2
Total	2,759	12,362	4.5

Acer Vietnam Customer Service Training

In order to improve customer service quality, in January 2013 Acer Vietnam held a course entitled "Customer Service and Interaction Skills." This course helped staff better understand how to perform in-depth analysis of client needs, market and combine products, and manage customer satisfaction.

(1) Management Training System

As part of the promotion of WangDao culture, all training courses focused on management at any level focuses on strengthening management's ability to lead through collective creation of value, dynamic balancing of interests, raising team morale, and leadership reform. Typical management training courses include Innovative Growth Strategies, Value Analysis and Value Engineering: The Pursuit of Optimal Added Product Value, Deeper Organizational Innovation Capacity, and Resolution of Product-Marketing Conflict at Minimal Cost: The Theory of Constraints (TOC) as a Systematic Thought Process, and Building the Transformational Leadership Skills of Winners.

(2) Professional Occupational Training System

This system provides the technical training required by the Company's various departments, as well as seminars by specialist speakers given to help keep staff up on the latest trends in product development. These courses include Innovative Applications of Smart Devices to Business, Opportunities and Trends in Smart Wearable Device Development, Value Creating: From Consumer Observation to Product Concepts and Their Implementation, Eco-design Tools (LCA, QFDE, MET), Green Design Processes, and Outstanding Telephone Service.

(3) General Education Courses

Our General Education courses focus on strengthening capability in the 5Cs, innovation, and value creation. Typical courses include Interdepartmental Communication and Coordination, Project Management: Communication and Coordination, The Question behind the Question (QBQ), The McKinsey Way and the MECE Principle, Silicon Valley Innovation: Creative Thinking Methods and Tools from Stanford, Applications and Trends in Social Media Marketing, How to Inspire Team Creativity: Methods and Tools, and Smart Ways to Interact with Westerners (Language, Culture, Value Recognition).

(4) New Staff Training

On their first day of work, new staff are given orientation training to help them quickly come to grips with the Company's basic operating processes. Within their first month, new staff are put through training to better understand the company's mechanisms, regulations, core values, brand values, corporate culture, and Standards of Business Conduct (including instruction on labor rights, freedom of expression, sexual harassment prevention, and corruption prevention), thus helping them become fully integrated parts of the team. New staff working in product-related positions also receive training on patent protection, CSR (including green products, EICC, and greenhouse gases), and electrostatic discharge (ESD).We also actively encourage staff to take training in CPR and automated external defibrillator use.

Performance Management and Development

The goal of Acer's performance management and development system is to improve performance at individual, departmental and organizational levels and includes goal setting, delegation, communication and coaching, the link between performance and remuneration, and career development. In 2013, the proportion of Acer Taiwan employees involved in performance evaluations reached 100%.

Health and Safety in the Work Environment

Health and Safety Training

In order to continue to increase employee safety awareness in the workplace and strengthen health and hygiene concepts, Acer Taiwan has held the Education and Training for General Labor Safety and Health at its headquarters in Xizhi since 2011 in accordance with CLA Rules on Education and Training of Labor Safety and Health and the requirements of the OHSAS 18001 standards.

This training helped colleagues understand Acer's labor health and safety polices and related considerations including employer's responsibilities and employees' obligations with regard to labor safety and health(legal), understanding common office accidents, types of hazard and preventative methods (environmental), regulations related to company safety and health and matters required cooperation from colleagues (safety) and preventative health care and health promotion for technology workers (welfare).

In 2013 we produce online educational materials for our health and safety training, enabling staff throughout Taiwan, regardless of which office they are in, to get access to the same level of quality training. We expect to launch this online program in 2014.

In addition to this, in 2013 our Xizhi headquarters and Da'an office held four CPR and automated external defibrillator (AED) training courses, along with completing on-the-job training for first-aid and safety management staff, fire prevention courses, and others. We also held seminars on occupational health services and management in cooperation with Xizhi's Cathay General Hospital.

Health Checks, Health Education and Promotion

Acer cooperated with professional medical organizations in carrying out its biennial employee health inspection and provided tracking management with assistance from medical organizations for colleagues whose health inspection results showed serious abnormalities.

Acer Taiwan organized a series of mind and body health seminars with a total of 2,946 participants and provided a variety of recreational facilities in the employee recreation area and basketball court to relieve stress, including table tennis, a basketball shooting machine, video game consoles and electronic massage chairs. In 2008, Acer launched its Acer massage station, bringing in visually-impaired masseurs to provide colleagues massages, with over 11,300 people participating in the scheme so far.

In order to enrich the recreational lives of employees, Acer encourages employees to create a variety of clubs and has established the Acer Sports Team to encourage colleagues to enter a variety of sporting events, including sports competitions such as the Taipei Marathon, Swim Across Sun Moon Lake, and the Acer Climbing Race. In 2013, a total of 1,854 colleagues and their families participated in these activities.

Acer Thailand's Staff Sport Day

Acer Thailand's Staff Sport Day included physical competitions, fun contests, and a cheerleading competition. All participants pulled out all the stops to show off their team spirit and earn the highest honors.

Improving Hardware and Software Facilities

In order to perfect channels of communication, Acer Taiwan set up an Employee Representatives organization. The representatives were elected by employees from all departments. Meetings are held quarterly to discuss topics including health and safety issues and improvement tracking. In order to build a good working environment and ensure colleague health and safety, the Acer Taiwan headquarters in Xizhi has launched an ESH (Environment, Safety, and Health) management system. The ESH management group is comprised of 44 members. Apart from the management representatives and promotional groups, the remaining 41 members are suitable employees elected from each unit (the proportion of labor representatives is 93%). In addition to regularly organizing meetings to discuss issues relating to ESH, the team also carries out an annual workplace hazard identification, considers environmental impact and proposes improvements for significant risk, high-impact projects.

In 2013, Acer Taiwan's headquarters in Xizhi carried out a number of improvement projects including addressing humidity issues in conference areas and component warehouses; improving office air conditioning; establishing a 24-hour emergency phone line; replacing escalators; and pushing for a sky-bridge in front of the company building. We have also continued to implement tests of drinking water potability, interior carbon dioxide levels, electromagnetism, cooling tower legionella, interior air quality, and other environmental factors, as well as monitoring and maintaining the office environment.

Acer Taiwan 2013 Injury and Disabling Severity Rates

	Injury rate (IR)	Lost day rate (LDR)
	Total number of injuries x 200,000 / total work hours	Total lost days x 200,000 / total work hours
Male	0.10	0.31
Female	0.17	2.80 [3]
Total	0.28	3.11

Absentee Rates in 2013 for Acer Taiwan

	Leave for Injury or Sickness	Leave for Injury or Sickness and Personal Leave
Absentee Rate in Male Employees	0.31%	0.40%
Absentee Rate in Female Employees	0.32%	0.38%
Absentee Rate in All Employees	0.63%	0.78%

[3] In 2012, a female colleague from Acer's headquarters in Xizhi was involved in a car accident which resulted in a hospital stay and long-term recuperation at home. A total of 53 days were lost in 2013 due to this case.

Standards of Business Conduct

In addition to carefully abiding by relevant national laws and regulations, Acer requires colleagues to be honest and exceed the public expectations for Acer. For this reason, we drafted the Standards of Business Conduct (SBC) in 2009. Acer management, Global HR, and Global Legal are available for both staff inquiries and external inquiries. Should staff or outside partners have any questions regarding potential breaches of SBC or possible unethical behavior, they may directly contact the above-mentioned units. In the event that any of these regulations are violated the situation will be handled according to the severity of the violation. Serious cases are subject to necessary disciplinary action and even dismissal. In 2013 there was one case of a breach of the SBC; the Company promptly informed the authorities and conducted an internal review, and the offender shall be handled in accordance with the relevant laws and regulations.

These regulations require that all Acer employees carry out business activities to the highest standard of conduct. Every new employee receives educational training and is required to comply with these regulations. In addition, the SBC is integrated into performance appraisals to remind colleagues of their obligation to adhere to the code. Direct line managers are responsible for ensuring all their staff member s following the SBC.

The SBC also clearly states our anti-corruption rules, including conflicts of interest, the banning of inappropriate interests, business entertainment and bestowing of gifts, as well as detailing mechanisms to address potential corruption. In addition, the company is reducing the possibility of corruption by conducting regular audits of internal business processes, utilizing effective internal controls and internal self-inspection. In terms of training, in 2013 all new staff were required to undergo training that included the SBC and anti-corruption measures. Additionally, during annual performance reviews, we require management and colleagues to re-examine the Standards and anti-corruption measures to see if their behavior is appropriate. In the event of corruption being found, the company must immediately report the incident and implement management measures, while also reminding staff that they must adhere to the regulations of the Standards of Business Conduct.

