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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>).

## Report 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, 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](http://www.acer-group.com/public/Investor_Relations/overview.htm))

## Report Release Dates and Frequency

This report, released June 2015, discloses the Company's performance in key issues of sustainable development during 2014 (January 1, 2014 - December 31, 2014); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2014 or forward into 2015. Acer continues to issue CR reports each year; the previous report was issued in July 2014.

## Report Writing Principles 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

This report commissioned the accounting firm KPMG in accordance with the limited assurance standards of ISAE3000 and GRI G4 Core Options. 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](mailto:cr@acer.com).

# Message from the Chairman



Speed and efficiency have always been important to Acer's corporate culture. Since the Company's 2013 restructuring, it has kept up the pace of reform, both large- and small-scale. We hold integrity, transparency, and innovation as our more cherished values.

In 2014, the board established the Strategy Committee, with myself as its leader, not only serving as Acer's Global Strategic Officer, but also leading the company through long-term strategic operations planning and developing new business investment opportunities. Additionally, the Strategy Committee is responsible for the integration of the core strategies of the Build-Your-Own-Cloud (BYOC) technologies into our existing PC, tablet, and smartphone products, further achieving our goal of combining software, hardware, and services.

On the corporate governance front, in 2014 we carried out a re-election of the Board of Directors by the total body of shareholders. The new Board of Directors has nine seats, including three seats for independent directors. In addition, to strengthen the board management mechanism, the Audit Committee, fully staffed by independent directors, was formally established to replace the Financial Statements/Internal Controls Audit Committee. I believe such actions will be able to improve Acer's corporate governance, laying a solid foundation for continuing operations.

Acer has always strived to uphold WangDao ideology and maintain balanced interests. As such, after approval by the shareholders and the Board, the company issued its first Restricted Stock Award, an act that will serve as a future long-term reward measure. Because the vast majority of middle and senior management is carrying heavy responsibility for the success of our operations, the main target of this award plan is these executives. This aims to create greater motivation and encourage executives and employees to work together for company growth.

Acer's mission has always been to break down the barriers between people and technology, and in the

era of the Internet of Things, Acer's BYOC technology is the core of our new direction: the expansion of our combined hardware and software and services. BYOC is a new business based on existing core competencies, and is a force for transformation. This cloud service is built on an open platform, and is creating a new cloud-based ecology through cross-industry alliances. Acer will strive to strengthen our core competencies to create value, build a win-win BYOC ecosystem, and to change the world in the era of the cloud. The BYOC strategy combines the application of information technology and services, and promises to have an unimaginable influence on sustainable development. For example, we have successfully integrated information technology tools for teaching and curriculum digitization, which can help improve students' information literacy, enrich student learning. By such effective uses of technology, we hope to enhance and accelerate the cultivation of talented young people for a new era.

We are very pleased to have been included in the DISI Emerging Markets Index in 2014, because it represents a recognition of our commitment to sustainable development, corporate social responsibility, transparency of information, and the creation of value for our shareholders, employees and customers. Acer has performed particularly well in supply chain management and brand management, especially in the former, receiving 100% optimal achievement in supply chain management projects. Such achievement are the result of long-standing efforts by Acer, as well as of international recognition of Acer's dedication to the spirit of sustainable enterprise and the promotion of Wangdao culture. Acer is not only focused on sustainable commercial development, it is also committed to the Wangdao management philosophy, working with partners to create value; we will continue to strive for this goal, cooperating closely with all stakeholders and constantly enhancing our capabilities in order to progress.

George Huang  
Chairman

A handwritten signature in black ink that reads "George Huang". The signature is written in a cursive, flowing style.



# Message from the Corporate President and CEO



2014 was the year for Acer to lay down the foundation for transformation. We are very pleased to report to all through this report that our efforts and persistence earned us much international recognition in 2014, including being ranked by the Reputation Institute in the Global RepTrak 100: The World's Most Reputable Companies, and being selected for inclusion in both the Dow Jones Sustainability Emerging Markets Index and the MSCI Global Sustainability Indexes. In addition, the Acer brand once again won the 2014 "Reader's Digest Trusted Brands" awards, taking the top award in Asia in the PC category for 16 consecutive years.

To Acer, financial performance is key to corporate responsibility, and integrating sustainability and corporate social responsibility and other non-financial issues—including product design, business model innovation, supply chain management and communication with stakeholders—into our operations has become an intangible cornerstone of the company. We also share the core values of the Wangdao philosophy in altruism, in creating value and balancing all interests to ensure the sustainable development of all stakeholders. We sincerely thank our employees, suppliers, investors, and consumers for their support of Acer and confidence in us through these testing times.

Acer is in the progress of shifting from a traditional computer hardware company to focusing on the combination of hardware, software and services, thereby providing more diverse solutions. We have continued to expand our market presence, and in 2014 Acer became world's top Chromebook brand, while also making progress with our two-in-one PCs, business computers, tablets, smartphones, and displays. By using science and technology to promote the transformation of education, combined with our own core competitiveness, and the promotion of our digital inclusion plan, we are truly realizing the Wangdao spirit.

In response to issues around energy and climate change, Acer has become one of the few Taiwanese

companies publicly committed to setting absolute carbon reduction targets. Our goal is to reduce carbon emissions by 30% compared with 2009 before the end of 2015, and 60% before the end of 2020. In order to achieve these carbon reduction targets, since September 2014 Acer American Corporation has participated in the EPA Green Power Partner Program and use other certified renewable energy certificates, leading to 100% of the company's electricity coming from wind, solar and other renewable energy sources. According to EPA statistics, Acer ranks in the top 30 largest renewable energy users of all companies in the ICT sector. With regard to our global operations, we will continue to assess the implementation of other renewable energy and carbon credit programs so as to achieve our 2020 target.




Acer continues to develop and promote environmentally friendly products, such as the V6 series displays, which won the Best Choice Award in the Green ICT Awards at the COMPUTEX Taipei 2014, as well as being awarded the 2014 Global Efficiency Medal by the Super-efficient Equipment and Appliance Deployment (SEAD) initiative.

Acer's strategy is to create a unique lifestyle for consumers. Rather than solely being interested in environmental protection, sustainable development, and smart functionality, we also aim to lower the threshold for usage, so that everyone can enjoy the benefits of modern technology. We will continue to adhere to the principles of integrity and transparency, stay committed to being trusted by people from all walks of life, becoming a brand people like, and earning the respect of all stakeholders.

Jason Chen  
Corp. President & CEO

A handwritten signature in black ink, consisting of stylized, fluid strokes that represent the name Jason Chen.

# 2014 Goals and Achievements

	2014 Goals and Commitments	Status	Results
Environmental	Increase number of suppliers participating in CDP Supply Chain Program	✓	Invited participants increased by approximately <b>25%</b> over 2013, while the number of plants responding grew by approximately <b>32%</b>
	Set energy performance standards for selected models higher than the ENERGY STAR® 30% standard	✓	Selected models reach energy performance higher than the ENERGY STAR® <b>30%</b> standard
	Increase proportion of green electricity used. 	✓	With Acer American Corporation implementing renewable energy certification, relevant power usage increased by 13 million units; worldwide, green electricity accounts for <b>30%</b> of electricity usage
	Continue using recycled materials in new models. 	✓	Implemented in <b>13</b> new models of display: B196WL, B206HQL, B246HQL, B246WL, B276HK, B286HK, B326HK, V176L, V196HQL, V196WL, V206HQL, V246HQL, V246WL Implemented in <b>2</b> new models of All-in-One PC: VZ2120G, VZ4810G
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. 	✓	In response to our transformation, we have already undertaken organizational restructuring and expanded the recruitment and training of the personnel required for future strategic development. With the redefined core values of the New New Acer, we will continue to pursue ongoing advocacy, communication, training and human resource management system integration to shape our corporate culture.
	Published smelter list and participated in Conflict-Free Smelter (CFS) initiative	✓	In Q1, the company released our list of smelters; in Q3 we released our conflict minerals report, marking our continued participation in the 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.	✓	The incentives system for senior management has been recalibrated to tie incentives to long- and short-term corporate targets and stockholder interests. Management also participates in Wangdao cultural training to better implement the values of the Wangdao philosophy.

# 2015 Goals and Commitments



## Environmental

- ✓ Continued use of recycled materials in Acer products
- ✓ Continue to increase the amount and proportion of green electricity, and to promote the use of renewable energy throughout supply chain



## Social

- ✓ Improving capabilities of suppliers of implementing EICC auditing
- ✓ Continued publication of conflict minerals reports



## Governance

- ✓ In response to trends in international laws and regulations, enhance the integrity of the company's internal standards, e.g. establish anti-corruption and export compliance policies, strengthening business operations
- ✓ In response to the company's new vision and strategy, re-examine organizational, personnel, policy, systems, processes, and cultural aspects to ensure consistency and cooperation, thus optimizing organizational effectiveness.

# Important Achievements and Recognition in 2014

Acer believes the purpose of business is to create value for society. In order to ensure the value we create is congruent with the full spectrum of demands of balanced development, we measure our results in accordance with honorary chairman Stan Shih's "Overall Effect of Hexa-Aspect Values", looking at Acer's value creation in six aspects: direct/indirect, tangible/intangible, and present/future. This includes continued efforts to create innovative, green products; create a strong brand with high customer satisfaction; and practice corporate social responsibility and sustainable development.

Direct

Tangible

Present



- ◆ The V6 series displays were awarded the SEAD Global Efficiency Medal.



- ◆ The TravelMate P645 notebook, Liquid Z5 smartphone, K137 projector, and Aspire R7 notebook products were all honored at the German iF Product Design Awards.



- ◆ The TravelMate P645 notebook received the Red Dot Design Award.



- ◆ The V6 series displays received the Best Choice Award in the Green ICT Awards at COMPUTEX Taipei 2014.

- ◆ The Aspire V 13 notebook and the touch-controlled AIO Aspire U5-620 both received COMPUTEX d&i awards.



- ◆ The Liquid Jade smartphone, Aspire R 13 notebook, and Aspire V Nitro all received the Japanese Good Design Award.

Indirect  
Intangible  
Future



◆ Chosen for the first time to be included in the Dow Jones Sustainability Emerging Markets Index.



◆ Won three awards at the 2014 Taiwan Corporate Sustainability Awards: the Social Inclusion Award, the Supply Chain Leadership Award, and the Gold Medal in the Large Enterprises, Services Industry category of the Taiwan Top 50 Corporate Sustainability Report Awards



◆ Chosen for the first time to be included in the MSCI Global Sustainability Indexes.



◆ Won Reader's Digest Trusted Brand title 16 consecutive years.



◆ Received the Dubai Chamber CSR Label, recognizing Acer's efforts in corporate social responsibility and its integration in management strategy.



◆ Received the Best Service Brand award for the ninth year running in China Popular Computer Week's Top Chinese IT Brands.

◆ Aspire Resort won silver in the ROC's Annual Enterprises Environmental Protection Award

◆ Aspire Resort received Water Saving Performance Award from Water Resources Agency.

◆ Received Health Promotion Administration's Badge of Accredited Healthy Workplace.









## *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 the government agencies. In 2014 Acer Inc. generated a total revenue of US\$10.39 billion and ranks No. 4 for total PCs worldwide.

## History and Development

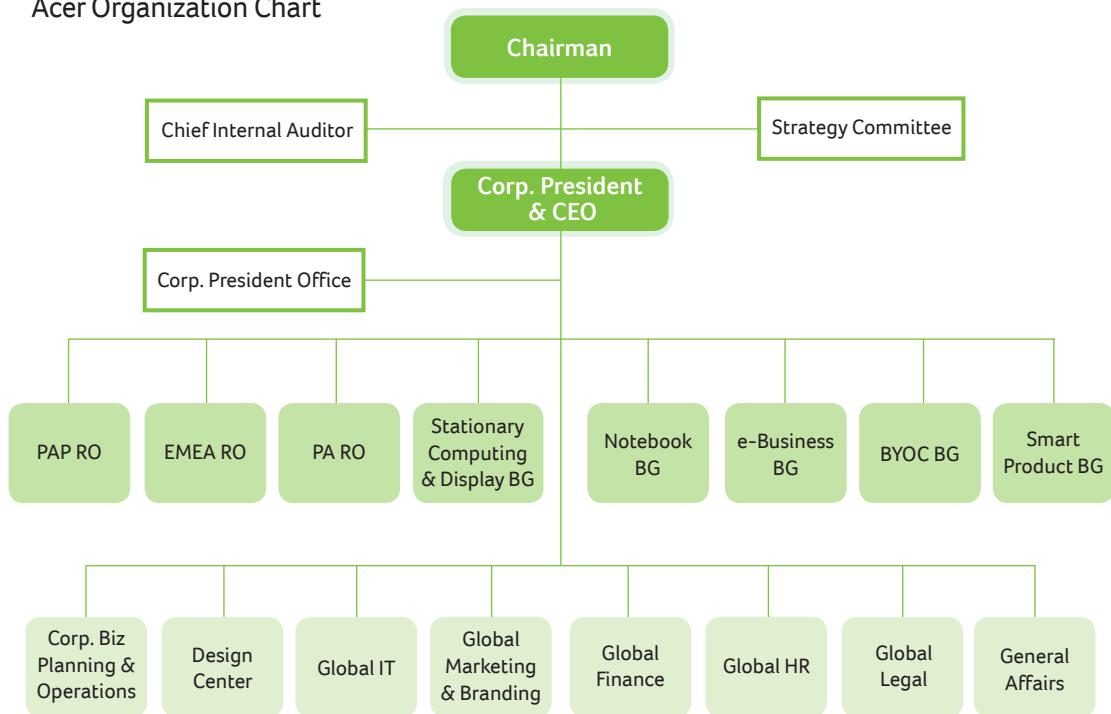
Acer Incorporated's brands include Acer, Gateway, and Packard Bell, and the company employs approximately 7,000 people in its global operations in over 100 countries. Acer has regional headquarters covering the EMEA, Pan-American, and Pan-Asia Pacific regions, operating in local consumer and commercial markets. Acer's notebook computers are primarily manufactured in Chongqing, China, while the Taiwan region plays host to research and development facilities.

Through the development of the Build Your Own Cloud (BYOC™) system and ongoing development of core products, Acer is gradually undergoing a transformation into a hardware+software+services

company. The company also places great importance on corporate social responsibility, and actively strives to set up and maintain green product supply chains. Acer Inc. is listed on the Taiwan Stock Exchange under the ticker 2353.

Impacted by economic sluggishness in Europe and America, in 2014 Acer's consolidated operating revenue totaled US\$10.39 billion, down 13.6% on 2013. Net income totaled US\$85 million, with after-tax earnings per share of US\$0.02. For more details on the operating efficiency and financial standing of Acer, please refer to our 2014 annual report. The company has undergone adjustments to the operating team to strengthen it, while also drafting operating strategies regarding both the industry as it stands and its future.

Acer Organization Chart



## Financial Information <sup>1</sup>

	2012	2013	2014
<b>Consolidated Revenue</b>	US\$14,746M	US\$12,024M	US\$10,394M
<b>Net Operating Profits</b>	US\$32M	(US\$381M)	US\$85M
<b>PAT</b>	(US\$84M)	(US\$685M)	US\$56M
<b>EPS</b>	(US\$0.03)	(US\$0.25)	US\$0.02
<b>Operating Expense</b>	(US\$1,187M)	(US\$1,142M)	(US\$838M)
<b>Employee Benefits</b>	(US\$569M)	(US\$524M)	(US\$470M)
<b>Income tax expense</b>	(US\$7M)	US\$18M	(US\$26M)

## 2014 Acer PC Shipment and Market Share

Area	PC Shipments (10,000 units)	Market Share	Market Share Ranking	Revenue Share
<b>Global</b>	2,404	7.8%	4	100%
<b>EMEA (Europe, Africa, Middle East)</b>	991	10.6%	3	40.81%
<b>PA (Americas)</b>	625	6.4%	5	24.48%
<b>PAP (Asia (Meddle East not included))</b>	788	6.8%	4	34.71%

The widespread adoption of mobile devices has led to a seismic shift in the consumer electronics industry environment. In the past, personal computers ruled the roost, but today a wide range of devices and operating platforms have arisen, creating a tripartite ecology split between Apple's iOS, Google's Android, and Microsoft's Windows. Similarly, a diversity of specifications has arisen, with no single unified technological standard, leading to the appearance of a number of integrated products. Additionally, the rise of the Internet of Things has led to a growing push for the integration of hardware and cloud services, spurring new innovation and opening up new room for development.

2014 was a year of transformation for Acer. Under the leadership of the Management Team and the Transformation Advisory Committee, and guided by the three core commitments of the Wangdao management

philosophy - sustainable development, value creation, and balance of interests - the company has strived to recreate itself. Faced with the challenge of an ever-changing industrial environment, Acer has held firm to its commitment to continuing innovation and creation of value, and this has ensured the company has continued to lead the market and win recognition. It also provides a strong foundation for future development.

Acer's present development direction is grounded in the fundamentals of the company's core products, coupled with the development of the new BYOC business and an ongoing transformation into a software+hardware+services business. We hope that the integration of hardware fundamentals, application software development, and cloud services including the BYOC platform, paired with various devices and a system of balanced interests will facilitate our ongoing pursuit of

1. Financial data in this report does not include data from the Acer Foundation and the Gateway Foundation.

2.

The term "chief executive" has no formal definition in law. Acer feels that, out of internal leadership structural considerations, having separate people serve as chairman and CEO has several advantages: (i) 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.

(ii) 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 implements a form of risk management.

sustainable operations and the building of shared values with our partners.

## Brand Values and Introduction

The spirit of new core values of the Acer brand are built on the cultivating of ideals of passion, user-centricity, innovation, teamwork, balance of interests, and integrity in both thought and action among staff and partners.

We hope our staff will have the passion to change the world, and that through teamwork they will find more innovative ideas, better understand consumers' needs, and create end-user-centric products and services. Through the application of the "5Cs" - Communication, Communication, Communication, Consensus, and Commitment - we aim to earn and keep the trust of both commercial partners and consumers, balancing the interests of each and creating shared values.

## Marketing Communication

Acer adheres to the principles of sincerity, honesty, transparency, initiative, promptness, and regularity, working within the relevant legal frameworks in each location to communicate to partners, consumers, and the media our beliefs, product information, and service information effectively through our corporate website, subsidiary sites, advertising, product exhibitions, press conferences, and sponsored activities. In addition to traditional media, Acer makes use of social and other digital media in the hopes of increasing communication with users or potential customers. The company also continues to sponsor a variety of sporting events and athletes, including marathons, basketball, and golf.

In the future, Acer will continue to follow the Wangdao spirit, building on its core products, with the BYOC and cloud services an important element of the strategic combination of hardware, software, and services. By developing user-centric services and applications for

the full range of devices, the company's primary focus will be on creating innovative models and integrated products that realize the ideal of "New C&C (Computing and Communication)".

## Corporate Governance

Acer insists on transparency in its operations, with a focus on stockholder rights, and believes that a healthy, effective board of directors is fundamental to a strong company. As such, in addition to being qualified and experienced, board members not only must adhere to relevant legal requirements, they are also held to exceptionally high professional standards. Acer's directors are elected at shareholder meetings and have all previously served in major positions with well-known companies in Taiwan and abroad. They are expected to have a wealth of experience with commerce, finance, accounting, and corporate operations. In 2014, the board of directors was up for reelection, with Bruce Ji-Ren Lee, F.C. Tseng, and Cheng Wu elected as independent directors in the hopes that their world-class experience, professionalism, and intelligence will help take Acer's corporate governance and overall operational quality to a higher level. Currently there are a total of nine members on the board, including the aforementioned three independent directors and one female director. In accordance with the law, the current board will hold their positions for three years, a term running from June 18, 2014 to June 17, 2017.

On November 21, 2013, former Acer chairman JT Wang and former president Jim Wong took responsibility for the company's underperformance and both stepped down. The board then underwent an election, with director Stan Shih elected to take on the chairmanship and serve as acting corporate president. On December 23 that same year, Acer convened a board meeting, inviting former senior vice president of worldwide sales and marketing for Taiwan Semiconductor Manufacturing Company (TSMC) Jason Chen to take on the position of corporate president and CEO of Acer. <sup>2</sup> Chen commenced this



role on January 1, 2014, with Stan Shih stepping down as acting corporate president. On May 8, 2014, Shih nominated Acer board member George Huang to serve as the new chairman of the board. The following

month, on June 18, the board passed the nomination, with Huang accepting the position and Shih becoming honorary chairman.

### Corporate Governance Structure



### Board of Directors<sup>3</sup>

Director Name	Director Title	Gender
George Huang	Chairman	Male
Stan Shih	Director	Male
Hsin-I Lin	Director	Male
Hung Rouan Investment (Representative: Carolyn Yeh)	Director	Female
Smart Capital (Legal representative: Philip Peng)	Director	Male
Jason Chen	Director	Male
Bruce Ji-Ren Lee	Independent Director	Male
Cheng Wu	Independent Director	Male
F.C. Tseng	Independent Director	Male

Acer places tremendous importance on the issue of conflicts of interest. In 2012, in accordance with the guidelines for the avoidance of such conflicts established by regulatory authority, the company drafted a set of rules for board meetings. In accordance with these rules, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest with that of the company, said directors may

neither participate in discussions or votes, nor serve as a representative of another director in exercising their right to vote. 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 regulatory authority.

3. For information on the academic experience and any other concurrent corporate positions, please refer to our annual report.

With regard to the everyday business of Acer (including financial, environmental, and social matters), all matters, with particular specified exceptions, are to be handled in accordance with the decision of the board. In order to ensure that actions are consistent with the results of board discussions and that investors are aware of how the board is exercising its authority, Acer publishes the attendance of board meetings in its annual reports.

In May 2014, Acer completed its annual board of directors' performance evaluation and report. This evaluation included self-evaluations in areas including the makeup and professionalism of the board, board interaction atmosphere, board efficiency, strategic and risk management, and succession planning. Each director also gave suggestions of which issues should be priorities for the board in the coming year, helping the board's continuing operation and overall performance.

Under the board are four committees, including the Assets Management and Handling Committee, Transformation Advisory Committee, Audit Committee, and Remuneration Committee. Each of these committees operates under its own set of guidelines and standards: the Regulations Governing Procedure for Board of Directors Meeting, the Assets Management and Handling Committee Powers and Guidelines, the Articles of Incorporation Governing the Audit Committee, and the Articles of Incorporation Governing the Remuneration Committee respectively. The Transformation Advisory Committee established in November 2013 was convened by honorary chairman Stan Shih. The Audit Committee and the Remuneration Committee were convened by independent directors F.C. Tseng and Bruce Ji-Ren Lee, thus demonstrating the independence of these committees and further improving Acer's corporate governance.

### Members of the Committees

	Chair	Members
<b>Audit Committee</b>	F.C. Tseng	Bruce Ji-Ren Lee, Cheng Wu
<b>Remuneration Committee</b>	Bruce Ji-Ren Lee	F.C. Tseng, Cheng Wu
<b>Assets Management and Handling Committee</b>	Stan Shih	Philip Peng, George Huang
<b>Transformation Advisory Committee</b>	Stan Shih	George Huang, Jason Chen

### Audit Committee

In order to ensure robust supervision of the board and to strengthen the management mechanism that applies to the board, on June 18, 2014, Acer established an Audit Committee. This committee replaces the former Financial Statement/Internal Control Audit Committee and is composed of all independent directors, at least one of whom is a finance or accounting specialist. The independent directors on this committee serve terms of three years, and may serve again should they be reelected. The Audit Committee is headed by independent directors F.C. Tseng, a former deputy CEO and current vice chairman of the board of TSMC. By having him on the Audit Committee, we hope to make

use of his rich experience in all aspects of business. This committee's primary goals are supervision in the following areas:

- Fairness of presentation of company financial statements
- Certification of selection, dismissal, independence, and performance of accountants
- Effective implementation of company-internal controls
- Adherence by company to relevant laws and regulations
- Company's management of existing or potential risks



## Remuneration Committee

The Remuneration Committee is headed by another independent director, Bruce Ji-Ren Lee. Lee has previously served as Chief Human Resource Officer for Foxconn Technology Group, and has also served on the board of several well-known international companies and financial institutions. The Remuneration Committee's responsibilities include setting and reviewing policies, mechanisms, standards, and structures regarding the performance review and remuneration of board members and managers.

The remuneration given to Acer board members is pursuant to the company's Principles Governing Remuneration for Directors and Management and Principles Governing Remuneration for Senior Officers, and only take effect after the board has reviewed recommendations from the committee. 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 from the previous year, the Company shall first set aside 10% of said profit as legal reserve (unless such legal reserve amounts to the total authorized capital). After the Company sets aside 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.

Remuneration of directors is handled in accordance with the regulations laid out in the Principles Governing Remuneration for Directors. The targets of such remuneration do not include directors concurrently serving as managers. The remuneration structure applicable to senior management is governed by the Principles Governing Remuneration for Senior Executives. Short-term incentives are tied to managers' individual performance and the company's overall performance; long-term incentives are tied to shareholder value. Managers' annual performance indicators include financial and non-financial strategic performance

indicators as determined by policy-responsible management so as to ensure senior management understands and collectively achieves the company's strategic goals. Severance payments are handled in accordance with the relevant 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 Management and Handling Committee

The Assets Management and Handling Committee is chaired by honorary chairman Stan Shih. 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 Management and Handling Committee due to his extensive experience with investment and asset management.

This committee's duties include providing asset management suggestions to the board of directors and deciding on the timing, method, price, and other relevant factors of any asset management approved or licensed by the board. Additionally, the committee reports on the results of such management to the board.

## Transformation Advisory Committee

In recent years, as the outside world has changed rapidly, the ICT industry has undergone its own tremendous change. Acer faces its biggest challenge since its founding, and must promote change without delay. In order to respond to the unpredictable, multifaceted development of the industry into the future, in November 2013 the board of directors resolved to establish the "Transformation Advisory Committee," currently headed up by honorary chairman Stan Shih and with chairman George Huang serving as executive

secretary. Corporate President and CEO Jason Chen is also a member of the Transformation Advisory Committee.

The Transformation Advisory Committee has two primary duties:

- Acer's main product lines, including PCs, tablets, and smartphones, face a variety of environments and future competitors, and the Transformation Advisory Committee is investigating necessary changes within the company's existing philosophies and operating and system processes in order to ensure Acer becomes more competitive into the future.
- Acer is also drawing on its existing tangible and intangible organizational strengths to find promising new lines of business that are sufficiently forward-looking and large-scale. With regard to development in new directions, not only must the committee consider how to make use of Acer's existing core competencies and strengths, it must also actively seek out potential partners from outside of the industry.

### Future Development of Corporate Governance

Acer continues to pursue higher levels of corporate governance, and the current board of directors is constantly looking at ways to strengthen this aspect of the company in the hopes of achieving the international standard for a top-tier multinational enterprise. During 2013, the board passed a draft amendment to the Articles of Association which then passed a vote at the 2013 general shareholder meeting. Since the elections held for all board positions at the 2014 general shareholder meeting, Acer has continued to revise and amend a variety of internal guidelines, including establishing the Audit Committee to replace the function of supervisors, in line with the latest articles. This new committee is entirely composed of independent directors, thus strengthening the independence of the Acer board and significantly improving the future effectiveness of Acer's corporate governance.

