



2017 Acer Corporate Responsibility Report

MAKING OUR MARK





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About the Cover

A confident young woman walks through a forest, looking hopefully out to the future and ready to use her talents to contribute to a sustainable future. This cover represents Acer in its third transformation, wherein we will fully unleash our core competencies to “make our mark,” responding to changes in the external environment by daring to





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Since 2008 Acer has issued annual corporate responsibility (CR) reports simultaneously in English and Chinese, disclosing information and future plans on the three aspects of corporate governance, environment, and society. Such reports enable stakeholders to better understand Acer's efforts and achievements in sustainable development are available at the Acer Group's sustainability website.

<https://www.acer-group.com/ag/en/TW/content/high-level-statement>

Report Boundaries and Scope

This report is based on the principles of consolidated financial statements with regard to organizational boundaries. In scope, this report includes the Acer Group's subsidiaries, the Acer Foundation and the Gateway Foundation, but does not include reinvestment matters, and some performance is not yet fully incorporated; where there are issues of data adjustment or estimation, they will be stated in the report text. For more details on finance and organizational information, please refer to the Acer Group's investor Relations page (<https://www.acer-group.com/ag/en/TW/content/ir-overview>) and the company's annual reports.

Report Issuing Dates and Frequency

This report, released in June 2018, disclosed the Company's performance in key issues of sustainable development during 2017 (January 1, 2017-December 31, 2017); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2017 or forward into 2017. Acer issues CR reports each year, with the previous report issued in June 2017.

Report Compilation Principles

The content and framework of this report follows the Global Reporting Initiative's GRI Standards; appended to this report is an index of GRI indicators and report content.

Policies and Measures for Internal Verification and External Assurance

This report has been checked by internal department managers to verify the accuracy of the information herein, and our corporate sustainability officer has reviewed the ESG performance and strategic goals. This report commissioned the accounting firm KPMG Certified Public Accountants in accordance with the limited assurance standards of ISAE3000 and in line with the GRI Standards Core Option. All financial data in this report are annual information that has been verified by KPMG. GHG-related data have undergone assurance by SGS. Management including the CSO also participated in the assurance process and took interviews.

Response and Feedback

If you have any questions or suggestions regarding the Acer 2017 CR Report or sustainability issues, you are welcome to contact us.

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Report download QR code:





MESSAGE FROM THE CHAIRMAN AND CEO



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As a multinational company and one of the world's top PC brands, corporate social responsibility is a key focus for Acer, parallel to our ongoing pursuit for innovation, and fully aligned with our long term mission of breaking barriers between people and technology. In 2017, our top priorities included sustainable development to protect our environment, corporate responsibility, and risk management; and we began applying the True Value^{Note1}: methodology that measures total costs and effectiveness, and developing strategies that guard both commercial and social values.

After more than 40 years since our founding Acer continues to evolve with the times. The results of our latest efforts indicate that we have steered our company onto the path of transformation with positive growth. In 2017, Acer's strategy for corporate social responsibilities is aligned with the company's three core beliefs: Value Creation, Balance of Interests, and Sustainable Development, the foundations for a forward-looking organization.

Sustainable development is a powerful driving force behind corporate social responsibility. In 2017, we made significant efforts to support the United Nations Sustainable Development Goals (SDGs), including affordable and clean energy, health, and sustainable production models. And as a result of our steady internal communication, we are glad to see how SDGs are gradually becoming a part of Acer's culture. We held the first Acer CSR Awards, recognizing the SDG efforts of our global operations including poverty eradication, digital learning, employment for the disabled, marine conservation, social care, renewable energy, and more. We will continue to encourage Acer employees to care and take actions for the wellbeing of our society and environment.

Externally, Acer has constantly been recognized by renowned sustainability indices around the world. We have been listed on DJI's Emerging Markets Index and MSCI Global Sustainability Indexes for four consecutive years; and on the FTSE4Good Emerging Index for the second year.

In regards to energy and environmental protection, we have actively increased the use of green energy. We built a solar power plant with a total of four ground and roof-type solar power farms, generating about 3.52 million kWh of energy per year. Acer's US subsidiary also continued to participate in the US Environmental Protection Agency's Green Power Partnership program, with our office buildings using 100% green electricity that come from renewable sources such as wind and solar energy.

In the field of preventive medicine for the future, Acer has taken considerable steps forward in the research and development of high-performance computing used for genetic sequencing in the Cancer Moonshot Project, a collaboration with the US National Cancer Institute (NCI), and Taiwan's Academia Sinica and Chang Gung University. With the capability to shorten computational work that would have required 13 days to a mere 2.5 hours, the Cancer Moon Shot Project expects to significantly shorten the program of cancer prevention and treatment that includes diagnosis and patient care.

As a global citizen Acer will continue to explore new ways to fulfill our responsibilities to help society and the environment as a whole.



Chairman and CEO

Note1: KPMG's True Value methodology: <https://home.kpmg.com/content/dam/kpmg/pdf/2015/06/introduction-kpmg-values.pdf>

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IMPORTANT ACHIEVEMENTS AND RECOGNITION IN 2017



Sustainability



2017 Constituent
MSCI ESG
Leaders Indexes

MSCI ESG Leaders Indexes / MSCI SRI Indexes

Chosen for the fourth consecutive year to join the MSCI Global Sustainability Indexes/MSCI Leaders Indexes



2017 Constituent
MSCI SRI Indexes

MSCI ESG Leaders Index (formerly MSCI Global Sustainability Index)



MEMBER OF
Dow Jones
Sustainability Indexes
In Collaboration with RobecoSAM

Dow Jones Sustainability Emerging Markets Index

Chosen for the fourth consecutive year to join the Dow Jones Sustainability Emerging Markets Index



FTSE4Good

FTSE4Good Emerging Index

Chosen for the second consecutive year to join the FTSE4Good Emerging Index



TCSA 台灣企業永續獎

Taiwan Corporate Sustainability Awards

Received Gold Award at the Taiwan Corporate Sustainability Awards for the fourth consecutive year



ZICKLIN
SCHOOL OF
BUSINESS

Baruch College CSR-Sustainability Monitor

Baruch College released its list of the top 25 CSR reports worldwide, with Acer Inc. placing fourth out of 629 of the world's largest companies.



Corporate Governance



臺灣證券交易所

Stock Exchange Third corporate governance assessment Top 6%-20% of listed companies

Acer passed third Corporate Governance Evaluations Top 6%-20% of listed companies.



Social Inclusion



This-Priis 2017 Employer Award

Acer Zurich received the This-Priis 2017 Employer Award for their long-term integration and support for disabled people working in the company, including their decade-plus of efforts to hire people who have suffered work-related accidents or illnesses. Acer is the only computer manufacturer in Switzerland that employs people with disabilities in their maintenance center.



"Buying Power" Socially Innovative Products and Services Purchasing Incentives

In 2017, Acer purchased NT\$500,000 of products from social enterprises, earning our first "Buying Power" Socially Innovative Products and Services Purchasing Incentives award. Through purchasing products and services from socially innovative companies in lieu of donations, we can further understand the products, services and social influence created by such companies.



經濟部中小企業處
SOCIAL ENTREPRENEURSHIP ADMINISTRATION
MINISTRY OF ECONOMIC AFFAIRS



Taipei Golden Eagle Micro-movie Festival Award

Acer's micro-movie "Making the Dream Possible" received the Best Film, Best Sustainability and Innovation, and Best Social Philanthropy awards at the 2017 Taipei Golden Eagle Micro-movie Festival.



Customer Service



Annual National Customer Service Awards

Earned annual national customer service awards in countries including China, the Netherlands, France, Switzerland, Germany, and Czechia.



Best Service Brand, Popular Computing Weekly, China

We were named Best Service Brand for the 12th year running by Chinese magazine Popular Computing Weekly.



Outstanding Merchant Award from JD.com

We won the Outstanding Merchant Award from JD.com for the second consecutive year.



Save money. Live better.

E-commerce Sales Award, Brazil

Acer Brazil received the E-commerce Sales Award

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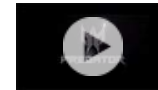


Market Recognition

Red Dot Design Award, Germany



Two videos, the sustainability-themed “Making the Dream Possible” and the industrial design focused “Predator 21 X Design Story—Facing Challenges Head On,” both won Red Dot Communication Design Awards in 2017. “Making the Dream Possible” depicts Acer’s partnerships with non-profit organizations in three countries, helping local underprivileged children develop their IT skills and creating digital opportunities. “Predator 21 X Design Story—Facing Challenges Head On” describes the process behind the design of Acer’s flagship gaming notebook. In addition to these two communication design awards, seven products received 2017 Red Dot Awards, namely the flagship Predator 21X curved gaming notebook, Switch 3 2-in-1 notebook, Spin 7 convertible ultra-thin notebook, Chromebook 11 N7 notebook, Chromebook Spin 11 convertible notebook, TravelMate Spin B1 convertible notebook, and H7850 HD 4K projector.



Predator 21 X Design Story—Facing Challenges Head On

Best of Innovation Award, Computer Peripherals, Consumer Electronics Show, USA



At the 2017 Consumer Electronics Show (CES) in the US, Acer launched the industry-first Predator Z301CT 21:9 curved-screen esports monitor with integrated Tobii eye tracking technology. This monitor also won the Best of Innovation Award at CES, the highest honor available to computer peripherals.

Good Design Awards, Japan



A total of eight Acer products won awards at the 2017 Japan Good Design Awards, including the Acer Holo360 panoramic camera, which was recently launched at the 2017 IFA and has received substantial attention; the cloud-connected Acer Vision360, which offers high-resolution 4K and 360-degree shooting for vehicles; the Acer Air Monitor, an air quality monitor that is an essential addition to smart homes; and all-in-one desktops and four notebook computers with innovative designs and eye-catching specifications. These products caught the judges’ attention for Acer’s design thinking, skillful use of innovative materials, and user-oriented, intuitive design, as well as the aesthetic and texture of the exteriors.

Taiwan Excellence Awards



Several Acer products were selected for the Taiwan Excellence Awards in 2017, including the Predator 21 X, the world’s first curved-screen notebook, which was honored with the Gold Award for its high degree of integration of innovation and design. The ultra-short-throw Predator Z850 esports projector, also a world first, also received a Taiwan Excellence Silver Award. Other award-winning products include the Swift 7 ultra-thin notebook, ProDesigner professional-grade monitors, XR series of curved screens, and abUC Office Communication 4.0 solutions.

Computex D&I Awards, Taipei



Acer is constantly striving to create more innovative, better-designed products with an insistence on usability, consumer needs, and providing users with greater added value. This year, this paid off at the Computex D&I Awards in Taipei for the 10th consecutive year. Not only did a number of products win this year, we also received a Distinguished Contribution Award.

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CSR HIGHLIGHTS



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Corporate Governance

- Independent directors account for nearly **50%** of the seats on the Board of Directors, further enhancing the independence of the Board.
- Transfer of power between old and new Board of Directors was successfully completed.
- New Investment Committee established.



Environmental

- All electricity used by Acer Americas within the Americas, including the United States, Canada, Brazil, and Mexico, comes from renewable sources, particularly wind and solar.
- In 2017, Acer built a solar power plant with a total of four ground and rooftop arrays in the Aspire Park, generating about **3.52 million kWh** of electricity each year.



Social

- New staff worldwide: **1,056**
- Worldwide volunteers: **5,277**
- Beneficiaries reached: **170,000**
- Groups with Acer to create social and environmental value: **Over 30**



Innovation and Customer Service

- Ranked **fifth** for number of patents obtained in Taiwan.
- Customer satisfaction reached **95.05%**



Supply Chain Management

- Sustainable Supply Chain Performance (Acer RBA 2.0 Performance): Tier-two Suppliers Increased to **348**
- Took Lead in Holding Supply Chain “Science-based targets (SBT) Training Courses,” improving Supply Chain Capability.

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Material Topics for Response to Stakeholder Concerns
 Sustainable operating strategy, Economic Performance, Stakeholder Engagement

Founded in 1976, today Acer is one of the world's top ICT companies and has a presence in over 160 countries. As Acer looks into the future, it is focused on enabling a world where hardware, software and services will fuse with one another to open up new possibilities for consumers and businesses alike. From service-oriented technologies to the Internet of Things to gaming and virtual reality, Acer's 7,000+ employees are dedicated to the research, design, marketing, sale, and support of products and solutions that break barriers between people and technology.