Customer Service

Acer has always followed a quality policy of "Serve with honor and work with pride." We adhere to the belief that "service is the pride of Acer" in providing professional products and services. In order to satisfy the requirements of our customers, Acer employs a fresh approach with regard to innovation and contribution, providing customers with cutting-edge technology. In order to keep the trust of our customers, we carry out rigorous product quality checks and strive to provide safe products. We have also established a comprehensive customer service mechanism in order to give our customers peace of mind.

Acer Group Service Model

The Acer service network is made up of Acer's directly controlled service centers and authorized maintenance centers. We have set up a number of maintenance centers around the world, and cooperate with authorized service centers where required. The four features of this service model are:

- **Hybridity**   Both self-owned and affiliated telephone customer services and maintenance centers are used.

- **In-house IT systems**   "One company, one system" provides seamless, real-time links between all service units.

- **Spare parts logistics**   Central and local inventory managed by a single system. We have set up spare parts centers on five continents in response to customer demand for maintenance services.

- **Multiple brands**   Meets the brand requirements of specific customers around the world.

In 2012, there were no major cases in which Acer violated laws and regulations with regard to products and/or services.

Multiple Service Channels

We are devoted to helping customers understand our product features and services and to using a variety of methods to understand what our customers require. Acer customers can contact us at any time and provide comments and suggestions through any one of the channels listed below.

- Network download and support services
- Telephone service support center/ technical support
- Acer-managed service centers
- Authorized service centers and professional maintenance companies
- International travelers' warranty service centers
- Acer Web Master (procedures and mechanism for handling customer complaints)
- Facebook and Acer Community

Listening to the Voices of Customers

In late 2012, Acer launched the Acer Community website, providing customers with an online communications channel that enables them to post their problems at any time and receive prompt, accurate responses from Acer Community members. Currently the website boasts over 80,000 registered members and over 77,000 topics and growing. The website is available in multiple languages, including English, Spanish, German, and Portuguese, with plans to add Chinese in 2014.

Additionally, in late 2013 we added Acer Ideas, a channel for all registered members to put forward their ideas for products, accessories, and services, with the chance that Acer may incorporate those ideas into the next generation of products and services.

Acer China Campus Services Tour

Since 2011, Acer China has conducted an annual Campus Services Tour, using on-campus events to offer free computer testing, cleaning, and problem-solving services to students and faculty. Some 57 such events were held during 2013, with almost 6,200 people taking advantage of the services.

Customer Service System

A good system is the foundation of customer service. In order to further improve customer service quality, we developed the Acer Customer Service System (CSS) to centrally manage Acer's directly-managed service centers, authorized service centers, professional maintenance companies, telephone service support centers, spare parts planning and warehouse management as well as managing customer interactions though the network.

This system will help us improve maintenance schedules and quality. Use of this system has started in Europe, the Middle East, Africa, America and Asia-Pacific regions and we expect to expand worldwide by 2014, providing customers with even better services.

Online Education and Training for Employees and Partners

In order to help our worldwide customer service staff to provide the best customer advice and assistance, we established an online learning system (the Acer E-Academy) in 2009 to provide professional knowledge training in new products, resolution of common product queries, customer coping skills, and standard processes to first-line customer service employees and operating unit employees, including an online evaluation after the course has finished. By the end of 2013, the Acer E-Academy already boasted 190 courses, and over 7,700 employees and partners worldwide have already used this system to gain the latest product knowledge, enabling them to provide even better customer service.

Product Alerts and Recalls

All Acer products and services carry required labeling and product information inn accordance with the law. Manuals for Acer products include guidelines for safe usage, laying out proper usage of the product and relevant items to be aware of, as well as recycling measures for when replacing a product. Consumers will also find details on how to contact Acer and how to find our website, further facilitating troubleshooting via telephone or online customer service.

Whenever we have important product information or need to recall products, we post all the details customers need to know on our websites for each country. For instance, Taiwanese customers can check whether their products have been affected under "Support" on the Taiwan website and can proceed according to the steps outlined there. In addition, we inform all customers calling our telephone support center and help them resolve any issues. No incidents with the potential to cause customer safety concerns occurred in 2012.

Customer Satisfaction Survey

In order to better understand our customers' needs, Acer conducts Customer Satisfaction Surveys, gaining valuable feedback and suggestions for change. These surveys take two forms. The first of these is focused on single product lines. For example, we have conduct Customer Satisfaction Surveys focused on the Android-based smart display DA220HQL and the Aspire V5, Aspire V7, and second-generation Aspire S7 notebooks. These have helped us gain a deeper understanding of how satisfied customers are with these products and what suggestions they have for future improve-ments. In 2012, for example, our first-generation Aspire S7 received a satisfaction score of 3.82, but the second generation Aspire S7 was more warmly welcomed by customers, with its satisfaction score rising to 4.18.

The second kind of survey focuses on customers' questions regarding our products, and is carried out as after-sales follow-up evaluations and surveys, including questioning customers who have made use of service centers or telephone tech support. The aim of these is to ensure customers' needs are met, and the feedback gathered through such surveys has proven a valuable source of continued improvements to Acer's operating procedures.

Once that feedback is analyzed, relevant organizational units within the company can be properly notified of any issues, and these units will then develop improvement plans, implement those plans, and follow up on their results. We strive to respond in a practical way to the results of these surveys, and the results of these efforts can be seen in our aggregated global satisfaction score, which has reached 93% for the three-year period 2011-2013.

Thanks to our hard work, in 2013 Acer was awarded with several customer-service-related awards from countries including China, the Netherlands, France, Spain, and Germany. We intend to continue earning the affirmation of our customers and implementing their suggestions in order to improve our services.

Global Customer Satisfaction Survey

Units: %

2008	2009	2010	2011	2012	2013
91.65	91.42	91.67	92.90	93.74	93.25
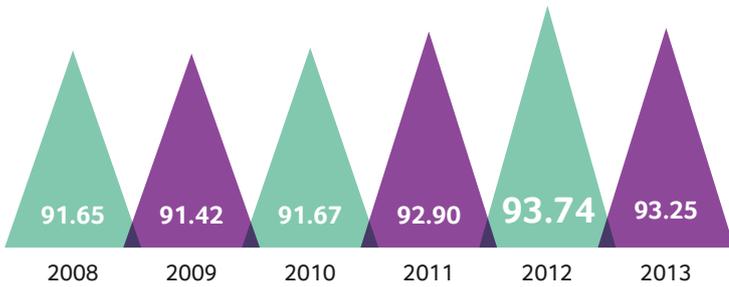
Protection of Customer Privacy

We are devoted to protecting the confidential information of our customers and strictly adhere to Acer's Privacy Policy. All Acer employees are required to carefully protect confidential or proprietary information provided by customers. Our products make use of data security technology to protect consumers' personal information.

No complaints were made against the company with regard to the violation of customer privacy or the loss of customer information in 2013.

Our privacy practices

- Comply with regulations
- Comprehensive information security protection measures
- Implementing internal personnel controls and training
- Strict internal controls
- Mechanisms for the end-to-end handling of customer issues

Tony Grigg

Ideas Manager and Business Intelligence Analyst
Voice of the Customer Insights Team

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Acer's global website now includes the Acer Community where users and prospective buyers can interact with each other and Acer support staff to learn about Acer products, get answers to usability questions and exchange opinions on Acer products. Acer Community Experts (ACEs) participate in discussions on a frequent basis, perform product evaluations, author solutions, and frequently contribute high quality content which is shared publicly throughout the forum.

Within the Community we also recently launched a new "Ideas" section, where members can submit new ideas and share suggestions for Acer products and services. Once a new idea is created, other community members can provide additional comments as well as kudos.

As the "Ideas Manager" and senior analyst on the Voice of the Customer team, this allows me to gather customer feedback and engage with customers directly to better understand opportunities for ongoing improvements. I communicate directly with Acer executives and members of the product design teams so they can get a better understanding of the features and capabilities that are most important to our users. Ideas range from simple and highly practical, to fully detailed specifications for proposed future products. Each of these ideas is thoroughly reviewed and responses are provided directly to the submitters on the Idea site. This direct communication with users enables Acer to share a dialog with our customers about what they want and allows Acer to respond by providing ever evolving products that meet and exceed our customer's requirements. "

AcerCloud

A Full-Featured
Smartphone — Liquid Z3

An All-in-One
Computer — Veriton Z Series

Innovative, User-Friendly Products

We hope that our products serve as portals to personal accomplishments for our customers, while also affording them a more pleasurable, share-ready, experience. During this process, we aim to enable smarter energy conservation in high technology through the use of these innovative, high-performance products.