## Legal Compliance

Acer has always complied with the laws in a prudent way. 2014 saw no incidences of:

- Receipt of any fines regarding environmental damage, nor any related disputes
- Receipt of any significant fines or non-monetary sanctions for breaches of the law
- Breaches of safety regulations or self-discipline codes with regard to consumers' health and safety caused by products or services
- Breaches of regulations or self-discipline codes with regard to product or service information/labeling
- Breach of any regulations or self-discipline codes caused by marketing activities (including advertising, promotions, and sponsorships)
- Receipt of significant fines due to breach of regulations regarding the provision or use of products or services

In 2014 there was one single complaint received regarding client privacy. Upon receiving this complaint, Acer took emergency action to prevent client data from leaking; afterward, strict mechanisms and enhanced pre-job training were put in place with outsourcing partners.

Two members of Acer's staff were implicated in insider trading last year; this matter is currently before the courts. To help avoid staff being involved in such breaches of law, Acer has not only established a mechanism and channels for continued education for the board, but also set up internal courses in corporate law for senior management, further strengthening staff legal compliance.

With regard to corruption prevention, an Anti-Bribery and Corruption Policy was put in place across all elements of Acer Group and a corruption risk analysis was undertaken. Additionally, in 2014 Acer found no cases of violations of anti-bribery policies, nor was the company litigated for anti-competitive, anti-trust, or monopolistic behaviors.

# Corporate Responsibility Commitment and Implementation

Since the 2006 First Acer Sustainability Year, Acer has taken a proactive view toward the sustainability issues, listening to stakeholders, and participating in both domestic and international CSR advocacy and organizations. In 2008, we formally established the CSR Executive Committee and a management unit focused on CSR issues, the Corporate Sustainability Office (CSO), with its most senior manager being the Corporate President and CEO. In 2011, we established our Global Corporate Social Responsibility Committee (GCSRC), expanding the scope of our CSR governance structure. We continue to revise and adjust our strategies and advocacy direction with regard to CSR, responding to the growing concern with sustainable development and environmental issues and committing ourselves to playing a sustainable role in our communities.



## Corporate Responsibility Policy and Strategy

### 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 , thus pursuing financial growth, environmental protection and social advancement as Acer actively works to fulfill its CSR.

ECONOMY

ENVIRONMENT

SOCIETY

### Corporate Responsibility Policy

- With the goal of meeting stakeholder expectations, through more in-depth communication with stakeholders we continue to improve our daily operations, earning the recognition and support of the market.

- Led by the most senior management, a top-down concrete, and practical corporate responsibility policy is put in place, with concrete, feasible action plans for products and services tied closely to this policy.

- Manage sustainability and risks derived therefrom through effective management by regional offices and subsidiaries, while also staying on top of the potential business opportunities

- Continue working side-by-side with suppliers to implement corporate ethics, risk mitigation, and improved resource efficiency

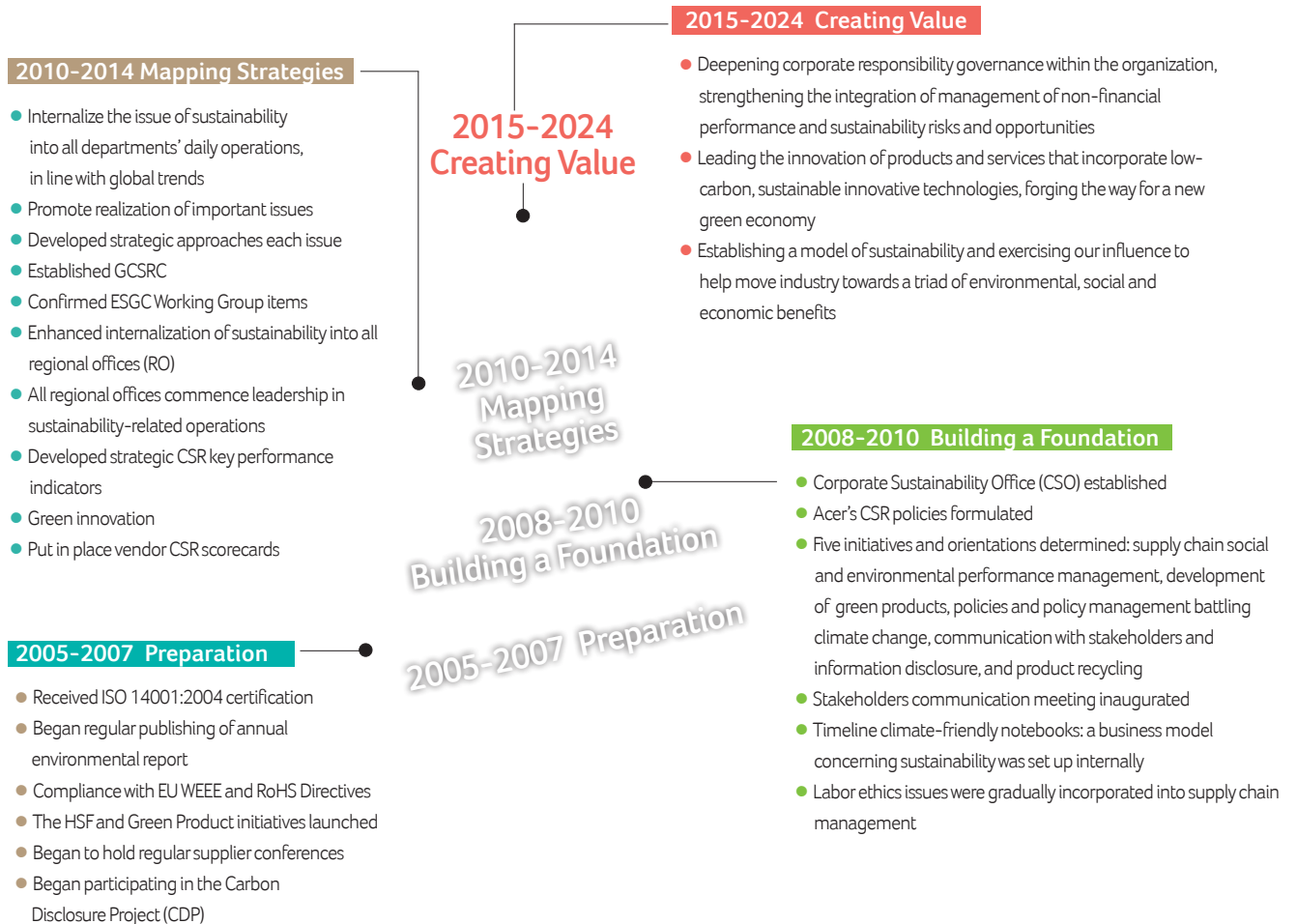
### Corporate Responsibility Development Strategy

In 2014, Acer completed the planned corporate responsibility processes, and is soon to move from the strategic stage to the value creation stage. As such, we have evaluated the overall environment and the expectations of our stakeholders to plan Acer's direction in terms of corporate responsibility promotion over the coming decade. We hope this will further deepen the integration of the organization and the overall value chain, gradually building toward strong governance, innovation development, and sustainable development goals that serve as a model for the industry. We will continue to strengthen our corporate responsibility governance, demonstrating its effectiveness on four key levels: environmental, social, governance, and transparent communication

(ESGC). In terms of communication, we adhere to a process of Identification, Prioritization, Validation, and Review, accurately reporting our impact, action, and results with regard to sustainability issues and the overall value chain. Our efforts to promote CSR progress in several directions, including :

- Deepening corporate responsibility governance within the organization, strengthening the integration of management of non-financial performance and sustainability risks and opportunities
- Leading the innovation of products and services that incorporate low-carbon, sustainable innovative technologies, forging the way for a new green economy
- Establishing a model of sustainability and exercising our influence to help move industry towards a triad of environmental, social and economic benefits

## Progress and Achievements in Corporate Responsibility at Acer



## Corporate Responsibility Governance

Acer's Corporate Sustainability Office, under the Corporate President Office, is the company's corporate responsibility management unit, and is responsible for collating information on economic, environmental, and social issues for the company's reference. To expand the scope of our Corporate Responsibility Governance scope and incorporate sustainable development policies into daily operations, in 2012 we convened the first meeting of our Global Corporate Social Responsibility Committee (GCSRC). The committee

is made up of senior management from the major business units, function units, regional offices, and the Corporate Sustainability Office. To maintain effective connection and integration with overseas operations, we have established the position of CSR executive secretary at each regional offices; this secretary represents their region on the committee. The Global Corporate Social Responsibility Committee holds regular meetings focused on sustainability in the company's various global locations and internal departments.

In 2014, Acer underwent major organizational adjustments, including restructuring the five major regional headquarters into three headquarters, as



well as changes in leadership and organization in various functional work teams, business groups, and regional offices. This resulted in a constant changing in the membership and numbers in the GCSRC. As a result, the annual GCSRC was put on hiatus for the year. However, we continue to work on communication through existing CSR channels. In 2015, the pace of corporate change will continue, and we will continue to strengthen CSR governance structures.

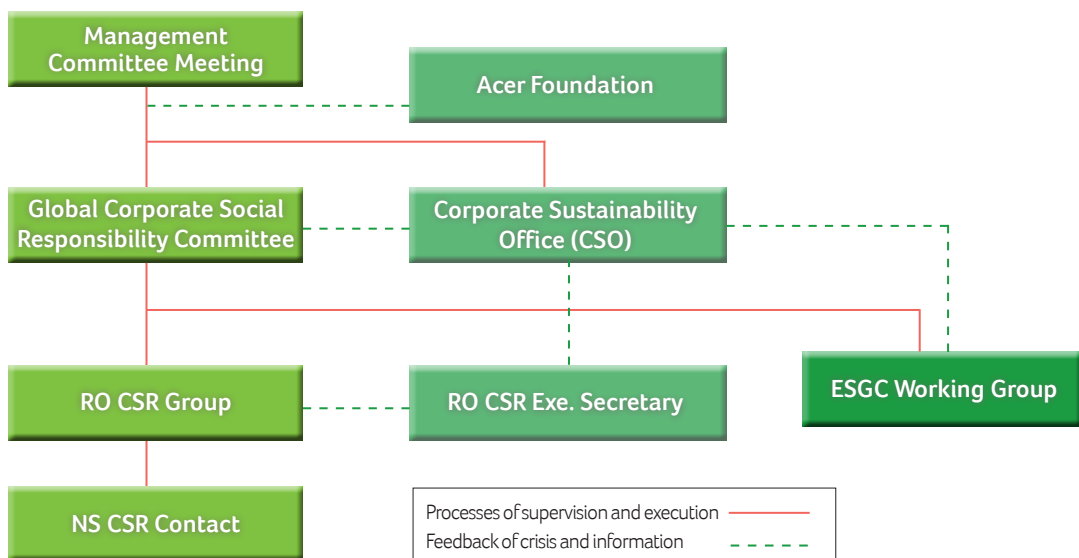
As Acer faces the challenges of transformation, we remain committed to executing on the various decisions made in 2013, and to the continued deepening of corporate responsibility governance, including :

- Formally incorporating sustainability and corporate responsibility into the Audit Committee’s work, briefing the directors who make up the committee on global corporate responsibility matters, Acer’s blueprints and plans in response to these issues, including product energy efficiency, supply chain sustainability management, the link between the cloud and a low-carbon society, and electronic waste management. Authorized by the board, the Audit Committee deals with business opportunities and

risks related to sustainable development issues, with the head of the Corporate Sustainability Office also reporting to the Audit Committee.

- Within the company, we continue to promote the concept of “Wangdao accounting” as formulated by honorary chairman Stan Shih. Wangdao accounting is focused around the core concepts of value creation, balance of interests, and sustainable operations, combining these with accounting methods and theories to construct an analytical structure, measurement system, management reporting system, and performance indicators congruent with the World Business Council for Sustainable Development’s promotion of incorporated environmental and social profit and loss as a means for redefining value through quantification of true costs and profits. We believe that all financial officers within the group must be cognizant of the trend toward true value in business, and to consider how the Wangdao concepts can be incorporated into accounting and financial management. As such, in 2014 we conducted training and communication with our financial officers regarding CSR, Wangdao

### Governance Structure of Acer Sustainable Development





management and accounting, responsible investment in capital markets, and other related topics, hoping to facilitate preparation and responses among all our financial officers.

## Identification and Management of Sustainability Risks

In addition to the establishment of the GCSRC, we have also continued to develop our integrated risk management mechanism, which has been put in place to handle corporate risk management. Risk management has a tremendous influence on corporate operations, and we thus regularly review the company's risk management mechanisms in order to further strengthen the integrated management of all risk items we face.

In November 2012, Acer set up a special working group on risk management, drawing members from legal; financial; HR; supply chain management; marketing; IT; environment, health and safety; and product groups in addition to the Corporate Sustainability Office, aiming at conducting an inventory of risk factors within the organization at least once per year, 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. Additionally, with regard to the increasingly important issue of climate change risk, the company is also invested in risk management, aiming to implement more forward-looking prevention concepts to better manage such risks. After analyzing the risks and compiling an overall risk summary, the workgroup reports to their convener and the CEO, then working to draft an action plan.

Once risks are identified and categorized, we further subdivide them based on evaluation results, appointing those responsible for the relevant department(s) to undertake follow-up management plans, including drafting risk response strategies of reduction, avoidance, sharing, and retention, along with evaluating invested resources, prioritizing actions, and conducting post-implementation performance tracking. At the same time, we draft risk responses, mitigation planning,



and crisis management mechanisms for early warning and prevention, mitigating the potential impacts of these risks on organizational operations.

Taking into consideration the global environment and our strategic priorities, we identified nine key risk categories in 2014.

## Stakeholder Communication

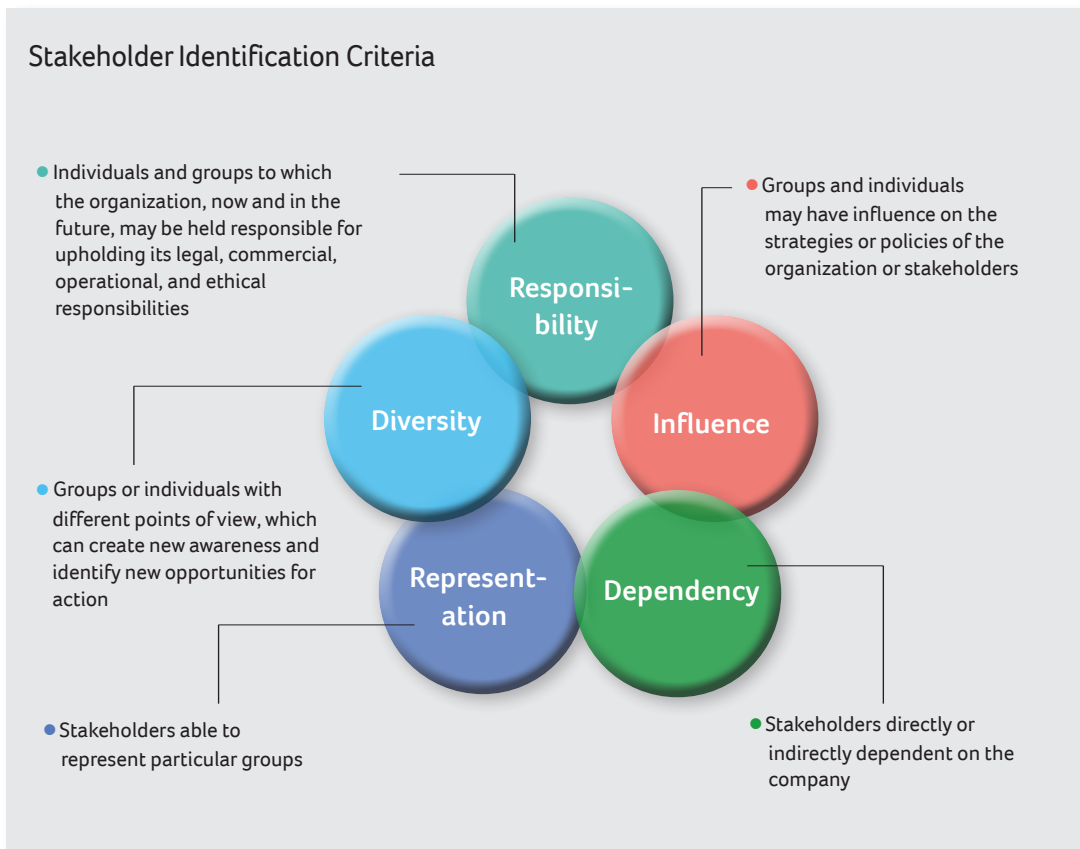
Meeting the expectations of stakeholders is an important goal of Acer's CSR policy, and engaging stakeholders is a key part of Acer's CSR strategy. Through communication and interaction with stakeholders, we hope to engage stakeholders in the sustainable development of Acer and ensure that we properly understand any feedback from different stakeholders. As such, we actively promote bidirectional communication and exchange, helping

Acer stay on top of important opinions and ideas and introducing new opportunities and development strategies.

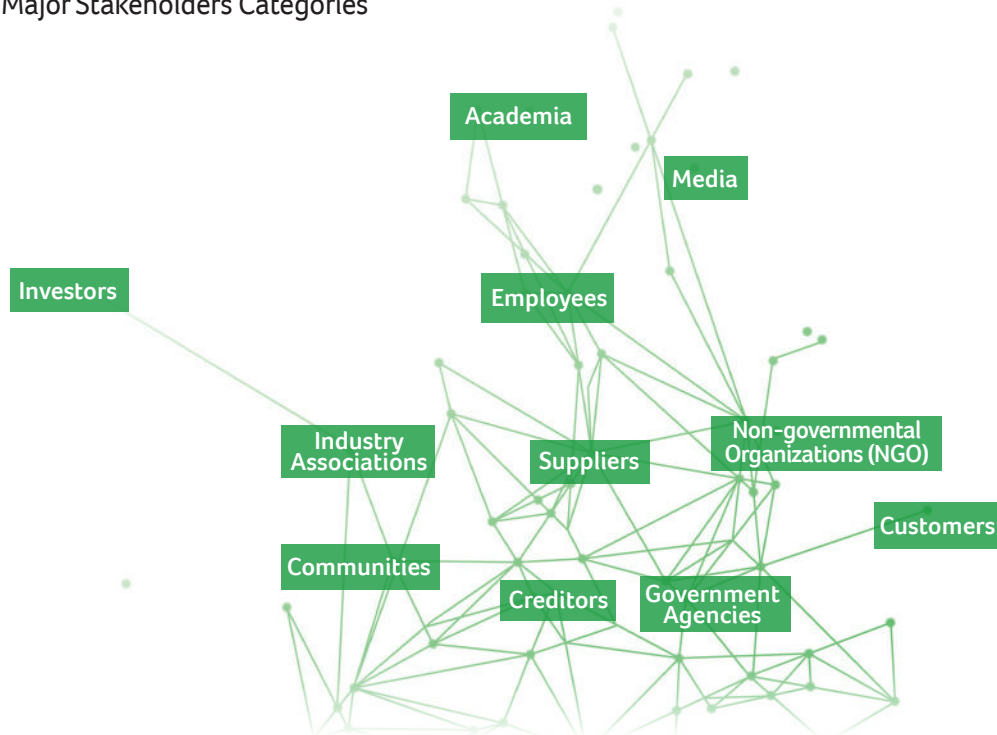
## Stakeholder Identification and Communication

Acer aims to identify stakeholders and deepen communication with them through the three core values of the Wangdao philosophy, namely value creation, balance of interests, and sustainable operation. We believe that only by taking into account the interests of all stakeholders can the company truly create value and realize its true *raison d'être*.

In accordance with the Wangdao philosophy, we have established a set of standards for stakeholder identification, identifying 11 major categories of stakeholder.

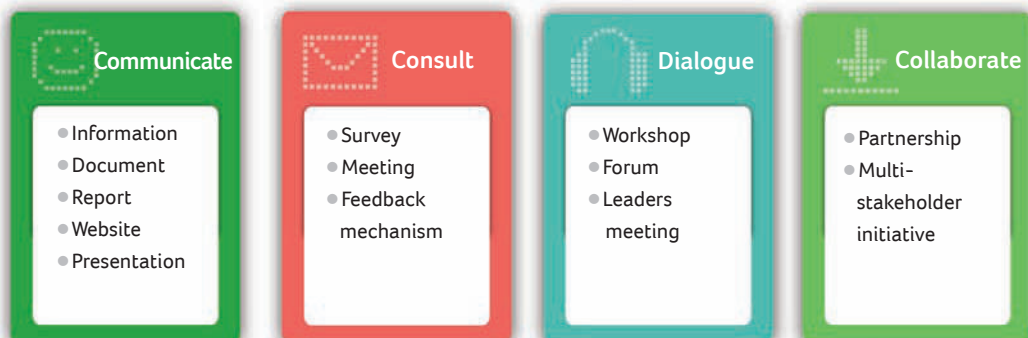


## Major Stakeholders Categories



Through communication, consultation, dialog, and cooperation, we create mutual exchange with stakeholders and receive valuable information and feedback. In order to facilitate the acquisition and development of the results of such exchange, we have laid out a stakeholder communication recording and evaluation mechanism, along with a process for the management of issues of concern. By communicating with stakeholders our goals and results, we can ensure that the opinions of various stakeholders are being properly recorded and handled, and that our communication is as effective as expected.

## Stakeholder Communication Methods




### Procedure for managing issues of stakeholder concern



### Communications Channels and Issues of Concern for Stakeholders

Stakeholder	Major Issue of Concern	Major Communications Channels	Relevant Section
<b>Employees</b>	Employee Health and Safety Employee Training and Development Employment and Benefits Operational	Internal Website (My Acer) External Website (Acer Group) Employee Representative Meetings Employee Welfare Committee	Employee Welfare and Advancement
<b>Non-Governmental Organizations</b>	Climate Change Green Product Design Supply Chain Management Compliance	Acer Sustainability Website & CR reports Questionnaires and Surveys External Website (Acer Group) CR email (cr@acer.com) Complaints email (whistleblower@acer.com)	Stakeholder Communication Major Initiatives and Participation
<b>Customers</b>	Supply Chain Management Climate Change Compliance Green Product Design	Acer Sustainability Website & CR reports Questionnaires and Surveys CR email (cr@acer.com)	Customer Service
<b>Suppliers</b>	Climate Change Supply Chain Management Corporate Governance / Code of Conduct Grievance Mechanisms	Annual CSR Supplier Communication Meeting Annual CSR Scorecard Quarterly Business Review Meetings Supplier Questionnaires Complaints email (whistleblower@acer.com)	Stakeholder Engagement Responsible Supply Chains
<b>Communities</b>	Grievance Mechanisms Compliance Climate Change Environmental Protection Environmental Innovation	Acer Sustainability Website & CR reports Corporate Website Acer Foundation Website Volunteer Activities Complaints email (whistleblower@acer.com)	Community Involvement



Stakeholder	Major Issue of Concern	Major Communications Channels	Relevant Section
<b>Government Agencies</b>	Compliance Climate Change Green Product Design Environmental Protection Environmental Innovation	Responses from Legal Advisers Policy Advisory Meetings	Corporate Governance Legal Compliance Major Initiatives and Participation
<b>Media</b>	Compliance Climate Change Green Product Design Environmental Protection	Press Conferences Press Releases Social Media Corporate Website	Marketing Communication
<b>Investors</b>	Operation Compliance Environmental Innovation Labor/ Management Relations	Annual Shareholder Meeting Institutional Investors' Conference Calls Company Quarterly and Annual Reports Market Observation Post System Investors Relations email (investor.relations@acer.com) Acer Sustainability Website & CR reports	Major Initiatives and Participation
<b>Industry Associations</b>	Compliance Operation Environmental Innovation Supply Chain Management	Participating in Organizational Conferences Fulfilling Membership Obligations Cooperative Activities	Major Initiatives and Participation
<b>Creditors</b>	Operation Compliance Environmental Innovation	Company Quarterly and Annual Reports Market Observation Post System	Stakeholder Communication
<b>Academia</b>	Compliance Operations Environmental Innovation Supply Chain Management Community Involvement Labor/ Management Relations Green Product Design	Industry-Academia Exchange Questionnaires and Interview Seminar Activities Acer Sustainability Website & CR reports	Stakeholder Engagement

## Material Aspects and Boundaries Identification

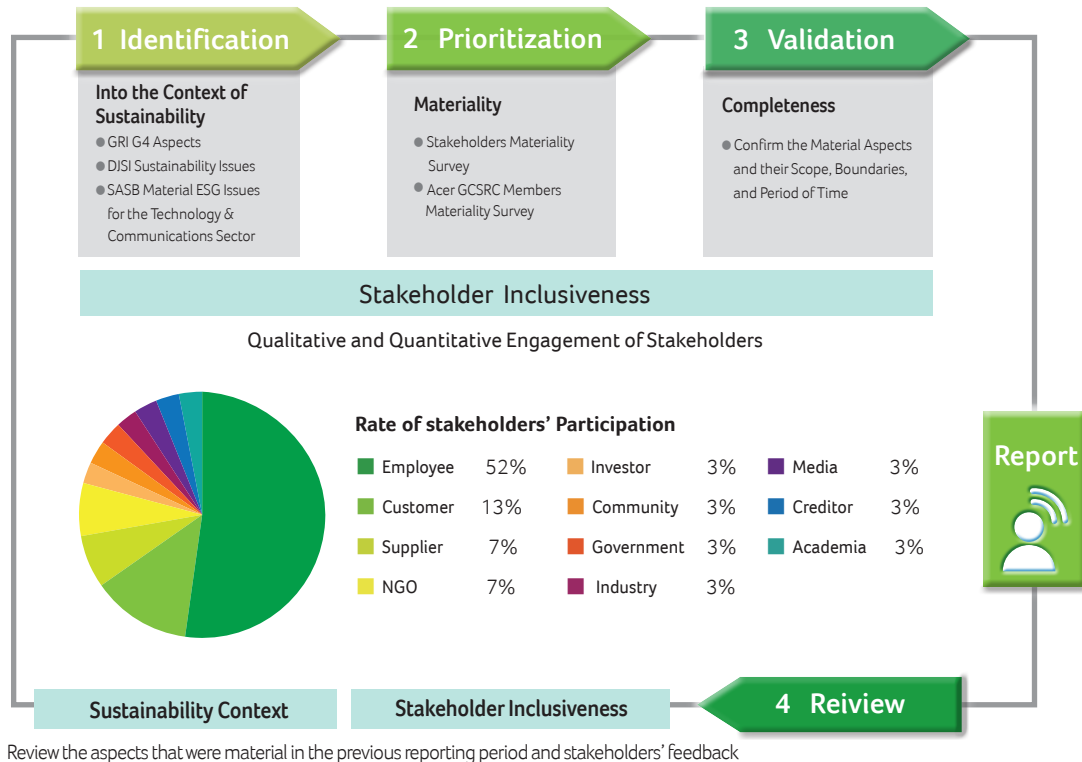
Acer uses the fourth-generation guidelines for sustainability reporting (G4) of Global Reporting Initiative (GRI) as the framework for assessing the importance of the sustainability issues laid out below, providing the fundamental data for CSR disclosure and, ensuring stakeholders receive the information they need.

- Sustainable development issues pertaining to Acer are enumerated 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.
- Such aspects and issues are then grouped with others similar to them, reducing the potential for confusion during surveying. Ultimately, these are grouped into 17 categories that are used for final surveying.
- We then carry out opinion surveys of stakeholders in order to determine their level of concern. These stakeholders include employees, advocacy organizations (NGOs), customers, suppliers, communities, government agencies, media, investors, industry associations, creditors, and academic groups. For our own staff, we invite representatives from key departments/regions to fill out the survey; for external stakeholders, we invite representatives from each category with whom we are in regular communication. Additionally, we also continue to collect opinions from stakeholders both inside and outside the company through our website, incorporating them into the body of information regarding issues of concern already collected.
- In terms of the importance of issues related to Acer, the level of importance was determined through having managers from relevant departments from GCSRC members serve as survey respondents.
- The results of this analysis determined the material aspects.