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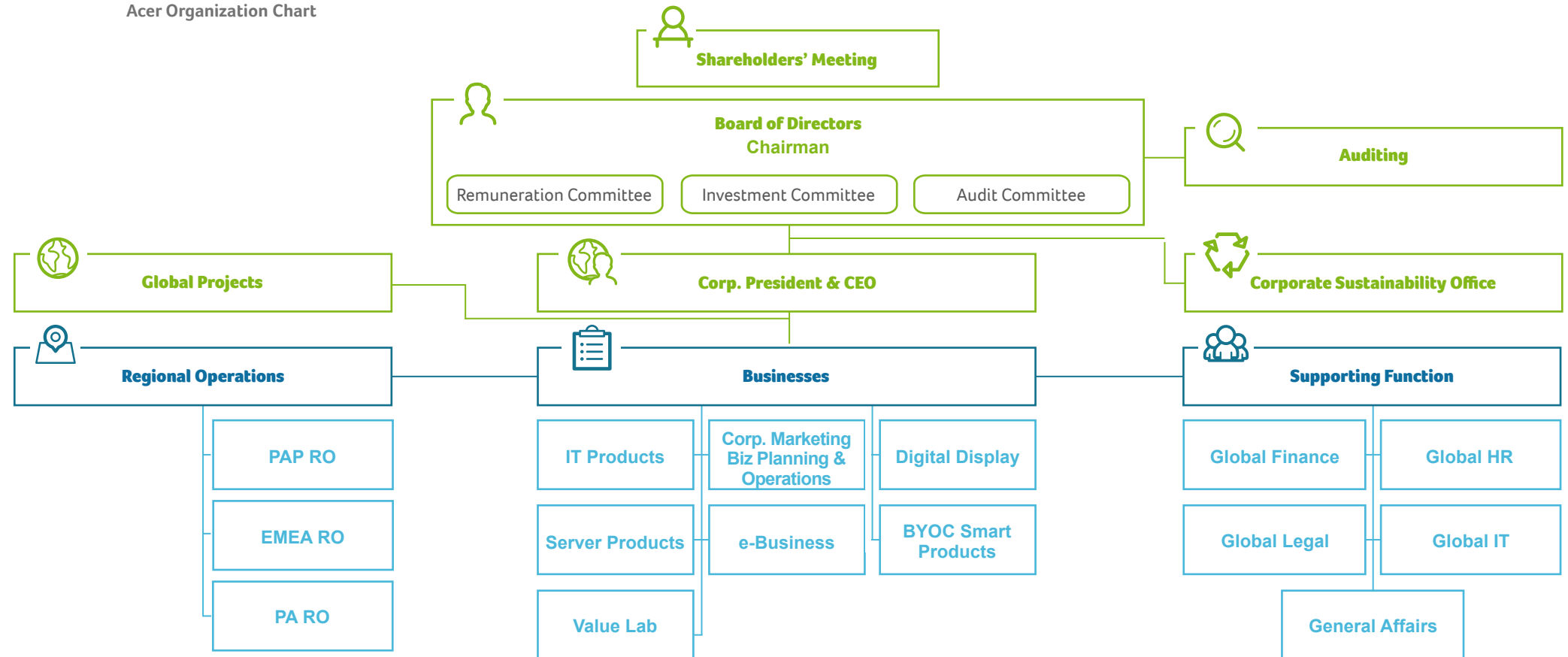
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Acer Incorporated is listed on the Taiwan Stock Exchange under the ticker 2353. It has a presence in over 160 countries, employs over 7000 people globally and has regional headquarters in the Pan-American, Pan-Asia Pacific and EMEA regions.

Acer's main business focus is in IT Products, including Notebook PCs, Desktop PCs & Servers, Monitors & Projectors, Smart Devices and Windows Mixed Reality. At the same time, Acer is also pursuing new business opportunities in areas relating to Internet of Things (IoT), Cloud Services and Artificial Intelligence.

As Acer journeys into the future, it is working to go beyond just PCs and pursuing multiple growth engines and broadening its business boundaries. However as Acer expands its scope, it continues to be rooted in its core competencies in PCs, placing emphasis on higher price points and building brand premium with Predator devices in Gaming, Thin & Light Notebooks, and 2-in-1s.

Acer Organization Chart



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BRAND VALUES



Mission



'Breaking down barriers between people and technology.'

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. Such communication is carried out effectively through our corporate website, subsidiary sites, advertising, product exhibitions, press conferences, and sponsored activities.

Brand Values



Human



Curious



Progressive

IT Product Philosophy



Break tradition



Bust barriers



Create convenience



In addition to traditional media, Acer makes use of social and other digital media to increase communication with users and potential customers. The Company also continues to sponsor a variety of high-profile sporting events, including a number of e-sports competitions.

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Major Global Events with Acer Participation, 2017

April

In April Acer held its Global Press Conference in New York. At the event, Acer unveiled a plethora of new devices, such as the iF Design Award-winning Aspire U27 with Acer's proprietary LiquidLoop™ fanless cooling system, the powerful and thin Predator Triton 700 gaming notebook, and Acer Leap Ware smart fitness watch.

Also in April, Acer was named the Official Sponsor and Monitor Partner for League of Legends (LoL) Esports for 2017, providing its battle-tested Predator gaming monitors for a series of events including the 2017 League of Legends World Championships, Mid-Season Invitational, and the Summer Split League of Legends Championship Series in North America and Europe.



March

Acer was the official partner and monitor provider of the Intel® Extreme Masters (IEM) Season 11, the longest-running e-sports circuit in the world. Taking place at the Spodek Arena at Katowice, Poland, the gaming event spanned two consecutive weekends—25-26 February and 3-5 March—and all players competed on Acer Predator XB241H monitors.

January

At the Consumer Electronics Show (CES) Acer unveiled and showcased a number of new products including the world's first curved-screen gaming notebook, the Acer Predator 21 X; the world's first 21:9 curved monitor with eye-tracking functionality, the Acer Predator Z301CT; and the Acer Chromebook 11 N7 (C731) with enhanced durability features.

May

In May Acer was named the Official Partner of the Red Bull Kumite 2017 international fighting games competition, where the world's top Street Fighter V players go head-to-head on Acer's battle-tested Predator XB271HK monitors. Acer brought exceptional gaming experiences to the third edition of the Red Bull Kumite, which took place during the weekend of May 27-28 at the Salle Wagram in Paris.

June

Acer was out in force at Computex 2017 to show off its latest devices and solutions. At the show, Acer was honored with a Computex D&I Distinguished Contribution Award in recognition of our longstanding dedication to innovation and product design over the past decade. In addition, Acer garnered four 2017 Computex D&I Awards for the Predator Z301CT ultra-wide curved gaming monitor, the ProDesigner™ PEO series monitor with ultra high-definition 4K resolution for content creators, the Aspire U27 all-in-one PC, and the Switch 5 detachable 2-in-1 notebook.



August

In August Acer announced a number of new devices at its Global Press Conference at IFA Berlin, including the Predator Orion 9000 gaming desktop with Windows 10, its most powerful to date; the Acer Holo360 camera; the award-winning Chromebook 15 with a 15.6-inch display; and Acer's slimmest ever all-in-one desktop PC featuring a display with a side profile of only 5.97 mm. Acer also unveiled two new projectors including the Acer VL7860 for the home and P8800 for large venues.



STATUS OF OPERATIONS



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Acer has developed a diverse range of new products, and in recent years the market has begun to take notice, resulting in the company beginning to take flight. In 2017,



For more details on the company's operating performance and financial information, please refer to the Acer Incorporated 2017 Financial Report.

For information on Acer's operations over the past three years, please refer to the corporate social responsibility summary in this report.

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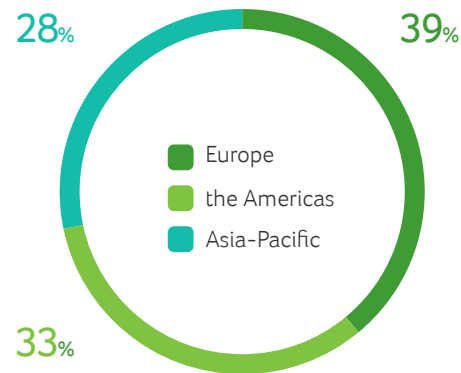
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The foundation of Acer's core PC products business is quite stable. According to data for 2017, our three main operating HQs accounted for the following percentages of total revenues:



By crafting product portfolios based on the needs of consumers in each region, annual gross profit ratio has reached a stable double-digit level, demonstrating Acer's ongoing dynamism and profitability.

Acer and our subsidiary AOpen have built synergistic cooperation in the field of digital signage.



In the last two years, Acer has also expanded into the VR market with subsidiary StarVR, working with partners in the United States, Japan, and Dubai to launch formal operations.

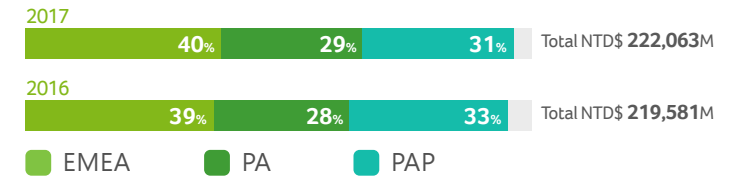


Our subsidiary Altos has also made moves into the promising fields of AI and deep learning.

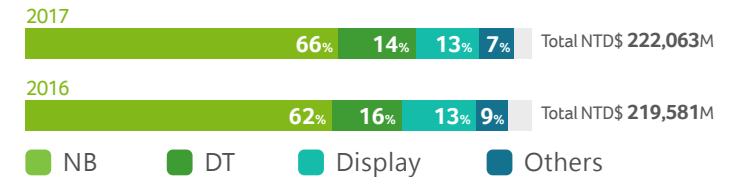


2017 IT Products

Region



Product Type



Note 1 : All currency amounts mentioned in this report, unless otherwise specified, are in New Taiwan Dollars (NT\$).

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02 SUSTAINABLE VALUES, STURDY MODELS

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Acer continues to take a proactive view toward sustainability issues, listening to stakeholders, and participating in both domestic and international corporate social responsibility advocacy and organizations. In 2008, the Company established our Corporate Sustainability Office, which was charged with handling global CSR issues; in 2011, this was followed by the establishment of our Global Corporate Social Responsibility Committee (GCSRC), a further expansion of our CSR governance structure's scope. In 2017, in response to the transformation of the company and changes in the global environment, we further adjusted our sustainability mission and CSR policies, ensuring we are fully equipped to make good on our commitments to development that is sustainable on both the corporate and social levels.

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Sustainable Supply Chains

Material Topics for Response to Stakeholder Concerns

Stakeholder Engagement, Sustainable Operating Strategies, Stakeholder Engagement, Stakeholder Engagement, Sustainable Operating Strategies, Supplier Environmental Performance, Conflict Minerals



CORPORATE RESPONSIBILITY POLICY AND COMMITMENTS



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Sustainable Acer

In recent years, Acer has worked hard to transform itself, and through the transition from loss to profit, the company has reached the current stage of sustainable management. In 2017, we rethought and adjusted the existing meaning and mission of corporate social responsibility, integrating key elements of the original mission and aligning the CSR strategy with the company's new development direction and the core spirit of the brand. The redefined CSR mission is:

While pursuing profitability, leading transformation, and providing innovative services, we will continue to create tangible and intangible value while focusing on our three core beliefs of creating value, balancing interests, and developing sustainably in order to promote sustainability model transfer and leverage our social influence as we become a future-oriented business.

In addition, in line with the transformation of the company, we have also adjusted the existing Acer CSR policy to include three aspects: Integrated sustainable governance, pioneering green innovation, and comprehensive sustainable impact.

Acer Corporate Social Responsibility Policy



Integrated Sustainable Governance

Deepening CSR governance and stakeholder engagement, as well as strengthening the overall management and transparent disclosure of both financial and non-financial performance.



Pioneering Green Innovation

Incorporating low-carbon, sustainable, and cyclically innovative technologies and concepts into products and services, taking the lead in smart cities and the development of a new green economy.



Comprehensive Sustainable Impact

Creating real corporate value and leveraging our influence on suppliers and partners to help the overall industry move toward a sustainable future.

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Acer Corporate Social Responsibility Development Policy

The development of Acer's CSR began with a preparatory period between 2005 and 2007, wherein we began integrating environmental issues into our sustainability concerns. Between 2008 and 2010, we laid the foundations of our CSR management mechanism, along with incorporating labor and ethics issues into our supplier management. 2010 through 2014 was our strategic promotion period, during which time concepts of sustainability were incorporated into all the company's operating mechanisms and compliance with international trends in sustainability became a focus. This is being followed by our 2015 to 2024 value creation period, during which we are reviewing the overall environment and the expectations of our stakeholders to plan Acer policy in terms of CSR implementation 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 and innovation development goals that serve as a model for the industry.

Timeline of Acer's Corporate Social Responsibility Efforts



Acer's sustainable development strategy for corporate social responsibility in the medium and long term focuses on the following three areas:



Deepening responsible corporate governance and strengthening management of non-financial performance and sustainability risks & opportunities

Strengthening non-financial performance—true value

Concrete Actions Taken in 2017: Building on 2016's incorporation of social return on investment (SROI) methods, we calculated the non-financial performance of social concern programs, working to optimize the investment of social resources and deepen sustainability strategies, thus leveraging greater social influence. In 2017, we held the Acer Corporate Social Responsibility Project Awards, further building on non-financial performance management and employing SROI concepts in the judging thereof. Through these awards, we showcased the social and environmental benefits created by our staff around the world in concert with stakeholders.



Leading innovation in products and services by combining low-carbon and sustainable technologies to develop a new green economy

Responding to the United Nations Sustainable Development Goals

Concrete Actions Taken in 2017: The United Nations Sustainable Development Goals (SDGs) provide an important guidepost for the sustainable development of humanity as a whole. As a citizen of the world, Acer actively strives to connect our technologies, products, and services with the UN SDGs, using our core competencies to address the needs of society. In 2017, we took specific actions to address 9 of the SDGs through elements including healthcare, smart cities, and smart transportation. For details, please refer to chapter 4 of this report.

Into the future, we will continue to invest in solutions that look to the UN SDGs, using technology, products, and services to guide innovation and realize Acer's sustainability blueprint.