Build Your Own Cloud—AcerCloud

With the introduction of AcerCloud and Acer Apps, we have been able to help our users automatically synchronize their data across computers, mobile phones, and tablet computers. Acer Apps facilitate wireless sharing of information between devices on which they are installed, automatically building up a private cloud space of photos, music, and documents. Wherever and whenever there is a need, users can access their photos, music, and documents through their phone or tablet. These are the three major characteristics of AcerCloud:

- Cross-platform: Users can connect wirelessly to their own personal computer via personal devices whenever and wherever they need to. They can upload or download data through applications on Android, iOS, and Windows and access their personal computer through any device on any of those platforms.

- Protects privacy: Your personal photos, videos, and documents need both permanent preservation and privacy protections. These can be stored on their own devices, and AcerCloud offers privacy measures safer and more environmentally friendly than other currently available cloud storage services.

- Wireless access: Manage your files fully wirelessly. This wireless access means that users can instantly access their personal digital files whenever they want, wherever they want, through their personal mobile devices.

A Full-Featured Smartphone— Liquid Z3

Acer's Liquid Z3 phone offers four ready-to-use personalized users interfaces (Basic, Senior, Classic, Keypad), making it suitable for the whole family, young and old. Children and elderly family members, or first-time smartphone users, will quickly get to grips with the phone. The Liquid Z3's many thoughtful user interface elements have made it a satisfying introductory smartphone, as well as earning it the Japanese Good Design Award.

An All-in-One Computer— Veriton Z Series

Using the supplied ErgoStand[1], the Acer Veriton Z series can be used in a variety of environments and ways. This stand not only enables the screen to smoothly move from landscape to portrait, through a 120º rotation, and through angles from -5º to 35º, it can also be adjusted for height, up to a maximum of 150mm. The Veriton Z series can also be mounted to the wall with VESA support, saving space and offering a variety of potential uses for users. These all-in-one desktops offer users not only outstanding flexibility and improved efficiency, but also an environmentally friendly choice that is about more than just a label.

120º

Star Trek Limited Charity Edition Aspire R7

Smiles Card Vietnam

Teletón Mexico

Customer Participation in Social Responsibility Projects

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

"Star Trek" Limited Charity Edition Aspire R7

Acer's revolutionary touchscreen notebook, the Aspire R7, boasts a unique ergonomic Ezel™ hinge, giving an easel-like look to the machine. The screen's angle and position can be adjusted, and the screen can also be rotated. With four usage modes (notebook/touchscreen/sharing/tablet), the Aspire R7 offers users a handy way to fulfill their various demands. This superlative industrial design also earned it a renowned Red Dot Award: Product Design, and at Computex 2013 it received the Best Choice Award and Design & Innovation Award.

Working with Paramount, Acer produced a special edition Aspire R7 to celebrate the release of the latest entry in the Star Trek franchise, "Star Trek Into Darkness." One of these limited-edition computers was donated for an online charity auction, offering to Star Trek fans not only the chance to become the lucky owner of a unique Star Trek branded Aspire R7, but also to feel the joy of donating money to a good cause.

Smiles Card Vietnam

In Vietnam, Acer has joined the Smiles Network, with any purchase of an Acer product since March 2013 coming with a Smiles Card which gives shoppers discounts and loyalty points whenever buying Smiles Network products or services. 10% of all such purchases are also donated to charities like Operation Smile Vietnam, Kids With Cancer Foundation, and Live to Love. We invite our consumers to join the network; it is completely free, and will help provide assistance to more people and families in need, giving them new reason to smile.

Helping Teletón Mexico

In 2013, Acer provided support to the Mexican Teletón Foundation, which provides treatment and rehabilitation services to Mexican children with physical or intellectual disabilities. As well as donating computers to the foundation, we have also affixed Teletón stickers to our computer products, helping further promote the good work being done by Teletón.

Hunger Relief in Malaysia

In July 2013, Acer worked with international non-profit organization Stop Hunger Now to raise funds in Malaysia. Fundraising methods included charity auctions of products, online donations, and a donation of 5 Malaysian ringgit for every Acer product sold through specified channels. With the help of our customers, in September we donated 60,000 ringgit (approx. US$18,600), exceeding the original target of 50,000 ringgit (approx. US$15,500), giving our customers the joy not only of the latest technology, but also of supporting hunger relief efforts.

Community Involvement

At Acer, we believe our products can satisfy the curiosity of all people and enable them to explore beyond limits, allowing individuals, communities and organizations to utilize the power of ICT and improve their quality of life and competitiveness through exploration. Therefore, we aim to create products for the majority. Our goal is to create a world in which everyone can enjoy access to the latest technology.
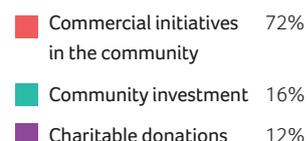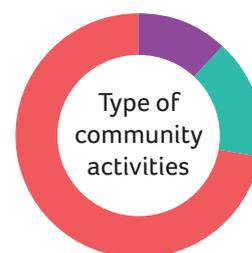
In terms of community involvement, Acer, the Acer Foundation and the Gateway Foundation start from core competencies, considering the needs of the local community in each region when giving back to the community by means of our technologies and products, employee capabilities and donations. We put a particular emphasis on education, Acer volunteers, environmental conservation, charity, and cooperating with non-profit organizations to achieve optimal impact.

In 2013, Acer invested a total of US$1,670,000 into global community participation. We hope to establish shared values with the community, furthering the company's economic interests while also achieving social inclusion.

Donation categories

■ Cash	50%
■ Product	44%
■ Other in-kind	6%
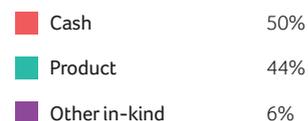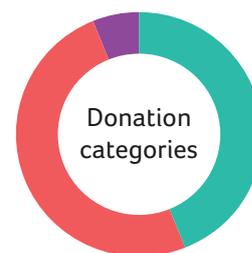
Acer's Community Involvement: Region and Type

	Education	Volunteers	Environmental Conservation	Charity
Asia Pacific	✓	✓	✓	✓
Pan-America	✓			✓
EMEA	✓	✓	✓	✓
Taiwan	✓	✓	✓	✓
China	✓			✓

Type of community activities

■ Commercial initiatives in the community	72%
■ Community investment	16%
■ Charitable donations	12%

Education

As technology advances, so does the desire to learn, create and explore. Therefore, we work with local non-profit organizations around the world to promote the exploration of values created by the integration of technology and education. In this way, we create more opportunities for disadvantaged groups and young students and equip them to grow in the information economy.

Increasing Digital Opportunities in Remote Regions

We are proud of our products, but we are even more proud of the things people are able to achieve through our products. We are devoted to increasing digital opportunities in remote regions because we believe that using technology helps reduce the education divide and promote digital inclusion for children. We also believe that children can create greater opportunities for the future through the use of technology. In 2013, the Acer Digital Opportunities for Remote Regions program included Taiwan, China, Africa and Myanmar.

Acer computers open windows to the world for children in remote areas.

Digital Mobile Vans — Providing Free Computer Education

In Taiwan, we worked together with the Hanguang Education Foundation in launching the Acer Digital Mobile Van in Hualien in June 2010, providing computer courses in a number of small communities. The program received a rousing response from the public. In April 2012, we expanded the program to include Yilan County. We currently have four Digital Mobile Vans carrying 105 laptops, projectors, wireless Internet equipment, lecturers and assistants, providing services to tribes and villages across Hualien and Yilan.