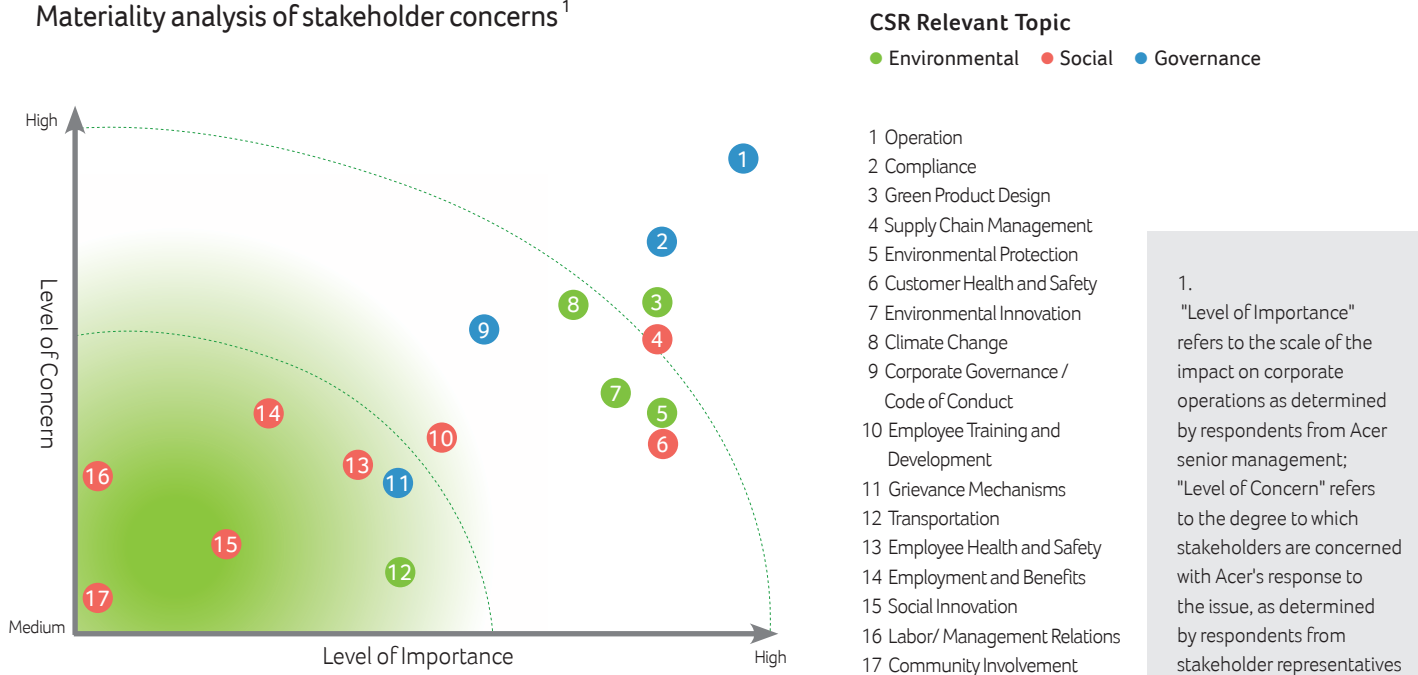




### Process for Identification of Material Issues and Boundaries



### Materiality analysis of stakeholder concerns <sup>1</sup>



### Material Aspects and Boundary Identification

Category	Relevant Topics	Aspects	GRI Indicators <sup>2</sup>	Boundaries/ Within the company	
				Headquarters	Regional Headquarters/Subsidiaries
Governance	Operation	Economic Performance	EC1-EC4	●	●
	Corporate Governance/ Code of Conduct	Anti-corruption	SO4-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 (Environmental)	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,EN5-EN7	●	●
		Emissions	EN15-EN19	●	●
	Green Product Design	Hazardous Substances	Other	●	
		Products and Services	EN27-EN28	●	●
	Transportation	Transport	EN30	●	●
	Environmental Protection	Materials	EN1-EN2	●	
		Water	EN8	●	●
	Effluents and Waste	EN22-EN23	●	●	
Environmental Innovation	The case of cost saving & revenue generation	Other	●	●	
Social	Customer Health and Safety	Customer Health and Safety	PR1-PR2	●	●
	Employee Health and Safety	Occupational Health and Safety	LA5-LA6	●	●
	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	○	○	

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

Boundaries/ Outside the company			Report Response Section
Clients	Suppliers	Community	
		●	History and Development/Community Involvement/Responding to Energy and Climate Change Issues/Competitive Compensation Packages
	◎		Legal Compliance/Standards of Business Conduct
			Legal Compliance/Standards of Business Conduct
		●	Supplier Social and Environmental Management Structures/Staff Structure/Employee Relations/On-site Audit
		●	Supplier Social and Environmental Management Structures/Staff Structure/On-site Audit
		●	Supplier Social and Environmental Management Structures/On-site Audit
	◎		Legal Compliance
			Acer Group Service Model/Legal Compliance
			Protection of Costumer Privacy /Legal Compliance
●	●		Legal Compliance
			Legal Compliance/Incorporating Environmental Considerations into Product Design/Acer Group Service Model/Customer Satisfaction Survey
	●		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com;Communication on CSR issues can be directed to cr@acer.com.No complaints were recorded for 2014
	◎		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com;Communication on CSR issues can be directed to cr@acer.com.No complaints were recorded for 2014
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		●	Incorporating Environmental Considerations into Product Design/Product Innovation/Our Operations and the Environment
	●	●	Responding to Energy and Climate Change Issues
	●		Incorporating Environmental Considerations into Product Design/Product Innovation
	●		Incorporating Environmental Considerations into Product Design
	●		Incorporating Environmental Considerations into Product Design/Our Operations and the Environment
	●		Incorporating Environmental Considerations into Product Design/Product Innovation/Our Operations and the Environment
	◎		Our Operations and the Environment
	◎		Our Operations and the Environment
			Incorporating Environmental Considerations into Product Design/Product Innovation/Our Operations and the Environment
	●		Incorporating Environmental Considerations into Product Design/Legal Compliance
	◎		Health and Safety in the Work Environment
			Continuous Learning and Growth
			Staff Structure/Employee Relations
			Staff Structure/ Competitive Compensation Packages
			Staff Structure
		●	Community Involvement
		●	Education/Acer Volunteers
		●	Products and Services that Respond to Society/Charity
	◎		On-site Audit
	◎		Supplier Social and Environmental Management Structures/On-site Audit
	◎		Supplier Social and Environmental Management Structures/On-site Audit
	◎		Supplier Social and Environmental Management Structures/On-site Audit
	◎		Data currently being collected, to be disclosed in the future once more data is ready

<sup>2</sup> Aspects of importance to Acer but not included in the GRI G4 indicators are labeled here as "Other", please refer to GRI indicators index for more information.

## Stakeholder Engagement

In addition to reaching out all kinds of stakeholders, Acer also accepts observations and suggestions from various organizations worldwide with an open mind. We believe that listening to a diverse range of voices is crucial to Acer fully grasping the key risks and opportunities, and responsiveness is key to realizing value creation and influence.

### Supplier CSR Communication Meeting

Acer continues to communicate with suppliers and help them improve their capabilities. In December 2014, we held our 6th Supplier CSR Communication Meeting; in addition to thanking all supplier partners for their contributions to and support of Acer's CSR in the past year, the meeting also addressed rising issues in CSR and Acer's future direction and demands with regard to CSR. To help our suppliers gain a better understanding of the issues and practice of corporate social responsibility, we also invited AUO and Qisda, suppliers who have performed excellently in regard to CSR, to share their experience. AUO focused on adaptation to climate change and shared with other suppliers how to carry out modeling in the context of global risk and climate change, as well as how to identify risks and opportunities through adapting to climate change at throughout the value chain. Qisda, meanwhile, focused on corporate social responsibility management, sharing their performance with regard to CSR development and related issues with the other suppliers present.

Through such sharing and discussion of real-world difficulties and experiences, we are able to facilitate

bilateral communication and education, further strengthening the capability of the overall supply chain to carry out CSR. At the conference, Corporate President and CEO Jason Chen encouraged suppliers to do all they can to improve their corporate social responsibility and accomplish the mission of environmental protection. He also thanked our suppliers for their hard work with Acer in creating a supply chain that is environmentally and socially responsible.

### Greenpeace Taiwan

In October 2014, Greenpeace Taiwan issued a report<sup>3</sup> calling for Taiwan's ICT industry to pay greater attention to their usage of energy and to increase their usage of renewable energy, citing Acer as a positive example. They followed up with a questionnaire focused on the four areas of renewable energy commitments, energy efficiency and carbon reduction, energy information transparency, and renewable energy use and advocacy; we responded through our filling out of that questionnaire.

We at Acer are similarly concerned with the use of renewable energy in the ICT industry, and are continually engaged in communication with Greenpeace regarding this issue. We believe that one of the most important and effective methods of reducing greenhouse gas emissions and mitigating climate change is improved energy efficiency in both our activities and our products. ICT technologies and services can be used to help organizations reduce their energy consumption. Another important method is the application of environmentally friendly renewable energy sources. The Acer Group

3. For detailed content (in Chinese), please refer to <http://www.greenpeace.org/taiwan/zh/press/releases/climate-energy/2014/clean-the-internet/>



Acer Corporate President and CEO Jason Chen encouraging and sharing his experience with suppliers



Supplier representatives listen closely to the presentation

is continuing to progress towards our 2020 carbon reduction targets, and anticipate the percentage of renewable energy used to continue gradually increasing in order to achieve those targets.

### Ongoing Academic Exchange

Acer places great emphasis on the role academic ideas and theories play in assisting with corporate management and sustainability issues, and hopes that exchanges between industry and academia can help improve Taiwan’s performance in the field of sustainable development. In 2014, Professor Li, Yi-Yuh of National Chengchi University’s Department of Business Administration led a team of doctoral researchers in the dialog with the senior management of Acer’s Key

Components Procurement and Corporate Sustainability Office. Issues discussed in depth in the course of this dialog included enterprise resource allocation, conflicts between corporate social responsibility and business development, and Acer’s implementation of corporate responsibility. We believe that this experience successfully demonstrated the feasibility of combining academic theory and practical experience, and we plan to expand our interactions with the academic further in future.



Faculty and students from National Chengchi University’s Department of Business Administration exchange opinions and experience regarding the promotion of CSR with Acer.

## Major Initiatives and Participation

To facilitate more in-depth discussion of CSR-related issues and work with NGOs around the world on improving ICT industry sustainability, we have been a long-time member of organizations interested in issues of sustainability. Not only are we taking the lead in the Taiwanese ICT industry in terms of CSR application and development, we also strive to make use of Acer’s influence to inspire other businesses to take more proactive measures in this regard.

### Carbon Disclosure Project

Since 2008, Acer and the Acer Foundation have supported and sponsored the Carbon Disclosure Project (CDP) in Taiwan. In 2014, we continued to support spring and fall CDP presentations, inviting outstanding enterprises and





key components suppliers of Acer to share their most valuable experiences and help other firms better understand climate change risk, the business opportunities involved in carbon reduction, and their importance to corporate management.

Acer is not only committed to helping Taiwanese enterprises get a better handle on carbon management, but also to continuing to improve our own carbon disclosure performance. The results of the 2014 CDP survey show that in terms of disclosure quality and performance, Acer received a score of 93 and a grade of B, continuing to make progress in our disclosure. Into the future, we will continue to pay attention to the effectiveness of carbon reduction measures, make full use of our influence as a major brand to take the lead and help our suppliers and our clients engage in more effective carbon reduction planning.

### **Participation in Taiwan Corporate Sustainability Forum (TCSF)**

In 2013, the Taiwan Corporate Sustainability Forum (TCSF) established a working group for their Energy and Climate Policy White Paper, in the hopes of drawing on international benchmarks in sustainability policy and domestic corporate experience to provide the Taiwanese government with references for the drafting of more proactive policies to address climate issues. This working group was split into two teams, one focused on improving energy efficiency and the other on robust taxation legislation; Acer served as convener of the former.

This white paper primarily called on the government to strengthen the regulatory system with regard to energy conservation and carbon reduction, to implement stronger climate change and environmental education, and to promote improvements to energy usage efficiency, renewable energy development, and water resource risks and management in the face of climate change.

The first draft of the white paper was completed in late

2014, when a communication meeting was held with expert academics. Through this process, we hope to create more focused recommendations for responses to the political and economic environment and conditions currently faced by Taiwan.

### **Participation in the Public-Private Alliance for Responsible Minerals Trade**

Acer continued its involvement in the Public-Private Alliance for Responsible Minerals Trade (PPA), the multi-sector 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. In June of 2014, Acer attended the annual multi-stakeholder face-to-face meeting in Washington, D.C. to get an update on the lessons learned from the funded projects, the current status on the ground in the Great Lakes Region, and to hear reflections and suggestions from the U.S. Department of State. In addition, the meeting focused on planning for the remainder of 2014 and 2015, which included a discussion on funding and participation requirements for the future. Going forward, Acer will remain involved in the PPA and monitor its progress and needs for resources so that it continues to improve the minerals tracking systems and provides support for other due diligence efforts in the region.

### **Participation in Corporate Green Competitiveness Alliance**

Acer continues to play a part in the Corporate Green Competitiveness Alliance, composed of members of Taiwan's ICT industry. This alliance aims to help the industry gain a better understanding of green business and the creation of green value, as well as to bring together experience within the industry to provide suggestions to the government and promote sustainable development in society. In 2014, the alliance's primary focus was on collecting advice regarding recycling and energy labeling regulation from industry. Additionally, we continue to focus on the issue of conflict minerals, exploring concrete measures to improve supply chain management capabilities.



## ***Environmental and Energy Management***

Climate change causes extreme weather and other anomalies, impacting corporate profits and increasingly business risk; mankind's large-scale consumption depletes our natural resources; excessive burning of coal and fossil fuels causes air pollution; and the use of more complex chemical substances creates further potential for harm to human health. These phenomena have a significant impact on our lives and work, and even endanger the survival of the next generation.

Given this, we insist on upholding our responsibility to the environment through sustainable development, making use of renewable energy and putting in place energy saving and carbon reducing measures. However, we are not content to simply adopt such measures ourselves—we also invite our suppliers to work with us, continually improving our energy management, increasing the use of environmentally friendly materials, and reducing our greenhouse gas emissions. Through such efforts, we create a virtuous cycle of environmental protection. Not only does this ensure we provide worry-free and safe products to our clients, it also stimulates innovation and drives the development of new IT solutions that can help reduce carbon emissions and energy usage. This proactive approach to the risks and opportunities of climate change drives us toward our goal of becoming an environmentally friendly company.

## Incorporating Environmental Considerations into Product Design

Acer is well aware of the potential for serious environmental impact by its goods and services, and as such we carefully consider environmental factors in every stage of the lifecycles of our products. This includes everything from selecting materials during design, through packaging and shipping, to usage and recycling. Our hope is that in this way we be able to work with consumers to reduce our collective environmental load.

### Acer's Green Product Policies

Using product lifecycle thinking, we provide low-toxicity, low-pollution, energy-saving, resource-saving, and easily recyclable products.

Through green purchasing and communication, we work with suppliers to pursue environmental standards that go beyond international guidelines, establishing a green supply chain



## DESIGN



## Prudent Management of Chemicals in Materials

To protect the health and safety of users and to reduce the potential risk to the environment, at every stage of product development Acer provides suppliers with environmental protection and safety requirement specifications. This helps ensure the regulations and customer standards of the target sales area are upheld. Additionally, instructions for safe use of products and items of note are included in product manuals and available for download from the company's website.

In addition to taking into account regulatory requirements, Acer also takes the initiative to meet the market demands of each region by applying for local voluntary environmental certifications, such as the Taiwan Green Mark, China's Environmental Labeling and Energy Conservation Certification, EPEAT Gold and Silver product registration, ENERGY STAR® compliant and Swedish TCO certification. Such comprehensive consideration of how to reduce energy consumption and use of toxic/hazardous substances at all stages of the product life cycle can not only extend product life, but also facilitate recycling after product end-of-life.

Following international environmental regulations, however, is not our sole concern. Acer is more concerned with the human health impact of chemical substances used in products such as polyvinyl chloride (PVC), brominated flame retardants (BFRs), beryllium, antimony, arsenic, selenium, bismuth, and phthalates. Since 2009, we have continued to voluntarily promote the production of notebooks, desktops, and smartphones that do not include PVCs or BFRs, as well as continuing to move forward on dehalogenization.

In 2012, we added to our product environmental safety specifications limiting the use of seven phthalates that could potentially have an impact on human health; in 2013, we added two further phthalate limits, as well as completing surveys into the use of five chemical substances—beryllium, antimony, arsenic, selenium, and bismuth—in our notebook computers. In 2014, together with the Canada Gov. Gazette (Vol. 147, No. 28—July 13, 2013), Acer expanded our survey on the usage of phthalates, in the process came to appreciate the high level of attention being paid to these by government agencies, and that even those phthalates not yet proscribed by law may yet pose risks to the environment. In response, we included "timetable for restriction of phthalates" in our 2014 vendor CSR scorecard, as well as encouraging suppliers to work with Acer to promote zero-phthalate products.

### PVC/BFR-free Product Line from 2009 to 2014 <sup>1</sup>

Notebooks		Desktop PCs and Accessories	Displays
Aspire 3811TZ	TravelMate 6495T	Aspire Revo	C233HL
Aspire 3811TZG	TravelMate 6495TG	Veriton L4620G	C193WL
TravelMate 8172T	TravelMate 8473T	Veriton L6620G	C223HQL
TravelMate 8372T	TravelMate 8473TG	Veriton N4620G	C226HQL
TravelMate 8472T	TravelMate P633-M	Acer USB KB/Pro2 KB75211	
TravelMate 8572T	TravelMate P633-V	Acer USB Mouse Moanuo	
NS10 (Gateway)	TravelMate P643-M		
NS30 (Gateway)	TravelMate P643-V		
NS40 (Gateway)	TravelMate P653-M		
NS51 (Gateway)	TravelMate P653-V		
TravelMate 6595T	TravelMate P645		
TravelMate 6595TG	TravelMate P645-S		
TravelMate 8573T	Aspire S5-391		
TravelMate 8573TG			

1. Desktop computers (excluding power cables, keyboards, and mice); smartphones (excluding accessories); displays (excluding FFC LVDS cables).

## DESIGN



## Use of Post-Consumer Recycled Plastics

Every year, massive numbers of electronic products are discarded, having reached end of life. Acer supports the concept of resource recycling, and as such we actively strive to use post-consumer recycled plastics (PCR) in our products. At the same time, with regard to the materials that are most likely to create problems of pollution or occupational safety in the recycling process, we work with plastics manufacturers and upstream recyclers to conform to international standards of quality, environmental safety, occupational health and safety, and standards of Responsible Recycling (R2), earning international export licenses and recycling service provision qualifications from local governments.

When deciding on machinery and proportion of PCR 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 display units and all-in-one computers, as well as carrying out feasibility studies into the use of recyclables in notebook computers; by 2014, the results of such studies showed that the majority of notebook computer shells use carbon fiber or fiberglass composites, with very few using solely plastics; as such, the introduction of PCRs to notebooks is considered to be not yet feasible. We are continuing to contemplate and experiment in this matter, however, and look forward to further breakthroughs in the use of PCRs.

### Acer Product Models using PCRs

Product Category	2011	2012	2013	2014	2015 Implementation Plan
Displays	B173 xK	V235HL Kbd 6	B196L	B196WL	B6 Series new model
	V173 xK	V226HQL	B226HQL	B206HQL	V6 Series new model
	B193 xK	B235HL	B236HL	B246HQL	
	V193 xK	B225HQL	B226WL	B246WL	
	B193W xK		B246HYL	B276HK	
	V193W xK		B246HL	B286HK	
	B223W		B276HL	B326HK	
	V223W xK		B276HUL	V176L	
			B286HL	V196HQL	
			B296CL	V196WL	
			B326HUL	V206HQL	
			V196L	V246HQL	
			V226HQL	V246WL	
			V226WL		
			V236HL		
			V246HYL		
		V246HL			
		V276HL			
		V286HL			
All-in-One Computers			VZ2640G	VZ2120G	
			VZ2660G	VZ4810G	



**PACKAGING**



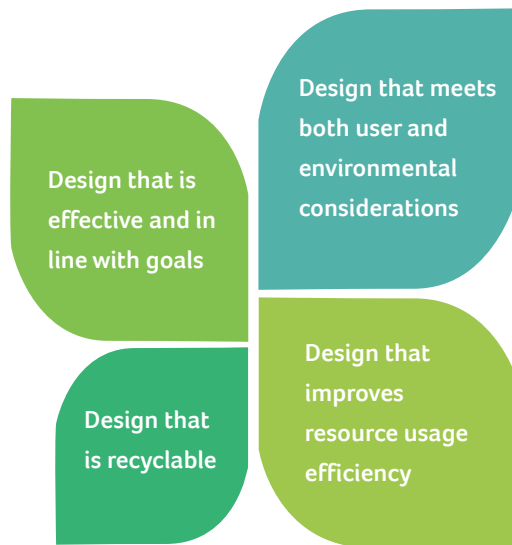
**Towards Sophisticated Packaging Design**

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 and make informed decisions about the environmental impact of our packaging at every stage, from initial R&D into and selection of materials through fabrication and transportation, and determine measures to reduce energy consumption, improve durability, and handle waste more effectively.

Reducing packaging can have a direct impact 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 were able to reduce the volume of paper products used in the packaging of our notebook and desktop computers by almost 2,400 tons ; additionally, by designing a uniform shape and size for notebook computer packaging, we were able to increase commonality of use and reduce idle stock.

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. In 2013, we replaced folded cardboard package cushioning for moulded pulp package cushioning in some 70% of our new notebook models; in 2014, this figure rose to 85%. Moulded pulp materials continue to use 90% recycled paper,

**Acer Basic Packaging Design Principles**



protecting the product through structural design. On top of this, all of the posters included with products continue to be produced with Forest Stewardship Council (FSC) certified paper, while all printing uses environmentally friendly water-based and soy inks. In 2015, we plan to increase our usage of recycled paper in molded pulp to 97%.



Simplification and consistency of packaging type and dimensions reduces idle stock

## Implementation of molded pulp materials in new notebook packaging, 2013-2014

	Percentage of Models Using Molded Pulp	Percentage of Recycled Paper in Molded Pulp Materials
2013	70%	Improved from 80% to 90%
2014	85%	Held at 90%, increasing to 97% in 2015

### TRANSPORT



#### Refining Product Transport Efficiency

Every day, tens of thousands of Acer products make their way to consumers' hands. As such, we strive to reduce the volume and weight of our packaging, thus improving transportation efficiency and reducing the fuel consumed in the course of transport. This helps further reduce the carbon emissions generated during transport, while also reducing the overall cost of that transport. We have reduced CO<sub>2</sub> emissions through the following three principles :

- Increasing Loading Efficiency
- Changing Shipping Modes and Improving Supply Chain Management
- Reducing Use of Packaging Materials

Building on our 2013 results, Acer continues to pursue reductions in packaging size and loading methods, ensuring optimal loading of pallets and containers. Additionally, in our maritime shipping to overseas markets we have expanded our merged model of shipping to the Middle East, reducing the number of containers required and the number of trips needed.

We have reduced the amount of air shipping used and increased the percentage of maritime shipping; compared with 2013, in 2014 we accomplished a 5% reduction in global truck-based shipping through increase of 3% in maritime shipping. Inland air shipping of notebook computers in China also reduced by 24%.

Together with our partners, we continue to adjust 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 2014, the Chongqing site directly handled some 17% more in empty container deliveries than in 2013, not only reducing shipping time and cost, but also improving supply chain lead time.

### USE



#### Improving Product Energy Efficiency

Acer's ongoing commitment to improving energy efficiency in our products also helps consumers reduce the amount of energy they consume while using our products. During product design, we comply with energy consumption guidelines in each region, including the European ErP eco-design directive. To ensure our products comply with the requirements of particular clients and markets around the world, we also participate in other certification programs, including the US ENERGY STAR® and the China Energy Conservation labels. For the results of Acer's product efficiency efforts, please refer to the Product Innovation section of this report.

Acer intends to continue working with suppliers, labs, and certification organizations into the future to stay on top of the latest developments and provide R&D, design, and other related departments with the information

necessary to adjust to changes in standards as soon as possible.



### Improving Product Recycling Channels

From product design to recycling, environmental considerations are at the core of every stage of our products' life cycles. Recycling is absolutely hugely beneficial to both the natural environment and to human life, and so we at Acer strive to put in place measures that will help both us and our clients reduce resource consumption and environmental impact. We actively support Individual Producer Responsibility (IPR), and are committed to working with governmental, consumer, and retail stakeholders to shoulder the responsibility for recycling electronic waste. We are rigorous in our application of environmental considerations to product design, not only creating

products that are environmentally friendly and easy to recycle, but also providing consumers with convenient access to legally required recycling channels and to voluntary recycling programs.

In Europe, Acer products, batteries, and packaging are designed and recycled in accordance with the relevant EU directives, including the European Union Waste Electrical and Electronic Equipment Directive (WEEE). For more information on our recycling channels, please consult Acer's various European websites.

In Japan, we work with the PC3R Promotion Association to enable consumers to register products for recycling through our website, by e-mail, or by fax, and to submit products for recycling by postal packet. In addition, we established PC Recycling Reception Centers to provide consumers with more information and advice, as well as to collect personal computers that are primarily employed for home use.

### Results of Acer's Participation in Japanese PC3R Recycling Program<sup>2</sup>

Units: kilograms

Year	Desktop Computers	Notebook Computers	CRT Displays	LCD Displays	Total
2010	31,969.0	1,663.0	34,134.0	2,015.0	69,781.0
2011	37,957.8	2,476.6	25,207.6	4,294.5	69,936.5
2012	35,899.1	4,184	19,817.6	5,186.5	65,087.2
2013	32,167.6	5,078.8	15,298.8	6,166.3	58,711.5

In Taiwan, Acer continues to join a long-term cooperation with the Environmental Protection Administration in their recycling program. Based on statistics from the EPA's Recycling Fund Management Board on electronic waste recycling in Taiwan, we have calculated the level of recycling of Acer products in that region. In addition, since mid-2010 we have set

up collection bins at 25 locations around Taiwan to facilitate the submission of cellphones by consumers for recycling; in 2011, we expanded this to include collection of notebook computer batteries.

2. As of April 2015, actual PC3R 2014 results have yet to be officially released; upon their release, Acer will post them to the company's sustainability website, and they will be disclosed in next year's report.