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Establish a model of sustainable development and harness our influence to help the overall industry progress toward greater environmental, social, and economic benefits

Launch and actively participate in the creation of a national Internet of Beings ecosystem

Concrete Actions Taken in 2017: Together with MediaTek, Advantech, and several other major companies in the field, Acer is a founding member of “Asian Silicon Valley for the Internet of Things.” This alliance was created as part of the “Asia Silicon Valley” initiative launched by Taiwan’s National Development Council, which is focused on two main axes: promoting innovation and

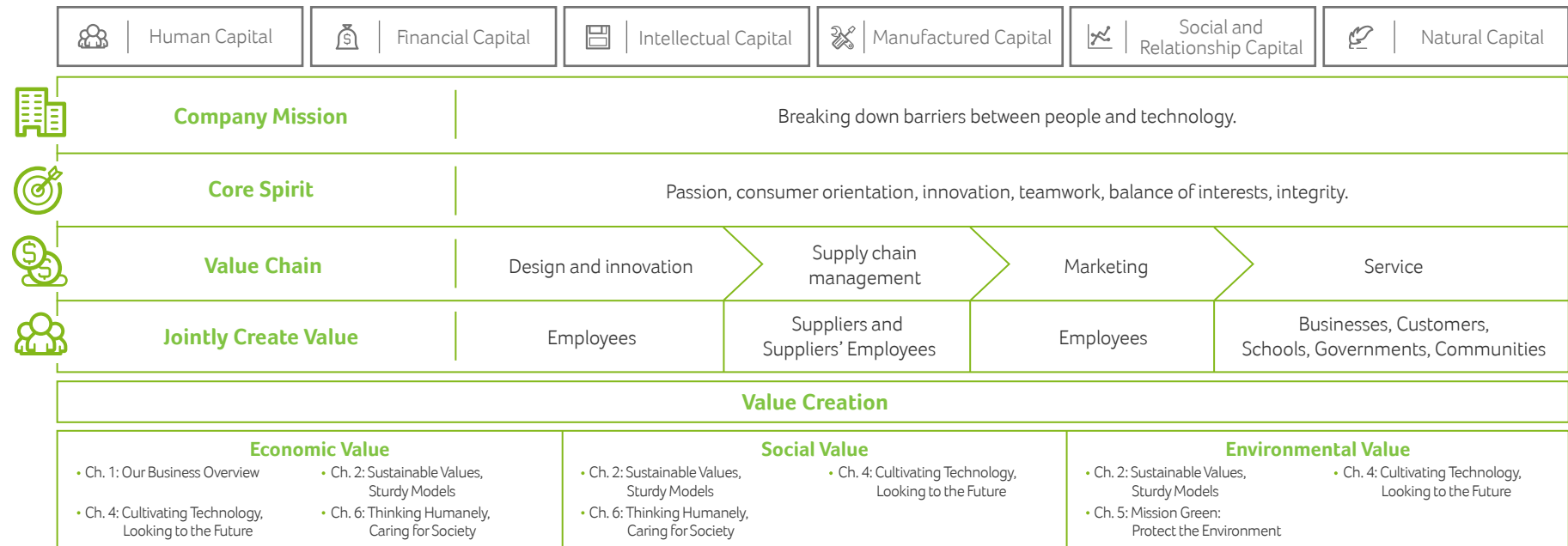
development in the Internet of Things industry and building a robust innovation and entrepreneurship ecosystem. Mr. Stan Shih, Acer’s founder, was selected as the honorary president of the alliance for his important place in the development of the technology industry in Taiwan.

The focus of this alliance is on plants, startups, associations, and federations within the IoT field, inviting public-sector associations to participate as needed to help foster innovation and plan for the creation of a new industry around IoT applications. The alliance hopes to take on the needs of the industry head-on, from technology R&D and field verification to international exports, building a “national IoT team” for Taiwan and moving into the international market. By creating a platform for the industry, the alliance aims to incubate cooperation between startups, systems, and fields, fostering a proliferation of new entrants to the industry. In 2017, the alliance convened four meetings, publicly soliciting for members and proposals in areas including self-driving cars, AI, mobile lifestyles, smart transportation, smart medical care, and IoT application platforms, providing subsidies for tenders through national programs.

Promote industry-academia exchange

Concrete Actions Taken in 2017: In January 2017, in cooperation with National Taiwan University, we held the Sustainable Resource Management Conference. Through this conference, Acer and the academic community discussed issues pertaining to resource sustainability, particularly the responses and opportunities involved, thus deepening both industry and supply chain abilities to respond to international issues of sustainability. At the conference, a variety of topics were addressed, including sustainable management of resources, sustainable material flow management, conflict minerals and supply chain management, and rare metals management.

Acer’s Sustainability Value Creation





CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE



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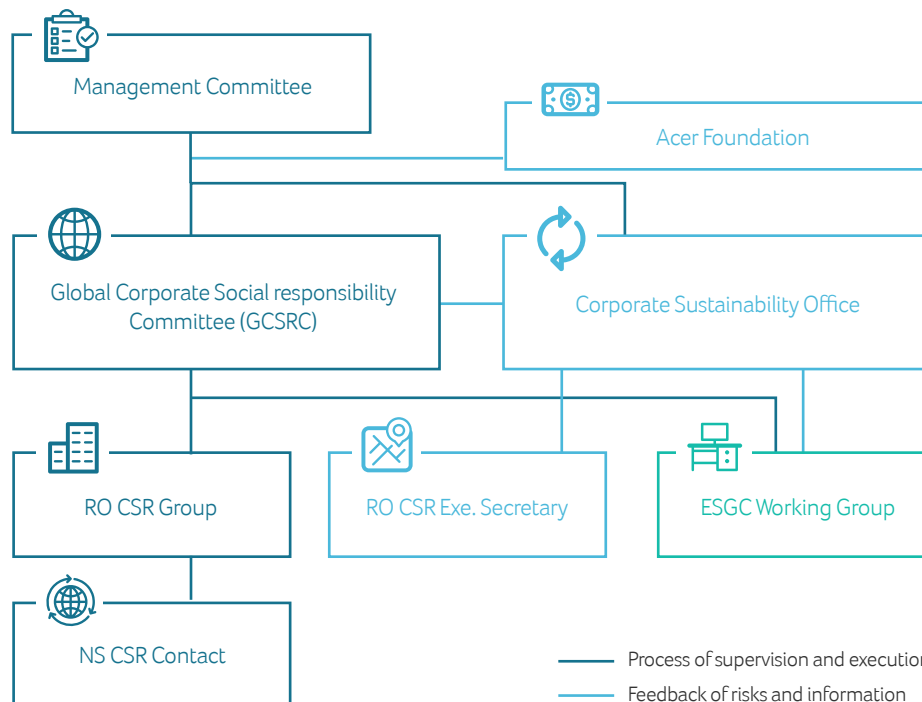
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In order to broaden the scope of corporate social responsibility governance and incorporate sustainable development strategies in daily operations, in 2012 the Global Corporate Social Responsibility Committee (GCSRC) was established. The members of the GCSRC include senior management in regional departments and major business & functional units. To promote effective communication across global locations, we have put in place executive secretaries for corporate social responsibility in each regional headquarters. These executive secretaries are tasked with representing each region on the committee. The GCSRC meets regularly to help improve the effectiveness of Acer's implementation of corporate responsibility and build consensus around global CSR operations by assessing CSR-related risks & opportunities, evaluating CSR performance, and sharing CSR experience.



The Corporate Sustainability Office is Acer's specialist unit committed to corporate social responsibility. Led by the corporate sustainability officer, its primary responsibility is managing governance, environmental, and social issues, among others.



Reporting directly to the chairman of the board, the office also regularly provides reports to the GCSRC regarding trends, influence, and performance with regard to these issues.



The Corporate Sustainability Office plays an important role in as a communications bridge between the various workgroups and the GCSRC, helping workgroups and the CSR teams at the regional headquarters implement the CSR agenda.

Acer takes a proactive attitude to reviewing and promoting important sustainability issues and strives to incorporate sustainable development policies into daily operations. We have established a CSR governance pipeline for the communication of relevant issues, fully implementing a variety of resolutions and continuing to pursue stronger corporate social responsibility governance. In September 2017, we held a global discussion meeting aimed at CSR teams from our regional headquarters, discussing trends and performance in CSR-related issues and facilitating the sharing of regional experience. During this meeting we also set out how our Corporate Social Responsibility Project Awards would be conducted, along with a timetable for them, beginning with the nominations and selection of entrants for the first Global Corporate Social Responsibility Project Awards.

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STAKEHOLDER ENGAGEMENT



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Deepening our corporate responsibility governance and engaging with stakeholders are among aspects of Acer's CSR policy. In addition, balancing interests, overcoming difficulties, working with stakeholders to create shared value, and creating win-win industrial ecologies are parts of the core spirit of Acer's brand.

Stakeholder Identification and Communication

In order to best communicate and engage with our stakeholders, we work to fully identify those stakeholders through the five attributes laid out in the AA1000 Stakeholder Engagement Standard: dependency, responsibility, tension, influence, and diverse perspectives. Through this, we are able to deepen our level of communication with stakeholders and gain a more accurate understanding of their respective needs.

Stakeholder Identification

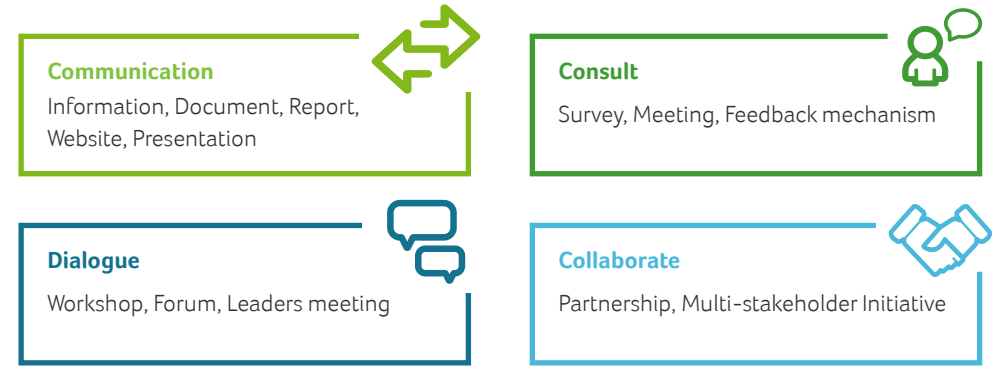
Identification and Communication

10 Types of Stakeholder



Through communication, consultation, dialog, and cooperation, we create mutual exchange with stakeholders. In order to use the results of this communication to promote ongoing progress, we have also designed a communications evaluation mechanism and procedure for managing issues of concern. These are aimed at properly managing the opinions of different stakeholders as collected and assessed through communication channels, and at helping us achieve the expected level of communicative performance.

Stakeholder Communication Methods



Procedure for managing issues of stakeholder concern



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Channels for Communication with Stakeholders

Employees

Importance to Acer

As the company has undergone its transformation, Acer's internal employees communication channels have helped build consensus and commitment among staff and get everyone on the same page regarding our transformational efforts.

Issue(s) of Concern

- Corporate Governance/Behavior Standards
- Legal Compliance
- Innovative Research & Development and Product Services
- Operational Risk Management

Main Communications Channels

- Acer Good News
- Acer Daily News
- External Website (Acer Group)
- Internal Website (My Acer/company intranet)
- Employee Welfare Committee
- Employee Representatives Organization
- Email Bulletins
- Chairman & CEO's message

Results of Communications in 2017

- We organized four Employee Representative Meetings to discuss matters relating to operations management, work environment and employees' rights and draft plans for the implementation of major improvement resolutions.
- The chairman and CEO Jason Chen also held "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.

Relevant Report Section(s) Corporate Governance Structure / Legal Compliance / Innovation and Research / Risk Management / Employee Care and Development

Customers

Importance to Acer

Creating value for customers is one of Acer's core values. We start from a user-centric perspective and work to provide solutions and services that meet their needs perfectly.

Issue(s) of Concern

- Corporate Governance/Behavior Standards
- Legal Compliance
- Information Security Governance
- Information Transparency and Complaints Mechanism

Main Communications Channels

- Email and Telephone Contacts
- Acer Sustainability Website
- Corporate Social Responsibility Report
- Communication through Acer Community Online Platform
- Annual Satisfaction Surveys
- CR mailbox (cr@acer.com)

Results of Communications in 2017

- The Acer Community had 38,653 new registered users, reaching a total of 240,436 members to whom Acer has provided over 8,143 solutions.
- In 2017, Acer received the Best Service Brand Award and the Outstanding Commerce Award in China, along with earning annual national customer service awards in countries including China, the Netherlands, France, Switzerland, Germany, and Czechia.
- The percentage of positive customer evaluations reached 95.05%.

Relevant Report Section(s) Corporate Governance Structure / Legal Compliance / Internal audits / Customer Service

Suppliers

Importance to Acer

Acer considers our relationship with our suppliers as a symbiotic one, and as such we will continue to work closely with them to establish a responsible supply chain.

Issue(s) of Concern

- Product Responsibility and Customer Safety
- Corporate Governance/Behavior Standards
- Innovative Research & Development and Product Services
- Operational Risk Management

Main Communications Channels

- Annual CSR Scorecard
- Quarterly Business Review Meetings
- Annual Supplier CSR Communication Meetings
- Complaints Mailbox (whistleblower.acer@acer.com)
- Supplier Surveys

Results of Communications in 2017

- Held 2017 Supplier CSR Communication Meetings
- Carried Out 2017 Supplier CSR Scorecard Assessments
- Incorporated CSR Scores into Quarterly Business Review Meetings
- Held 71 RBA Site Audits in 2017

Relevant Report Section(s) Circular Economies and Product Life Cycle / Corporate Governance Structure / Legal Compliance / Sustainable Supply Chains / Risk Management

Investors

Importance to Acer

Investors are among Acer's most important stakeholders, and as such we should be responsible to our shareholders and work to protect their rights and interests.

Issue(s) of Concern

- Corporate Governance/Behavior Standards
- Sustainable operating strategy
- Innovative Research & Development and Product Services
- Legal Compliance

Main Communications Channels

- Annual Shareholder Meeting
- Held Regular Institutional Investors' Conference Calls
- Issued Regular Annual and Quarterly Corporate Reports
- Market Observation Post System
- Acer Sustainability Website
- Corporate Social Responsibility Report
- Investor Mailbox (investor.relations@acer.com)

Results of Communications in 2017

- Held 2017 Annual Shareholder Meeting
- Issued 2017 Annual and Quarterly Corporate Reports
- Completed third corporate governance assessment with Financial Supervisory Commission, ranking in the top 20%

Relevant Report Section(s) Corporate Governance Structure / Legal Compliance / Status of Operations / Innovation and Research



Channels for Communication with Stakeholders

Community

Importance to Acer

We believe that the true value of business lies in how it can create value for society. As such, we apply our core competencies to social participation, working together to create more opportunities.