By late 2013, Digital Mobile Vans had already been dispatched 1,727 times, working with over 139 local non-profit organizations and teaching a total of 24,277 participants. These vans have covered a total mileage of 102,820 kilometers, enough to circumnavigate Taiwan 102 times. Their primary targets for service are children in rural areas, immigrants, and the elderly. Several organizations

Visits and participants for Digital Mobile Vans providing services across Hualien and Yilan
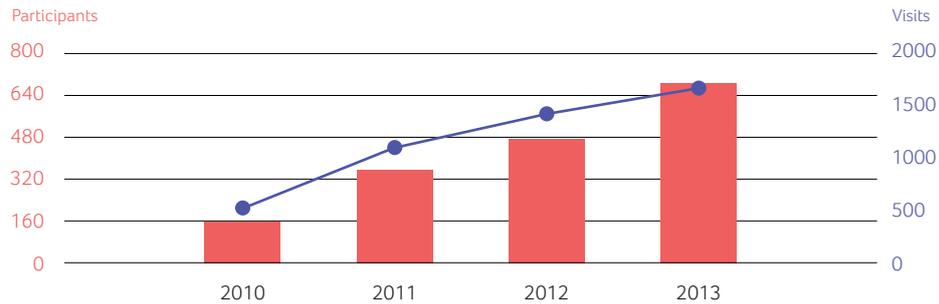
are long-time partners to the Digital Mobile Vans, and with the help of the vans' teams a number of students have earned their TQC (Techficiency Quotient Certification) computing qualifications.

In 2014, we aim to have the Digital Mobile Van project extend to Taitung County, offering even more rural residents opportunities to shape their own futures through technology.

Sowing Hope in Remote China

Since 2011, Acer has worked with the Ying Kuang Education Foundation to change the information education environment for children in impoverished rural China. In these three years, we have donated some 1,200 computers and 60 projectors to Ying Kuang Hope Elementary Schools in Guangxi, Shaanxi, Jilin, Qinghai, Chongqing, Heilongjiang, and Xinjiang. Through these, we hope the children will have better access to the latest technology and learn computer skills that will help them bridge the education gap.

Building Digital Capability in Africa

In France, Acer is a long-time partner with SOS Children's Villages, providing care for underprivileged children and teens as well as helping empower vulnerable families and communities. Through SOS Children's Villages we have donated IT equipment to schools in Male, Burkina Faso, and Madagascar, and in 2013 we took that further with the donation of tablets to two villages in Togo. Acer France has also worked with the Deauville chapter of Rotary International, donating tablets and promoting IT education to The Rural House of Ambatomanga and the Fracasse School in Madagascar.

Additionally, we have sponsored an international volunteer team from Taiwan's Tsing Hua University as they traveled to the Republic of Sierra Leone.

Using donated Acer notebooks, the volunteers were able to promote IT education and start training local computer teachers at Holy Rosary Senior Secondary School in Kenema. The seeds of IT education in the city were further cultivated through help in setting up a computer classroom at the school using Acer computers.

Digital Opportunity Center Myanmar

Acer has joined with the ADOC 2.0 initiative to bridge the digital divide in Myanmar, donating notebooks and setting up a Digital Opportunity Center to help the newly opened up Myanmar address its technology needs.

Creating Opportunities for Young Students

The students of today are the leaders, innovators, and entrepreneurs of tomorrow. We hope to be able to rouse their curiosity and inspire them to explore their potential. By means of our activities and sponsorships at Acer and the Acer Foundation, we have created educational, vocational and even entrepreneurial opportunities for countless students with the courage to face risks and embrace challenges.

Acer Incredible Green Contest

The Acer Foundation works with the Taiwan Institute for Sustainable Energy in organizing the Incredible Green Contest to encourage the new generation of young students to use ICT technology, and putting forward innovative, sustainable concepts for green living and making eco-friendly creative ideas a reality.

Acer France and Rotary co-operate to donate computers to schools

The finalists in front of their ideas exhibited in the Computex Taipei

Over 2,000 teams and individuals from over 100 countries participated in this competition, with the final 12 teams invited to Taiwan for the finals, including teams from top-flight schools like Harvard University and China's Zhejiang University. The judging panel was made up of heavyweights in global sustainable development and the ICT industry, including former executive secretary of the United Nations Framework Convention on Climate Change Yvo de Boer, former president of the World Business Council for Sustainable Development (WBCSD) Bjorn Stigson, Delta Electronics chairman Yancey Hai, United Microelectronics Corporation vice chairman-emeritus John Hsuan, and ITRI president Hsu Chueh-min.

The Ecobreeze team from National Taiwan University was the ultimate victors, receiving a prize of US$60,000. Using piezoelectricity, magnetism, and resonance, they created a replacement for traditional fan-based cooling systems that requires only 2%-5% of the electricity of traditional systems and can be used in computers and projectors. The 12 winning teams also had their works on display at Computex Taipei, one of the world's top three computer shows, as part of an effort to promote sustainability and green awareness.

Helping Underprivileged Students Gain Digital Competitiveness

To improve the digital competitiveness of economically disadvantaged students in Taiwan, we have worked with the Taipei City Department of Social Welfare since 2003 as part of their "Digital Banquet - Dreams Come True" project to help low-income households buy computer equipment. In 2013, we provided 300 desktop computers at heavy discounts, giving underprivileged children the chance to learn more about IT and create digital opportunities, while also helping their families get access to the convenience and richness of the digital world.

Additionally, since 2012 we have donated to the Hongzhi Education Promotion Fund, part of the China Education Development Foundation. The fund provides support to promising students from impoverished families in 20 provinces, helping them complete high school and then continuing to follow them as they progress and grow. Acer China particularly focuses on donating tablet computers

to help and encourage the students in their studies.

Longterm Smile Competition

The Longterm Smile Competition began in 2006, based on the spirit of an idea from Acer founder Stan Shih, the "smile curve." The competition aims to inspire tertiary students to design products with potential on both ends of the smile curve—the left, which represents products and technologies, and the right, which represents branding and marketing—and to boost the value of Taiwan's industrial knowledge economy. The eighth Longterm Smile Competition was held in 2013, in cooperation with the National Science Council (now the Ministry of Science and Technology). The competition brought together competing and entrepreneurial learning, and the top teams will be selected for support from the NSC's "From IP to IPO" (FITI) initiative, including training camps, mentorships, and entrepreneurial matchmaking, enabling them to take their ventures to the next level.

Digital Creation Awards

To encourage high school students to get involved in digital creation, the Acer Foundation established the Digital Creation Awards in 2004. In the years since, it has become an important platform for high-schoolers looking to showcase their digital creativity. The 10th Award, held in 2013, had as its theme "Explore," encouraging students to explore the every possibility of their digital dreams.

Participating Submissions to the Digital Creation Awards by Year
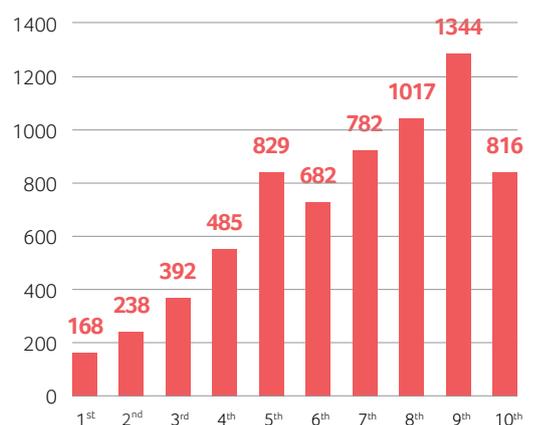
Using Technology to Inspire Educational Innovation

Technology products are a valuable tool for learning and exploration, as well as for promoting innovation in education. Acer has provided the global education community with the affordable technology for innovation, encouraging educators to take the lead in raising community digital capability.

Acer Guru Era Baru (Teachers for a New Era)

Since 2010, Acer has been conducting a program to boost the IT capability of teachers in Indonesia known as Acer Guru Era Baru (Teachers for a New Era). The program encourages teachers to employ IT products in their teaching and explore new models for how IT can be applied to education. We also set up a social networking site named for the abbreviated name of the program, Guraru (http://www.guraru.org), to facilitate the sharing of IT education approaches between Indonesian educators. The site boasted over than 5,500 members as of late 2013. In addition, we hold the annual Guraru Award and a writing competition, both aimed at further encouraging sharing and discussion among teachers.

In addition, we have also sponsored the Indonesia Mengajar Foundation's Teaching Indonesia program since late 2011. 250 of Indonesia's most outstanding university graduates were recruited, trained and assigned to teach for one year in 14 remote regions across the country. We provided a laptop for each teacher (AS4830TG), with a total value of over US$170,000, and assisted with training and promotion to encourage more effective teaching through the use of computers, sowing the seeds of opportunity throughout remote regions.

Outstanding young Indonesian teachers in training

Students in remote parts of Indonesia learning about technology with Acer computers

Acer Volunteers

We encourage all Acer employees to actively participate in volunteer activities to gain new experiences and ideas as well as the energy and skills needed to face the challenges presented by work and customers. The Acer Taiwan Volunteer Team has developed continuously from its inception in 2003 until now. Every employee of Acer Taiwan enjoys two days of paid volunteer leave each year. Current services cover four major areas including "digital inclusion", "charity and philanthropy", "international volunteering" and "environmental conservation ".