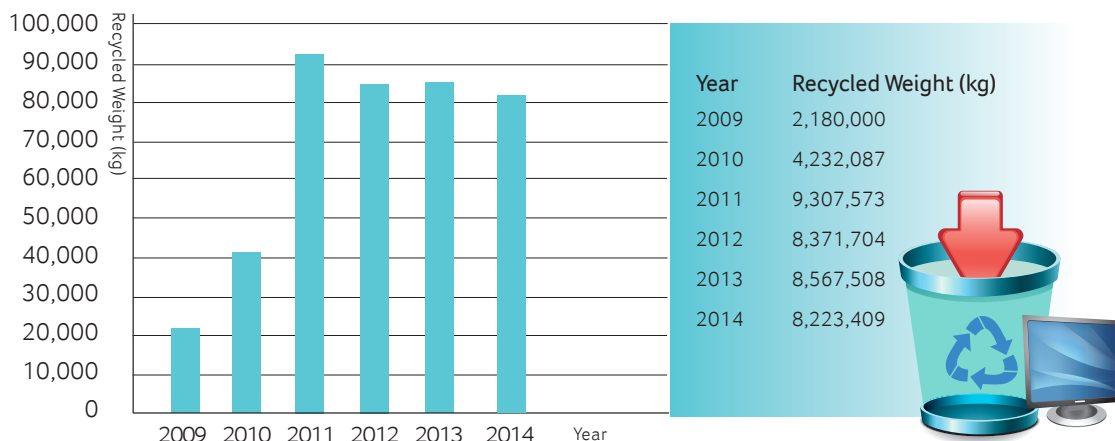
### Recycling Amount by Year for Acer in Taiwan

Year	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
2014	279,151	40.57%	3,081

In North America, Acer continues to provide recycling channels both voluntarily and as required by regulation, ensuring consumers have a convenient, trustworthy way to recycle products. In 2014, we also continued our recycling cooperation with E-World Recyclers and Reverse Logistics Group Americas (RLGA), as well as our participation in the Consumer Electronics Association's "Billion Pound eCycling Challenge," further expanding our voluntary recycling efforts; In 2014, Acer recycled a total of 1,074,321 kilograms. We have also continued to support Best Buy's recycling

program, in which consumers bring the product to be recycled to a Best Buy store. This has also seen a year-on-year increase in recycling weight. We require that all recycling programs ensure proper disposal of electronics, including management of parts and materials. In the United States, Acer works only with companies that have received certification from environmental management organizations such as Responsible Recycling (R2) or eStewards; Furthermore, Acer also requires that all recycling suppliers comply with our disposal standards.

### Recycling Amount by Year for Acer in North America



## Product Innovation

### Notebook Computers **Aspire R13**



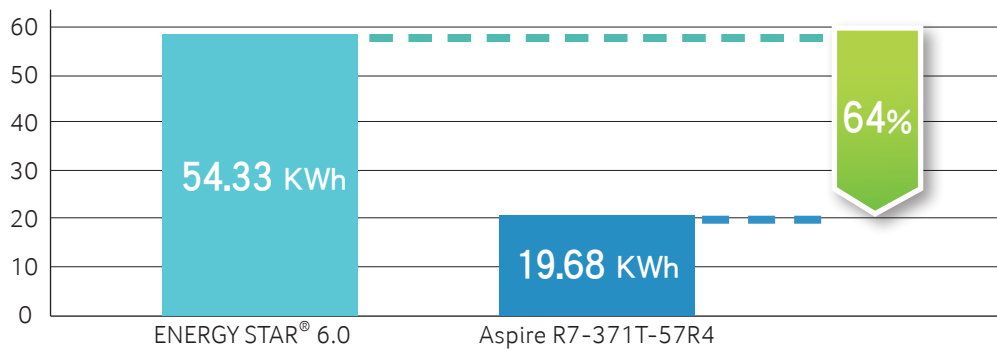
Low Energy Consumption

The R7-371T-57R4 model, a new addition to the Aspire R13 series, has achieved a level of energy consumption that surpasses industrial requirements; using smart energy technologies, it has reduced energy consumption by 64% compared to the ENERGY STAR® 6.0 standard.



R7-371T-57R4

The Aspire R7-371T-57R4 has reduced energy consumption by as much as 64% of the ENERGY STAR 6.0 standard



## Displays

### **B6/V6 Series**



Environmentally Friendly Materials

Acer's B6/V6 line of displays is designed from a foundation of environmental friendliness, using PCRs for the body, accounting for at least 10% of the device's total weight; additionally, the LCD panels use no mercury or arsenic, ensuring consumer safety.



Low Energy Consumption

The B6/V6 series uses highly energy efficient LED backlighting throughout the line, receiving ENERGY STAR® 6.0 and TCO 6.0 certification; some models are registered as EPEAT Gold Product in the US, Canada, and Taiwan. Additionally, the V6 series of commercial-use LED-backlit displays was awarded the SEAD (Super-efficient Equipment and Appliance Deployment) Global Efficiency Medal in 2014; compared with the previous generation of products, the Acer Eco Display has

reduced power consumption by 50%, a feat that earned it the Best Choice Award in the Green ICT Awards at COMPUTEX Taipei 2014.

## Projectors

### **C205**

At a thickness of just 1 inch, the C205 is easily portable. ExtremEco technology allows the projector to automatically switch the bulb into low-energy mode when no signal is being received, reducing energy consumption by 90%; this can extend the lifespan of the LED bulb to 30,000 hours; this heralds further achievement in our mission to extend bulb lifespans, reduce energy usage, and reduce the cost of replacing bulbs. Additionally, the bulbs themselves contain no harmful substances such as mercury or halogen. The C205's instant on/off capability and high durability, combined with its low power consumption, mean it can be powered by a 19V mobile power supply.



B6/V6Series



C205 projector





Liquid X1 Smartphone

## Smartphones

### Liquid X1



#### Environmentally Friendly Materials

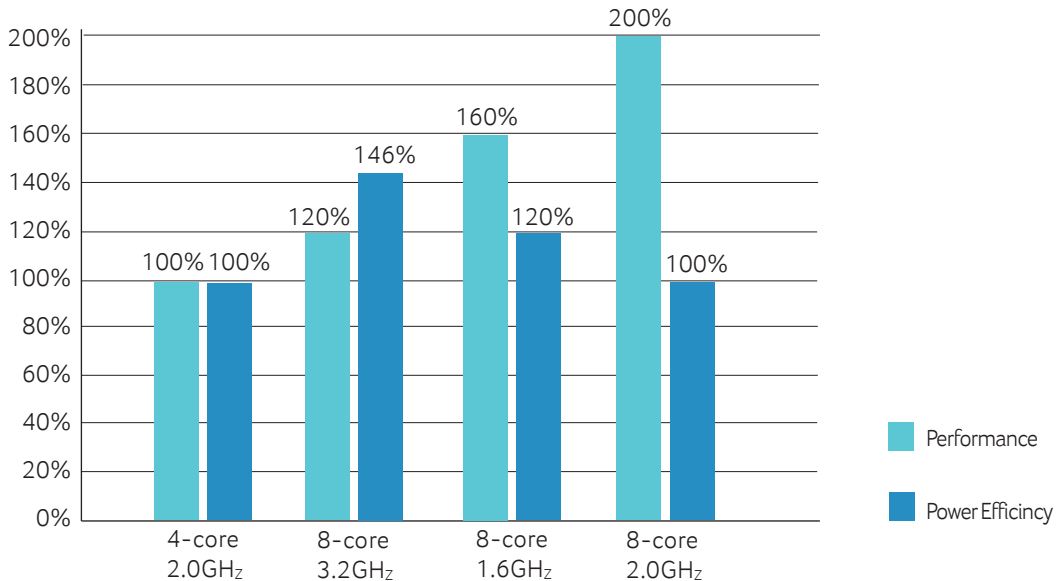
Acer's flagship smartphone, the Liquid X1, uses no PVCs nor BFRs in its design, letting users enjoy powerful video recording functionality while also benefiting from Acer's commitment to dehalogenization.



#### Low Energy Consumption

As the Liquid X1 uses a true eight-core processor, power consumption while displaying Full HD video is 18% lower than currently available quad-core solutions.

### Differences in Energy Efficiency and Functionality between Quad- and Eight-core Smartphones



## Responding to Energy and Climate Change Issues

### Risks and Opportunities of Climate Change

With scientific evidence from the Intergovernmental Panel on Climate Change (IPCC) becoming clearer and the 2014 United National Climate Change Conference (COP20) announcing the Lima Call for Climate Action, governments around the world are required to put forward their carbon reduction goals and plans for adaptive strategies, technological development and transfer, and financial matters before Q1 2015. This

also demonstrates that the consensus on greenhouse gas reductions between governments is strengthening. Meanwhile, our major external stakeholders, such as environmental groups domestic and international, are paying increasing attention to the growth in power usage by cloud service and data centers, and whether or not low-carbon energy sources are being used.

In response, Acer's Special Working Group on Risk Management continues to consider the risks associated with climate change, 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 operations.

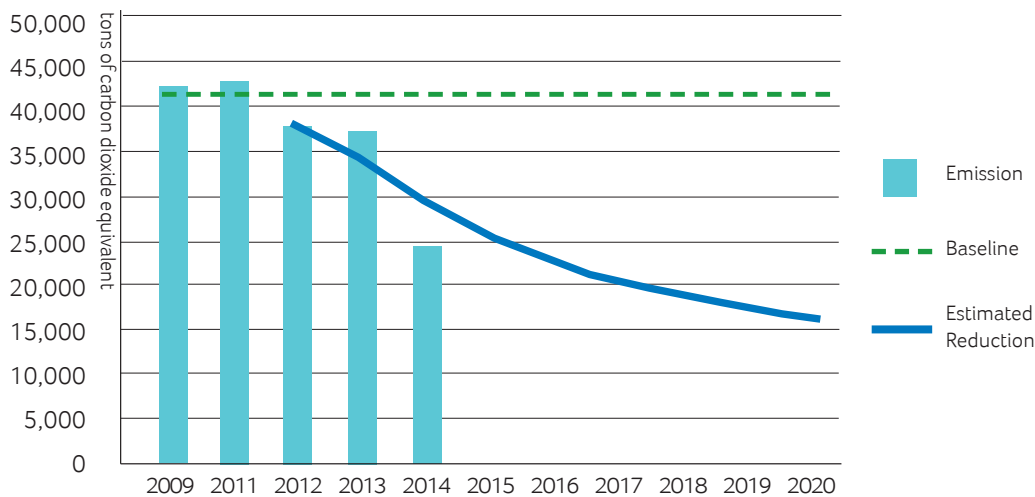
We identified the main risks related to climate change, including the impact of natural disasters on the supply chain, product shipping, and sales. These risks also include the various regulations of different countries pertaining to business operations and products, as well as consumers' preferences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

In 2012, we set our own definitive targets for greenhouse gas reductions, setting 2009 as the baseline year. Our plan is to have reduced Acer's global greenhouse gas emissions by 30% on 2009 levels by 2015, and by 60% by 2020.

### Greenhouse Gas Emissions and Reduction Targets for Acer Group



### Greenhouse Gas Inventory

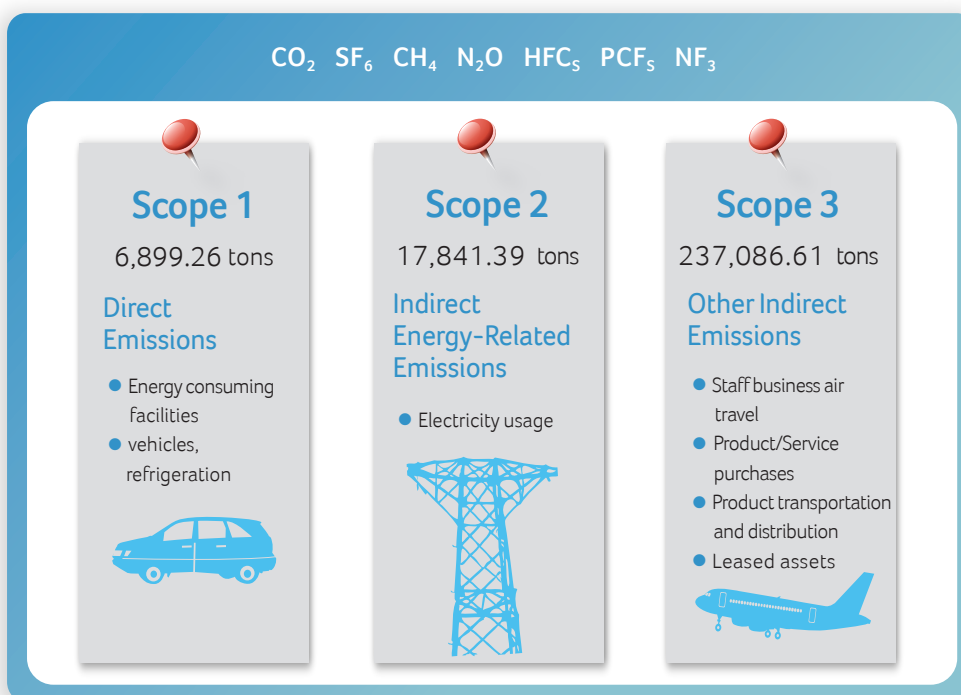
Since 2011, Acer has contracted a third-party verification agency with both CDP and Taiwan EPA accreditation to undertake GHG Protocol Scope 1 and Scope 2 inspections, along with inspections of the emissions produced by staff business flights of Scope 3. Through these inspections, we have found that Acer Group's Scope 1 and Scope 2 emissions number 6,899.26 and 17841.39 tons respectively, a total of 24,740.65 tons; these emissions were primarily from North American and European natural gas usage and global combustion activity, with Scope 2 electricity usage accounting for

approximately 80% of those emissions. Total emissions in 2014 were reduced by approximately 41.49% compared with the baseline year. Per capita emissions were approximately 3.19 tons.<sup>3</sup>

In addition, in accordance with GHG Protocol Scope 3 principles we inspect the emissions produced by staff business air travel, purchased goods and service, product transportation and distribution, and leased assets. Through inspections, we better understand how to control the carbon risks and opportunities in the value chain, which will further help in reduction strategies.

3. Based on the end of 2014 number of employees, 7,745 (including temporary, contracted and part-time staff)

### Acer Greenhouse Gas Inventory Scope



### Scope 3 Greenhouse Gas Emissions Sources and Levels

Source of Emissions	Emissions	Notes
Staff business air travel	6,446.50 tons	Emissions levels cover worldwide employee business flights
Purchased goods and service	90,619.83 tons	Based on 10 ODM allocation data
Product transportation and distribution	61,526.09 tons	Based on all region included the Europe-Africa-Middle East Region , Taiwan, China, Pan American and Pan Asia Pacific Region
Leased assets	78,494.19 tons	Primarily e-Enabling Data Center and rented facilities in North Sioux City, US

## Greenhouse Gas Reductions and Strategy

According to Acer's energy and climate strategy, we continue to prioritize energy efficiency at all of our operating locations, with use of green energy the next priority. Where appropriate, we use renewable energy power generation facilities alongside measures such as Renewable Energy Certificates (RECs) and carbon credits to support the development of renewable energy and climate protection plans.

In June 2014, our Beijing office began the process of replacing its lighting system, switching traditional bulbs for LED tube lighting, which is expected to save approximately 55,525 kWh of electricity. In concert with other efforts, including turning lights off during lunch breaks, changing air conditioning settings, and reminders regarding flexibility of operation and power saving, such projects have led to a reduction of 75,851 kWh in power usage over 2013. That September, the Shanghai headquarters also began replacing its lighting system, further reducing power consumption.

With regard to green power, since August 2014 Acer American Corporation has participated in the EPA Green Power Partnership Program. By adopting renewable energy certification, 100% of the company's electricity coming from wind, solar and other renewable energy sources.

According to EPA Green Power Partnership statistics as of the end of October 2014<sup>4</sup>, Acer ranks in the top 30 largest renewable users of all companies in the ICT sector, known as the "Top 30 Tech & Telecom." In addition to the US, global Acer locations that use 100% green electricity include the EMEA regional headquarters in Lugano, Switzerland, as well as locations in Italy, Germany, and the United Kingdom.

Due to the efforts at all of our locations to improve energy efficiency, and at our major operating centers

to use green electricity, in 2014 we achieved our goals ahead of schedule, accomplished 30% carbon reduction compared to 2009.

Into the future, we will continue to consider the accessibility, effectiveness, and institutional maturity of green electricity or renewable energy in our operating locations worldwide in an effort to achieve our long-term goal of a 60% carbon reduction by 2020.

## Managing Greenhouse Gases in the Supply Chain

Acer has been a member of CDP Supply Chain 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 2014, Acer was the only company from Taiwan to be a participant in the Carbon Disclosure Project Supply Chain Program, with suppliers performing better than the global average.

In 2014, we invited even more suppliers to participate in CDP Supply Chain Program surveys, with numbers growing approximately 25% on 2013 and valid responses grew to 32%. The majority of newly added vendors were second-tier manufacturers of particular parts and materials required by Acer. The response rate to these surveys was 84%, far beyond the global average of 52%; the average disclosure score was 65, a slight improvement on 2013 that illustrates that there is still room for improvement in comprehensiveness of disclosure and actual performance among new suppliers. This is also one of the factors behind the slide in scores over the previous year. Our overall disclosure results were higher than global average of 53.



Renewable Energy Certificates for Acer American Corporation

4. EPA Top 30 Tech & Telecom : <http://www.epa.gov/greenpower/toplists/top30tech.htm>

## Acer Supplier CDP Historical Performance

(total vendors = 3396)

Acer suppliers' performance trends	2011	2012	2013	2014	2014	The Average of CDP Suppliers
Suppliers who report emissions reductions initiatives	63%	75%	83%	78%		51%
Suppliers who achieved emissions related savings	47%	40%	63%	58%		27%
Suppliers reporting Scope 1+2 emissions reduction	21%	40%	43%	44%		24%
Suppliers reporting investments in emissions reduction initiatives	46%	47%	62%	51%		26%
Suppliers who report downstream emissions reduction	36%	42%	50%	52%		30%
Supplier's average disclosure score	53	56	64	65		53
Supplier's average performance band	D	C	B	C		C

The environment section accounts for over 40% of our vendor CSR scorecard, addressing tier one and tier two suppliers' overall carbon management, carbon reduction results, and green energy usage status, 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, one of our key issues is supply chain management in product operations, as through this we will be able to elevate the overall performance of our supply chain in responding to climate change.

## Veriton N4630G Lifecycle Carbon Emissions

Stage	Materials mining and acquisition/Component manufacturing and shipping	Product assembly	Product delivery and distribution	Use	Recycling/Waste	Total
Carbon Dioxide Emissions (unit: kg of carbon dioxide equivalent)	110.61	7.65	1.22	83.59	1.62	204.69
Proportion	54.04%	3.74%	0.60%	40.84%	0.79%	---

Acer was scheduled to begin participation in the Taiwan EPA's Carbon Footprint Calculation Platform project in 2014, however domain restrictions on the system meant that suppliers from abroad would be unable to register

## Product Carbon Footprint

In 2014, we extended our carbon footprint survey scope to include commercial-use desktop computers. With the cooperation of our suppliers, we completed a carbon footprint survey for the Veriton N4630G; two-liter models, for example, showed lifetime carbon footprints of 204.692 kilograms, with raw materials and user-side aspects accounting for the largest percentages of emissions, 54% and 40.8% respectively. Accordingly, improvements to product energy efficiency and usage of more environmentally friendly materials could effectively reduce product lifetime carbon emissions. This survey also helped us gain more knowledge and capability with regard to green product design.

their information. After discussions with the government and the R&D team, this problem was successfully resolved during 2014, and in 2015, we will continue to work with suppliers to conduct surveys of the carbon



footprints of indicator products through this platform and provide information and suggestions regarding the user experience to the responsible agency; this will help improve the acceptability of this platform to industry and reduce unnecessary waste of resources and finances caused by the development of individual systems by individual companies.

## Our Operations and the Environment

We are rigorous in our implementation of environmental, health, and safety management systems (EHS), setting targets and action plans each year to continue improving our performance. We are also committed to reducing the impact our operations have on the global environment and local communities.

### Sound Environmental and Health Management

Acer is a brand that operates under a global model, with our headquarters located in Xizhi. Acer's other Taiwanese branches, service centers, and distribution centers are all also normal office or industrial buildings.

We comprehensively follow the Acer EHS Policies, implementing thorough EHS management systems to help us achieve our goals and commitments in this regard. These include regular monitoring of adherence to and applicability of Acer standards to manage potential risks to people and the environment and the environmental impact of our products. A range of measures have been put in place to help ensure staff have a comfortable working environment that values health and safety.

Since 2012, we have been gradually expanding the scope of our EHS management system until it covers all offices and operating locations in Taiwan. In order to comply with international standards and to obtain third-party certification, in 2014 Acer held a total of 15

internal EHS management courses, along with several on-site support visits to Central and Southern Taiwanese locations. Additionally, our EHS Committee holds regular meetings and discussions regarding progress and issues in related areas. By the end of 2014, all units within Acer's Xizhi headquarters and all external business units throughout Taiwan (excluding Nanpiao, Kaohsiung) had passed triennial third-party verification audits and successfully received ISO 14001: 2004 and OHSAS 18001: 2007 certification, ensuring Acer's effective implementation of EHS systems and management.

In 2014, Acer's Beijing office had also passed two third-party audits and continued to hold valid ISO 9001 and ISO 14001 certification. In 2015, we intend to have ISO 14001 certification expanded to other offices, and will evaluate the need for OHSAS 18001 application. Acer will continue to implement EHS management systems as needed, working to maintain a comfortable working environment for all staff and ensure staff health and safety are excellently managed.

We also require our suppliers to establish their own independent EHS systems. At present, a vast majority of our suppliers of original design manufacturing (ODM) and key components have received ISO 14001 certification, and have either received or are in the process of receiving OHSAS 18001 certification. As part of our expectation that suppliers receive ISO 14001 and OHSAS 18001 certification and to strengthen supplier management, we incorporated several related required items in our 2015 vendor CSR scorecard. Every year, combined with on-site EICC audits, we conduct inspections of supplier EHS management, monitoring and assessing the comprehensiveness and effectiveness of the implementation of such measures.

### Energy Conservation Projects






The primary source of energy consumption in Acer is office electricity use, but each year we continue to



Aspire Resort won silver in the ROC's Annual Enterprise Environmental Protection Award.

explore the feasibility of new power-saving measures, as well as bringing in experts to provide advice and guidance in the process. In 2014, having received a Gold Level Green Mark from the Environmental Protection Administration the previous year, Aspire Resort also received the Annual Enterprises Environmental Protection Award. The Aspire Park, Aspire Resort, and eDC buildings also continue to make use of solar and wind power generation systems; the distribution center located in Taoyuan also completed a shift to power-saving LED lighting. Compared with 2013, we were able to reduce total power consumption by 3,044,810 kWh. Acer Taiwan's major energy-saving measures in 2014 are listed below.

### Major Energy Conservation Projects in 2014

Type	Energy Saving Measures	Affected Location (s)
 <b>Green electricity</b>	Solar power generation system	Acer Taiwan Aspire Park Acer Taiwan Aspire Resort e-Enabling Data Center
	Wind power generation system	e-Enabling Data Center
 <b>Air-conditioning system</b>	Raised water cooler temperature	Acer Taiwan Xizhi HQ e-Enabling Data Center
	Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ
	Changed to timer-controlled air-conditioner activation/shutoff	Acer Taiwan Da'an Office
	Replaced water-cooled air-conditioners	WebLink Taipei Headquarters
	Replaced and reduced air-conditioning systems in data centers	WebLink Taipei Headquarters
 <b>Lighting Equipment</b>	Adjusted lighting system on/off times	Acer Taiwan Taoyuan Distribution Center
	Changed to energy-saving lamps in office and factory areas	Acer Taiwan Xizhi HQ e-Enabling Data Center WebLink Taipei Headquarters Acer Taiwan Taoyuan Distribution Center
	Adjusted lamp circuits to reduce unnecessary lighting activation	Acer Taiwan Xizhi HQ WebLink Qingpu Warehouse
 <b>Fire alarm lights</b>	Changed fire alarm lights to LEDs	WebLink Taipei Headquarters
 <b>Other power saving measures</b>	Adjusted automated toilet temperature settings	Acer Taiwan Xizhi HQ

## Water Resource Management

With Acer's global business model primarily focused around product sales and customer service, with none of our own manufacturing, our working environment is primarily that of office buildings. As such, 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 2014, our total water usage was 209,744.75 cubic meters.

With regard to waste water management, the majority of waste water produced by our global offices is day-to-day waste, with an estimated 80% of water used accounted for in this way. Our waste water is discharged in accordance with local regulations into the local sewer systems and processed by local treatment plants, thus posing no significant threat to the environment.

We value our water resources, and as such continue to explore the feasibility of new water-saving measures. Aspire Resort is working hard to improve its water facilities, putting in place an inventory system, thorough inspections, and training seminars. For guests, cards are available for guests to indicate their choice to have bedding and towels replaced every few days, in line with governmental efforts to promote reduced water usage. For our water-saving efforts over the years, in 2014 we received the Water Resources Agency's Water Saving Performance Award.



Aspire Resort received Water Saving Performance Award from Water Resources Agency

## Acer Taiwan's 2014 Water Saving Measures

Water Saving Measures	Implementation of Office Area
Replacing central cooling tower equipment	Acer Taiwan Xizhi Office
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
Aspire Resort public areas switched to dual-flush water-saving toilets and urinals	Acer Taiwan Aspire Resort

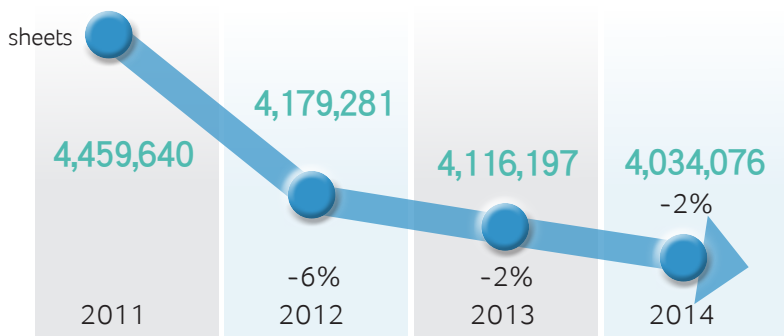
## Waste Management

We divided the waste we generate into three major categories: common waste, recycling and IT equipment. To facilitate management of this waste, in 2014 Acer continued to investigate the recycling situation and data for each office location around the world. Acer Taiwan, for example, handles common waste in accordance with building management committee regulations or through local cleaning teams; recycling items are collected and transferred to recycling classification centers or transported by local recycling vehicles; IT equipment is handled by qualified contractors through unified annual operations.

## Paper Reduction and Recycling

To help protect ecological integrity and forest function, Acer Taiwan continues to purchase only Forest Stewardship Council (FSC) certified printer paper, reducing our impact on the environment. In order to reduce paper usage, we have implemented an initiative to print on both sides of every page, leading to a gradual decrease in printer paper usage since 2011. To further avoid environmental impact, for the destruction of confidential documents our offices have moved from burial or incineration to water, reducing soil and air pollution. 2014 statistics show that Acer Taiwan destroyed a total of 11,232 tons of paper.

### Copy Paper Consumption, 2011-2014



Printer Paper Usage, 2011 – 2014

## Staff Transport and Commuting

In order to reduce the environmental impact of staff transport, Acer Taiwan's Xizhi headquarters has put in place an internal carpooling system to encourage employees to share vehicles to and from work. We also suggested the establishment of YouBike station to the relevant authorities, aiming to provide more low-

carbon commuting options for staff. We also continue to promote the use of teleconference tools, providing them for usage in meetings between staff in different offices and/or countries, thus offering a replacement for international travel.



## Environmental Information

Information on Acer's total inputs (direct and indirect energy resources) and outputs (greenhouse gases, waste water and solid waste) over the past three years is collected in the table below.