Issue(s) of Concern

- Corporate Governance
- Legal Compliance
- Information Security Governance
- Information Transparency and Complaints Mechanism

Main Communications Channels

- Acer Sustainability Website
- Corporate Social Responsibility Report
- Acer Official Website
- Complaints Mailbox (whistleblower.acer@acer.com)
- Acer Foundation Website
- Volunteer Activities

Results of Communications in 2017

- Holding and sponsoring competitions and events every year to create opportunities for young learners.
- Participating in digital inclusion program each year.
- Participating global environmental protection and charitable activities each year.
- Getting involved in volunteer service every year.

Relevant Report Section(s) Corporate Governance Structure / Legal Compliance / Internal audits / Employing Skills to Impact Society

Government Agencies

Importance to Acer

Gaining the trust, support, and cooperation of the government to help the company create a positive external environmental and a foundation for further growth for Acer.



Issue(s) of Concern

- Corporate Governance
- Legal Compliance
- Information Security Governance
- Information Transparency and Complaints Mechanism

Main Communications Channels

- Responding to Legal Advice
- Policy Advice Meetings

Results of Communications in 2017

- In July 2017, the chairman and CEO of Acer made an AI policy statement to the Executive Yuan Board of Science and Technology. At the same time, the manager of Acer Cloud Technology's Internet of Beings business unit also presented new Acer application development cases at the Executive Yuan's Strategic Review Board Meeting for the Smart System And Chip Industry.
- Acer participated in Taiwan's diplomatic cooperation program, donating Cloud Professor units to El Salvador to help bridge the digital divide. Acer is also active in Southeast Asia and both Central & South America. There we support government and NGO efforts to promote cooperation in IT education, helping more people get online and participate in the digital era.
- Took part in the Ministry of Science and Technology led National Center for High Performance Computing HPC Kung Fu - The NCHC 3D Animation Challenge 2017 national competition. In August 2017, Acer HQ played host to the finals and awards ceremony. Through this, Acer and the government are working together to foster the interdisciplinary talent of the future.

Relevant Report Section(s) Corporate Governance Structure / Legal Compliance / Internal audits / Innovation and Research / Employing Skills to Impact Society

Advocacy Organization

Importance to Acer

Advocacy organizations serve to motivate companies to implement social responsibility and can help Acer strengthen its own practice of corporate social responsibility.



Issue(s) of Concern

- Energy and Climate Change
- Information Security Governance
- Information Transparency and Complaints Mechanism

Main Communications Channels

- External Website (Acer Group)
- Questionnaires and Surveys
- Corporate Social Responsibility Report
- Acer Sustainability Website
- Corporate Responsibility mailbox (cr.acer@acer.com)
- Complaints Mailbox (whistleblower.acer@acer.com)

Results of Communications in 2017

- Participated in 2017 Public-Private Alliance for Responsible Minerals Trade Meeting.
- Continuing to sponsor CDP spring and autumn promotional presentations in Taiwan
- Continuing participation in the Carbon Disclosure Project (CDP) supply chain program, inviting major suppliers to participate in and fill out questionnaires

Relevant Report Section(s) Corporate Governance Structure / Internal audits / Stakeholder Engagement Sustainable Supply Chains / Circular Economies and Product Life Cycle

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Channels for Communication with Stakeholders

Media

Importance to Acer

The media play an important role in information transfer and monitoring, shaping the public's understanding and awareness of problems. Acer insists on dealing with media communication and cooperation with integrity and transparency.

Issue(s) of Concern

- Corporate Governance
- Legal Compliance
- Information Security Governance

Main Communications Channels

- Press Conferences
- Press Releases and Promotional Articles
- Social and Digital Media
- Corporate Websites

Results of Communications in 2017

- Held two global new product launches (April in New York, August in Berlin)
- Served as Official Sponsor and Monitor Partner for Intel® Extreme Masters (IEM) Season 11 and 2017 League of Legends (LoL) Esports and Kumite 2017 International Fighting Games Contest
- Participated in global trade shows the Consumer Electronics Show (CES) and Computex Taipei
- Holding regular marketing and media communication events at headquarters and regional/branch offices

Relevant Report Section(s) [Brand Values](#) / [Status of Operations](#) / [Corporate Governance Structure](#) / [Stakeholder Engagement](#) / [Legal Compliance](#)

Industry Associations

Importance to Acer

Industry associations play an important role in industry consolidation and can spur the development of Acer and the industry more broadly.

Issue(s) of Concern

- Innovative Research & Development and Product Services
- Information Security Governance
- Information Transparency and Complaints Mechanism

Main Communications Channels

- Participating in Organizational Conferences and Fulfilling Membership Obligations
- Participating in cooperative events and meetings
- Email and Telephone

Results of Communications in 2017

- Participating in 2017 RBA Members' Assembly
- Participation in routine meetings of Corporate Green Competitiveness Alliance
- Participating in the Taiwan Corporate Sustainability Forum (TCSF) Core Group
- Participating in American ITI Environmental Leadership Council (ITI ELC) and its Green Procurement and Product Stewardship Committees

Relevant Report Section(s) [Sustainable Supply Chains](#) / [Legal Compliance](#) / [Internal Audits](#) / [United Nations Sustainable Development Goals](#) / [Innovation and Research](#) / [Stakeholder Engagement](#)

Educational and Research Institutions

Importance to Acer

Educational and research institutions provide companies with new ideas and perspectives, and industry-academia cooperation can help both stay on the pulse of industrial development, creating a win-win situation.

Issue(s) of Concern

- Innovative Research & Development and Product Services
- Product Responsibility and Customer Safety
- Information Security Governance

Main Communications Channels

- Industry-Academia Exchanges
- Surveys and Interviews
- Conference Activities
- Acer Sustainability Website
- Report

Results of Communications in 2017

- In 2017, Acer supported schools in setting up e-sports classrooms, including Providence University, Hsing Wu University, and Huijiang High School. We also set up regional competition bases to entice more gamers to participate and gain experience.
- In 2017, we worked with National Taiwan University to jointly hold the Sustainable Resource Management Conference.
- Through industry-academia cooperation, we are able to bridge the gap between the academic and practical sides of the field while also cultivating corporate R&D potential and talent. In 2018, Acer sponsored the graduation exhibition held by the Industrial Design Department at National Cheng Kung University. Among the research topics for the exhibition, themed "In Design," was a project looking at the evolution of the design of Acer's Predator line. The content of this project is expected to be converted into a video format and will be shared on social media.

Relevant Report Section(s) [Legal Compliance](#) / [Innovation and Research](#) / [Circular Economies and Product Life Cycle](#) / [Employing skills to impact society](#)

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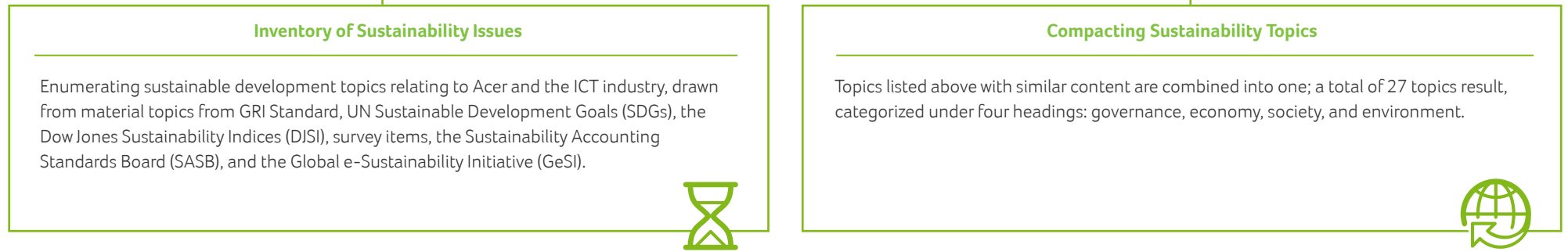


Identification of Material Topics and Boundaries

Acer uses the Global Reporting Initiative (GRI) Standard as the framework for establishing a process for identifying material sustainable development topics and providing the information upon which CSR report disclosures are based, ensuring stakeholders receive the information they need.

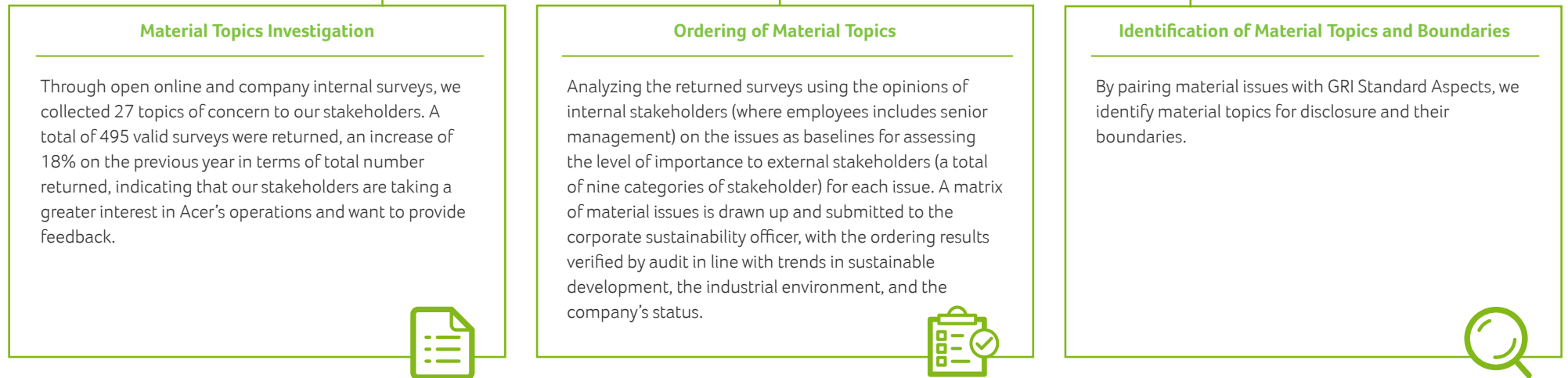
Material Topics

27 Sustainability Topics



Investigation and Verification of

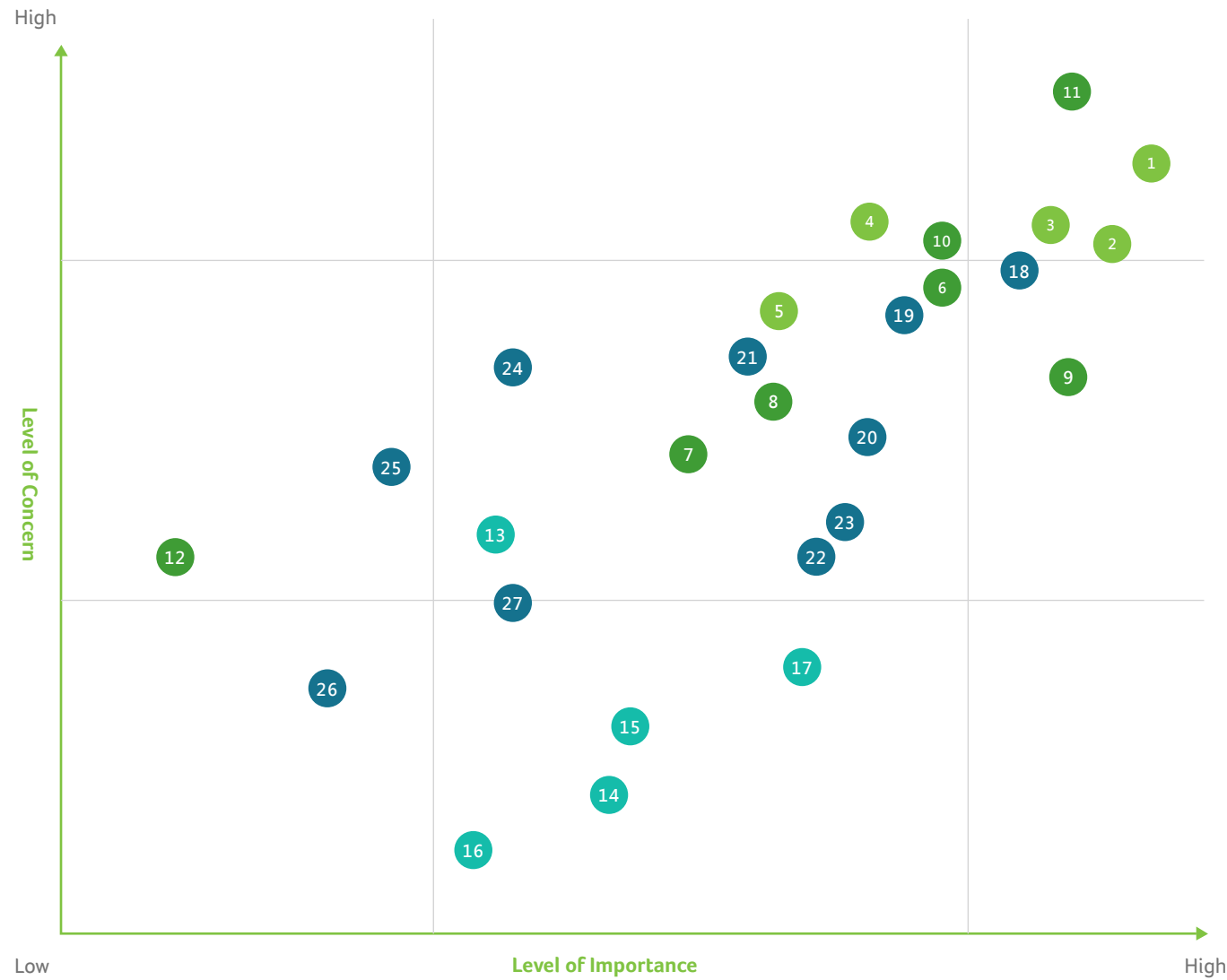
495 Surveys





Results of Analysis of Material Topics¹

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Governance



1. Corporate Governance Structure/ Behavior Standards
2. Legal Compliance
3. Information Security Governance
4. Transparency of Disclosure and Complaints Mechanism
5. Stakeholder Engagement