Digital Inclusion

To attempt to close the urban-rural digital divide, since 2010 Acer has sponsored four Digital Mobile Vans in Hualien and Yilan and encouraged our staff to become digital volunteers, teaching locals in these counties how to use computers, tablets, software, and the Internet. This has the added bonus of helping us better understand what our users want.

Charity and Philanthropy

On the community engagement front, Acer Taiwan's volunteer team organizes a variety of community service activities each year, including:

- Our long-term efforts to help underprivileged children in the Xizhi area, home to Acer headquarters, through regular tutoring, outdoor education, collecting Christmas gifts, and other activities that help provide the children suitable guidance and encouragement.

- Working with the Old Five Old Foundation, for the past three years we have organized distribution of festive meals and gifts for Chinese New Year's Eve to elderly people living alone, providing them a sense of the community's care and warmth.

- We are also long-time supporters of the Chinese Association of Early Intervention Program for

Acer volunteers using tablet computers to help teach Cambodian children about dental hygiene.

Children with Developmental Delays' (CAEIP) efforts to provide early intervention in the Hualien-Taitung area, including sponsoring an Early Intervention Mobile Van in 2013.

- Every year, Company staff also hold regular money donations and blood drives at our Xizhi headquarters. In 2013, a total of 1,582 people participated, donating a total of 2,532 bags at 250cc per bag, as well as NT$1,521,600 in monetary donations.

- Other activities include working with National Taiwan University Hospital to care for seriously ill patients and similar work.

International Volunteer Work

Since 2011, Acer has been actively involved in promoting international volunteer work, working with the Taiwan Dental Association to hold regular dental clinics for impoverished children in Cambodia, as well as assisting in distributing aid and showing the world how much Taiwan cares.

Environmental Conservation

During Earth Month each year, Acer holds a variety of activities focused on sustainability, simplicity,

and environmental awareness. Each quarter we collect donations of second-hand goods and hold charity sales, and each year we organize activities like "eco-working holidays" at Mt. Baxian, combining our care for the environment and our commitment to volunteer work. Such events are enthusiastically welcomed and participated in by staff and colleagues every year.

Volunteer Activities in Asplex

Colleagues at Acer's Polish operation Asplex independently organized their own volunteer team to help the local community. Working with charitable group Krzys, they hold activities like baking classes for children with disabilities; taking underprivileged children on trips to Wroclaw; building playgrounds for local kindergartens; and cleaning local forests.

Acer Asplex volunteers baking snacks with physically/mentally disabled participants

Environmental Conservation

We promoted environmental conservation concepts within the company through volunteer activities and worked together with non-profit organizations to improve environmental awareness in communities and among Acer employees leading to environmental initiatives.

In the Philippines, we are long-time partners with the Green Earth Heritage Foundation working to build communities in areas in the Sierra Madres that are subjected to illegal logging. Through education, reforestation, and cultivating organic agriculture, the Foundation are leading these illegal loggers toward lives as organic farmers, while also helping strengthen community there. In 2011 we built the Acer Bamboo Greenhouse to

help cultivate moringa seedlings. In 2012, 50 Acer volunteers and their friends and family participated in planting the seedlings in the Sierra Madres, with 42 participating the following year. Between them, these two groups of volunteers planted some 1,000 moringa trees in the mountains. In 2013, we funded the construction of a tea processing plant by the Green Earth Heritage Foundation. This plant takes moringa leaves and produces moringa tea bags, and these have been certified as organic and fair-trade products in Europe and the United States, enabling the local community to gradually build self-sufficiency.

Due to the remoteness of the Sierra Madres, there are no direct links to the outside world. Because of

this, we donated equipment to the foundation to help them establish a computer learning center that enables local students to access education online and bridge the urban-rural divide.

In India, we distributed some 150 seedlings and reusable bags to staff in India on World Environment Day, an action taken in response to the need for environmental conservation. In Poland, Asplex works to keep the forests in Swidnica, near Wroclaw, clean; in Taiwan, we hold annual environmental awareness volunteer activities.

Volunteers from Asplex clearing garbage from a local forest.

Charity

We have also worked for many years with a variety of local charitable organizations. This cooperation not only helps communities, but also strengthens our connections with the community, allowing our relationships to grow stronger.

Bringing Together Resources for Fundraising

Not only does Acer strategically optimize the impact of both the Company and its employees through charitable activities, we also work to bring together the power of the community to inspire more resources and action. To this end, we work with a number of partners on fundraising activities, helping those partners raise more resource for charity.

Stop Hunger Now in Malaysia

Acer works with international non-profit organization Stop Hunger Now in Malaysia to help fight hunger. Fundraising methods have included charity auctions of products, online donations, and a donation of 5 Malaysian ringgit for every Acer product sold through specified channels. In addition, a total of 272 Acer employees, their family and friends, our distributors, and other partners volunteered for six hours to pack some 60,000 food aid packages for the organization.

Charity Auction of Limited Edition "Star Trek" Aspire R7

Worldwide science fiction phenomenon Star Trek shares a common commitment with Acer—to "explore beyond limits." As such, we partnered with Paramount Pictures to produce 25 limited-edition Star Trek Aspire R7 computers to celebrate the release of the latest Star Trek film, "Star Trek Into Darkness." One of these limited-edition computers was donated for an online charity auction, offering to Star Trek fans not only the chance to become the lucky owner of a unique Star Trek branded Aspire R7, but also to feel the joy of donating money to a good cause. In the end, the charity auction raised some US$8,500, with every cent donated across two charities: Save the Children and The Mission Continues.

The UK Three Peaks Challenge

In the United Kingdom in 2013, we organized the "Three Peaks Challenge," challenging both Acer staff and reporters to climb the UK's three tallest peaks to raise money for Mountain Rescue Charity. The event successfully raised £5,750, as well as further promoting Acer's core credo—"Explore Beyond Limits"—among both staff and the public.

Acer volunteers and their friends and families packing food packages

The Acer Expedition Team climbed the UK's three tallest peaks to raise money for charity.

Linda Hassall
Marketing Manager
Acer UK

"

As Marketing Manager for Acer UK, I was presented with a challenge back in 2012 – to create a unique event that would bring the Acer brand to life.

That's how we came up with the idea of the 3 peaks challenge; basically a three-day long event that would take us trekking up the 3 highest peaks in the UK – Ben Nevis in Scotland, Scafell Pike in England and Mount Snowdon in Wales. After six months of preparation and training, I set off in July 2013 with the other Acer volunteers and nineteen journalists on the start of our three-day mission to "Explore Beyond Limits".

Our practice trek on a very cold and foggy day in June hadn't really prepared us for the aching limbs and sore feet after the actual 17 hours and 48 minutes of hiking up and down mountains. But it was well worth the experience. Despite all the hard work, I would certainly do it all over again – the highlight for me was seeing the passion and determination of the Acer team to reach our common goals. But above all, it was learning that we'd managed to raise over £ 5,700 for the Mountain Rescue charity, whose volunteers work tirelessly to carry out search and rescue operations in the toughest conditions, and are entirely funded by donations and sponsorships.

I'm looking forward to the next challenge! "

Disaster Relief

Acer understands the impact of our operations on the communities where we operate, and as such we view these communities as important partners. When local communities are struck by natural disasters, both Acer the company and our staff immediately get to work to support relief organizations, helping the communities make it through troubled times and rebuild.

Post-Typhoon Haiyan Relief in the Philippines

Acer Philippines volunteers packing food aid packages

In November 2013, the Philippines was hit hard by Super Typhoon Haiyan, which left over 6,100 dead in its wake. Acer joined forces with other companies in the ICT industry to provide ICT equipment and network connections to establish communication centers and facilitate communication between those affected and friends and family elsewhere. In addition, we harnessed donations from the Company and our employees to prepare food aid packages, which were distributed to those in need by the Philippine Red Cross. Once disaster relief efforts were finished, the communication centers' equipment was then donated to local community centers to aid in rebuilding.

Tornado Relief Assistance in Oklahoma

In May 2013, the US state of Oklahoma was struck by a severe tornado, suffering significant damage to life and property. Working with Walmart, we donated 40 computers to the city of Moore, OK, for the Emergency Response Centers set up in two local Walmarts. This way, locals were able to get in touch with friends and family using the computers, as well as being able to stay on top of the latest news, information, and relief resources. After the Emergency Response Centers were no longer needed, we donated the computers to the Moore Public School District to aid in rebuilding.