		2012	2013	2014	
Total Inputs	Direct energy and resource use	Natural gas (cubic meters)	919,322	1,100,986.51	1,093,260.41
		Petroleum (liters)	1,022,583	878,435.43	841,655.72
		Diesel (liters)	843,087	991,531.54	730,753.59
		Water (cubic meters) <sup>5</sup>	187,157	241,623	209,744.75
	Indirect Energy use	Electricity usage (kWh) <sup>6</sup>		54,243,958.12	48,729,267.43
		Green electricity usage of approx (including self-generation and renewable energy certificates) (kWh)		3,292,924	15,682,202.64

		2012	2013	2014	
Total Outputs	Greenhouse gas emissions (Carbon dioxide equivalent in tons)	Scope 1	6,817	7,801.41	6,899.26
		Scope 2	32,555	28,937.96	17,841.39
	Waste water	Domestic sewage (metric tons) <sup>7</sup>	149,726	193,298	167,795.8
		Solid waste	Municipal solid waste (metric tons) <sup>8</sup>	11.6	835
	Recyclables (metric tons) <sup>9</sup>		2,400	1,172	2,557
	Electronic waste (metric tons) <sup>10</sup>		311.1	651	1,831

5. Water usage statistics cover: 81.4% of employees globally for 2012; 87% of employees globally for 2013; 100% of employees globally for 2014 (For some regions, per capita data was extrapolated on for data)

6. Average per-capita power use worldwide: 7,346.15 kWh for 2013; 6291.71 kWh for 2014

7. Sewage accounts for an estimated 80% of water usage, with the remaining 20% used for air conditioning. Our statistics for this are consistent in scope with annual water usage data

8. Municipal solid waste statistics cover: Acer Xizhi headquarters for 2012; 67% of Acer employees globally for 2013; 99.94% of employees globally for 2014 (For some regions, per capita data was extrapolated on for data)

9. Recyclables statistics cover: 68.1% of Acer employees globally for 2012; 74% of Acer employees globally for 2013; 99.03% of employees globally for 2014 (For some regions, per capita data was extrapolated on for data)

10. Electronic waste statistics cover: 64.2% of Acer employees globally for 2012; 68% of Acer employees globally for 2013; 88.95% of employees globally for 2014



# *Responsible Supply Chain*

We work fairly and consistently with outstanding suppliers from around the world to facilitate efficient global operations and cooperation, and to provide customers with high quality products. Every worker has the right to enjoy a safe and ethical work environment, and as such we strive to ensure that our supply chain provides safe working environments, treats workers with respect and dignity, and exercises environmental responsibility and ethical compliance. We are grateful to all our suppliers for working with us to build social and environmental responsibility into the supply chain, and intend to continue to find problems and solutions with a proactive attitude and a broader vision. Our goal is to lead the entire supply chain to world-class status in terms of social and environmental responsibility, and to strengthen the positive impact of Acer's supply chain on society and the environment.



## 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 centered 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 the Company to respond immediately to market demands. In 2014, the Company's supply chain experienced no major changes.

Acer has been a member of the Electronic Industry Citizenship Coalition (EICC) since 2008, and actively participates in the coalition's activities to better understand international trends in corporate social responsibility and share in the practical experience of its members. All Acer manufacturers and service providers are required to comply with the EICC Code of Conduct and local regulations. While there are differences from

region to region, and we encourage these partners to uphold corporate responsibility and ensure their own suppliers meet this same standards, thus improving the working conditions throughout the global electronics supply chain.

In 2013, we began implementing Vendor CSR Scorecard assessment in order to look at vendor performance in CSR and with regard to the environment, the society, and governance. The results of this scorecard were presented at the quarterly business meeting since early 2014, providing both Acer's own management and the senior management of suppliers with information that will hopefully motivate improvement on both sides.

We remain committed to working closely with suppliers to develop management practices and guidelines, while also making use of our multiparty communications channels to provide assistance to those suppliers. 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.

### Supplier Social and Environmental Management Process



#### Stage One : Introduction

##### Risk Assessment 1

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

stage of supplier management.

##### Supplier Declaration

Acer not only requires manufacturers and service providers to comply with the EICC Code of Conduct, but also to sign a Declaration of Compliance with the EICC Code of Conduct and adhere to our stipulation to provide social and environmental data. In addition,

suppliers must also confirm that both their own operations and those of their suppliers comply EICC Code of Conduct. Since 2012, we have also incorporated such stipulations into the contracts our new suppliers are required to sign.

## Stage Two : Assessment

### Supplier Self-Assessment Questionnaire

As the basis of managing the social and environmental risks of our suppliers, all vendors with medium and high risks identified in Risk Assessment 1 must complete the EICC-GeSI Self-Assessment Questionnaire (SAQ).

### Risk Assessment 2

With reference to the SAQ, previous audits, the level of risk associated with the factory location, Acer's business relationship with the supplier, and other issues of concern to stakeholders, as second stage of risk assessment is undertaken.

## Stage Three : Validation

We believe that on-site audits are the most direct, most thorough method for verifying suppliers' levels of social and environmental responsibility.

### On-site Audit

We primarily entrust responsibility for such audits to third-party verification agencies, led by Acer auditors, comprehensively adopting EICC auditing tools to satisfy the demands and expectations both of Acer leadership and third-party auditors. In addition, we encourage suppliers to participate in the EICC Validated Audit Process (VAP) to help reduce the burden of audits from various clients. From 2013 onwards, we have focused on the adoption of report review methods in low-risk suppliers.

### 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. This CAR will

be approved in writing by management personnel and verified against the on-site audit the following year.

## Stage Four : Continuing Improvement

On-site audits and CARs, however, cannot address all potential problems. We emphasize two-way communication with suppliers, as this provides a deeper understanding of their status and the issues they face. By finding and addressing such issues through training and communication meetings, we can help improve the overall capabilities of our suppliers.

### Communication

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

### Education and Training

In addition to requiring suppliers to conform to local laws and Acer's own guidelines, we also offer 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. Through this four-stage process, Acer continues to work with suppliers on important social and environmental issues to establish a sustainable supply chain.

## Vendor CSR scorecard

Since establishing our vendor CSR scorecard in 2012, we have continued to implement it in investigating suppliers' performance with regard to CSR. The hope is that we will be able to gain an early insight into supply chain risks as concern the environment, the society, and governance, and then help suppliers implement appropriate measures to mitigate or eliminate those risks. The scorecard 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 criteria, encouraging suppliers to continue improving their performance in regards to sustainable development.

Since the scorecard was first put to use in 2013, it has been used in three evaluations, with hope of offering a reference for future development for both Acer and suppliers. Those results were presented to selected major suppliers and Acer management at the quarterly business meeting in early 2014, providing both Acer's own management and the senior management of suppliers with information that will hopefully motivate improvement on both sides.

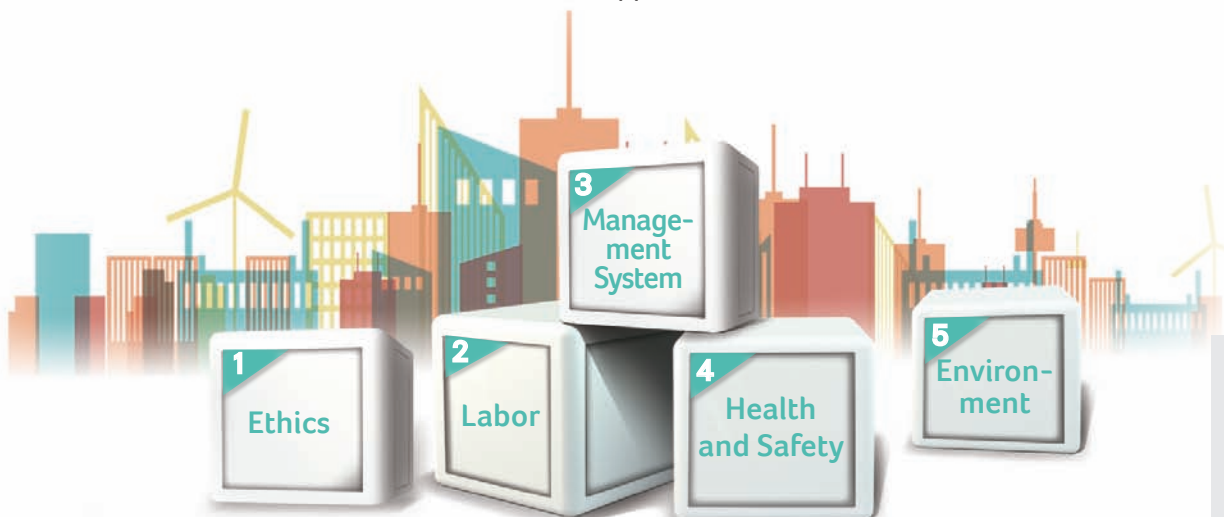
## On-site Audit

Acer insists that all suppliers treat their employees in a respectful, appropriate manner, using environmentally responsible manufacturing processes to provide safe working conditions. To provide a suitable standard

of conduct to our suppliers, we have adopted the latest version of the EICC Code of Conduct and, since 2008, conducted on-site audits of suppliers covering five dimensions: Labor, Ethics, Health and Safety, Environment, and Management System. Examination methods include: audits led by management personnel, audits run by third parties, and EICC Validated Audit Process (VAP). Through on-site audits, we have in fact discovered some of shortcomings in implementation in suppliers, as well as continuing to reinforce among suppliers the importance of socially and environmentally responsible management.

We undertake annual audits with reference to the SAQ, previous audits, the level of risk associated with the factory location, Acer's business relationship with the supplier, and other issues of concern to stakeholders. In 2014, we conducted on-site audits of the manufacturing factories of 72<sup>1</sup> suppliers of higher-importance. The companies audited employ over 190,000 people, of whom some 1500 workers were willing to be interviewed. Between 2008 and 2014, a total of 281 supplier audits have been carried out.

## The Five Dimensions of On-Site Audits of Suppliers



1. Supplier information from 2014 audits (including number of audits, methods, and audit results) covers from January 1, 2014 to December 31, 2014.

We require suppliers to submit a Corrective Action Report (CAR) in response to any issues identified in the audit of Acer management within 30 days of receiving the relevant report. This CAR will be approved in writing by management personnel and verified against the on-site audit the following year. After 2014's audits, all suppliers provided reports on corrective and preventative action with regard to issues found during those audits. As such, no supplier relationships were terminated during that year. With regard to high-risk suppliers, as found in the

audits, Acer will make the necessary adjustments to our purchasing strategy to manage the issue.

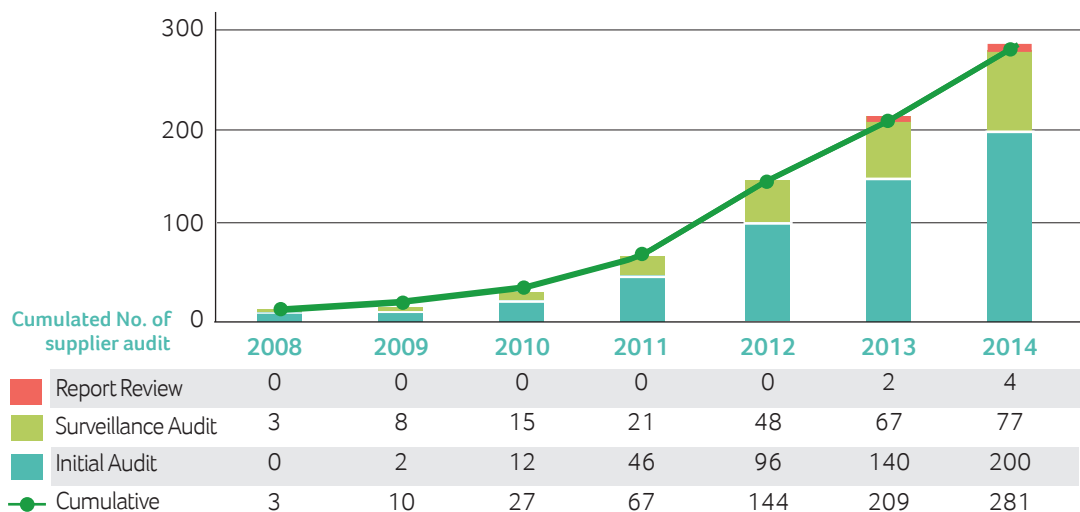
### On-Site Audit Results

In 2014, the primary regions submitted to on-site audits included China, Taiwan, Thailand, Malaysia, Singapore, and the Philippines.

### Distribution of Areas Submitted to EICC Audits, 2014



### Number and Type of Supplier Audits, 2008-2014 <sup>2</sup>

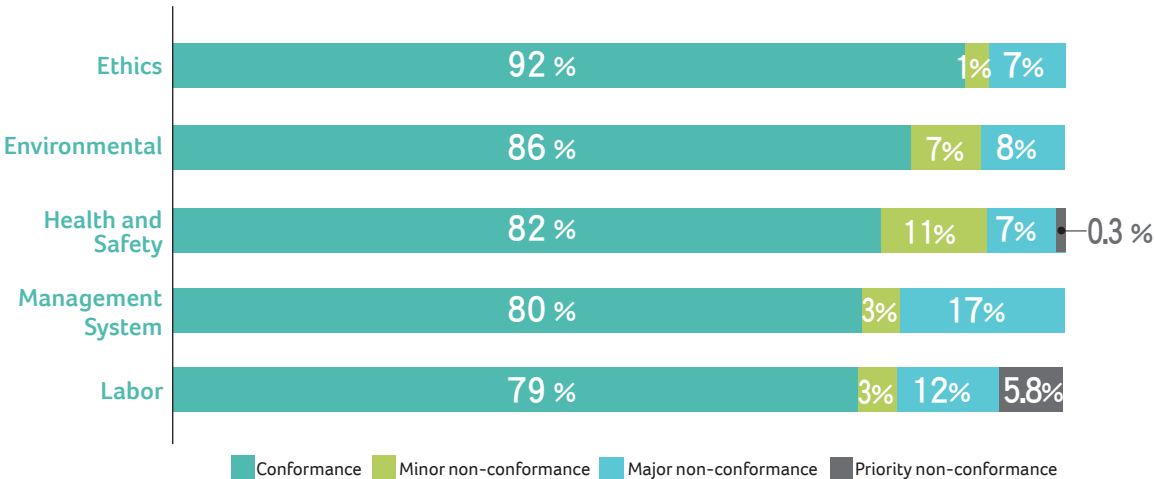


2. Results cover a sum total of 72 suppliers audited in 2014 (including audits by Acer management, third-party auditing and VAP)



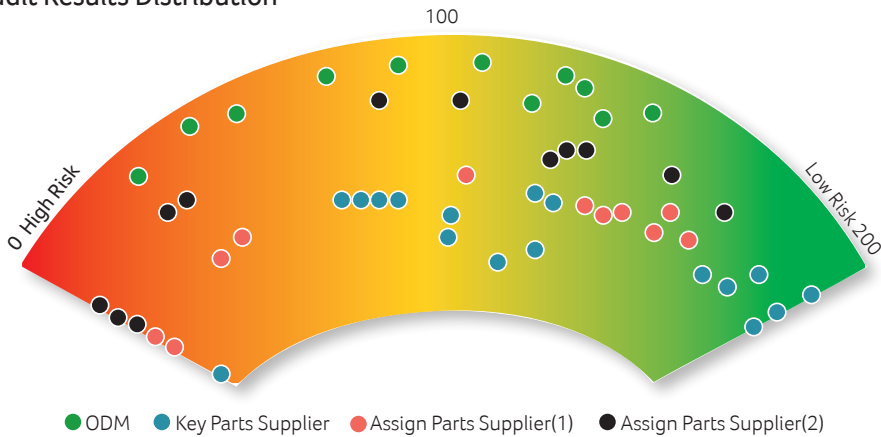


2014 Audit Results<sup>3</sup>

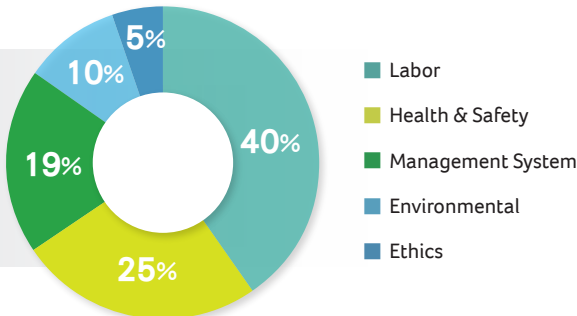


Acer uses the latest version of the EICC VAP tool to assess audit results.

2014 Audit Results Distribution<sup>4</sup>



From the results of the 2014 audits, we see that the greatest proportion of non-compliance<sup>5</sup> occurred in labor issues, followed (in order) by health & safety, management system, environmental issues, and ethics.



3. Results cover a sum total of 29 suppliers audited in 2014 led by Acer management

4. Results cover a sum total of 72 suppliers audited in 2014 (including audits by Acer management, third-party auditing and VAP)

5. Results cover a sum total of 29 suppliers audited in 2014 led by Acer management



Supplier management staff participating in on-site audits and discussions



By offering a range of communication channels, our suppliers are able to listen to the voices of their workers



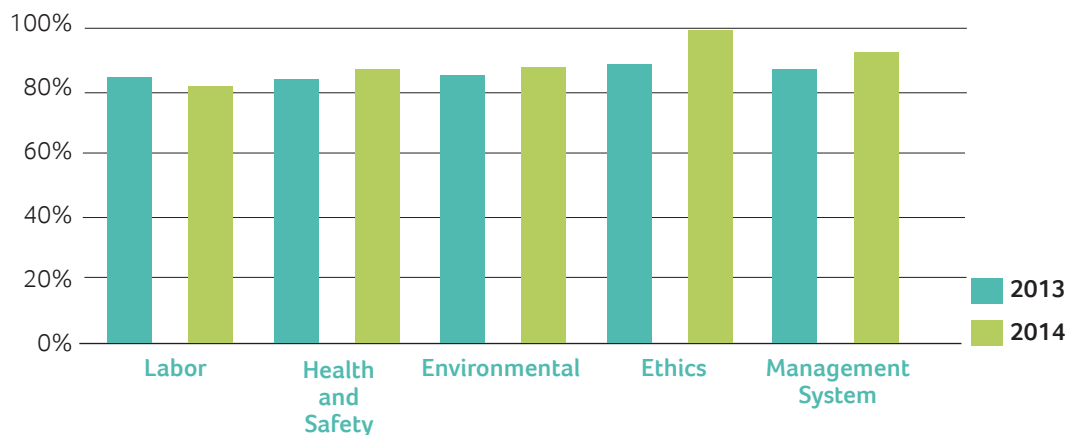
Workers must wear personal protective equipment and safely operate machinery in accordance with regulations



### Improvement and Follow-up on Important Issues

Acer and our supplier partners continue to strive for improvements in health & safety, environmental, ethics, and management system, and compared to 2013's audit results, 2014 saw notable improvement.

#### 2013-2014 Supplier EICC Audit Compliance<sup>6</sup>



6. Results cover a sum total of 29 suppliers audited in 2014 led by Acer management. Aside from a slight slide in labor issues due to increased compliance requirements, in all other quadrants we see improvements, with ethical compliance rising the most.

## Working Hours

Since 2014, Acer has conducted bimonthly tracking and monitoring of major ODM (Original Design Manufacture) suppliers' working hours management. Should we find any deviation from the set direction, we will require the supplier to immediately take action to improve the situation. In 2015, we will expand this to all ODM suppliers, implementing overtime management and "One day off per every seven days".

Category	EICC Provision	Major Issues	Corrective Action
Labor	Working Hours	Overtime exceeds EICC standards; Employees did not have one day off for every seven days worked	<ul style="list-style-type: none"> <li>● Recommend suppliers conduct corporate overtime and "One day off per every seven days" standards, along with key performance indicators; regular audits should be held to check for achievement of these goals.</li> <li>● Recommend suppliers integrate overtime and "One day off per every seven days" standards with time tracking system for effective control by management.</li> <li>● Recommend that suppliers recruit sufficient workers based on production requirements to avoid the lack of manpower causing excessive overtime.</li> </ul>
Health and Safety	Emergency Preparedness	Emergency lighting and escape signs not installed	<ul style="list-style-type: none"> <li>● Recommend that suppliers conduct comprehensive plant checks in line with legal standards and take prompt corrective action.</li> <li>● Recommend that when a plant is constructed or renovated, emergency lighting and escape signs must be installed in line with regulation.</li> <li>● Undertake regular fire safety inspections.</li> </ul>
Labor	Wages and benefits	Failure to pay overtime in accordance with regulations	<ul style="list-style-type: none"> <li>● Require suppliers to pay overtime in accordance with regulatory standards.</li> <li>● Require suppliers to develop relevant documentation on overtime pay and announce such measures.</li> </ul>
Environmental	Hazardous substances	Hazardous materials (including waste) improperly managed and disposed of	<ul style="list-style-type: none"> <li>● Require suppliers to label, store, and dispose of hazardous materials (including waste) in accordance with legal requirements.</li> <li>● Require suppliers establish proper files regarding management of hazardous materials (including waste) and regularly monitor the management of hazardous materials and waste.</li> </ul>
Health and Safety	Occupational Safety	Improper use of personal protective equipment	<ul style="list-style-type: none"> <li>● Suppliers must by law provide personal protective equipment for workers working risky stations for free and ensure such equipment is properly used.</li> <li>● Require suppliers to provide training in personal protective equipment for new workers.</li> <li>● Require suppliers to monitor that workers working risky stations correctly use protective equipment.</li> </ul>

## Conflict Minerals Management

The potential social and environmental impacts of the raw materials and processes involved in the manufacture of our products are of great concern to us. Among these, one of the issues of the greatest concern in the international community is the mineral trade in the Democratic Republic of the Congo, which is a major source of revenue for local armed rebel groups

and a cause of serious armed conflict. Acer's Conflict Minerals Policy demonstrates our commitment to ensuring that the procurement of minerals from the African Great Lakes region involves suppliers with safe working environments, where workers are treated with respect and dignity, and which are both morally upstanding and responsible for the potential impacts of their operations on the environment.

### Acer's Policy on Conflict Minerals

The eastern portion of the Democratic Republic of the Congo (DRC) has long been the center of one of the world's worst humanitarian crises. The revenue from the illegal mining and trading of the DRC's natural resources is exploited to fund armed conflicts, and serious human rights abuses are connected to those conflict and to the mines for certain ores. These ores were identified as conflict minerals and the metals that are derived from them (namely, tantalum, tin, tungsten and gold) may find their way into the worldwide supply chains of many consumer products including electronics.

Acer is committed to the best practices and we expect our supply chain to respect and support internationally recognized human rights movements. While sourcing metals that originate from the DRC and adjoining countries, we will NOT, by any means, tolerate, knowingly profit from, contribute to, assist with or facilitate the commission by any party in any forms of human rights violations or abuses.

Acer also requires its suppliers to adhere to the Electronic Industry Citizenship Coalition Code of Conduct and expects that they cooperate with Acer in supporting its policies and in promoting their compliance within the supply chain.

As part of this conflict minerals policy, Acer will :

- Conduct due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ;
- Require suppliers to conduct due diligence in accordance with OECD Guidance and provide routine reporting using the tools developed by the Conflict Free Sourcing Initiative to enable supply chain transparency ;
- Co-work with its supply chain, industry groups (Conflict Free Sourcing Initiative), government, civil society, and other organizations (OECD Multi-Stakeholder Forum on due diligence in the tin, tantalum, tungsten (3Ts) and gold supply chains & Public-Private Alliance for Responsible Minerals Trade) to develop supply of conflict-free products when sourcing metals that originate in the DRC and adjoining countries ;
- Seek to support organizations that focus on peace negotiations in the DRC and neighboring countries, a responsible and sustainable minerals trade, and diverse and stable economies ; and
- Publicize Acer's progress on due diligence works and our path towards conflict-free products.

Since 2009, Acer has engaged our suppliers to educate them on the issue of conflict minerals and begin tracing the sources of our 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, 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.

In 2012, following the initial identification of the smelters in our supply chain, we submitted our smelter lists into the EICC/GeSI Conflict-free Smelter program to facilitate the targeting smelter companies for CFS Program participation and verify the status of our major suppliers. We also publicly published our initial results. We have also joined efforts to promote and encourage suppliers 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. We 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 EICC Due Diligence tool to launch surveys of our suppliers regarding smelting plants, including the use and sources of 3TG minerals (tungsten, tin, tantalite,

and gold), along with gaining feedback through surveys of smelters.

In 2014, we analyzed the information provided by that tool to identify a list of smelters and refiners of 3TG minerals, posting this list on our sustainability website. We believe that publishing this list of smelters provides stakeholders with a clearer overview and enhance awareness of and willingness to participate in the EICC's promotion of procurement of non conflict minerals among smelters. In Q3, we published our 2013 Conflict Minerals report, which included our due diligence efforts in 2013 and our plans for 2014. Additionally, we continue to participate in efforts encourage suppliers to participate in the CFS program. Beginning in 2015, all Acer suppliers will be implementing smelter management and will be required to use smelters that are participants in the Conflict-Free Smelter Program. We expect that by December 31, 2016, all suppliers will have completed the conversion to certified 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 this issue. We will continue to make public the results of our surveys, and 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. We also continue to look for opportunities to further due diligence and identify best practice methods, using effective methods to



help ameliorate the conflict minerals situation in the Democratic Republic of the Congo and neighboring countries.

### Indonesian Tin Mining

Acer is aware of the poor labor conditions and environmental degradation associated with tin mining on the Indonesian Bangka and Belitung Islands. Therefore, Acer will commit to the following activities regarding addressing this situation in Indonesia.

- 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 only use responsibly sourced tin from Indonesia once the methods above are identified and sufficient sources of responsible sourced tin are made available ; and
- Provide periodic updates on our progress related to the above activities via our publically-available website.

### 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 supplier CSR communication meetings and CDP Spring Workshop and Report 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 2014, we focused on engaging in such two-way communication with suppliers and

on management of student workers and interns.

### Management of Student Workers and Interns

To ease labor pressure while also cultivating new employees, some suppliers in China employ student workers or interns to meet production needs in their factories. With regard to education, internships for students are a wonderful opportunity for students to learn to integrate theory and practice, preparing them better for the business world and helping them become better problem-solvers. In practice, though, internships are often considered a means to make up for a shortfall in labor, with education rarely a consideration, and student interns are sometimes even not afforded special protections.

In December 2013, we and selected suppliers participated in an EICC/Labor Education and Service Network (LESN)/Nanjing University survey of student and intern labor. The goal of this was to explore the problems facing student labor and interns in China and find optimal approaches for ICT industry. In 2014, the EICC-sponsored Labor Education and Service Network (LESN) and Nanjing University published "Responsible Management of Student Workers: From Compliance to Best Practice - A Toolkit for Companies," providing electronics plant management in China with a valuable tool regarding student interns. In our CSR communication meetings with suppliers, we ensure that those suppliers are aware that 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. Not only do we insist that the use of student interns be in accordance with relevant laws and regulations, not involve the use of child labor, and provide the proper protections, we also insist that it adhere to the following five-stage management system:

- Partner schools should be screened to ensure qualification, and a cooperative agreement should be established in accordance with the law ;

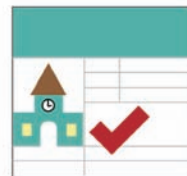
- Take on student interns, and verify that student interns have been legally released ;
- New interns should be appropriately trained to ensure they cohere with the working environment ;
- Internship periods must be managed in accordance with the law ;
- At the end of the internship, evaluations must take place.

Our hope is that students interning in Acer's supply chain will all have access to the highest quality of internship opportunity, and we will continue to expand our requirements regarding management of student internships.