Economic



6. Innovative Research & Development and Product Services
7. Customer Management
8. Sustainable operating strategy
9. Operational Risk Management
10. Indirect Influence and Value Creation
11. Economic Performance
12. Policy and Public Issues Advocacy

Environmental



13. Supplier Environmental Performance
14. Energy and Climate Change
15. Circular Economies and Product Life Cycle
16. Environmental Policy and Management Performance
17. Water Resource Management

Social



18. Product Responsibility and Customer Safety
19. Customer Data Protection
20. Labor Management and Relations
21. Talent Attraction & Retention
22. Human Rights, Equality, and Diversity
23. Occupational Health and Safety
24. Talent Development and Training
25. Supplier Social Performance
26. Social Philanthropy and Digital Inclusion
27. Conflict Minerals

Note 1 : Level of importance refers to the scale of impact of an issue on corporate operations as evaluated by Acer staff; Level of concern refers to the degree of concern among stakeholders regarding Acer's response to said issue, as evaluated by external stakeholders





Material Topics and Boundary Identification

Governance	GRI Standards Topic	GRI Standards indicator	Degree of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
Corporate Governance Structure/ Code of Conduct	Corruption Prevention	205-2 、 205-3	Directly Created	●	●	●	●	
	Anti-Competitive Behavior	206-1	Through Business Practices	●	●		●	
Legal Compliance	Marketing and Labeling	417-1~3	Directly Created	●	●	●	●	
	Legal Compliance (Environmental)	307-1	Directly Created	●	●	●	●	
	Legal Compliance (Socioeconomic)	419-1	Directly Created	●	●	●	●	
Information Security Governance	Customer Privacy	418-1	Directly Created	●	●	●	●	
Transparency of Disclosure and Complaints Mechanism	Management Policy	103-2	Directly Created	●	●	●	●	●
	Information Transparency Covers All Aspects	Covers All Indicators	Directly Created	●	●	●	●	●
Stakeholder Engagement	Stakeholder Engagement	102-40 、 102-42 102-43 、 102-44	Directly Created	●	●	●	●	●

Economic	GRI Standards Topic	GRI Standards indicator	Degree of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
Innovative Research & Development and Product Services	Innovative Technology and Applications, Startup Platforms and Cooperation, Obtaining and Maintaining IP and Patents	Acer EC4~6	Directly Created	●	●			
Customer Management	Customer Service	Acer EC2~3	Directly Created	●	●	●		
Sustainable operating strategy	-	102-15	Directly Created	●	●	●	●	●
Operational Risk Management	Strategy and Analysis	102-14~102-15	Directly Created	●	●			
Indirect Influence and Value Creation	Indirect Economic Impact	203-1~2	Through Business Practices	●	●			●
	Procurement Practices	204-1	Directly Created	●	●		●	
Economic Performance	Economic Performance	201-1~3	Directly Created	●	●			
Policy and Public Issues Advocacy	Political Contributions	415-1	Indirect	●	●			

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Material Topics and Boundary Identification

Environmental	GRI Standards Topic	GRI Standards indicator	Degree of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
Supplier Environmental Performance	Supplier Environmental Assessment	308-1~2	Through Business Practices	●				●
Energy and Climate Change	Energy Resources	302-1~303-5	Through Business Practices	●	●			●
	Emissions (Greenhouse Gases)	305-1~305-5	Through Business Practices	●	●	●		●
Circular Economies and Product Life Cycle	Raw Materials	301-3	Directly Created	●	●	●		●
	Water	303-1~303-3	Directly Created	●	●			●
Water Resource Management	Emissions (Airborne Pollutants)	305-1~3	Directly Created	●	●			●
	Waste Water and Waste Products	306-1~5	Directly Created	●	●			●
Environmental Policy and Management Performance	Emissions (Airborne Pollutants)	305-1~3	Directly Created	●	●			●
	Waste Water and Waste Products	306-1~5	Directly Created	●	●			●

Social	GRI Standards Topic	GRI Standards indicator	Degree of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
Customer Data Protection	Customer Privacy	418-1	Directly Created	●	●	●		●
Product Responsibility and Customer Safety	Customer Health and Safety	416-1	Directly Created	●	●	●		●
	Comprehensive Remuneration and Incentives System	Acer SO4	Directly Created	●	●			●
Talent Attraction & Retention	Establishment of and Investment in Talent Databases	405-2	Directly Created	●	●			●
	Labor Relations	401-1~3	Directly Created	●	●			

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Material Topics and Boundary Identification

Social	GRI Standards Topic	GRI Standards indicator	Degree of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
Human Rights, Equality, and Diversity	Minimum Forecast Period for Operational Changes	402-1	Directly Created	●	●			
	Opportunities for Staff Diversity and Equality	405-1~405-2	Directly Created	●	●			
	Non-discrimination	406-1	Directly Created	●	●		●	
	Freedom of Association and Collective Bargaining	407-1	Directly Created	●	●		●	
Occupational Health and Safety	Occupational Health and Safety	403-1~404-3	Directly Created	●	●		●	
Talent Development and Training	Training and Education	404-1~3	Directly Created	●	●		●	
Supplier Social Performance	Supplier Social Assessment	414-1~2	Through Business Practices	●				●
	Child Labor	409-1	Through Business Practices	●	●			●
	Forced or Compulsory Labor	409-1	Through Business Practices	●	●			●
	Incidents of Discrimination and Actions Taken by Organization	406-1	Through Business Practices	●				
	Operating locations may face risks involving freedom of association or collective agreement negotiation	407-1	Through Business Practices	●				
Social Philanthropy and Digital Inclusion	Corporate Citizenship and Philanthropy	Acer S01~S02	Through Business Practices	●	●			●
	Digital Inclusion	Acer S01~S02	Through Business Practices	●	●			●
Conflict Minerals	Continuing to publish list of smelters in supply chain and annual conflict minerals report	Acer S05	Through Business Practices	●	●		●	

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Corporate Governance/Code of Conduct

Implications for Acer Management

Corporate governance and the Standards of Conduct serve as Acer's guidance and management mechanisms, including the setting of company operating targets, monitoring reaching of targets and operational performance, and protecting the legal rights of shareholders and the interests of other stakeholders.

Business Management Strategy

Acer strives for transparency in its operations, stronger corporate governance, and a strong and effective Board of Directors through the Acer Corporate Governance Code of Practice. Additionally, we have established our Standards of Business Conduct and linked those with performance evaluations, implementing a system of integrity management.

2017 Targets

- Formally incorporate corporate social responsibility into the Board of Directors' agenda.
- Publish an amended version of the Standards of Business Conduct.
- In line with the 2017 Board of Directors elections, increase the proportion of independent directors to build a more innovative and diverse Board.

2017 Results

- Sustainability risk issues have been incorporated into the Audit Committee's agenda.
- An amended version of the Standards of Business Conduct has been published, with amendments focusing on the protection of human rights.
- Transfer of power between old and new Board of Directors was successfully completed.
- More than two-thirds of the Board members do not hold managerial positions with the Company; of those Board members, 4 are independent directors, and one director is female. Independent directors account for almost one half of the Board. As a result, the current Board is more independent and diverse.
- The new Investment Review Committee is established.

2018 Targets

- Continue to strengthen the disclosure of non-financial performance and move forward with Integrated Reporting.
- In order to strengthen the corporate governance knowledge of new directors and supervisors for IPO companies, hold corporate governance-related training.
- Speed up the Titan Project and enable suitable subsidiaries to go public independently.

Medium- and Long-Term Goal

- According to our corporate governance blueprint, establish an effective corporate governance structure that can move with the times, protect stockholders' rights, strengthen Board functions, enhance transparency, and continue to deepen corporate governance through the building of a governance model at the level of Directors and management.
- Create a group-based engine for multifaceted growth that will allow core and new businesses alike to generate profits.

Results of Analysis of Material Topics - Governance



Legal Compliance

Implications for Acer Management

Legal compliance involves following the guidelines and minimum standards for corporate governance and business activities. By ensuring compliance with regulations, administrative sanctions and legal disputes can be avoided.

Business Management Strategy

Internal regulations and post-audit review mechanisms ensure that legal compliance is enacted, and through the routine operations of the Working Group on Risk Management, regulatory risks can be identified and managed.

2017 Targets

Continue to implement promotion of education regarding regulatory risk.

2017 Results

Provided education and training to new staff on the protection of confidential information and personal information.

2018 Targets

Ensure no lapses in EU General Data Protection Regulation (GDPR) compliance and complete underwriting of information security insurance.

Medium- and Long-Term Goal

Establish a globally effective system for complying with local regulations and industry best standards.



Information Security Governance

Implications for Acer Management

In this age of the Internet of Things and the popularization of IT, companies must ensure information security and make it part of their governance objectives. They must establish relevant policies, along with mechanisms for notification, management, and protection, ensuring thorough information security management.

Business Management Strategy

- Implement staff education and training.
- Introduce information security technologies into products.

2017 Targets

- Strengthen information security knowledge and skills; plan and promote related education and training.
- Take inventory of and test for various systemic weaknesses and introduce stronger security protection systems.

2017 Results

- Held 5 GDPR Training Courses and organized 1 "Understanding the Personal Information Protection Act" session for personal information protection managers.
- Established phased rollout of information security protection mechanisms and related personnel training in 2017.

2018 Targets

Foster a culture of information security and strengthen information security management systems.

Medium- and Long-Term Goal

Strictly implement information security policies and customer privacy protection measures, with rigorous organization, management systems, and control mechanisms to ensure both customer safety and information security.

Note : This only refers to the interpretation of the results of the three material topics of governance, economy, environment, and society. For other topics, please see the relevant sections.



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Innovative Research & Development and Product Services

Implications for Acer Management

Innovation is one of Acer's core values, and through innovative research and development we create differentiation, establish superiority, and are able to implement full-scale innovation with value.

Business Management Strategy

- By centering users' needs and committing to R&D, patent acquisition, and other core competitivenesses, we can provide targeted product and service models.
- Provide open-source resources to promote social innovation.
- Lead the transformation and development of innovative services, primarily through the Build Your Own Cloud™ business group, including the BYOC™ platform, abPBX, and Cloud Professor.

2017 Targets

- Through a combined software+hardware+service business strategy, we introduce innovative products, services, and applications to meet the needs of diverse groups. In 2017, we will actively develop the use of VR and invest in areas including communications services, pet care, and long-term healthcare.
- More than 50% of notebook computer models will comply with Cortana 2.0 specifications.

2017 Results

- Launched Pawbo iPuppyGo, a lightweight wearable device for dogs that can track their activity and health, Pawbo WagTag, a smart collar that enables dog owners to easily track the location and environment of their dog, and expanded version of feeding device Pawbo Munch. Also launched GrandPad, a product specifically designed for elderly users.
- Obtained 646 patents around the world and ranked fifth for number of patents obtained in Taiwan region.
- All notebook computer models will comply with Cortana 2.0 specifications.

2018 Targets

- All notebook and consumer desktop computer models will comply with Cortana 2.0 specifications.
- Second-generation "True Harmony Plus" virtual surround sound incorporated into more than 50% of notebook computers.

Medium- and Long-Term Goal

- Deepen links between innovative products/services and SDGs.
- Increase target user groups and fields for new products and services to satisfy spirit of diverse innovation.
- Establish an "Internet of Beings" ecosystem: Through the Blue Sky Project, continue to hold innovation competitions, expand alliances and partnerships with external R&D partners, and collectively seize opportunities for innovation.

Results of Analysis of Material Topics - Economic



Customer Management

Implications for Acer Management

Acer's business is driven by a spirit of user-orientation, and through our global foundation and end-to-end holistic thinking, we have established a customer management system that helps us boost the brand and elevate customer experience.

Business Management Strategy

We listen carefully to feedback and opinions from our users and strive to stay on top of market demands. By establishing a systems management mechanism, accompanied by regular follow-up on customer needs and user experience, we continue to enhance our service quality. And by implementing new technologies into our customer service, we also improve customer satisfaction.

2017 Targets

- Maintain average customer satisfaction survey results above 94%, with continued growth year by year.
- Organize community computer health clinic services.
- Implement regular education and training for maintenance center service staff.

2017 Results

- Achieved average customer satisfaction of 95.05%.
- Conducted 16 community computer health clinics, increasing brand exposure and strengthening relationship with communities.
- Acer Europe held 9 courses, helping service personnel learn how to handle customer inquiries more effectively.
- Received annual customer service awards in countries including China, the Netherlands, France, Switzerland, Germany, and Czechia.

2018 Targets

- Maintain average customer satisfaction survey results above 95%, with continued growth year by year.
- Implement a fan management system integrating labeling and computer health clinics to build stronger relationships between with companies and schools.
- Implement regular education and training for maintenance center service staff.

Medium- and Long-Term Goal

Actively understand customer needs, continue to provide products and services that exceed customers' expectations, and create greater value for customers.



Sustainable operating strategy

Implications for Acer Management

Sustainable development is key to human survival. It is also a necessary condition for business operations. Acer hopes to balance stakeholder interests with the pursuit of operating methods that can satisfy current demands without sacrificing the resources future generations will require, thus laying a foundation for sustainable development.

Business Management Strategy

- Turning losses into profits and striving to increase brand value.
- Keeping one foot in the computer industry while expanding out from our core expertise to new markets, including entering the gaming notebook space.
- Focusing on artificial intelligence and big data while striving for sustainable operations.

2017 Targets

- Continue to create stable dividends.
- Continue to set down deeper roots in the market through the launch of new gaming products.

2017 Results

- As of the end of Q3 2017, gross profit ratio reached 10.7%, a 13-year high.
- Selected for the MSCI Global Sustainability Indexes and Dow Jones Sustainability Indexes for the fourth consecutive year. Selected for the second consecutive year in the FTSE4Good Emerging Index.