Caring for the Community

In 2013, Acer was involved in a number of efforts to give back to communities in Asia, the Americas, Africa, and Europe. The following is an introduction to our project with Mexico's Teletón Foundation, with other projects listed in a table to follow.

### Helping the Mexican Teletón Foundation Build Rehabilitation Centers

In 2013, Acer provided support to Mexico's Teletón Foundation, helping them provide treatment and rehabilitation services to Mexican children with physical or intellectual disabilities. We donated 290 computers to the newly established rehabilitation center in the city of Morelia, a new hospital in the state of Querétaro, and to a rehabilitation center in the state of Aguascalientes to replace its old computers.

We hope that through these donations, Teletón doctors and staff will be able to make use of the latest computer technology in diagnosis and treatment. Additionally, we have also affixed Teletón labels to our computer products, helping further promote the good work being done by the foundation to consumers.

Acer's Social Concern Projects, 2013

Country	Target	Notes
Vietnam	Underprivileged students	Acer Vietnam's long-term "Acer Cares" project helps underprivileged students. We organized three charity trips to two rural elementary schools and one kindergarten, donating scholarships, stationery, food and second-hand goods in the hopes of providing a leg up for the students.
India	Underprivileged groups	Acer India has worked with charitable organization SCALE since 2010, supporting them in their efforts to provide health care and education to 4,500 impoverished communities, along with employment training and other services.
Italy	Youth with disabilities	Acer Italy has been a long-term supporter, both with donations and with marketing support, of six non-profit organizations, four of which are targeted at youth with physical or intellectual disabilities (African Dream Onlus, Associazione Agres, Fondazione Ariel, and Oltre Noi... La Vita), with the remaining two focused on Latin American youth (Fondazione PUPI and Opere Sociali Santo Hermano Pedro).
	Students	Acer provided 40 tablet computers for students to participate in an app design competition, encouraging them to explore their creativity through programming and show it off to the world.
	Children with cancer	Acer Italy provides donations to Associazione Italiana Per La Ricerca Sul Cancro to aid in research into cancer in children.
Poland	Terminally ill children	Acer has worked with Polish organization Fundacja Dzi ci ca Fantazja (Children's Fantasy Foundation), helping give terminally ill children the IT products of their dreams since 2010.
France	The elderly	In response to the EU's eHealth initiative, and particularly the "silver economy" concept therein, Acer France has launched a test program in Normandy donating tablet computers to elderly people and those living alone selected by nurses in the city of Caen, facilitating their communication with the health center in the city.
Spain	Abused women	Acer has donated computers to Spanish charitable organization Our Lady of Fatima, assisting the organization in providing abused women with counseling and serving as an employment agent for the women.
The Czech Republic	Underprivileged students	Acer and the Czech charity organization SOS Children's Villages are working together to safeguard the rights of underprivileged children. To this end, in 2013 Acer organized a special charity cycling event, donated computers, and raised money from its staff.
Taiwan	Community volunteers	Acer has been making efforts in response to the Business Council for Sustainable Development's "One Movement" initiative since its inception in 2010. In 2013, we sponsored community volunteer teams, promoting community care of the elderly, health awareness seminars, concern for the underprivileged, community greenification, and other local issues, gradually laying an important foundation for community sustainability through the accumulation of small works.

Acer Global Community Projects
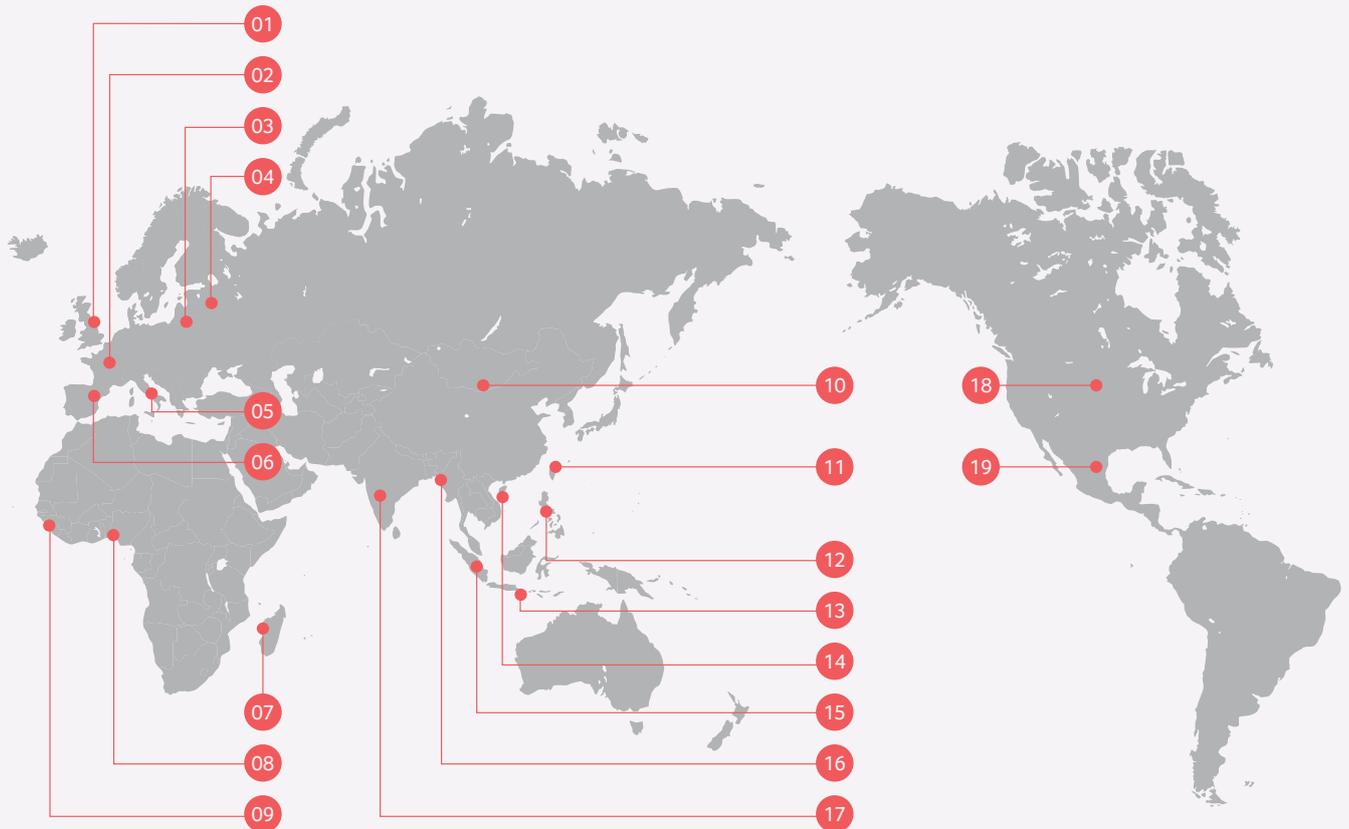
Education   ♥ Charity   🌿 Environmental Conservation   ✋ Acer Volunteers

01 UK
• Three Peaks Challenge

♥

02 France
• EU's eHealth initiative

♥

03 Czech Republic
• Helping safeguard the rights of underprivileged children

♥

04 Poland
• Fulfilling terminally ill children the IT products of their dreams
• Volunteer Activities

♥ ✋ 🌿

05 Italy
• Supporting six non-profit organizations to assist youth with disabilities
• Sponsoring an app design competition
• Aid in research into cancer in children

♥

06 Spain
• Helping provide abused women with counseling and serving

♥

07 Madagascar
• Promoting IT education

💻

08 Togo
• Promoting IT education

💻

09 Sierra Leone
• Promoting IT education

💻

10 China
Sowing hope in remote China

💻

11 Taiwan
• Acer Incredible Green Contest
• Helping underprivileged students gain digital competitiveness
• Holding Longterm Smile Competition for college students
• Holding Digital Creation Awards
• Local digital inclusion, charity and environmental conservation volunteer activities
• Digital mobile vans— Providing free computer education

💻 ♥ 🌿 ✋

12 The Philippines
• Supporting Sierra Madres reforestation
• Post-Typhoon Haiyan relief

🌿 ♥

13 Indonesia
• Sponsoring Teaching Indonesia Project
• Increasing teacher information capabilities

💻

14 Vietnam
• "Acer Cares" project helping underprivileged students

♥

15 Malaysia
• Stop Hunger Now activities

♥

16 Myanmar
• Building digital opportunity center

💻

17 India
• World Environment Day activities

🌿

18 USA
• Charity Auction of Limited Edition "Star Trek" Aspire R7

♥

19 Mexico
• Helping the Teletón Foundation build rehabilitation centers

♥

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE STATEMENT ON SUSTAINABILITY ACTIVITIES IN THE ACER INCORPORATED's CORPORATE RESPONSIBILITY REPORT OF 2013

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ACER INCORPORATED (hereinafter referred to as ACER) to conduct an independent assurance of the Corporate Responsibility Report (hereinafter referred to as CR Report) of 2013. The scope of the assurance, based on the SGS Sustainability Communications Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the ACER's CR Report of 2013 and its presentation are the responsibility of the superintendents, Global CSR committee and the management of ACER. SGS has not been involved in the preparation of any of the material included in the ACER's CR Report of 2013. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all of ACER's stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Communications based on current best practice guidance provided in the Global Reporting Initiative (hereinafter referred to as GRI) Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organization.