### Stage 1: Screen vocational school partners

Operating Point **1**:  
Confirm schools are licensed

Operating Point **2**:  
Establish legally compliant cooperation agreement and arrangements



### Stage 2: Take on student interns

Operating Point **3**:  
Verify that student interns have been legally released

Operating Point **4**:  
Verify that no accepted interns are first-year students or otherwise in breach of ban on child labor

### Stage 3: New interns trained and helped to adapt

Operating Point **5**:  
Ensure interns fit into new environment



### Stage 4: Internship period

Operating Point **6**:  
Implement legally compliant intern management

### Stage 5: End of internship

Operating Point **7**:  
At the end of internships, evaluations must take place



# *Employee Welfare and Advancement*

Acer have strived to create a working environment that creates staff who are passionate, positive, and dare to dream, and this entails consideration and communication that supports and encourages the team.

Through a competitive compensation package, we have been able to attract and retain outstanding talent; By promoting work-life balance, we show we care about our staff health, both mental and physical ; And through systematic training, we create the power to change the world.



## Staff Structure

### Employment

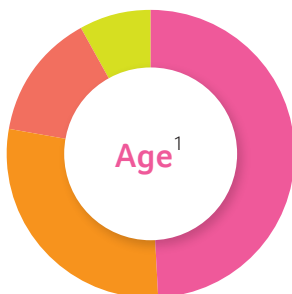
As of the end of December 2014, Acer employees 6,870 people worldwide, including 1,557 managers, 1,996 professional staff, 903 administrative staff, and 2,414 technicians. The average age at that time was 37.6 years old, with an average seniority of 6.7 years. Other contracted and temporary staff number 875, of which 483 are male and 392 female.



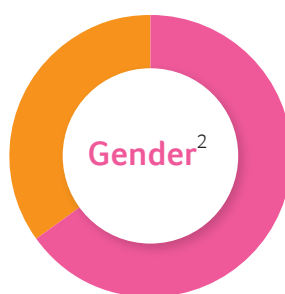
● Technician	35%	2,414 人
● Professional staff	30%	1,996 人
● Executive officers	22%	1,557 人
● Administrative staff	13%	903 人



● Taiwan	39%	2,705 人
● EMEA	25%	1,690 人
● Asia-Pacific	15%	1,060 人
● China	11%	752 人
● Pan America	10%	663 人



● 31-40	49%	3,342 人
● 41-50	28.5%	1,943 人
● ≤ 30	14%	956 人
● ≥ 51	8%	576 人



● Male	66%	4,472 人
● Female	34%	2,328 人



1. Due to local privacy regulations, the ages of a total of 53 employees cannot be disclosed and thus are not included in these statistics.

2. Due to local privacy regulations, the genders of a total of 70 employees cannot be disclosed and thus are not included in these statistics.

## Recruitment

Wherever we are in the world, we strive to adhere to the local labor laws when hiring staff, and focus primarily on recruiting locally. We insist on being an equal opportunity employer, hiring through an open selection process that does not discriminate on the basis of ethnicity, gender, age, religious belief, nationality, or political affiliation. We neither tolerate nor accept child labor, and by offering talented people opportunities to make use of their skills in the most appropriate ways, we have assembled a diverse team of outstanding people. In 2014, our average staff turnover rate was 16.4%, primarily due to

corporate restructuring, organizational readjustment, and a reduction in required manpower.

Where there are major changes in our operations, Acer will always notify staff of any impact such changes may have on them in accordance with local laws. At Acer's Taiwan headquarters, for example, staff who have worked for more than three months, but less than 12, are given 10 days notice; those who have worked with us for more than one year, but less than three years, receive 20 days notice; and those who have worked with us for more than three years receive 30 days notice.

### Data for Turnover and Employment Rates by Region

Region	Turnover Number of people	Turnover Percentage <sup>3</sup>	Employment Number of people	Employment Percentage <sup>4</sup>
Taiwan	578	20%	430	15.9%
China	216	22.2%	107	13.7%
EMEA	284	15.3%	113	6.7%
Pan America	104	14%	50	7%
Asia-Pacific	367	25.4%	110	10.1%
<b>Total</b>	<b>1549</b>	<b>16.4%</b>	<b>810</b>	<b>9.7%</b>

### Parental Leave at Acer Taiwan in 2014

	Male	Female	Total
Number of Employees Entitled to Parental Leave	86	36	122
Number of Employees Who Took Parental Leave	2	16	18
Number of Employees Expected to Return to Work After Parental Leave	3	16	19
Number of Employees that Returned to Work After Parental Leave	0	8	8
Number of Employees Still Employed 12 Months After Return	1	8	9
Number of Employees that Returned to Work After Parental Leave the Previous Year	1	8	9
Applicants for Parental Leave (%) <sup>5</sup>	2.3	44.4	14.8
Post Parental Leave Return-to-Work Rate (%) <sup>6</sup>	0.0	50.0	42.1
Post Parental Leave Retention Rate (%) <sup>7</sup>	100.0	100.0	100.0

3. Turnover rate is calculated as the number of departures in a month divided by the number of current staff in that month; annual turnover rate is calculated across 12 months.

4. Employment rate is calculated as the number of new hires in a month divided by the number of current staff in that month; annual employment rate is calculated across 12 months.

5. Number of Employees Who Took Parental Leave during the Year / Number of Employees Entitled to Parental Leave during the Year\*100

6. Number of Employees that Returned to Work After Parental Leave during the Year / Number of Employees Expected to Return to Work After Parental Leave\*100

7. Number of Employees Still Employed 12 Months After Return / Number of Employees that Took Parental Leave the Previous Year\*100



## Competitive Compensation Packages

### Remuneration Policy

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 political affiliation. We consult salary survey information from management consultancies to ensure our salaries are competitive in each region's job market. In addition, to reward outstanding employees, we issue bonuses based on company profit and both unit and individual performance; Acer Taiwan, for example, provides both performance and profit-sharing bonuses.

### Acer Salary Policy 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

### Incentives System

In addition to bonuses, we have also established internal awards for colleagues who have made significant contributions in sales, management, and R&D. These awards are presented at public ceremonies, simultaneously rewarding excellent performance and sharing their results with the staff body.

#### Green Heart Medal

In recognition of colleagues with groundbreaking achievements in business development and operations management, we have established the Green Heart Medal to set examples for and from our staff. In 2014, four Green Heart Medals were awarded: one each to the Chromebook operations and marketing teams, one for the record-breaking performance of the Philippine team, and one for the projector team, which has shown

tremendous performance in gaining market share.

#### Recognizing Achievement in R&D

In addition to providing bonuses for R&D staff receiving patents, Acer also recognizes outstanding achievement in this regard with awards at the annual meeting.

#### Rewarding Product and Business Teams

We also give public recognition to business and product

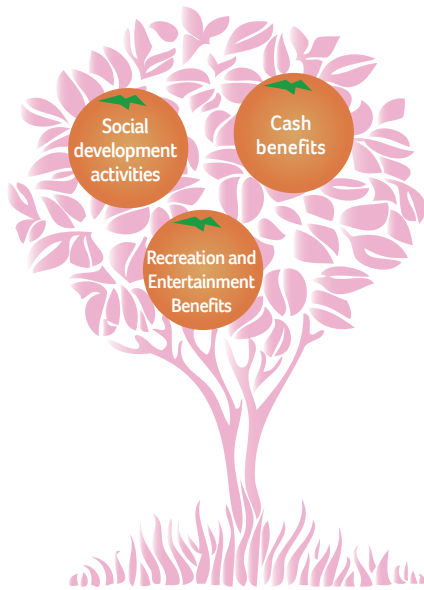


Their outstanding performance earned the projector team the Acer Green Heart Medal

teams who have shown outstanding performance or developed a breakthrough product.

### 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 2014:



#### 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.

#### Social Development Activities

We provide funds for a variety of social activities and facilities to promote fellowship and interaction between colleagues, including massage chairs, video games, and sporting facilities. There are also a range of places for staff to relax, including break rooms and cafes.

#### Cash Benefits

We provide 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 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 2014, the Company's deposits with the Central Trust of China under the old system totaled



The Acer Family Day was loved by colleagues and their families



Through active participation in both the planning and holding of events, deep friendships are built across teams



approximately NT\$323 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," wherein 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.

## Employee Relations

### Employee Communication

As the company has undergone its transformation, we have employed the following methods to strengthen communication, build consensus and commitment among staff, and get everyone on the same page regarding our transformational efforts :

- Through the online Stan Shares platform, honorary chairman Stan Shih has continued to share with staff the concept and methods underpinning the Wangdao management philosophy. Additionally, a collection of Mr. Shih's essays have been collected and published for the benefit of our employees, sharing concepts like the Smile Curve, Wangdao thinking, and altruistic perspectives while also emphasizing the three core values of the Wangdao philosophy, "value creation," "balance of interests," and "sustainable operations."
- Chairman George Huang, meanwhile, has conducted talks on "Appreciating Life," sharing with staff from all units ways to pursue professional development, dedication, and enjoyment, as well as discussing the future direction of the company. In 2014, 15 such talks were held to a total of 817 people, and we intend to continue holding these talks into the future.
- Corporate President and CEO Jason Chen has also held quarterly "An Appointment with Jason" communication meetings, sharing in face-to-face discussions the company's results and future direction, as well as answering questions from the staff. He has also held face-to-face meetings with staff in our various global locations, explaining new policies to our global staff.
- Acer Daily News, which enables colleagues get prompt access to all media information relating to the Company.
- Acer Good News also reports the awards the company's products have received, along with news on the company's growth .

With regard to employee feedback, Acer Taiwan organizes quarterly Employee Representative Meetings, headed by the Corporate President and CEO. At these meetings, the President meets face to face with elected staff representatives to discuss and implement resolutions for matters relating to operations management, work environment and employees' rights. In 2014, 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 2014 Employee Representative Meetings (Taiwan Region)

- Strengthen IT service issue tracking platform
- Increase support of the Google Chrome OS
- Strengthen communication on organizational adjustments
- Establish a corporate culture dedicated to "really listening to customer needs"
- Put in place employee discount system for the purchase of Acer products by staff
- Accelerate the company's wireless network environment
- Strengthen the performance management and promotion system
- Establish channels for consumer feedback and questions
- Strengthen staff for identification with and implementation of the "New New Acer" core values through training and activities.

## 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 in 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 no complaints of sexual harassment for 2014.

## Continuous Learning and Growth Personnel Training and Career Development

2014's training plans and efforts focused on the core values of the New New Acer: the passion to change the world, user-orientation, innovation with value, teamwork, constant balancing of interests, and integrity. These six values represent the core competencies upon which the future of Acer will be built, as well as the concrete

manifestation of Acer's response to changes in the outside environment. As such, training programs are aimed at proactively helping staff implement these values into their daily work.

In terms of management training, our efforts have focused on cultivating a combination of Wangdao-oriented management and performance, emphasizing how to lead through shared value creation and the importance of accountable management (ownership). Specialist courses focused on valued innovation, how to balance interests and create shared value within a platform-based operations strategy, and hexa-aspect values philosophy, all aimed at improving product competitiveness. General education courses, meanwhile, aim to teach colleagues not only how to cultivate positivity, passion, and the willingness to face challenges head on, but also how through the 5Cs (Communication, Communication, Communication, Consensus, and Commitment) we can overcome challenges with synergistic teamwork, collective overcoming of plateaus, and the creation of value.



Case study discussion time during a management training course



Outstanding teams in courses are honored for their efforts

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

Type of Employee	Participants	Course Man-Hours	Average Hours of Training Per Person
Senior Management	357	1,509	4.23
Middle/Base-level Management	758	3,168	4.18
Rank-and-file Colleagues	3,752	15,124	4.03
<b>Total</b>	<b>4,867</b>	<b>19,801</b>	<b>4.07</b>

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 2014, for example, we held 212 classes with a total of 4,867 attendees, accounting for 19,801 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 thinking has been accomplished through several channels, including talks by Honorary Chairman Stan Shih and Chairman George Huang. In addition, we have invited well-known figures to share their experience of industry trends and innovative developments, thus broadening the horizons of Acer management. This is all complemented by the My Acer internal communication platform, through which we can share Wangdao concepts with staff directly.

With regard to the improvement of professional competencies, development opportunities within the company include job training, coaching, job transfers, seminars, and online learning. Employees can also 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, we formulated the Incentives for Professional Certification to provide subsidies and bonuses to cover test fees for professional certification.

## Training System

### Management Training System

As part of the promotion of the core values of the New New Acer, all training courses focused on management at any level focus on integrating Wangdao thinking and the ability to lead through collective creation of value, raising team morale, and accountability in management. Typical courses include "Wangdao and Performance Management," "How to Lead through Consensus Decision-Making," and "Ownership and the RACI (Responsible, Accountable, Consulted, and Informed) Matrix".

### 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. Courses held in 2014 included "ICT Consumer Trends Analysis and Observation," "Trends in Market Development in Big Data and Cloud Computing," "From Consumer Insights to Product Concepts and Practical Operation," "Transforming Product Ideas into Unlimited Opportunities," and "Negotiation Strategies for Win-Win Resolutions."

### General Education Courses

General education courses focus on strengthening basic skills and core competencies, including "Loving Your Work (Experiences sharing)," "Systematic Problem Solving and Tools for Innovation," "Cross-Unit Communication and Coordination," "Improving Work and Problem



Solving Methods," "Digital Documents in the Cloud Era," and "Constant Creativity in Team Management—IDEO Design Thinking."

### 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 (SBC, including instruction on labor rights, freedom of expression, individual privacy rights, 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 (AED) 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 2014, the proportion of Acer Taiwan employees involved in performance evaluations reached 100%.

## Health and Safety in the Work Environment

### Health and Safety Education and Training

In order to continue to increase employee health and safety awareness in the workplace, Acer Taiwan has



Quarterly CPR-AED training



Biannual fire safety seminar

continued to hold Education and Training for General Labor Safety and Health at its headquarters in Xizhi since 2011, in accordance with the Rules on Education and Training of Labor Safety and Health and the requirements of the OHSAS 18001 standards.

In 2014, we completed the production of a two-hour online course that has received certification from the Ministry of Labor's Occupational Safety and Health Administration. Materials cover the four major areas of traffic safety, fire safety, workplace safety, and employee healthcare, using engaging interactive approaches combined with practical design to lead staff through a program that will elevate their understanding of health and safety.

In addition to this, every year Acer Taiwan holds training courses in CPR and automated external defibrillator (AED) usage, along with completing on-the-job training for first-aid and security management staff, fire prevention



courses, and others. We also held seminars on occupational health services and management in cooperation with several healthcare providers.



In cooperation with medical institutions, we held employee fitness tests



In cooperation with hospitals, we held healthy weight loss classes for staff, with impressive results



27 health seminars were held over the course of 2014



In 2014, Acer received the Health Promotion Administration's Badge of Accredited Healthy Workplace

## Health Checks, Health Management and Health Promotion

Acer has always valued the health of its staff, and we continue to promote workplace health management. In 2014, we received the Health Promotion Administration's Badge of Accredited Healthy Workplace.

In 2014, our Xizhi headquarters established a Health Management Center with a dedicated nursing staff, as well as offering health checks in cooperation with contracted health testing organizations. Based on

the results of these checks, we have put in place graded management, follow-up on any cases of severe abnormalities, and proactive care and assistance for injured staff.

In 2014, as part of our efforts to promote workplace health, we began working with Xizhi Cathay General Hospital to hold classes to help employees quit smoking and lose weight. Over the year, we also held 27 physical and mental health seminars for a total audience of 4,616 attendees. To help staff relieve the stresses of work, we have set up basketball courts and recreational facilities,

including table tennis, pool, basketball shooting machines, video games, and electronic massage chairs. On top of this, we also established Acer Massage Stations where every week visually impaired masseurs and masseuses provide massages to Acer staff; in 2014, a total of 2,070 staff took advantage of this service.

In order to enrich the recreational lives of employees, Acer also encourages employees to create clubs, and has established the Acer Sports Team to encourage colleagues to enter a variety of sporting events, including sports events such as the Taipei Marathon, Swim Across

Sun Moon Lake, and the Acer Climbing Race. In 2014, a total of 1,966 colleagues and their families participated in these activities.

### Improving Hardware and Software Facilities

In order to bolster channels of communication, Acer Taiwan set up an Employee Representatives Meetings. 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

#### Office Environment Improvement Measures for 2014

Office Environment Improvement Measures	Implementation of Office
Pushing for a skybridge in front of the main building	Acer Taiwan Xizhi HQ
Establishing electronic bulletin board	Acer Taiwan Xizhi HQ
Alleviating office noise problems	Acer Taiwan Da'an Office
Alleviating office problems with cigarette smoke smells	Acer Taiwan Xizhi HQ
Alleviating curtain wall leakage	Acer Taiwan Xizhi HQ
Improving drinking water filtration system	Acer Taiwan Xizhi HQ
Strengthening rodent prevention measures in office	Acer Taiwan Xizhi HQ
Improving data center environment and electricity distribution safety	Acer Taiwan Taichung Subsidiary Acer Taiwan Taoyuan Distribution Center
Alleviating operating environment safety issues	Acer Taiwan External Offices
Updating fire safety equipment	

#### Acer Taiwan 2014 Injury and Disabling Severity Rates<sup>8</sup>

	Injury Rate (IR) (Total number of injuries x 200,000 / total work hours)	Lost Day Rate (LDR) : (Total lost days x 200,000 / total work hours)
	Acer Taiwan	Acer Taiwan
Male	0.07	0.17
Female	0.07	0.17
Total	0.14	0.35

8. In 2014, Acer Taiwan experienced four occupational accidents, all traffic accidents in the course of commuting.

## Absence Rates in 2014 for Acer Taiwan

	Leave for Injury or Sickness	Leave for Injury or Sickness + Personal Leave
Absence Rate in Male Employees	0.41%	0.46%
Absence Rate in Female Employees	0.40%	0.44%
Absence Rate in All Employees	0.81%	0.90%

environment and ensure colleague health and safety, Acer Taiwan's 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.

Over 2014, Acer Taiwan carried out a number of office environment improvement measures. Annual office area cleaning, waxing, and disinfecting operations continue to take place annually, and we have also continued to implement tests of drinking water potability, interior carbon dioxide levels, cooling tower legionella, and other environmental factors, as well as monitoring and maintaining the office environment.

## Standards of Business Conduct

In addition to carefully abiding by relevant national laws and regulations, Acer requires staff to demonstrate integrity and exceed the public's 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, and 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 the SBC is violated, the situation will be handled according to the severity of the violation, with serious cases subject to disciplinary action and even dismissal.

The SBC requires all Acer employees to carry out business activities to the highest standard of conduct, and every new employee receives training to ensure compliance with these standards. 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 members follow the SBC.

The SBC also clearly states our anti-corruption rules on areas 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 regularly carries out audits of day-to-day operational processes, using effective internal control mechanisms and self-inspections to reduce the possibility of acts of corruption occurring. All new staff are required to undergo training regarding anti-corruption measures. Additionally, during annual performance reviews, we require management and colleagues to reexamine the Standards 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.

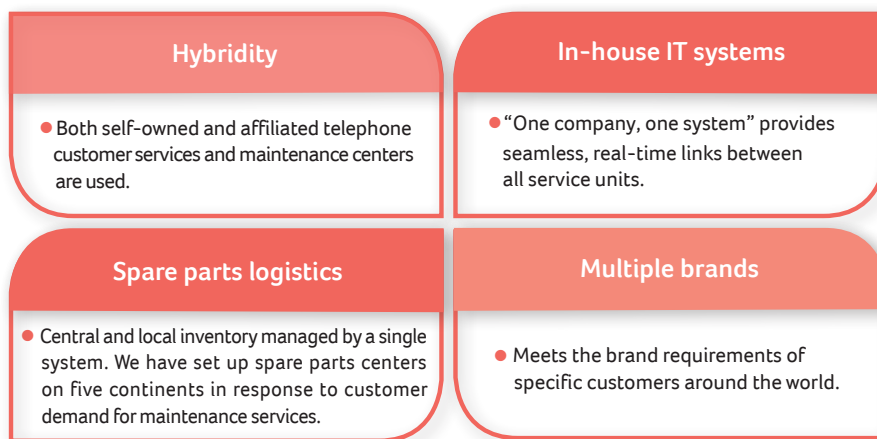
# *Customer Service*

Acer has always been committed to a quality policy of delivering competitive products and services on time to customers with zero defects. We aim to provide professional products and services fueled by the credo "Proud to serve, Proud to be Acer." 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, and we have established a sound mechanism for customer service to ensure our customers enjoy peace of mind.



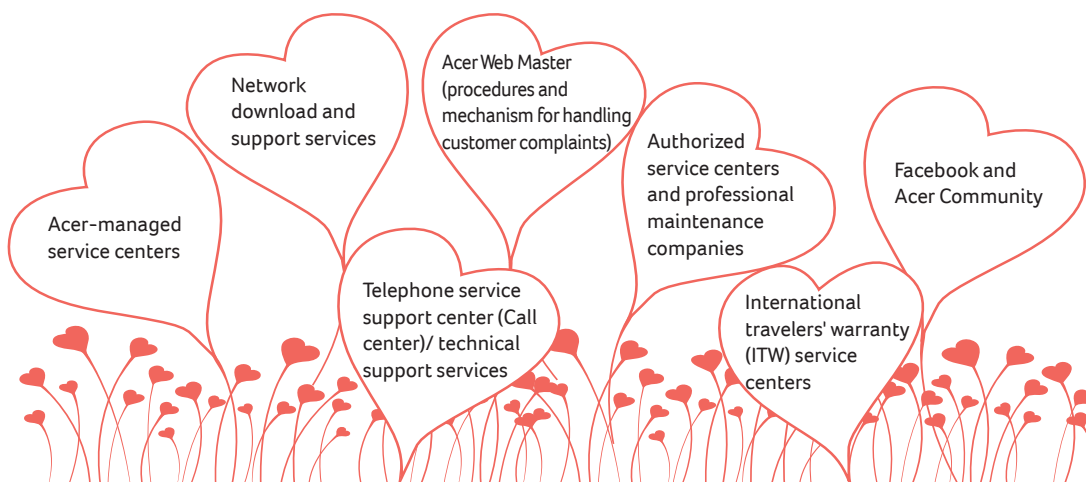
## Acer Group Service Model

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. These are the four main characteristics of this service model:



## Multiple Service Channels

We are devoted to helping customers understand the features of our products and services, and to using a variety of methods to understand what our customers need. Acer customers can feel free to contact us at any time and provide comments and suggestions through the following channels :



## 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 130,000 registered members with over 90,500 topics and growing, while some 2,100 problems have been solved through the website through discussions with Acer Community members. The



website is available in multiple languages, including English, Spanish, German, and Portuguese, providing channels that span borders.

Additionally, in late 2013 we added Acer Idea, a channel for all registered members to put forward their ideas for products, accessories, and services. Thus far, some 180 concepts have been posted to Acer Idea, providing suggestions on everything from hardware and software improvements to ways to create a more customer-friendly Acer website. All ideas provided through Acer Idea contribute to helping us understand what our customers want, giving Acer the opportunity to develop new generations of even better 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. In 2014, Acer China visited 22 campuses, holding 39 Campus Services Testing Events; in total, as of the end of 2014 some 120 such events have been held, with over 10,000 people coming to have their queries answered.

#### Establishment of Acer Taiwan Xindian Service Center

In September 2014, we established our 26th Taiwan service center in Xindian District, providing more convenient service to residents of the Xindian, Muzha, Yonghe, and Zhonghe Districts. This service center provides a comfortable, bright service environment with a standardized presentation; Acer's identification system enables consumers to be quickly identified and receive service that provides convenient service with peace of mind.

### Customer Service System

A good system is fundamental to excellent customer service. To provide further improved customer

service, 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 through the network. In this way, we can ensure improved service speed and quality.

This system is already online in Europe, the Middle East, Africa, Asia-Pacific, and the Americas, with a dedicated system for the China and Taiwan regions, providing customers around the world a better quality of service.

### Online Education and Training for Employees and Partners

To facilitate our worldwide customer service staff's provision of 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 skills, and standard processes to front-line customer service employees and operating unit employees, including an online evaluation after the course has finished. Currently Acer E-Academy has provided 427 online courses, with more than 7,700 employees and partners around the world gaining access to the latest product information through this system, equipping them to provide better customer service.

### Product Alerts and Recalls

In accordance with the law, all Acer products and services carry required labeling and product information. 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 environmentally friendly recycling methods 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 important product information or recalls arise, we provide full customers with full details on our various national websites, such as in the Support section of our Taiwan website. There, customers are able to see if their products are affected, with information on the appropriate steps to take if that is the case. 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 2014.

## Customer Satisfaction Survey

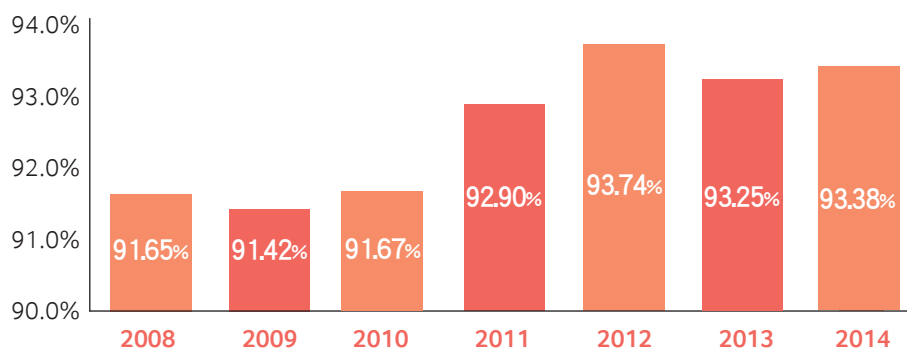
In order to better understand our customers' needs Acer conducts Customer Satisfaction Surveys, gaining valuable feedback and suggestions for change. These surveys take two forms. The first of these is focused on single product lines, enabling us to better understand the specific suggestions and level of satisfaction customers enjoy with regard to a specific line, facilitating follow and improvements; For example, Acer America has conducted such customer satisfaction surveys on the Predator line of gaming desktops and the Switch 12 line of notebooks. These efforts have enabled us to continue to improve in order to meet customer expectations. For example, the 2014-launched Switch 12 line has

received many positive comments, particularly on areas including battery performance, screen and keyboard improvements, and the bundled peripherals. This line has been much more widely welcomed by both consumers and the media than the previous generation, Switch 10.

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 the positive feedback has been at or over 93% for the four-year period 2011-2014.

## Global Customer Satisfaction Survey





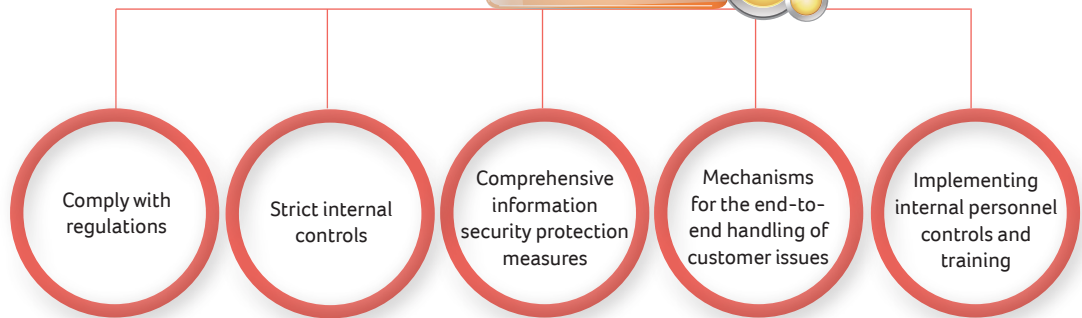
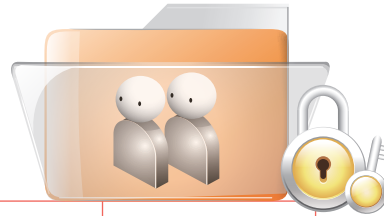
In 2014, Acer was the recipient of several customer service awards from around the world as a result of our efforts. We have received much praise from consumers and media in the China region, including receiving the Best Service Brand award in Popular Computer Week's Top Chinese IT Brands since 2006—nine consecutive years. In addition, Acer China has been repeatedly commended for its outstanding performance in vocational skills and evaluation; In April 2014, Acer

was once again honored with the title of "Advanced Organization in Vocational Skills and Evaluation in the Electronics Industry". In Europe, Acer won national annual customer service awards in the Netherlands, France, Spain, Germany, and the United Kingdom. In the future, we will continue taking on board customer praise and suggestions and transforming it into a force for further improvement.