2018 Targets

- Complete successive subsidiary listing plans.
- Push to become number 1 in the United States gaming notebook market.
- Continue to gain recognition of our sustainability performance in the investment market.

Medium- and Long-Term Goal

Make Acer a future-oriented company that can sustainably produce products and create value



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Supplier Environmental Performance

Implications for Acer Management

Acer considers our relationship with our suppliers a symbiotic one, and as such we will continue to work closely with them to reduce environmental risk, pursue overall supply chain environmental performance, and establish a responsible supply chain.

Business Management Strategy

Formulating concrete environmental management practices and goals, and exercising environmental responsibility through audits, training, communication, and leadership of the supply chain.

2017 Targets

- Increase control requirements on prohibited and restricted chemical substances in production.
- Continue to improve performance in CDP Supply Chain Program, setting carbon reduction targets up to 80% for 2017 and 100% for 2018.

2017 Results

- At the December 2017 supplier meeting, we announced a list of prohibited and restricted chemical substances, including toluene, benzene, beryllium dust, chlorinated solvents, n-hexane, N-Methyl-2-pyrrolidone, and other substances that may be harmful to the ozone layer.
- Carbon reduction target in 2017 reached 85%.

2018 Targets

List of prohibited or restricted chemical substances will be formally introduced in late 2018 and implemented in 2019.

Medium- and Long-Term Goal

Major suppliers, using SBT, set carbon reduction targets at 100%, and from 2021, will begin to implement absolute carbon reduction.

Results of Analysis of Material Topics - Environmental



Energy and Climate Change

Implications for Acer Management

Responding and adapting to climate change is an unshakable responsibility for any corporate citizen, and presents us with both risks and opportunities.

Business Management Strategy

Developing group carbon reduction targets and strategies.

2017 Targets

- Completing and disclosing mid- and long-term carbon reduction targets according to Science-based target (SBT) methodology.
- Reducing carbon emissions by 55% in comparison with base year of 2009.

2017 Results

- Organization changes necessitated the review of SBT-developed targets.
- Reducing carbon emissions by 56.05% in comparison with base year of 2009.

2018 Targets

Complete SBT targets.

Medium- and Long-Term Goal

- Reducing carbon emissions in 2020 by 60% in comparison with base year of 2009.
- Increasing the use of green electricity to 50%.



Circular Economies and Product Life Cycle

Implications for Acer Management

Through product lifecycle management, manage products and reduce their potential impact on the environment, strive to find a balance between product management and environmental performance, and provide more environmentally competitive products.

Business Management Strategy

We are also committed to reducing the environmental impact of our products at all stages, from design and packaging to shipping, use, and recycling, by reducing our materials and resource usage.

2017 Targets

With the revision of ISO 14001, the concept of product lifecycle management will be formally incorporated into our management system, with introduction complete in 2017.

2017 Results

Passed new ISO 14001:2015 environmental management system certification in October 2017.

2018 Targets

- Expanding battery recycling and conducting closed-loop recycling pilot projects in selected areas.
- Post-Consumer Recycled Plastics (PCRs) implemented in all commercial PCs and monitor products.

Medium- and Long-Term Goal

Introduce Natural Capital methodology by 2020, calculating environmental impact and benefits throughout product life cycle.



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Customer Data Protection



Implications for Acer Management

Personal data and privacy protection have gradually become basic human rights protected by legislation at the national level. They are also part of a growing awareness of consumer rights, especially with the passage of the GDPR. As a brand, Acer's customer data protection measures and relevant complaint-handling mechanisms are crucial to the Company's upholding of business responsibility and to the maintenance of the brand.

Business Management Strategy

Take inventory of and position the Company's handling of personal data around the world, respond to regulatory requirements, and review the business impact and response measures of the Company's various units.

2017 Targets

- Hold customer privacy protection education and training to raise awareness of information security.
- Strengthen information security knowledge and skills; plan and promote related education and training.
- Take inventory of and test for various systemic weaknesses and introduce stronger security protection systems

2017 Results

Customer privacy protection measures have been reviewed through independent third-party audits and information security evaluations.

2018 Targets

Ensure no lapses in GDPR compliance and complete underwriting of information security insurance.

Medium- and Long-Term Goal

- Strictly implement information security policies and customer privacy protection measures, with rigorous organization, management systems, and control mechanisms to ensure both customer safety and information security.
- Comprehensively improve active mechanisms for protection of information security.

Results of Analysis of Material Topics - Social

Product Responsibility and Customer Safety



Implications for Acer Management

Providing customers with safe products, developing our creative capabilities, and introducing new solutions are all ways in which we can protect our customers' health and safety.

Business Management Strategy

During the R&D phase, we propose safety requirements to our supply chain, and we are sure to include instructions for safe usage and appropriate warnings in our manuals and public documents, as well as offering a means of contacting us for assistance.

2017 Targets

No incidents of the health and safety of customers being affected by any products or services.

2017 Results

In 2017, there were no incidents of the health and safety of customers being affected by any products or services.

2018 Targets

No incidents of the health and safety of customers being affected by any products or services.

Medium- and Long-Term Goal

- Strengthen supplier audits to ensure that products comply with safety regulations.
- Comply with or surpass international regulations regarding product hazardous substances management.

Talent Attraction and Retention



Implications for Acer Management

Talent is Acer's most important asset, and key to the Company's continual improvement of our market competitiveness. We work hard to make Acer a dream workplace, and we strive to create a positive, passionate working environment for our staff. Through systematic training, we help foster their power to change the world.

Business Management Strategy

Wherever we are in the world, we strive to adhere to labor laws when hiring staff. 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. 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. We also provide competitive compensation and benefits, humane management, a robust promotion and career development system, and diverse opportunities for learning and development in order to attract and retain outstanding talent.

2017 Targets

In line with the development direction of each of Acer's business units, we reach out to attract a diverse range of talent, molding new talent from square one and developing effective talent from one to many. And in response to the different development directions of each business unit, we lay out different personnel regulations, incentive plans, and talent development and retention strategies.

2017 Results

- Reach global recruitment of 1,056 in 2017.
- With Acer Group entering new industries and areas including smart transportation, medical care, virtual reality, and augmented reality, the Company faces new challenges in terms of staffing and skills compared with the familiar field of computer hardware. In 2017, average turnover rate was revised down slightly to 17.22%.
- The number of companies in Acer Group in the Taiwan Region has exceeded 20, and we are committed to developing the profitability and independence of each of these individual companies. In 2018, we expect 2 or 3 of these companies will enter the IPO stage by 2018.

2018 Targets

- Reduce turnover rate to 10% lower than in 2017.
- Adopt diverse development strategies and build human resources strategies and systems as needed.
- Implement Titan Private Training Development Plan, aimed at management of publicly offered companies.
- Increase engagement in employee training and development resources. Increase training funding and training hours; average number of training hours per person in 2018 to reach 11.5 hours and training satisfaction 85%.

Medium- and Long-Term Goal

Create a group-based "Acer Carrier Fleet" spanning different industries and fields, expanding niche penetration and leveraging group synergy.



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Exchange with Interested Stakeholders Ongoing Academic Exchange

Acer actively reaches out to all kinds of stakeholders and, with an open mind, listens to their various opinions. We continue to hold interaction activities to deepen two-way communication with those stakeholders.

Supplier CSR Communication Meetings

Every year, Acer invites representatives of our major suppliers to participate in annual CSR Communication Meetings, sharing the latest global trends in corporate sustainability and emphasizing Acer's requirements of and goals for supply chain CSR management performance. In 2017, the meeting was held through an online real-time meeting service, reducing the need for suppliers to physically travel and thus also reducing travel-related carbon emissions. The meeting focused on the performance of Acer's supply chain in terms of social and environmental responsibility and our expectations of suppliers.

The green energy industry is booming, and with matters of environmental conservation, energy reduction, and renewable energy gaining increasing attention in both academic and business communities, the Going Green EcoDesign conference was held in Taiwan for the first time in 2017. Held jointly by National Cheng Kung University and the Union of EcoDesigners, the conference focused on a theme of "New Technologies and Eco-innovation Towards Sustainability." Acer was invited to participate and share our experience with green design of products and in corporate transformation.



Supplier Social Responsibility

- Focus on Human Rights Trends and Adherence
- Focus on Conflict Minerals Management Trends and Due Diligence
- Analysis of New RBA and On-Site Audits
- Vendor CSR Scorecard Results and Future Requirements

Supplier Environmental Responsibility

- Trends and Timelines in Chemicals Management
- Management of Chemical Substances in Production and Publication of List of Prohibited or Restricted Chemical Substances
- Sharing Acer Carbon Management Performance
- Supply Chain Carbon Management Performance and Requirements

Ongoing Carbon Disclosure Plan

Since 2008, Acer has been a consistent supporter and promoter of the Carbon Disclosure Project (CDP) in Taiwan. In addition to continuing to promote the annual spring and autumn presentations by the CDP, in 2017 outstanding companies from around Taiwan to share their experience with supply chain management and help the Taiwan industry seize the opportunities that come with climate risk and carbon reduction.

2017 Sustainable Resource Management Conference

Ensuring sustainable consumption and production patterns" is one of the United Nations Sustainable Development Goals. In 2017, Acer and National Taiwan University worked together for the first time to hold the Sustainable Resource Management Conference, inviting Rockefeller University research associate Iddo Wernick to give a talk entitled "Creating a Circular Economy: the Challenges and Opportunities for Business" For this conference, experts from academia and industry were invited to give presentations on the issue of sustainable resources, engage in in-depth discussions, and explore both the capability of businesses to respond and the opportunities present.



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Ongoing Attention to Social and Environmental Issues Around Materials

Acer and the ICT, jewelry, automotive, and aerospace industries have been working to resolve the conflicts in the Democratic Republic of the Congo around the extraction of 3TG (tantalum, tin, tungsten, and gold) metals. Growing evidence has shown that mining involves a high level of social and environmental risk, as well as involving mineral extraction beyond 3TG and the DRC. We believe that the continued promotion of responsible procurement is a priority in supply chain management. In 2016, Acer took the lead in signing on with the Responsible Business Alliance's (RBA) Responsible Raw Material Initiative (RRMI).



Responsible Minerals Initiative (RMI)

In 2017, the RRMI and CFSI merged, changing their name to the Responsible Minerals Initiative (RMI), while the RRMI Working Group also merged with the CFSI's original working group. As part of the newly formed RMI, Acer continues to not only participate in the working groups on the DRC and conflict minerals but has also joined the Cobalt Working Group and Tin Working Group.



RMI Cobalt Working Group

The RMI Cobalt Working Group focuses on the issue of child labor in the Democratic Republic of the Congo. In 2017, Acer participated in the development and trial of a cobalt survey tool. A preliminary list of cobalt smelters was also provided to RMI. Acer will continue to investigate its battery supply chain, confirm the cobalt smelter list, and participate in the audit plan currently under development.



RMI Tin Working Group

The first stage of the RMI Tin Working Group was convened by the Sustainable Trade Initiative (IDH), focusing on environmental impact and safety issues involving Indonesian tin mining. In 2017, the second stage, the management stage, began, with Acer joining in Q3 2017.

Major Advocacy 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. We continually strive to make use of Acer's influence to inspire other businesses to take more proactive measures in this regard.

Comprehensive Sustainable Development Issues

- World Business Council for Sustainable Development (WBCSD)
- Information Technology Industry Environmental Leadership Council (ITI ELC)
- Business Council for Sustainable Development of Taiwan
- Taiwan Corporate Sustainability Forum (TCSF)
- Center for Corporate Sustainability



Human Rights

- Responsible Business Alliance (RBA)
- Responsible for Public-Private Alliance for Responsible Minerals Trade (PPA)
- Responsible Minerals Initiative, RMI



Environmental Trends/Carbon Management

- Carbon Disclosure Project Supply Chain Program
- Corporate Green Competitiveness Alliance



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SUSTAINABLE SUPPLY CHAINS



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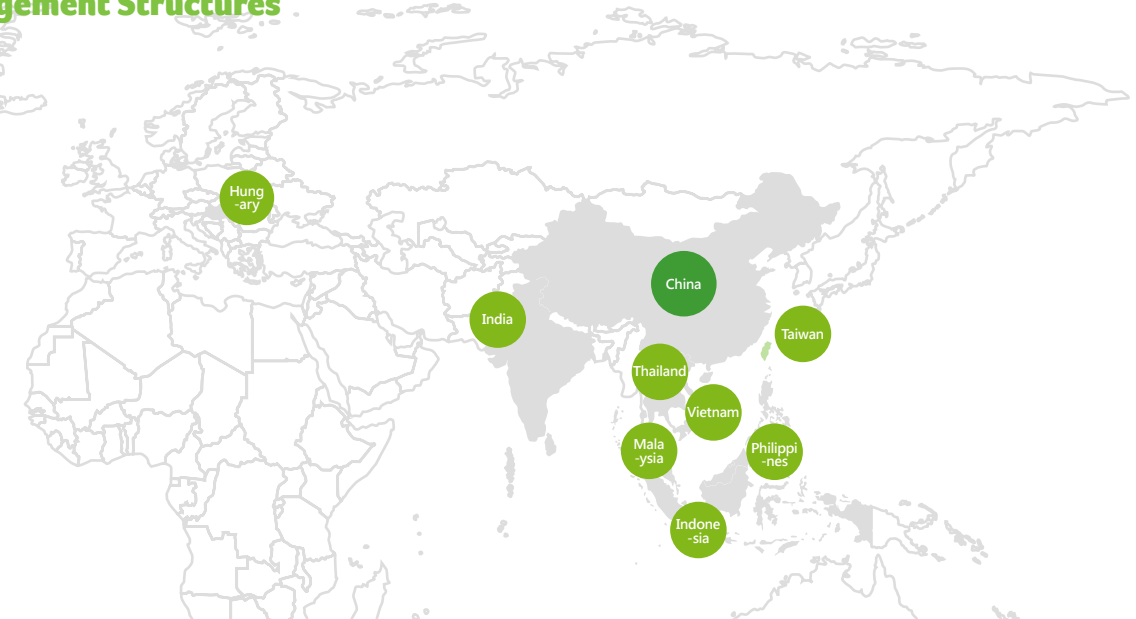
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Supplier Social and Environmental Management Structures

We identify the critical suppliers based on the purchase spending, non-substitutable, strategic material, product or business and leading technology. Acer's tier one suppliers can be classified into five groups according to the products/services they provide: final assembly plants (ODM & OEM), key components, assigned suppliers, logistics, and services. Our manufacturing suppliers are distributed around the globe, including Taiwan, China, Malaysia, Thailand, the Philippines, Indonesia, Vietnam, India, Brazil, and Hungary, although our primary production base is located in China. Looking at our suppliers' production locations, we see that local procurement in the China region accounts for 84% of the total procurement value. In terms of other supplier business locations, Taiwanese manufacturers account for more than 60% of procurement value.