This report has been assured using our protocols for:
- evaluation of content veracity at a high level of scrutiny for ACER and moderate level of scrutiny for subsidiary, joint ventures, and applicable aspect boundaries outside of the organization covered by this report ;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the GRI Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research; interviews with relevant superintendents, Global CSR committee and the management; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from ACER, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors experienced in one or more of the following; AA1000, GRI, ISO 26000, ISO 20121, ISO 14001, OHSAS 18001, SA8000, SMETA, EICC, ISO 50001, QMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SGS Integrating Sustainability Communications service provision.

VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within ACER's CR Report of 2013 verified is accurate, reliable and provides a fair and balanced representation of ACER sustainability activities in 01/01/2013 to 12/31/2013.

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the third to be assured by an independent assurance team and ACER has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCULSIONS, FINDINGS AND RECOMMENDATIONS
Inclusivity
ACER is committed to being accountable to its stakeholders and to integrating inclusivity into its strategic and management approach. A variety of engagement efforts such as survey and communication to employees, consumers, investors, local communities, suppliers, media, NGOs and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. ACER may continuously have direct involvement with stakeholders during future engagement.
Materiality
ACER has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. The process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting is recommended.
Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Future reporting would benefit from more reporting on the results of stakeholder feedback from this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCULSIONS, FINDINGS AND RECOMMENDATIONS
The report, ACER's CR Report of 2013, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report.
More disclosure on supply chain management and material aspects having boundaries outside of the organization is encouraged in future reporting. The address of Disclosure on Management Approach may be further enhanced.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Assurance Provider
000-8

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
18 June, 2014
WWW.SGS.COM

GRI G4 Index

General Standard Disclosures				
General Standard Disclosures	Location	Page No./ Description	Omissions	External Assurance

Strategy and Analysis

| G4-1 | Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability. | Message from the Honorary Chairman
Message from the Chairman
Message from the Corporate President & CEO | 04
05
06 | | 82
82 |
| G4-2 | Provide a description of key impacts, risks, and opportunities. | Message from the Honorary Chairman
Message from the Chairman
Message from the Corporate President & CEO
History and Development
Risk Management
Risks and Opportunities of Climate Change | 04
05
06

12
22
39 | | 82
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Organizational Profile

G4-3	Report the name of the organization.	Acer Overview	11		82
G4-4	Report the primary brands, products, and services.	History and Development Brand Values and Introduction	12 14		82 82
G4-5	Report the location of the organization's head-quarters.	Brand Values and Introduction	14		82
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	History and Development	12		82
G4-7	Report the nature of ownership and legal form.	History and Development	12		82
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of custom-ers and beneficiaries).	History and Development	12		82
G4-9	Report the scale of the organization	History and Development	12		82
G4-10	Report the total number of employees by employment contract, employment type, region, broken by gender	Staff Structure	56		82
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Human Rights and Freedom of Association	60		82
G4-12	Describe the organization's supply chain.	Supplier Social and Environmental Management Structures	48		82
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	History and Development Supplier Social and Environmental Management Structures	12 48		82 82

General Standard Disclosures		Location	Page No./ Description	Omissions	External Assurance
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Risk Management	22		82
		Incorporating Environmental Considerations into Product Design	32		82
		Sound Environmental and Health Management	43		82
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Major Initiatives and Participation	29		82
		Disclosure, Communication, and Initiatives	42		82
		Responsible Supply Chain	47		82
		Responsible Sourcing of Minerals	54		82
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	Major Initiatives and Participation	29		82
		Disclosure, Communication, and Initiatives	42		82

Identified Material Aspects and Boundaries

G4-17	• List all entities included in the organization's consolidated financial statements or equivalent documents. • Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About this Report	Please refer to Ace's 2013 annual report for details on the Company's related entities.		82
G4-18	• Explain the process for defining the report content and the Aspect Boundaries. • Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Material Aspects and Boundaries Identification	23		82
G4-19	List all the material Aspects identified in the process for defining report content.	Material Aspects and Boundaries Identification	23		82

Identified Material Aspects and Boundaries

G4-20	For each material Aspect, report the Aspect Boundary within the organization	Material Aspects and Boundaries Identification	23		82
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Material Aspects and Boundaries Identification	23		82
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	About this Report	03		82
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About this Report	03		82

Stakeholder Engagement

G4-24	Provide a list of stakeholder groups engaged by the organization.	Stakeholder Engagement	23		82
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	23		82
G4-26	Report the organization's approach to stakeholder engagement	Stakeholder Engagement	23		82
		Acer Corporate Social Responsibility Forum	26		82
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded.	Acer Corporate Social Responsibility Forum	26		82

General Standard Disclosures		Location	Page No./ Description	Omissions	External Assurance
Report Profile					
G4-28	Reporting period.	About this Report	03		82
G4-29	Date of most recent previous report (if any).	About this Report	03		82
G4-30	Reporting cycle (such as annual, biennial).	About this Report	03		82
G4-31	Provide the contact point for questions regarding the report or its contents.	About this Report	03		82
G4-32	GRI index	GRI G4 Index	84		82
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	About this Report	03		82
Governance					
G4-34	Report the governance structure of the organization	Corporate Governance Corporate Responsibility Governance	15 22		82 82
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Responsibility Policies and Strategies	19		82
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Corporate Responsibility Policies and Strategies	19		82
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Corporate Responsibility Policies and Strategies Employee Communication	19 59		82 82 82
G4-38	Report the composition of the highest governance body and its committees	Corporate Governance	15		82
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance	15		82
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and select- ing highest governance body members	Corporate Governance	15		82
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Corporate Governance	15		82
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance	15		82

General Standard Disclosures		Location	Page No./ Description	Omissions	External Assurance
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Legal Compliance	18		82
G4-44	Report the processes for evaluation of the highest governance body' performance with respect to governance of economic, environmental and social topics.	Corporate Governance	15		82
G4-45	Report the highest governance body' role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance	15		82
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Corporate Responsibility Governance	22		82
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Corporate Responsibility Governance	22		82
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Corporate Responsibility Governance	22		82
G4-49	Report the process for communicating critical concerns to the highest governance body.	Corporate Governance Employee Communication	15 59		82 82
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Corporate Responsibility Governance Acer Corporate Social Responsibility Forum	22 26		82 82
G4-51	Report the remuneration policies for the highest governance body and senior executives	Remuneration Committee	17		82
G4-52	Report the process for determining remuneration.	Remuneration Committee	17		82

Ethics and Integrity

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Responsibility Policies and Strategies Standards of Business Conduct	19 65		82 82
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.	Standards of Business Conduct	65		82
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizationa integrity.	Standards of Business Conduct	65		82

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance

Economic

Economic Performance

DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance
G4-DMA	Generic DMA	History and Development	12		82
G4-EC1	Direct economic value generated and distributed	History and Development Community Involvement	12 72		82 82
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risks and Opportunities of Climate Change	39		82
G4-EC3	Coverage of the organization's defined benefit plan obligations	Retirement System	58		82
G4-EC4	Financial assistance received from government		No government financial assistance received.		82

Procurement Practices

DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance
G4-DMA	Generic DMA; Aspect-specific			Data currently being collected and will be disclosed in the future once more data is ready	82
G4-EC9	Proportion of spending on local suppliers at significant locations of operation			Data currently being collected and will be disclosed in the future once more data is ready	82