## Protection of Customer Privacy

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

### Acer's Customer Privacy Practice



## Products and Services that Respond to Society

We believe that technology should help accelerate the development of humanity, tapping our limitless potential by facilitating creation, sharing, and cooperation. With Acer products and services deeply embedded in all parts of consumers' lives, we strive to stay on top of how they are used and how society is developing, providing solutions to social issues and using technology to drive society forward.

## User-friendly Design

Acer has always strived to provide the best products and create value for users, constantly researching and innovating to create powerful tools for exploration. To this end, we actively analyze the habits and needs of users to design products that serve as part of a healthy and hassle-free lifestyle. Such designs must be ergonomic, follow international standards, and be on the cutting edge to create products that improve quality of life and well-being.

### Ergonomic Notebook Design

For its innovative design and outstanding workmanship, the Acer Aspire R 13 series of notebooks were selected as 2015 CES Innovation Award winner. The Aspire R 13's display is affixed at the sides to Acer's unique Ezel Aero Hinge™, which allows the screen to rotate 180 degrees so the notebook can be used in six different ways. In addition, Acer's patented dual-torque system hinge keeps the display stable and in place when touch navigation is used.



### Protecting Users' Vision with Low Blue Light Displays

With modern people using computers for prolonged periods of time, there is an increased chance of blue light causing harm to users' eyesight. Acer's new-generation B6/V6 series of displays, including B226HQL, B246HQL, V226HQL, V246HQL and K222HQL models, have received the TÜV Rheinland Low Blue Light certification, a standard developed to measure a display's blue light intensity, wavelength, and on-screen flickering during brightness changes. Qualifying for this Low Blue Light Content mark promises users a more eye-friendly experience.

### Promoting Smart and Healthy Lifestyles

In this age of cloud computing and the Internet of Things, Acer is constantly looking for ways to apply technology to helping people maintain their health amidst their busy day-to-day lifestyles. We strive to develop easy to use, high quality products and services that fulfill user needs and help consumers enjoy the improved quality of life technology can bring.

### Liquid Leap

To help customers improve their health management, the Liquid Leap smart bracelet is designed to "help you

understand yourself better," providing a range of user-friendly features like tracking daily activity, calories burned, sleep cycles, and so forth. In this way, Liquid Leap helps users take control of their lifestyle. Liquid Leap also syncs with smartphones, ensuring users never miss important messages and making their lives easier and more convenient. In addition, the ergonomic design and long battery life mean that users can wear their Liquid Leap for long periods, ensuring more comprehensive results .



### Acer BYOC Apps

Acer's Build Your Own Cloud (BYOC™) platform offers consumers a solution significantly different from other brands. Users can synchronize content across PCs and mobile devices, enjoying their own content whenever and wherever they want while maintaining a high degree of privacy and security. BYOC can also make use of apps, known as Acer BYOC Apps (or abApps). These apps



B246HQL

include abPhoto, abMusic, abFiles, and abDocuments, and are supported on Android, iOS, and Windows systems with free downloads. This way, users can easily manage their personal files across multiple devices without worrying about personal data leaking.



### Improving Service Efficiency and Creating Convenience

Acer has invested years of effort into digitalization to help Taiwanese enjoy the convenience of technology in their daily lives and spur digitalization and systemization of services in Taiwanese industry. We have developed pioneering technologies and gained valuable practical experience, helping bring the fast, personalized, and high-quality service enterprise clients enjoy to consumers.

#### e-Ticketing

Since launching Taiwan's first e-ticketing service in 1998 (Acer Ticketing Network), Acer has spent more than 16 years assisting in the development of e-ticketing systems and convenience store ticketing systems, providing e-ticketing platform services for major event venues, organizers, and ticketing agencies. Not only has this made it easier for consumers to purchase tickets and improved the accessibility of the arts, it has also provided enterprise clients with analyzable data to further improve their own services.

### Hardware+Software+Services— The New New Acer is Born

#### Ticketing for Added Shows in Jody Chiang's Farewell Tour

In early 2015, beloved Taiwanese singer Jody Chiang announced that her upcoming tour would be her farewell. Demand for tickets quickly surpassed supply, and the ticketing system was brought to its knees. The organizers thus turned to Acer, hoping that the company would take the reins for sales of tickets to the newly added dates on the tour. Motivated by a sense of corporate social responsibility, Acer's e-business team decided to take on this great responsibility. In the two weeks between taking on this job and tickets going on sale, Acer was able to assemble a cross-departmental team, tapping talent from the ticketing systems, data center, and information security departments. The team invested substantial resources into creating a cloud-based architecture that would withstand the onslaught while keeping information totally secure and ensuring that ticket processing was fair and lag-free. Working around the clock, they ultimately achieved this goal, and in just 26 minutes after officially going on sale, 90,000 tickets were sold, with as many as 310,000 people attempting to access the server at any given moment. We also intercepted some 40 million hacking attempts. These achievements have made history in Taiwan.

#### New Taipei City Wan Jin Shi Marathon Registration Platform

Organized by the New Taipei City Government and the Chinese Taipei Athletics Association, the New Taipei City Wan Jin Shi Marathon is the first IAAF-certified Bronze Label road race, and is a major event on the calendars of runners in Taiwan and abroad. In addition to being a sponsor, Acer has also put to use cloud technology to develop the abSportsfun registration platform, offering a user-friendly and time-saving means for registrants to provide their personal information ahead of time. Additionally, we combined race information, message boards, and discussion areas, providing a one-stop destination for locations and photographs to share through the abMarathon app and supported social networking sites. Through this platform, 12,000 people were able to sign up within about four minutes of registrations opening, setting a new benchmark for sporting events.

Such results not only highlight Acer's unwavering commitment to creating value for society, but also helped birth the combination of hardware, software, and services that is the New New Acer.

### Transportation Ticketing Systems

Transportation is a major source of carbon emissions, and public transport is one of the most practical ways we can reduce those emissions. Acer provides superior smart transportation ticketing services which handling ticketing for over 5,000 buses across Taiwan's major bus companies. Our ticketing services support the EasyCard, I-Pass, and credit cards, greatly reducing ticketing time, making travel more efficient, and providing a quick, convenient experience for travelers. Such efforts have helped raise willingness among Taiwanese to use public transportation, making a concrete contribution to alleviating global climate change.



### Developing Innovative Products to Meet Educational Needs

Helping people explore possibilities and discover new things is one of Acer's constant goals. We believe that the application of technology to education can synergistically stimulate greater creativity and change. Starting from the regular usage habits of educators and students, we look for practical ways to streamline use and better fill their needs, designing product functionality that helps with the spreading of education and information.

### Acer Chromebook

This philosophy is manifest in our constant innovation with the Acer Chromebook. Two models of Chromebook designed for use in schools, the Acer Chromebook C910 and Acer Chromebook C740, use a network management interface that provides educators with a

more convenient way of managing their classes while creating a vibrant and engaging learning environment for students where they can discuss and cooperate. These two models of Chromebook use stronger hinges and have a higher load-bearing capacity to meet the need for a more robust device in such circumstances. With battery life of eight hours or longer, these two Chromebooks make it easier for students and teachers alike to take learning outside of the classroom to wherever they may desire.

The user-friendly design, reasonable prices, ease of maintenance, and high-quality service have made Acer Chromebooks a trusted partner of educational markets around the world; in 2014, Acer became a selected supplier to several major public schools in the US state of Maryland and Canada's Alberta Province.

### Cultivating Education Around the World

In 2014, Acer was selected for the fourth time as a key provider in the Chilean Ministry of Education's "I Select My PC" program, receiving 75% of the student vote in a poll of computer brands. Sixty thousand Acer Aspire notebooks and all-in-one PCs were shipped to some of Chile's most vulnerable, yet enthusiastic students, helping reduce the digital gap in Chile and increasing educational opportunities.

The Ministry of Education and Science of Georgia also purchased 47,000 TravelMate notebooks from Acer, further driving the modernization of that nation's educational environment and increasing participation and interaction in their elementary and middle schools. Acer is committed to ongoing provision of quality products and after-sales service, as well as targeted feature sets, to help educators and students enjoy the best possible educational environments and opportunities.



Acer Chromebook  
C740



Acer Chromebook  
C910



# Community Involvement

As a global brand, Acer is conscious that its development and achievements are rooted in society, and thus that it is closely linked to the community. We believe that the true value of business lies in how it can create value for society, and as such we strive to make use of our own resources and influence to serve as a stable force for progress. We incorporate our core competencies into our community participation, hoping to deepen personal links with the world, satisfy the human desire to explore, and open up more opportunities, creating a better future for the world.



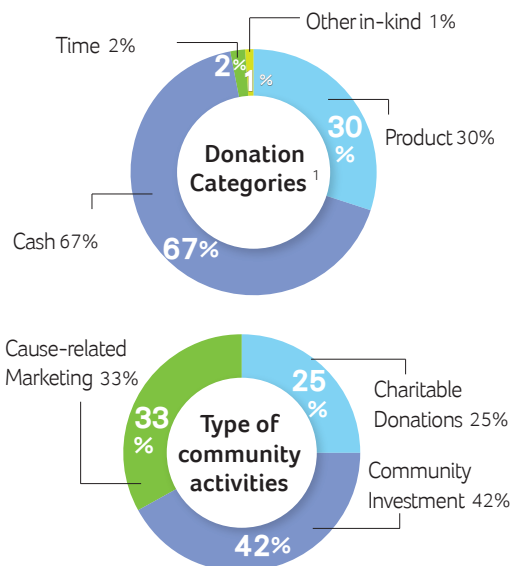
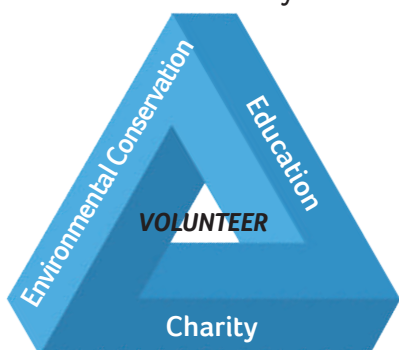
Follow the code of conduct or social norms when performing duties and always serve as a role model for others. Never use company resources for private use. Never reveal or leak confidential information when inappropriate and aware of and responsible for any behavior. Never reveal or leak confidential information in inappropriate and aware of and responsible for any behavior.



We put our core competencies to work in community engagement, using our products, technologies, personnel and finances to help society create value, confront challenges, and drive progress. We value the experience and wisdom of locals in solving the problems they face, and so we have made a point of working with local non-profit organizations focused on education, the environment, and philanthropic work. By contributing volunteer services and other resources, we hope to multiply the influence of these organizations, creating a synergistic effect.

In 2014, Acer's global community involvement investments amounted to over US\$1,360,000. We will continue to value the feedback and shared values

### The Core of Acer's Community Involvement



that come through such efforts, and intend to move forward alongside society.

## Education

Education is an important conduit for helping people explore the unknown and gain access to opportunities. The combination of technology and education can accelerate the exchange of views and information, bringing the world to each of us. As a technology industry leader, we invest significant resources into helping people learn about the applications of technology, and are committed to creating scientific and technological breakthroughs in the application of technology to education. We believe that by helping provide opportunities, we can promote equality and development, creating even greater value for humanity.

### Increasing Digital Opportunities in Remote Regions

Helping everyone enjoy the convenience and opportunities technology brings is something we consider a special mission. We know that access to technology can significantly improve the quality of life of people in remote areas, providing unprecedented opportunities and thereby creating better lives. As such, we continue to cooperate with non-profit organizations around the world to help bring technology to every corner of the globe.

### Ongoing Engagement Plans

#### Digital Mobile Vans--Providing Free Computer Education

Since 2010, Acer and the Hanguang Education Foundation have been partners in the Digital Mobile Vans project, bringing free computer education to groups on Taiwan's eastern coast that rarely have opportunities to engage with technology, including children, Aboriginal peoples, immigrants, and the elderly. Several organizations are long-time partners to the Digital Mobile Vans, and with the guidance of the vans' teams a number of students have earned their TQC

1. Donation value of products is calculated based on product pricing in each location; Time investment is calculated based on hourly pay rate in each location; Donation value of other in-kind is calculated based on commodity prices in each location

computing qualifications. We intend to expand the reach of this project, providing access to even more groups in need and helping them create more opportunities for their futures.



Digital Mobile Van instructors teach tribal elders how to use computers

### Achievements of the Digital Mobile Van Project between 2010 and 2014



### Sowing Hope in Remote China

Since 2011, Acer has worked with the Ying Kuang Education Foundation to change the information education environment in remote parts of rural China. So far, we have donated 1,200 computers and 60 projectors to give children in technology-poor areas access to technology and opportunities for the future.



Acer helps schools in remote locations by setting up IT classrooms

### Assisting with Sustainable Development in Remote Areas of the Philippines

Acer is a long-time supporter of the Green Earth Heritage Foundation, helping them find sustainable development possibilities in deforested parts of the Philippines' Sierra Madre region. We have helped set up libraries

and learning centers, using digital means to provide local residents access to information on sustainable development and poverty alleviation. In addition, Acer has set up a scholarship to help outstanding students continue their educations.

### Improving Digital Skills in Myanmar

The ability to make use of information technology can have a far-reaching impact on a society's development, and as such, in 2014 Acer once again responded to the call of ADOC 2.0's Taiwan-Myanmar ICT cooperation program by donating 80 computers. Through this, we hope Taiwan's ICT industry will be able to spur greater things in Myanmar by improving the IT skills of local people and creating digital opportunities for residents and businesses alike.

### Helping Ugandan Students Connect to the World

In France, Acer has worked with The Smile Of Hope charity to provide notebook computers to schools in the Ugandan capital of Kampala. With the help of The Smile of Hope, students in Kampala can learn more about how to use information technology to access information that can improve their quality of life in an area lacking in educational and healthcare information.

## Creating Opportunities for Young Students

The students of today are the leaders, innovators, and entrepreneurs of tomorrow, creating new possibilities for humanity and taking our collective knowledge to new heights. We hope to ignite their curiosity and inspire them to explore what is possible, while also equipping them with experience solving problems that will prepare them for the future. By holding and sponsoring a variety of activities and initiatives, we provide opportunities for promising young people of all ages and a range of talents to gain training and financial support. This kind of support will help them shine even brighter in the future.

### International Olympiad in Informatics

The International Olympiad in Informatics (IOI) is one of the world's top five science competitions, and is aimed at secondary school students. The competition not only helps foster an interest in information technology in students and bolster their problem-solving skills, it also seeks to highlight promising talents in the field and offer opportunities for outstanding students from around the world to engage in cultural and technical exchanges. The 26th IOI was hosted in 2014 by Taiwan, with 311 participants in 81 national teams taking part.

The main equipment for the competition was provided by Acer, including notebook computers, tablet computers, All-in-One computers, displays, and servers--a total of over 800 items, primarily used

to facilitate the competition's operations and the sharing and receiving of information throughout. By competition's end participants and teams from around the world had much praise for how things had been run, commenting that Taiwan had raised the bar for future hosts.

After the event, Acer built further on the competition's intent to improve IT skills by donating all the equipment used to groups in need, including schools, arts groups, and nonprofit organizations. By providing such outstanding equipment, Acer is supporting the development of innovative IT education and providing the benefits of IT to a broader section of society.

### Longterm Smile Competition

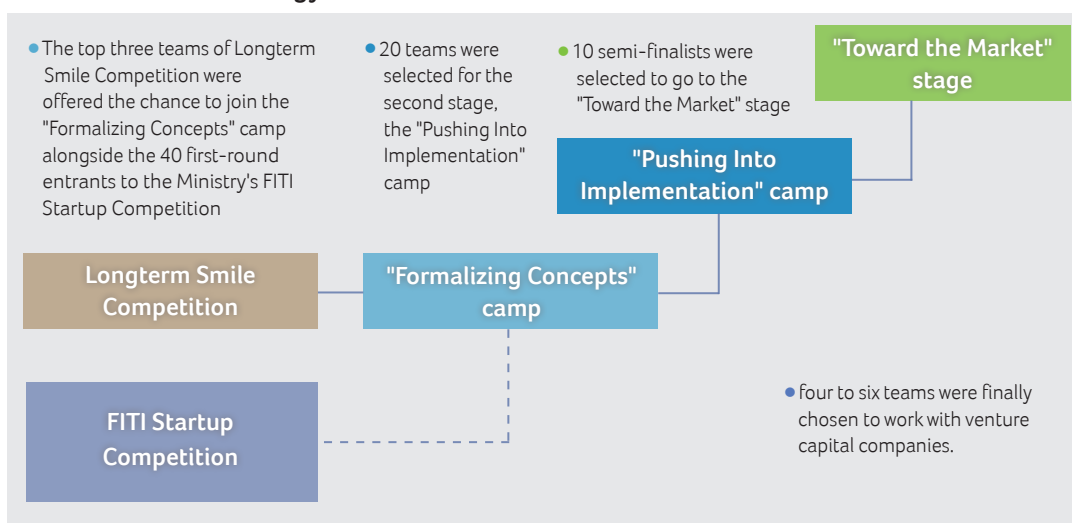
The Longterm Smile Competition began in 2006, based on the spirit of an idea developed by Acer founder Stan Shih, the "smile curve." The competition aims to inspire tertiary students to design products with potential on both ends of the smile curve and to boost the value of Taiwan's industrial knowledge economy. Over the past nine years, the competition has attracted entries from 1,638 teams. To help outstanding teams take their designs into reality, in 2014 we held the 9th Longterm Smile Competition in cooperation with the Ministry of Science and Technology. The top three teams were offered the chance to join the "Formalizing Concepts" camp alongside the 40 first-round entrants to the Ministry's FITI Startup Competition, gaining guidance and the chance to be among the 20 teams selected for



Contestants in the IOI gave their all and challenged their limits

the second stage, the "Pushing Into Implementation" camp, and then the 10 semi-finalists in the "Toward the Market" stage. Finally, four to six teams were chosen to work with venture capital companies. The ultimate goals of this are to both help develop new Taiwanese talent and inspire new entrepreneurship opportunities.

### Cooperation between the 2014 Longterm Smile Competition and the Ministry of Science and Technology



### 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, and many promising young talents have been inspired through the awards. Entering its second decade in 2014, the Digital Creation Awards took as its theme "Explore, Create," aiming to inspire young students to re-evaluate and re-explore the spirit of Chinese culture. Working with the Taiwan Digital Archives to provide a wealth of food for thought to participants, the awards encouraged these young people not only to be proud of their heritage, but also to use it as a source of innovative inspiration.

Winner of the grand prize in the Animation category of the Senior High Schools General Division "Screen Graft," produced by the team from the National Experimental High School at Hsinchu Science Park



First-prize winner for the None-animation category of the Senior High Schools Vocational Division "Hey! Pop! Yo! Culture!", produced by students from Fu-Hsin Trade and Arts School

### abComic Competition

To promote the concepts of shared creation of value and balance of interests that underpin Acer's BYOC initiative, while also strengthening the initiative's spirit of "unlimited access", we organized the abComic Competition. Reaching out to the comic world to find creative talent, this competition not only offered winners a cash prize, but also the opportunity to do commission work for Acer, with their works introduced to markets around the world through our BYOC platform and other Acer products. As such, this competition offered an excellent new platform for Taiwanese comic artists looking to step into the global market.





The abComic Competition winner together with honorary chairman Stan Shih

### International ICT Innovative Services Awards

The International ICT Innovative Services Awards, held jointly by the Ministry of Economic Affairs, the Ministry of Education, and the Chinese Society of Information Management, entered its 19th iteration in 2014. These awards are an important contributor to inspiring innovation, strengthening industry-academia cooperation, and discovering new talents for the ICT industry in Taiwan. In order to strengthen the development and application of Acer's BYOC initiative, this year's awards included a category for application of Acer BYOC, which provided promising work and teams a platform for spreading their creativity around the globe.



Winners of the BYOC category

### AIESEC International Congress

AIESEC (Association Internationale des Étudiants en Sciences Économiques et Commerciales) is the largest youth-run organization in the world, and focuses on international issues, leadership, and management.

After hard campaigning, AIESEC in Taiwan finally had their bid to have the organization's International Congress held in Taiwan in 2014. We believe that the drive and willingness to take on challenges these students showed is of a piece with Acer's core values, and so we not only provided NT\$1 million in sponsorship for the congress, but also notebook computers, tablet computers, projectors, and other equipment for the event and several products as commemorative prizes for outstanding performers.

### Assisting Student Career Development

We remain committed to youth development, and are glad to support aspiring young people in pursuing their dreams and shaping the future. Acer was involved in several such efforts around the world in 2014, including:

- In Canada, we donated 80 notebook computers to the Home Run Scholars Program, run by the Toronto Blue Jays' charitable organization, the Jays Care Foundation. These notebooks were given to promising students from low-development communities. Whatever these young people choose to do afterward, whether they continue to higher education or go into the workplace, they will continue to enjoy the support and guidance of this program.
- In Spain, Acer opened up opportunities for students of electronics to intern at Acer maintenance centers, helping them get a better understanding of the professional environment and preparing them for their future careers.
- In Thailand, Acer worked with customers to reclaim



Promising young students receive notebook computers

unwanted notebook computers, remove the hard drives, delete all personal data, and provide the devices to local electronics students for educational purposes, helping these young people gain professional knowledge and skills.



## Using Technology to Transform Education

Technology can make life more convenient, but it can also create new opportunities in education. Not only do we provide the educational world with hardware that is both high-quality and affordable, through skills application of our products and technologies, we help with the building of digital education resources and the development of smart educational concepts. We also invest in fostering IT competence in educators as well, encouraging innovative teaching methods and the application of technology at the very foundations of education.

### Chongqing Smart Classrooms

Acer has worked with the Konggang Xincheng Elementary School in Yubei District, Chongqing, to establish new "smart classrooms," bringing together a variety of hardware devices around a core of Acer's BYOC, facilitating the flexible use of educational resources. Through this cloud-based educational platform, educators can create and prepare teaching materials, while students can both prepare and revise through the cloud. This subversion of traditional teaching models helps integrate educational resources and enhance students' familiarity and capability with information technology. Additionally, this helps create an all-digital, paperless educational environment.



Students using cloud-based education to learn

### South African Community Learning Centers

The Orlando Pirates are a football club based in the suburbs of Johannesburg, South Africa. At their

home stadium, in cooperation with the South African Department of Education, the team has established a Learning Resource Centre to provide lifelong learning opportunities for neighboring communities. Since 2012, Acer has worked with this center, assisting in the creation of a digital learning space by providing tablets, desktops, networking, and data center equipment with the aim of strengthening local education in math and English through technology, while also improving students' facility with ICT. So far, a total of 14 local elementary and middle schools have participated in the project, greatly boosting students' learning performance and planting the seeds of the community's future.

### 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). Through this program, we hope to help educators make use of IT products in their teaching, boosting education quality and familiarizing students with technology. We also set up a social networking site for Indonesian educators to share their experience teaching with information technology. So far, this site boasts more than 5,500 members, and through workshops, forums, and competitions, these educators are able to share methods and lessons gained through their teaching.

In addition, since 2011 Acer has been a supporter of the Indonesia Mengajar Foundation, donating notebook



Our efforts to improve teachers information technology proficiency bring passionate educators together.

computers to help the foundation train college graduates and prepare them to be dispatched to rural areas to teach. These graduates are then able to lead rural children through the world of digital technology with both passion and knowledge. Thus far, we have donated a total of 75 computers to the project.

## Meet the Needs for Educational Resources

Education is the key to opportunity and change, but the lack of resources in some areas can negatively impact the quality of education available, even rendering it unviable. As a major brand, we are fortunate enough to have the influence and ability to bring together the community to redistribute educational resources to where they are most needed.

### The Tommy Chen Challenge—Helping Rebuild School Sporting Facilities

Pingtung's Laiyi Township has long struggled with its young adults leaving for the cities, and leaving grandparents to care for the children. As such, the local schools are of particular importance to the community. However, with the township located in a mountainous area, it is often hit hard by typhoons. Resulting landslides destroyed the basic sporting facilities at the township's Nanhe Elementary School, and for 20 years the village has lacked the funds to repair them. The local community reached out to Acer for assistance, and we worked together with extreme marathoner



The students of Nanhe Elementary School enthusiastically welcomed news of their new sporting facilities

Tommy Chen to develop "The Tommy Chen Challenge," inviting the public to help by "donating" the miles they have run, aiming to surpass the 2,172km run by Chen in eight major races across the seven continents. Once the goal has been achieved, Acer will sponsor for all the funds needed to repair the sporting facilities. The challenge was enthusiastically embraced by the public, blowing past the target within a week and ultimately "raising" more than three times the expected miles; the reconstruction work has since begun.

### Helping Children from Low-income Families Continue Their Studies

In Vietnam, Acer is working with charitable organizations and women's groups to provide school bags, books, pens, and other resources to 120 promising students living in poverty, helping them continue their studies without interruption.



Young students are overjoyed to receive study materials

## Environmental Protection

In addition to exercising prudent management of energy and resources in our operations and striving to develop environmentally friendly products, Acer is also committed to using volunteer work and participation in environmental advocacy to raise awareness of environmental issues in the public and inspire action.

### Keyboard Recycling Program Participation

ToucheDeClavier.com is a French online platform

specializing in the sale of recycled keyboards of all brands. Through them, consumers can buy affordable keyboards that are used, but in good condition, benefiting financially while also minimizing waste and helping the environment. Acer has donated 50 recycled keyboards to this service, supporting them in their efforts to protect our planet.

### Sponsoring Miss Earth Switzerland

Miss Earth is one of the world's three top beauty pageants, taking as its aim arousing people's awareness of environmental issues. The winner also serves as spokesperson for the United Nations Environment Program (UNEP) and other organizations for the year of her reign, and the competition is an important part of spreading global awareness of the environment. By sponsoring this event, Acer is able to do its part for the promotion of environmental protection and education.

### Charity

With operating bases across the planet, we are well equipped to quickly provide services and develop strong relationships with local communities, relationships that inspire us to contribute to the solution of various problems these communities face. Acer's teams around the world have established long-time cooperative relationships with local charitable



The Acer Expedition Team visited islands in the western United Kingdom for Mountain Rescue Charity

organizations, helping us make the most effective use of our resources while also working side by side with the community.

### Bringing Together Resources for Fundraising

As well as investing our own resources and capabilities, Acer aims to make responsible use of our influence to bring together resources from all aspects of society to create shared contributions to communities. To this end, through various events and promotional practices we get more people involved, expanding overall engagement and bringing together even more resources for those in need.