Acer has been a member of the Responsible Business Alliance (RBA) (formerly the Electronic Industry Citizenship Coalition (EICC)) since 2008, and actively participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in CSR and share in the practical experience of its members. All Acer manufacturers and service providers are required to comply with both the RBA Code of Conduct and local regulations. In addition, we carry out annual on-site RBA Code of Conduct supplier audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the staff. We also encourage and require suppliers to uphold their corporate responsibility by ensuring their own suppliers implement socially and environmentally responsible management and to advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

We continue to communicate with suppliers and enhance their ability to respond to sustainability issues, as well as encouraging suppliers to incorporate sustainable development matters into their management agendas. In line with Acer's sustainable development strategy, we hold a variety of supplier sustainability conferences, and in our annual supplier CSR communication meetings, provide information on the latest in CSR developments and trends, as well as analyzing important supply chain matters and potential actions that we can take together. These meetings also provide an opportunity for two-way communication between Acer and suppliers, strengthening the supply chain's environmental and social responsibility and deepening our CSR-related cooperative relationships.

In 2013, we began implementing Vendor CSR Scorecard assessment in order to look at supplier implementation of and performance in CSR. The results of this scorecard were presented at the quarterly business review meeting in early 2014, providing both Acer's own management and the senior management of suppliers with information that will drive improvement on both sides.

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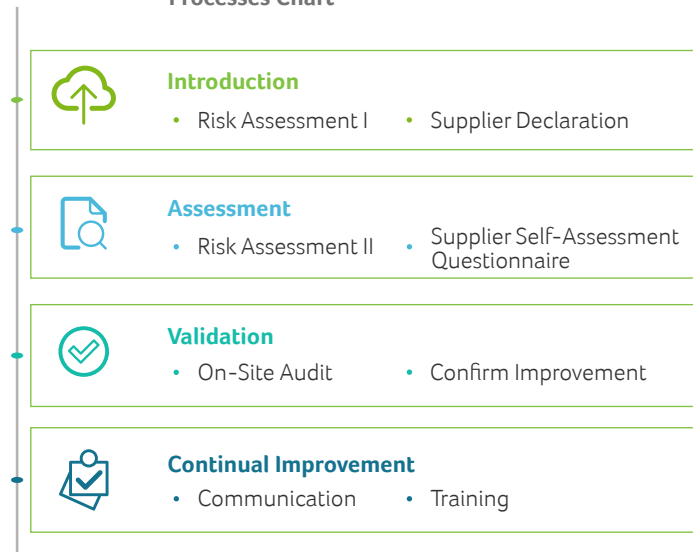
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Supplier Social and Environmental Management Processes

We are committed to developing supplier social and environmental management guidelines while also making use of our multifaceted communications channels to provide assistance to those suppliers. We have adopted the RBA Code of Conduct as our standard and refer to the RBA Supplier Engagement Process by dividing our suppliers' social and environmental management process into four stages: Introduction, Assessment, Validation, and Continuing Improvement. New suppliers must pass the social and environmental responsibility assessment and sign an RBA Code of Conduct compliance declaration before they become official suppliers.

Supplier Social and Environmental Management Processes Chart

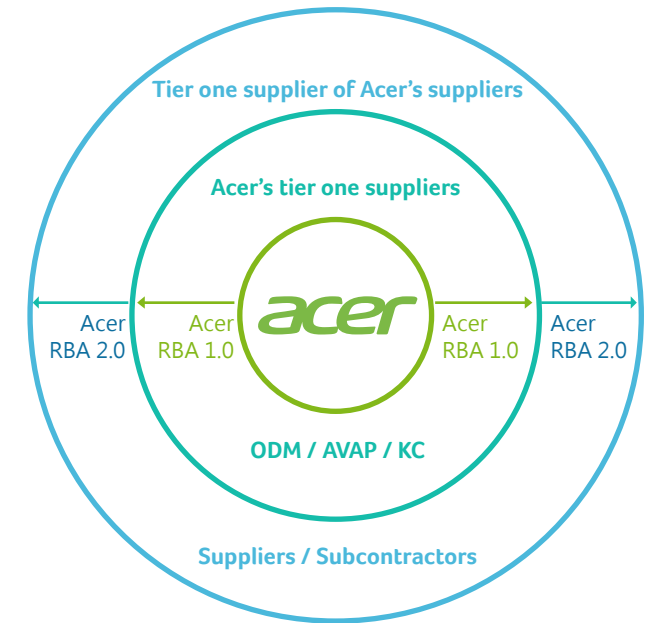


Through the aforementioned process, Acer works with suppliers on social and environmental issues to establish a sustainable supply chain.

Acer RBA 2.0

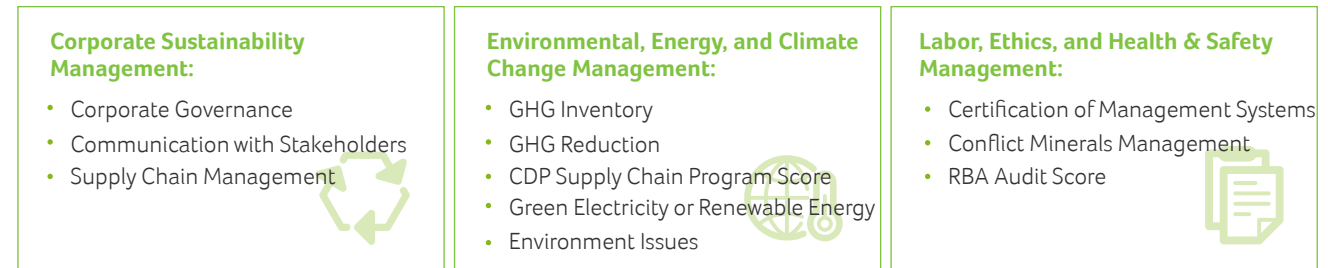
In order to put into practice environmental and social responsibility in Acer's supply chain, since 2016 we have required our suppliers to implement risk assessment and management to their tier one supplier based on the RBA Code of Conduct. For higher risk suppliers, they also have to carry out on-site audits and management of follow-up improvement efforts. We call this "Acer RBA 2.0." Additionally, we incorporate performance in this regard into our vendor CSR scorecard assessments.

Notes: Acer RBA 1.0: Acer performs RBA Code of Conduct audits of tier one suppliers
Acer RBA 2.0: Acer's suppliers conduct RBA Code of Conduct audits of their tier one suppliers



Vendor CSR Scorecard

In 2013, we began implementing Vendor CSR Scorecard assessment in order to look at supplier implementation of and performance in CSR. The results of this scorecard for some product lines and key components were presented at the quarterly business review in early 2014, providing both Acer's own management and the senior management of suppliers with information that will drive improvement on both sides.



Overall, in 2017 the performance of all types of suppliers on the vendor CSR scorecard was higher than that in 2016. More than 34% of suppliers achieved the level of "excellent," and nearly 54% of suppliers were at "medium" performance. However, approximately 12% of suppliers still fell into the "rapid improvement" range. We also use quarterly business reviews or individual meetings in order to demand underperforming suppliers implement appropriate actions to improve their CSR performance. We will continue to make use of these mechanisms into the future and will adjust the items for assessment and the distribution of weighting in line with changes in internal and external issues, as well as past performance.



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Labor Rights

With labor rights gaining increasing attention internationally, Acer requires the management processes related to supplier risk evaluations, on-site audits, and education & training be in accordance with Acer’s requirements for social and environmental responsibility. We use the following methods to ensure that our supply chain is free from the possibility of slavery or human trafficking:




Supplier Risk Assessments

Acer’s risk assessments of its suppliers include the following items: results of supplier self-assessment, level of risk regarding plant location, supplier business relationship with Acer, and past audit results. We also strive to take into consideration the concerns of stakeholders.




Supplier Audits

After the risk assessment – based on the above criteria – has been conducted, Acer then draws up a list of suppliers that require an on-site social and environmental responsibilities audit to be undertaken by an accredited 3rd party verification agency. We also take part in RBA’s VAP. Adopting a variety of audit models allows us to see the strengths and weaknesses of each model and more accurately uncover discrepancies in our suppliers’ implementation of their social and environmental responsibilities. We continue to improve the social and environmental responsibility in Acer supply chain.




Supplier Declaration

Acer requires all manufacturing suppliers to sign our Declaration of Compliance with RBA Code of Conduct. Suppliers must not only provide us with relevant information on social and environmental responsibilities, but must also verify that their own and their suppliers’ operations conform to Acer’s human rights standards, meaning that their workers are treated with respect and dignity.



Internal Professional Training

Acer requires all employees to comply with the Acer Group Standards of Business Conduct (SBC). The SBC includes provisions relating to supply chain issues, including the use of child and forced labor. Any offense or violation against the articles in the SBC will result in corrective action proceedings according to the gravity of the offense committed. Serious offenders will face disciplinary action or be asked to leave the company accordingly. This set of standards is the highest-level behavioral criteria for all Acer employees engaged in corporate activities and is incorporated in our employee performance assessments. Furthermore, all new employees are enrolled in orientation training and asked to honor these behavioral requirements when they first join the company. Procurement staff has to take environmental requirements when they first join the company.



Supplier Training

In order to uphold our responsibility to educate our suppliers and help them understand international trends, Acer holds annual supplier CSR communication meetings and related training sessions. This not only communicates internal trends to suppliers, but also helps them uphold their own social and environmental responsibilities. Through our communication and cooperation with our suppliers, we are able to harness the power of an integrated Acer supply chain and create improvement in all aspects of labor rights!


Additionally, we have set out clear remedial measures regarding child labor and forced labor, ensuring that as soon as any incidence of a forced labor or child labor is found in our supply chain, the affected workers will enjoy the protections granted them by fundamental human rights.

Child labor

Child labor refers to the employment of children in any work that deprives the children of their childhood, interferes with their ability to attend regular school, and that is mentally, physically, socially or morally dangerous and harmful. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Acer believes that the wellbeing and education of our future generations are of utmost importance. Therefore, Acer prohibits child labor in its supply chain and conducts routine audits to verify conformance to these requirements. If child labor is discovered in the supply chain, Acer will remedy the impacts of this atrocious condition by implementing the following measures.

Child Labor Remediation Measures

- If child labor is found at an Acer supplier factory, the factory must immediately remove the child from the workplace.
- The factory where the child labor was found must send the child to have special labor health check to make sure his/her health is not affected by the work. If affected, all the fees, including medical treatment cost and living cost, must be covered by the factory.
- The factory where the child labor was found must contact the family and send the child home. All expenses related to transporting the child home must be covered by the factory.
- The factory where the child labor is found shall continue to pay the wages until the child is of legal working age.
- The factory where the child labor is found shall make sure that the child completes compulsory schooling. The factory shall provide Acer with the name and address of the school in which the child is enrolled.
- The Chief Sustainability Officer of Acer should notify the related head of the Acer BU and BG to discuss this core non-conformance situation.
- Acer shall identify the risk of repeated child labor conditions through an unannounced audit of the affected factory within 6 months.




Forced labor

Forced labor refers to situations in which persons are coerced to work through the use of violence or intimidation. Forced labor takes on many forms that included debt bondage, human trafficking, and other forms of modern slavery. Acer believes that all work shall be voluntary and workers shall be free to leave work at any time or terminate their employment. Through its Code of Conduct, Acer prohibits any form of forced labor in its supply chain. Acer requires its suppliers to adhere to its Code of Conduct and verifies the conformance with routine audits. If forced labor is identified in the supply chain, Acer will take action to remedy the situation through the implementation of the following measures.

Forced Labor Remediation Measures

- Acer shall review and investigate the findings and relevant regulation to find the gaps and problems.
- Acer shall communicate with supplier factory management and collect supplemental information.
- If confirmed that human trafficking, slavery and/or any form of forced labor exists at an Acer supplier factory, Acer will work with experts and authorities to ensure that the worker is offered a safe place to live and provided with financial assistance, the cost of which shall be covered by the factory for a period of time deemed to be sufficient by the authorities.
- The Chief Sustainability Officer of Acer will notify the related head of the Acer Business Unit (BU) or Business Group (BG) to discuss this core non-conformance situation.
- Acer shall identify the risk of repeated forced labor conditions through an unannounced audit of the affected factory within 6 months.





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Management of Student Workers and Interns

Acer prohibits any form of forced labor in its supply chain, including forced labor involving student interns. We insist that the use of student interns throughout our supply chain 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 be managed following the five-step management system outlined below:



**Stage 1
Screen vocational school partners**

- Confirm schools are licensed
- Establish legally compliant cooperation agreement and arrangements



**Stage 2
Take on student interns**

- Verify that student interns have been legally released
- 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**

- Ensure interns fit into new environment



**Stage 4
Internship**

- Implement legally compliant intern management



**Stage 5
End of internship**

- At the end of internship, evaluations must take place

Living Wage

In discussing issues such as overtime and wages/benefits, we believe that the concept of a "living wage" as an important option for the improvement of the lives and conditions of workers. In Q3 2017 we began working with the Labour Education and Service Network to conduct surveys in hopes of studying living wages and the relevant problems and opportunities involved with a focus on the ICT industry.