Environmental

Materials

DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance
G4-DMA	Generic DMA	Incorporating Environmental Considerations into Product Design	32		82
G4-EN1	Materials used by weight or volume	Towards Sophisticated Packaging Design Paper Reduction and Recycling	33 45		82 82
G4-EN2	Percentage of materials used that are recycled input materials	Use of Post-Consumer Recycled Plastics Towards Sophisticated Packaging Design Product Innovations	33 33 37		82 82 82

Energy

DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance
G4-DMA	Generic DMA; Aspect-specific	Energy Conservation Projects	44		82
G4-EN3	Energy consumption within the organization	Environmental Information	46		82
G4-EN5	Energy intensity	Environmental Information	46		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
G4-EN6	Reduction of energy consumption	Energy Conservation Projects Staff Transportation and Commuting	44 45		82 82
G4-EN7	Reductions in energy requirements of products and services	Product Innovations	37		82

Water

G4-DMA	Generic DMA	Water Resource Management	44		82
G4-EN8	Total water withdrawal by source	Water Resource Management Environmental Information	44 46		82 82

Emissions

G4-DMA	Generic DMA; Aspect-specific	Greenhouse Gas Inventory Greenhouse Gas Reductions and Strategy	40 41		82 82
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas Inventory	40		82
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas Inventory	40		82
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Greenhouse Gas Inventory	40		82
G4-EN18	Greenhouse gas (GHG) emissions intensity	Greenhouse Gas Inventory	40		82
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Greenhouse Gas Reductions and Strategy	41		82

Effluents and Waste

G4-DMA	Generic DMA	Water Resource Management Waste Management	44 44		82 82
G4-EN22	Total water discharge by quality and destination	Water Resource Management Environmental Information	44 46		82 82
G4-EN23	Total weight of waste by type and disposal method	Waste Management Environmental Information	44 46		82 82

Products and Services

G4-DMA	Generic DMA	Incorporating Environmental Considerations into Product Design	32		82
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Incorporating Environmental Considerations into Product Design	32		82
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Improving Product Recycling Channels	35		82

Compliance

G4-DMA	Generic DMA	Legal Compliance	18		82
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Legal Compliance	18		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
Transport					
G4-DMA	Generic DMA	Refining Product Transport Efficiency	34		82
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Refining Product Transport Efficiency Staff Transportation and Commuting	34 45		82 82
Supplier Environmental Assessment					
G4-DMA	Generic DMA; Aspect-specific	On-site Check	50		82
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	On-site Check	50		82
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	On-site Check	50		82
Environmental Grievance Mechanisms					
G4-DMA	Generic DMA; Aspect-specific		The public can direct questions on CR issues to CR@acer.com.		82
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		The public can direct questions on CR issues to CR@acer.com. In 2013, no grievances relating to environmental impact were filed.		82

Social: Labor Practices and Decent Work

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
Employment					
G4-DMA	Generic DMA; Aspect-specific	Recruitment Employee Benefits Health Checks, Health Education and Promotion	56 58 63		82 82 82
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Recruitment	56		82
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee Benefits	58		82
G4-LA3	Return to work and retention rates after parental leave, by gender	Recruitment	56		82
Labor/Management Relations					
G4-DMA	Generic DMA	Human Rights and Freedom of Association	60		82
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Recruitment	56		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
Occupational Health and Safety					
G4-DMA	Generic DMA; Aspect-specific	Health and Safety in the Work Environment	63		82
G4-LA5	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs	Improving Hardware and Software Facilities	64		82
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Health Checks, Health Education and Promotion	63		82
Training and Education					
G4-DMA	Generic DMA	Continuous Learning and Growth	61		82
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Continuous Learning and Growth	61	Our data currently is not divided by gender, but we intend to engage in full gender-related disclosure in the future.	82
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Continuous Learning and Growth	61		82
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Performance Management and Development	62		82
Diversity and Equal Opportunity					
G4-DMA	Generic DMA	Recruitment	56		82
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Recruitment	56		82
Supplier Assessment for Labor Practices					
G4-DMA	Generic DMA; Aspect-specific	Supplier Social and Environmental Management Structures	48		82
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	On-site Check	50		82
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	On-site Check	50		82
Labor Practices Grievance Mechanisms					
G4-DMA	Generic DMA; Aspect-specific		The public can direct questions on CR issues to CR@acer.com.		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		The public can direct questions on CR issues to CR@acer.com. In 2013, no grievances relating to labor issues were filed.		82

Social: Human Rights

Non- discrimination

G4-DMA	Generic DMA	Supplier Social and Environmental Management Structures	48		82
		Human Rights and Freedom of Association	60		82
G4-HR3	Total number of incidents of discrimination and corrective actions taken	On-site Check	50		82
		Human Rights and Freedom of Association	60		

Child Labor

G4-DMA	Generic DMA	Supplier Social and Environmental Management Structures	48		82
		Recruitment	56		82
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	On-site Check	50		82

Forced or Compulsory Labor

G4-DMA	Generic DMA	Supplier Social and Environmental Management Structures	48		82
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	On-site Check	50		82

Supplier Human Rights Assessment

G4-DMA	Generic DMA; Aspect-specific	Supplier Social and Environmental Management Structures	48		82
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	On-site Check	50		82
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	On-site Check	50		82

Human Rights Grievance Mechanisms

G4-DMA	Generic DMA; Aspect-specific		The public can direct questions on CR issues to CR@acer.com.		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		The public can direct questions on CR issues to CR@acer.com. In 2013, no grievances relating to human rights were filed.		82

Social: Society

Anti-corruption

G4-DMA	Generic DMA; Aspect-specific	Standards of Business Conduct	65		82
G4-SO4	Communication and training on anti-corruption policies and procedures	Standards of Business Conduct	65	Statistics on training and communication are still being collated, and are planned for full disclosure within the next two years.	82
G4-SO5	Confirmed incidents of corruption and actions taken	Standards of Business Conduct	65		82

Anti-competitive Behavior

G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Legal Compliance	18		82

Compliance

G4-DMA	Generic DMA	Legal Compliance	18		82
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Legal Compliance	18		82

Supplier Assessment for Impacts on Society

G4-DMA	Generic DMA; Aspect-specific	Supplier Social and Environmental Management Structures	48		82
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	On-site Check	50		82
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	On-site Check	50		82

Grievance Mechanisms for Impacts on Society

G4-DMA	Generic DMA; Aspect-specific		The public can direct questions on CR issues to CR@acer.com.		82
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		The public can direct questions on CR issues to CR@acer.com. In 2013, no grievances relating to social impact were filed.		82

DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance
Social: Human Rights					
Customer Health and Safety					
G4-DMA	Generic DMA; Aspect-specific	Prudent Management of Chemicals in Materials	32		82
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Prudent Management of Chemicals in Materials	32		82
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Legal Compliance	18		82
Product and Service Labeling					
G4-DMA	Generic DMA; Aspect-specific	Prudent Management of Chemicals in Materials	32		82
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Product Alerts and Recalls	68		82
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Legal Compliance	18		82
G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction Survey	68		82
Marketing Communications					
G4-DMA	Generic DMA	Marketing Communications	15		82
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Legal Compliance	18		82
Customer Privacy					
G4-DMA	Generic DMA	Protection of Customer Privacy	69		82
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Legal Compliance Protection of Customer Privacy	18 69		82
Compliance					
G4-DMA	Generic DMA	Acer Group Service Model	67		82
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Legal Compliance	18		82

Other Standard Disclosures

DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance
Environmental programs related to cost saving and value creation				
Generic DMA	Towards Sophisticated Packaging Design	33		82
	Refining Product Transport Efficiency	34		82
	Product Innovations	37		82
Environmental programs of cost saving and revenue generation	Towards Sophisticated Packaging Design	33		82
	Refining Product Transport Efficiency	34		82
	Product Innovations	37		82
Management of Hazardous Substances				
Generic DMA	Prudent Management of Chemicals in Materials	32		82
	Product Innovations	37		82
Halogen-free products launched	Prudent Management of Chemicals in Materials	32		82
	Product Innovations	37		82
Social programs related to cost saving and revenue generation				
Generic DMA	Customer Participation in Social Responsibility Projects	71		82
Social programs related to cost saving and revenue generation	Customer Participation in Social Responsibility Projects	71		82
Corporate Citizenship and Philanthropy				
Generic DMA	Community Involvement	72		82
Donations	Community Involvement	72		82
Activities of corporate citizenship and philanthropy	Community Involvement	72		82
Digital Inclusion				
Generic DMA	Education	73		82
	Caring for the Community	79		82
Digital inclusion activity	Education	73		82
	Caring for the Community	79		82

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