#### The Three-Day UK Islands Challenge

As part of demonstrating Acer's commitment to inspiring people to "Explore Beyond Limits", we have worked together with Mountain Rescue Charity over the past two years to invite the media to explore nature while also raising funds. In 2014, Acer staff and 14 journalists formed a team that spent three days hiking, cycling, and kayaking around eight islands at the westernmost point of the United Kingdom. The event successfully raised €6,000, as well as generating substantial exposure for Acer's brand and products.

#### French A Train for Life Program

In order to raise public awareness of heart disease and strengthen emergency response capabilities, Acer and the Life Priority Foundation, with the help of the European Society of Intensive Care Medicine and French and Spanish railway authorities, ran trains from major French cities to Barcelona over five days,



Passengers receiving first aid training and making the CPR gesture to support fundraising efforts

providing passengers first aid training, with first-aid information also posted around each station. Through Acer's donation of 120 tablet computers and other devices, passengers could make use of the foundation's films and teaching materials to get training in CPR. The project has already provided such training to some 30,000 people. Additionally, between late September and mid October 2014, for every photograph uploaded to Facebook and Twitter displaying the CPR hand gesture, Acer donated €1 to the Life Priority Foundation.

### Fundraising with Staff

Ties to communities run deep in Acer's culture, and so over 2014, we held a variety of fundraising efforts with our staff worldwide, including:

- In Switzerland, we raised over €1,000 and substantial supplies from employees to help L'Africa Chiama distribute food and provide education to African children.
- In the Czech Republic, we organized a charity bicycling event which raised more than US\$1,000; we also collected a number of notebook and tablet computers, which were donated together with the money to SOS Children's Villages, which provide assistance to underprivileged children.
- In Spain, we collected a large amount of items from employees, donating them and funds worth three times the items' total value to help people through the hardship caused by ongoing financial crisis.



An office stacked with donated items

### Disaster Relief

In the wake of a major disaster, companies' investments of resources are often a source of social stability and strength. We consider this an important responsibility, and hope that during tough times we can bring some hope to the victims. As such, Acer, both through the company and through our employees, immediately begins donating funds to help in post-disaster recovery, supporting and promoting rescue teams and care organizations in the hopes of giving them maximum effectiveness at these crucial times.

#### Assistance After the Kaohsiung Gas Explosion

Late in the night of July 31, 2014, the city of Kaohsiung experienced a devastating gas pipeline explosion which not only broke the hearts of Taiwanese around the nation, but also caused significant losses of life and property. Acer immediately took the lead, donating NT\$2 million in hopes of providing some comfort to those affected, helping them quickly rebuild their homes and get back to normal lives.

#### Raising Awareness of Skin Donation for Burn Victims in India

In India, burns are the second most common source of injury behind vehicular accidents, and the number of burn incidents continues to climb. Without skin to serve as a barrier, burn victims are more susceptible to infection, seriously increasing the risk of death. However, as people are largely unaware of the concept, despite its importance, skin donation is rare. To help raise awareness of this, Acer has launched India's first skin donation initiative, Touch of Joy. People can explore concepts and information related online, and then go on to provide financial support and, if they so choose, opt in to being listed as a donor. The next step will be to bring together more resources, such as India's National Burns Centre and other organizations, to create a comprehensive promotional initiative.



## Caring for the Community

There are people around the world in need of care, and Acer's branches work with local charitable organizations to use our products, money, and volunteers to provide support and assistance. In 2014, the groups we focused on helping included underprivileged students, people with mental or physical disabilities, and the elderly.

### Helping Underprivileged Students

In Indonesia, many children from low-income families find themselves without stable sources of food during the month of Ramadan. During this time each year, we hold special events for these children, guiding them through achieving goals with limited resources and teaching them that a lack of resources doesn't need to mean a lack of achievement. After the fasting time that day, we hold a feast for the children, giving them take-home food bags afterward to help them and their families.



Children focusing on a special activity designed for them

In Spain, Acer donated 30 PCs to six organizations dedicated to helping underprivileged children, helping them enjoy more educational opportunities.

### Helping Those with Mental or Physical Disabilities

Simei Care Centre is a Singaporean non-profit organization that offers life-skills training, vocational training and job opportunities to people with psychiatric disabilities, helping them enjoy more independence in their lives. In concert with this organization, Acer held a second-hand goods drive, focusing on collecting books, toys, and clothes. These goods were then turned over to Simei Care Center for sale, with all income used

to help provide work opportunities and pay to patients. A large number of items were collected over the five-day event, not only facilitating the reuse of resources, but also helping provide mentally disabled people with more opportunities to enjoy a normal life.

In Italy, Acer has had a long-term commitment to providing donations and marketing support to non-profit organizations. In 2014, we donated more than US\$35,000 to three local organizations that work with physically and mentally disabled youth.

Over the past four years, Acer has worked with the Fundacja Dziecięca Fantazja, an organization in Poland that dedicated to helping seriously ill children. We have donated tablet and notebook computers as gifts to help bring some cheer and comfort to children who are hospitalized for long periods.

### Helping the Elderly

In Indonesia, we found that some elderly people were forced to move into hospices due to being abandoned by their children; In addition to providing needed resources and medicines to these elderly people, our volunteers also spend time with them. In the future, we plan to mobilize even more volunteers, helping people enjoy a higher quality of life in their twilight years.

## 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. Since its 2003 inception, the Acer Taiwan Volunteer Team has continued to go from strength to strength. 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."





Acer staff lead children from rural Taiwan on a trip to Taipei to journey into the world of the arts

## Digital Inclusion

To help reduce the digital divide, since 2010 Acer has put into action the Digital Mobile Van program. We encourage our staff to serve as "digital volunteers," teaching members of the public how to effectively use hardware, software, and the Internet. By such practical experience working with front-line users, we can gain better feedback on how our products fulfill users' needs.

## Charity and Philanthropy

Acer Taiwan's volunteer team organizes a variety of community service activities each year, such as :

- 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 four years we have organized distribution of festive meals and accoutrements 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 Children with Developmental Delays' (CAEIP) efforts to provide healthcare to sick children in the Hualien-Taitung area.
- Every year, Company staff also hold regular money donations and blood drives at our Xizhi headquarters.

In 2014, a total of 1,617 people participated, donating a total of 2,597 bags at 250cc per bag, as well as NT\$3,956,515 in monetary donations.

## 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 and assisting with distribution of goods, with more targets around the world upcoming.



Colleagues taking part in Cambodia volunteer teams

## Environmental Protection

Every year, Acer offers staff a number of opportunities to volunteer in environmental work, opportunities that have been warmly embraced, including :

- Activities promoting LOHAS and environmental awareness are held during Earth Month
- Quarterly second-hand goods drives, with items then donated or sold in charity auctions
- Eco-working holiday activities at Mt. Baxian



Acer staff personally delivering Chinese New Year's meals to elderly people living alone



Acer staff giving their sweat and passion to protecting the beauty of nature at Mt. Baxian



安侯建業聯合會計師事務所

KPMG

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Xinyi Road, Taipei, 11049, Taiwan, R.O.C.

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Internet 網址 kpmg.com/tw

## Independent Limited Assurance Report

### To Acer Incorporated

We have been engaged by Acer Incorporated ('Acer') to provide limited assurance on the Corporate Responsibility Report ('the Report') of Acer for the year ended December 31, 2014.

### Acer's Responsibilities

Acer is responsible for the preparation and presentation of the Report, and for the information and assertions contained within it. It is also responsible for determining Acer's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, as well as for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

In preparing the Report, Acer applied the Global Reporting Initiative's ('GRI') Sustainability Reporting Guidelines (G4) Core option as set forth in "About This Report" section of the Report.

### Our Responsibilities

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board, which requires that we comply with the applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Our engagement was designed to carry out a limited assurance engagement and to express a conclusion on whether the information in the Report is free from material misstatement based on GRI G4 Core option, excluding Report section "Greenhouse Gas Inventory" on the Greenhouse Gas Emissions (Scope 1, 2 and 3), and associated energy, electricity consumption related data, as well as Report section "Greenhouse Gas Reduction and Strategy" on energy saving measures, performances, and data in Beijing Office in China. The above mentioned data and performances will be verified (and modified if necessary) independently by a third party verification company. This assurance engagement will not express any conclusion on the Greenhouse Gas Emissions (Scope 1, 2 and 3), and associated energy, electricity consumption related data, as well as energy saving measures, performances, and data in Beijing Office in China.

### Summary of Work Performed

A limited assurance engagement on a corporate responsibility report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the corporate responsibility report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of Acer's processes for determining the material issues for Acer's key stakeholders;
- Interviews with management and relevant staff at Acer concerning sustainability strategy and policies for material issues, and the implementation of these across its business;
- Interviews with relevant staff at Acer who are responsible for providing the information in the Report;





- Inquiries about the design and implementation of key systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Report;
- A visit to an operation site, Acer's Aspire Resort, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Comparing the information presented in the Report with the corresponding information in the relevant underlying sources on a sample basis to determine whether the relevant information contained in such underlying sources has been included in the Report;
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Acer.

A limited assurance engagement is substantially less in scope, based on the extent of evidence-gathering, than a reasonable assurance engagement conducted in accordance with the International Standards on Assurance Engagements or an audit conducted in accordance with the International Standards on Auditing. Therefore, the extent of evidence gathering procedures performed in a limited assurance engagement is less than that of a reasonable assurance engagement, thus, a lower level of assurance is provided, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement.

## Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Report of Acer for the year ended December 31, 2014 is not presented fairly, in all material respects, in accordance with GRI G4 Core option.

Our limited assurance report is made solely for Acer in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Acer those matters we have been engaged to state in this limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Acer for our work, for this limited assurance report, or for the conclusions we have reached.

Taipei, Taiwan

June 11, 2015



# Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2014 of

## Acer Incorporated

8F, No. 88, Sec. 1, Xintai 5th Rd., Xizhi Dist.,  
New Taipei City 221, Taiwan, R.O.C.



has been verified in accordance with ISO 14064-3:2006 as  
meeting the requirements of

## ISO 14064-1:2006

Direct emissions

**6,899.259** tonnes of CO<sub>2</sub>e

Energy indirect emissions

**17,841.388** tonnes of CO<sub>2</sub>e

Other indirect emissions(Scope3)

**237,086.610** tonnes of CO<sub>2</sub>e

Direct emissions and energy indirect emissions

**24,740.647** tonnes of CO<sub>2</sub>e

Authorized by

Dennis Yang

Chief Operation Officer of Eastern Asia

Date: 03 June 2015

Version 1

TGP 5615 1214

SGS Taiwan Ltd.

No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,

New Taipei City 24803, Taiwan

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# GRI G4 Index

General Standard Disclosures				
Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Strategy and Analysis</b>				
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 Chairman	04	yes, limited assurance
		Message from the Corporate President and CEO	05	
G4-2	Provide a description of key impacts, risks, and opportunities.	Message from the Chairman	04	yes, limited assurance
		Message from the Corporate President and CEO	05	
		History and Development	12	
		Risks and Opportunities of Climate Change	44	
		Identification and Management of Sustainability Risks	23	
<b>Organizational Profile</b>				
G4-3	Report the name of the organization.	Acer Overview	11	yes, limited assurance
G4-4	Report the primary brands, products, and services.	History and Development	12	yes, limited assurance
		Brand Values and Introduction	14	
G4-5	Report the location of the organization's headquarters.	History and Development	12	yes, limited assurance
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	yes, limited assurance
G4-7	Report the nature of ownership and legal form.	History and Development	12	yes, limited assurance
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	History and Development	12	yes, limited assurance
G4-9	Report the scale of the organization.	History and Development	12	yes, limited assurance
G4-10	Report the total number of employees by employment contract, employment type, region, broken by gender	Staff Structure	67	yes, limited assurance
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Human Rights and Freedom of Association	72	yes, limited assurance
G4-12	Describe the organization's supply chain.	Supplier Social and Environmental Management Structures	55	yes, limited assurance
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	History and Development	12	yes, limited assurance
		Supplier Social and Environmental Management Structures	55	
		On-site Audit	57	

General Standard Disclosures				
Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-14 Report whether and how the precautionary approach or principle is addressed by the organization.	Identification and Management of Sustainability Risks	23		yes, limited assurance
	Incorporating Environmental Considerations into Product Design	36		
	Sound Environmental and Health Management	49		
	Standards of Business Conduct	77		
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 Conflict Minerals Management	33 62		yes, limited assurance
G4-16 List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	Major Initiatives and Participation	33		yes, limited assurance
	Conflict Minerals Management	62		
<b>Identified Material Aspects and Boundaries</b>				
G4-17 a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About this Report	03 Please refer to Ace's 2014 annual report for details on the Company's related entities.		yes, limited assurance
G4-18 a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Material Aspects and Boundary Identification	28		yes, limited assurance
G4-19 List all the material Aspects identified in the process for defining report content.	Material Aspects and Boundary Identification	28		yes, limited assurance
G4-20 For each material Aspect, report the Aspect Boundary within the organization	Material Aspects and Boundary Identification	28		yes, limited assurance
G4-21 For each material Aspect, report the Aspect Boundary outside the organization	Material Aspects and Boundary Identification	28		yes, limited assurance
G4-22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	About this Report	03		yes, limited assurance
G4-23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About this Report	03		yes, limited assurance
<b>Stakeholder Engagement</b>				
G4-24 Provide a list of stakeholder groups engaged by the organization.	Stakeholder Identification and Communication	24		yes, limited assurance
G4-25 Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholder Identification and Communication	24		yes, limited assurance

General Standard Disclosures				
Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-26	Report the organization's approach to stakeholder engagement	Stakeholder Identification and Communication	24	yes, limited assurance
		Stakeholder Engagement	32	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded.	Stakeholder Identification and Communication	24	yes, limited assurance
		Material Aspects and Boundary Identification	28	
		Stakeholder Engagement	32	
<b>Report Profile</b>				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About this Report	03	yes, limited assurance
G4-29	Date of most recent previous report (if any).	About this Report	03	yes, limited assurance
G4-30	Reporting cycle (such as annual, biennial).	About this Report	03	yes, limited assurance
G4-31	Provide the contact point for questions regarding the report or its contents.	About this Report	03	yes, limited assurance
G4-32	GRI CONTENT INDEX	About this Report	03	yes, limited assurance
		GRI G4 Index	102	
		Independent Assurance Report	98	
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	About this Report	03	yes, limited assurance
<b>Governance</b>				
G4-34	Report the governance structure of the organization	Corporate Governance	14	yes, limited assurance
		Corporate Responsibility Governance	21	
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 Policy and Strategy	20	yes, limited assurance
		Corporate Responsibility Governance	21	
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 Policy and Strategy	20	yes, limited assurance
		Corporate Responsibility Governance	21	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Corporate Governance	14	yes, limited assurance
		Corporate Responsibility Policy and Strategy	20	
		Corporate Responsibility Governance	21	
		Employee Communication	71	

General Standard Disclosures				
Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-38	Report the composition of the highest governance body and its committees	Corporate Governance	14	yes, limited assurance
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	14	yes, limited assurance
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Corporate Governance	14	yes, limited assurance
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	14	yes, limited assurance
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	14	yes, limited assurance
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Corporate Governance	14	yes, limited assurance
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	14	yes, limited assurance
G4-45	Report the highest governance body' role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance Corporate Responsibility Governance	14 21	yes, limited assurance
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	21	yes, limited assurance
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Corporate Responsibility Governance	21	yes, limited assurance
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	21	yes, limited assurance



General Standard Disclosures				
Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-49 Report the process for communicating critical concerns to the highest governance body.	Corporate Governance	14		yes, limited assurance
	Corporate Responsibility Governance	21		
	Employee Communication	71		
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	21		yes, limited assurance
G4-51 Report the remuneration policies for the highest governance body and senior executives	Remuneration Committee	17		yes, limited assurance
G4-52 Report the process for determining remuneration	Remuneration Committee	17		yes, limited assurance
<b>Ethics and Integrity</b>				
G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Legal Compliance	18		yes, limited assurance
	Corporate Responsibility Policy and Strategy	20		
	Standards of Business Conduct	77		
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	77	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com	yes, limited assurance
G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	Standards of Business Conduct	77	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com	yes, limited assurance

Specific Standard Disclosures					
DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Economic</b>					
<b>Economic Performance</b>					
G4-DMA	Generic DMA	History and Development	12		yes, limited assurance
G4-EC1	Direct economic value generated and distributed	History and Development Community Involvement	12 86		yes, limited assurance
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risks and Opportunities of Climate Change	44		yes, limited assurance
G4-EC3	Coverage of the organization's defined benefit plan obligations	Employee Benefits Retirement System	70 70		yes, limited assurance
G4-EC4	Financial assistance received from government		No government financial assistance received.		yes, limited assurance
<b>Procurement Practices</b>					
G4-DMA	Generic DMA; Aspect-specific DMA	Responsible Supply Chain			Data currently being collected, to be disclosed in the future once more data is ready
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Responsible Supply Chain			Data currently being collected, to be disclosed in the future once more data is ready
<b>Environmental</b>					
<b>Materials</b>					
G4-DMA	Generic DMA	Incorporating Environmental Considerations into Product Design	36		yes, limited assurance
G4-EN1	Materials used by weight or volume	Towards Sophisticated Packaging Design Paper Reduction and Recycling	39 52		yes, limited assurance
G4-EN2	Percentage of materials used that are recycled input materials	Use of Post-Consumer Recycled Plastics Towards Sophisticated Packaging Design Product Innovation	38 39 43		yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Energy</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Energy Conservation Projects	49	yes, limited assurance
G4-EN3	Energy consumption within the organization	Environmental Information	53	yes, limited assurance
G4-EN5	Energy intensity	Environmental Information	53	yes, limited assurance
G4-EN6	Reduction of energy consumption	Energy Conservation Projects Staff Transport and Commuting	49 52	yes, limited assurance
G4-EN7	Reductions in energy requirements of products and services	Improving Product Energy Efficiency Product Innovation Energy Conservation Projects	40 43 49	yes, limited assurance
<b>Water</b>				
G4-DMA	Generic DMA	Water Resource Management	51	yes, limited assurance
G4-EN8	Total water withdrawal by source	Water Resource Management Environmental Information	51 53	yes, limited assurance
<b>Emissions</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Greenhouse Gas Inventory Greenhouse Gas Reductions and Strategy	45 47	yes, verified by SGS (p.100)
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas Inventory	45	yes, verified by SGS (p.100)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas Inventory	45	yes, verified by SGS (p.100)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Greenhouse Gas Inventory	45	yes, verified by SGS (p.100)
G4-EN18	Greenhouse gas (GHG) emissions intensity	Greenhouse Gas Inventory	45	yes, verified by SGS (p.100)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Greenhouse Gas Reductions and Strategy	47	yes, verified by SGS (p.100)
<b>Effluents and Waste</b>				
G4-DMA	Generic DMA	Water Resource Management Waste Management	51 52	yes, limited assurance
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions		Acer's global operations are primarily focused on product sales and customer service, and its facilities are largely office buildings; as such, the company produces no volatile organic compounds.	yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-EN22 Total water discharge by quality and destination	Water Resource Management Environmental Information	51 53		yes, limited assurance
G4-EN23 Total weight of waste by type and disposal method	Waste Management Environmental Information	52 53		yes, limited assurance
<b>Products and Services</b>				
G4-DMA Generic DMA	Incorporating Environmental Considerations into Product Design	36		yes, limited assurance
G4-EN27 Extent of impact mitigation of environmental impacts of products and services	Incorporating Environmental Considerations into Product Design	36		yes, limited assurance
G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category	Improving Product Recycling Channels	41		yes, limited assurance
<b>Compliance</b>				
G4-DMA Generic DMA	Legal Compliance	18		yes, limited assurance
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		yes, limited assurance
<b>Transport</b>				
G4-DMA Generic DMA	Refining Product Transport Efficiency	40		yes, limited assurance
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 Transport and Commuting	40 52		yes, limited assurance
<b>Supplier Environmental Assessment</b>				
G4-DMA Generic DMA; Aspect-specific DMA	On-site Audit	57		yes, limited assurance
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	On-site Audit	57		yes, limited assurance
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	On-site Audit	57		yes, limited assurance
<b>Environmental Grievance Mechanisms</b>				
G4-DMA Generic DMA; Aspect-specific DMA		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com		yes, limited assurance
G4-EN34 Number of grievances about environmental		Acer has established		yes, limited assurance



Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
impacts filed, addressed, and resolved through formal grievance mechanisms		a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com No environmental impacts related complaints reported in 2014		
<b>Social: Labor Practices and Decent Work</b>				
<b>Employment</b>				
G4-DMA Generic DMA; Aspect-specific DMA	Recruitment Employee Benefits	68 70		yes, limited assurance
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region	Recruitment	68		yes, limited assurance
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	70		yes, limited assurance
G4-LA3 Return to work and retention rates after parental leave, by gender	Recruitment	68		yes, limited assurance
<b>Labor/Management Relations</b>				
G4-DMA Generic DMA	Human Rights and Freedom of Association	72		yes, limited assurance
G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Recruitment	68		yes, limited assurance
<b>Occupational Health and Safety</b>				
G4-DMA Generic DMA; Aspect-specific DMA	Health and Safety in the Work Environment	74		yes, limited assurance
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	76		yes, limited assurance
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	Health Checks, Health Management and Health Promotion	75		yes, limited assurance
<b>Training and Education</b>				
G4-DMA Generic DMA	Continuous Learning and Growth	72		yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Continuous Learning and Growth	72	yes, limited assurance
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	72	yes, limited assurance
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Performance Management and Development	74	yes, limited assurance
<b>Diversity and Equal Opportunity</b>				
G4-DMA	Generic DMA	Recruitment	68	yes, limited assurance
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	68	yes, limited assurance
<b>Supplier Assessment for Labor Practices</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures	55	yes, limited assurance
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Vendor CSR scorecard On-site Audit	56 57	yes, limited assurance
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Vendor CSR scorecard On-site Audit	56 57	yes, limited assurance
<b>Labor Practices Grievance Mechanisms</b>				
G4-DMA	Generic DMA; Aspect-specific		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com	yes, limited assurance
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com No labor related complaints reported in 2014	yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Social: Human Rights</b>				
<b>Non- discrimination</b>				
G4-DMA Generic DMA	Supplier Social and Environmental Management Structures	55		yes, limited assurance
	Recruitment	68		
	Human Rights and Freedom of Association	72		
G4-HR3 Total number of incidents of discrimination and corrective actions taken	On-site Audit Human Rights and Freedom of Association	57 72		yes, limited assurance
<b>Child Labor</b>				
G4-DMA Generic DMA	Supplier Social and Environmental Management Structures	55		yes, limited assurance
	Recruitment	68		
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	Vendor CSR scorecard On-site Audit	56 57		yes, limited assurance
<b>Forced or Compulsory Labor</b>				
G4-DMA Generic DMA	Supplier Social and Environmental Management Structures	55		yes, limited assurance
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	Vendor CSR scorecard On-site Audit	56 57		yes, limited assurance
<b>Supplier Human Rights Assessment</b>				
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures	55		yes, limited assurance
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	Vendor CSR scorecard On-site Audit	56 57		yes, limited assurance
G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	Vendor CSR scorecard On-site Audit	56 57		yes, limited assurance
<b>Human Rights Grievance Mechanisms</b>				
G4-DMA Generic DMA; Aspect-specific DMA		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer. com Communication on CSR issues can be directed to cr@acer.com		yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com No human right impacts related complaints reported in 2014		yes, limited assurance
<b>Social: Society</b>				
<b>Anti-corruption</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Legal Compliance Standards of Business Conduct	18 77	yes, limited assurance
G4-S04	Communication and training on anti-corruption policies and procedures	Legal Compliance Standards of Business Conduct	18 77	yes, limited assurance
G4-S05	Confirmed incidents of corruption and actions taken	Legal Compliance Standards of Business Conduct	18 77	yes, limited assurance
<b>Anti-competitive Behavior</b>				
G4-DMA	Generic DMA	Legal Compliance Standards of Business Conduct	18 77	yes, limited assurance
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Legal Compliance	18	yes, limited assurance
<b>Compliance</b>				
G4-DMA	Generic DMA	Legal Compliance	18	yes, limited assurance
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Legal Compliance	18	yes, limited assurance
<b>Supplier Assessment for Impacts on Society</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures	55	yes, limited assurance
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	Vendor CSR scorecard On-site Audit	56 57	yes, limited assurance
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	Vendor CSR scorecard On-site Audit	56 57	yes, limited assurance
<b>Grievance Mechanisms for Impacts on Society</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Acer has established a contact channel		yes, limited assurance

Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
			for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Communication on CSR issues can be directed to cr@acer.com No social impacts related complaints reported in 2014	yes, limited assurance
<b>Social: Human Rights</b>				
<b>Customer Health and Safety</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Prudent Management of Chemicals in Materials	37	yes, limited assurance
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	37	yes, limited assurance
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	yes, limited assurance
<b>Product and Service Labeling</b>				
G4-DMA	Generic DMA; Aspect-specific DMA	Prudent Management of Chemicals in Materials Product Alerts and Recalls	37 80	yes, limited assurance
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	80	yes, limited assurance
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	yes, limited assurance
G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction Survey	81	yes, limited assurance



Specific Standard Disclosures				
DMA and Indicators	Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Marketing Communications</b>				
G4-DMA	Generic DMA	Marketing Communication	14	yes, limited assurance
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	yes, limited assurance
<b>Customer Privacy</b>				
G4-DMA	Generic DMA	Protection of Customer Privacy	82	yes, limited assurance
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Legal Compliance Protection of Customer Privacy	18 82	yes, limited assurance
<b>Compliance</b>				
G4-DMA	Generic DMA	Acer Group Service Model	79	yes, limited assurance
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	yes, limited assurance

Other Standard Disclosures					
DMA and Indicators		Location	Page No./ Description	Omissions	External Assurance (p.98)
<b>Environmental programs related to cost saving and value creation</b>					
DMA	Generic DMA	Towards Sophisticated Packaging Design	39		yes, limited assurance
		Refining Product Transport Efficiency	40		
		Product Innovation	43		
		Energy Conservation Projects	49		
Acer-EN 1	Environmental programs of cost saving and revenue generation	Towards Sophisticated Packaging Design	39		yes, limited assurance
		Refining Product Transport Efficiency	40		
		Product Innovation	43		
		Energy Conservation Projects	49		
<b>Management of Hazardous Substances</b>					
DMA	Generic DMA	Prudent Management of Chemicals in Materials	37		yes, limited assurance
		Product Innovation	43		
Acer-EN2	Halogen-free products launched	Prudent Management of Chemicals in Materials	37		yes, limited assurance
		Product Innovation	43		
<b>Social programs related to cost saving and revenue generation</b>					
DMA	Generic DMA	Products and Services that Respond to Society	82		yes, limited assurance
		Bringing Together Resources for Fundraising	94		
Acer-SO1	Social programs related to cost saving and revenue generation	Products and Services that Respond to Society	82		yes, limited assurance
		Bringing Together Resources for Fundraising	94		
<b>Corporate Citizenship and Philanthropy</b>					
DMA	Generic DMA	Community Involvement	86		yes, limited assurance
Acer-SO2	Donations	Community Involvement	86		yes, limited assurance
Acer-SO3	Activities of corporate citizenship and philanthropy	Community Involvement	86		yes, limited assurance
<b>Digital Inclusion</b>					
DMA	Generic DMA	Education	87		yes, limited assurance
		Acer Volunteers	96		
Acer-SO4	Digital inclusion activity	Education	87		yes, limited assurance
		Acer Volunteers	96		



Thank you for reading our report. If you have any comments, please contact us at [cr@acer.com](mailto:cr@acer.com)

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