On-Site Audits

Acer's suppliers must treat their staff in a respectful manner, using environmentally responsible manufacturing processes and providing safe working conditions. We have adopted the latest version of the RBA Code of Conduct, which covers the five major aspects of labor, health and safety, the environment, ethics, and management system. Acer continually carries out audits of suppliers with regard to both social and environmental responsibility, employing different auditing methods in line with the particularities of each supplier's operations and their implementation of the RBA Code of Conduct. Through these different auditing methods, we can verify any lapses we may find in the aforementioned five areas require suppliers take corrective steps by a given deadline. Thus we are able to continually improve the social and environmental responsibility of Acer's supply chain.



On-Site Audits—Verifying Machine Safety Measures



On-Site Audits—Verifying First-Aid Equipment



Dormitory areas provide comfortable and bright reading



Worker dining environments



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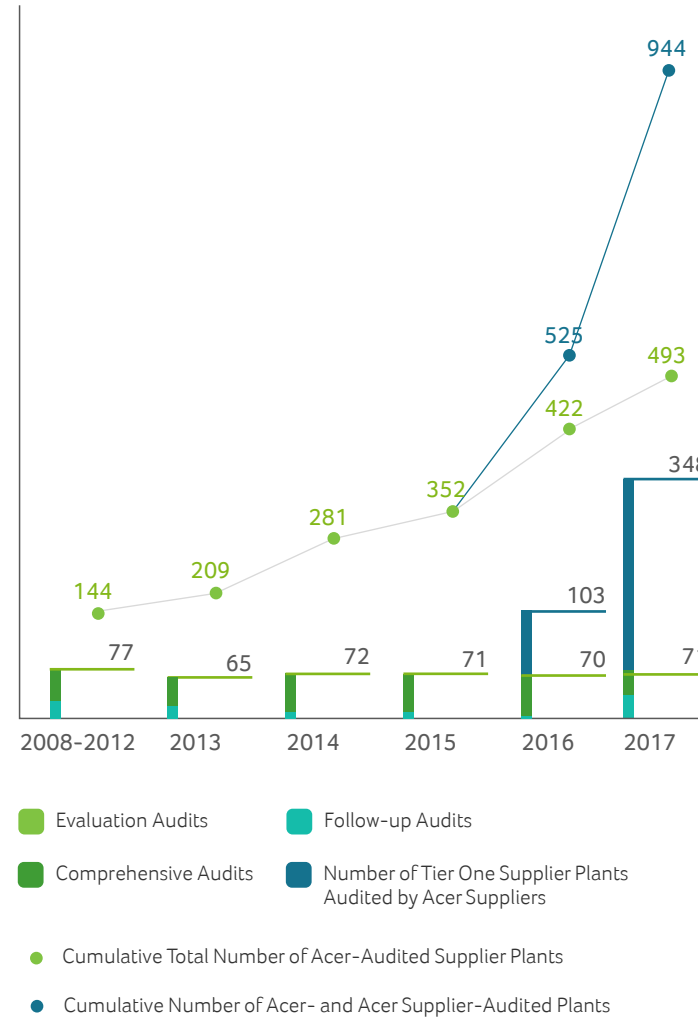


2017 On-Site Audit Result

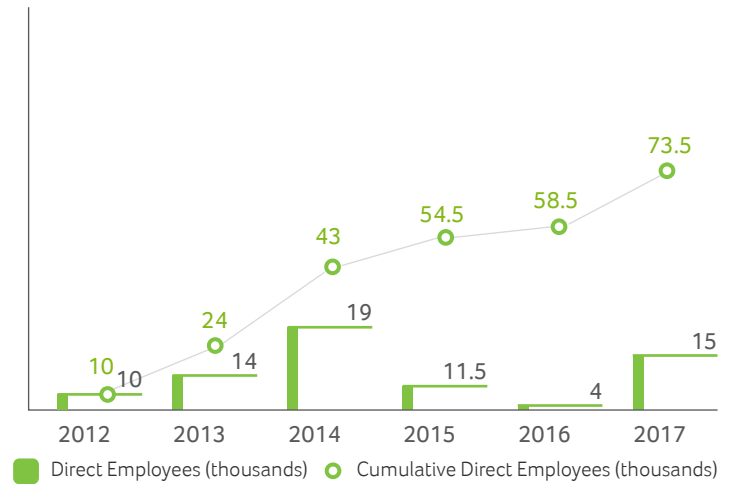
Acer uses the results of risk assessments as the basis for on-site audits. We look at the country risks, production processes, and products produced by our suppliers, and then incorporate issues of stakeholder concern with the results of audits to produce annual audit plans.

In 2017, we identified a total of 71 supplier plants as in need of on-site audits. Auditing methods include: audits by Acer supplier management, audits by third parties, RBA Validated Audit Process (VAP) audits, and evaluation audits. We particularly encourage our suppliers to implement the VAP in order to broaden the useful scope of our audit results and improve overall industry responsibility and compliance. In 2017, a total of over 150,000 direct employees of suppliers were audited, with over 2,611 interviewed and over 70% implementing the RBA VAP. Between 2008 and 2017, a total of 493 supplier audits were carried out. Acer tier one suppliers undertook a total of 348 audits of high-risk suppliers, with results showing that high risks accounted for 16% and medium or low risk the remaining 84%. Target of 2018 : 70 on-site audits; 1500 workers interview; 150 thousand of workers subjected to on-site audits

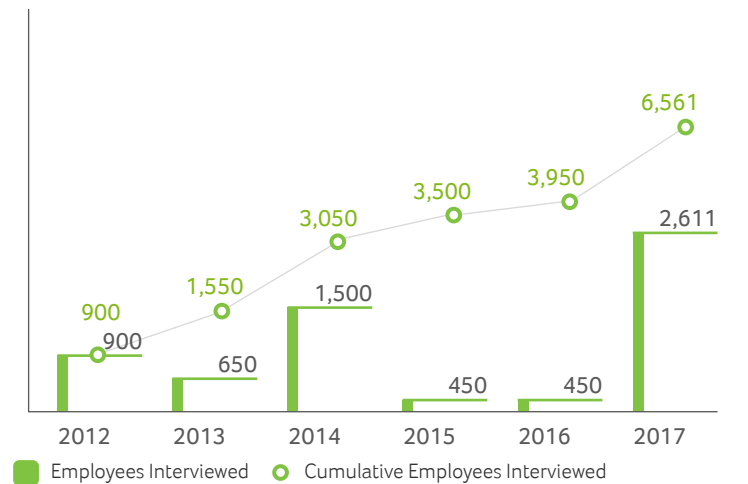
2008—2017 Audit Types and Numbers



Audited Direct Employees and Cumulative Direct Employees of Manufacturing Suppliers, 2012-2017



Interviewed Manufacturing Suppliers and Cumulative Interviewed Staff of Audited Manufacturing Suppliers, 2012-2017





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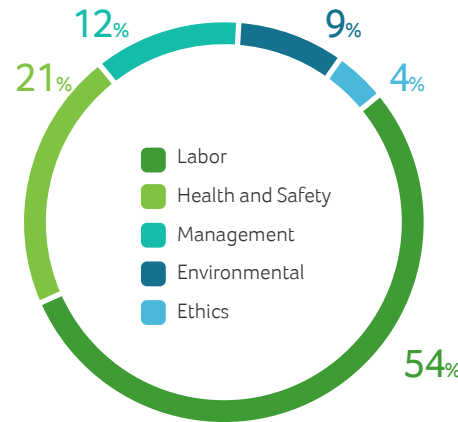
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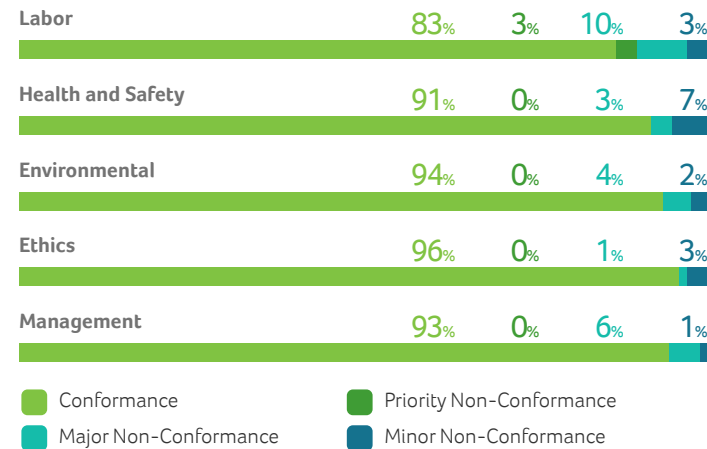
Analysis of 2017 Audit Results

From audit results, we see that the greatest proportion of non-conformance occurred in labor issues followed (in order) by health & safety, management systems, environmental issues, and ethics.

Distribution of Non-Conformance Found in 2017 Audits



RBA Code of Conduct conformance is graded as such:



Note : Data covers all suppliers audited during 2017 by Acer management or Acer management and third parties, a total of 49.

Unannounced Audits

In the event of the discovery of concerns about child labor, falsified records, issues of discrimination, a higher number of priority non-conformance issues, or low audit scores, suppliers will be listed as potential subjects of unannounced audits. Suppliers are informed of upcoming unannounced audits 12 hours prior to audits taking place and are not informed of the content of said audits. In 2017, two suppliers with low audit scores and higher risks the previous year were subjected to unannounced audits. More stringent requirements were imposed on their practices in order to strengthen their social and environmental responsibility management.

Major Issues and Follow-up in 2017

The primary lapses regarding labor rights were in issues around working hours, wages, and benefits, with a smaller number related to discrimination and temporary workers.

Regarding working hours, the primary lapses were in excessive overtime and insufficient vacation days. We continue to actively manage overtime and vacation day figures for our assembly suppliers. To this end, we have undertaken bimonthly tracking and monitoring, and should any deviations for the targets be found, we require the supplier affected to promptly implement effective solutions. We have also put in place a new Supplier Working Hours Policy in order to reduce overwork in our supply chain and boost the health and morale of workers.

With regard to lapses in terms of wages and benefits, the primary source is disciplinary deductions from wages, and after communications with the affected suppliers, measures have been put in place to address the issue.

The primary lapses regarding environmental health and safety were in issues around the management of chemical substances and emergency response, with a small number involving personal protective equipment not actually being worn. Lapses involving management of chemical substances involved improper classification, storage, transportation, or disposal of hazardous substances. We require suppliers to comply with regulatory requirements, including correctly labeling hazardous substances on site, as well as setting out/following standard operating procedures and calculating the capacity of spillage protection measures in order to prevent leakage. In addition, to further protect the health and safety of workers, in 2017 we published a list of banned or restricted chemical substances.

Lapses involving emergency responses primarily involved failures to properly maintain emergency exits and access ways. Following on-site audits, the suppliers affected put in place corrective measures to improve the situation.

Acer issues reports on corrective actions required after audits, and suppliers are required to submit Corrective Action Reports (CAR) in response to any issues of non-compliance identified in audits within 30 days of receipt of Acer's notification. These CARs are to be approved in writing by management personnel and verified against the on-site audit the following 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(s). We will continually collaborate with the suppliers to improve and conduct the preventative actions. 2018 Compliance target of on-site audit: Labor 85%; Health & Safety 85%; Environmental 90%; Ethics 95%; Management System 90%.



Major Issues and Follow-up in 2017



Labor

Important Issue	Corrective Action Verification
<p>Working Hours Workweek exceeded 60 hours; Workers were not allowed at least one day off in seven days.</p>	<ul style="list-style-type: none"> Overtime and "one day off in seven days" standards were set down and relevant key performance indicators for business units set, with regular reviews of progress toward set goals. Optimize ratio of General Labor to Student Labor. Organize and prepare manpower and production capacity to improve flexibility. Increase proportion of processes that are automated. In response to a trend toward diverse, small quantity orders, implement a modular prefabrication system and small-scale production lines.
<p>Wages and Benefits Deductions from Wages.</p>	<ul style="list-style-type: none"> Make reasonable revisions to incentives/punishments system to avoid the use of monetary deductions. Promote staff disciplinary rules through the use of posters and multimedia both on site and at entries.
<p>Non-discrimination Announce discrimination terms with regard to pregnancy testing of staff and to staff recruitment.</p>	<ul style="list-style-type: none"> Review personnel regulations and handbooks to eliminate any discriminatory operating procedures. Formulate management practices handbook with commitment to avoidance of unlawful discrimination. Regularly hold training courses on management regulations. Produce short promotional films and regularly broadcast them in common spaces within company.



Environmental

Important Issue	Corrective Action Verification
<p>Hazardous Substances Improper classification, storage, transportation, and/or disposal of hazardous substances.</p>	<ul style="list-style-type: none"> Develop standard procedures for labeling and classification. Produce procedure manual for labeling of hazardous substance components and relevant emergency procedures; post manual in storage sites. Develop estimates of storage space available in containers for hazardous substances in order to prevent leakage and facilitate maintenance.



Health and Safety

Important Issue	Corrective Action Verification
<p>Occupational Safety Proper Personal Protective Equipment not Worn</p>	<ul style="list-style-type: none"> Inspect potentially hazardous workstations and improve work equipment and facilities. Regularly inspect protective equipment to prevent use of poor equipment. Establish effective promotion and inspection mechanisms and indicate proper protective equipment usage procedures in manuals posted at relevant workstations.
<p>Emergency Response Did not properly maintain emergency exits and accessways</p>	<ul style="list-style-type: none"> Establish an effective supervision and inspection mechanism and retain complete records of maintenance checks. Regularly arrange emergency evacuation drills. Strengthen emergency lighting at emergency exits and access ways.

Supply Chain Working Hours Policy

Excessive working hours is one of the most common labor issues found in the supply chain. Excessive working hours are known to have negative effects on both the employee and the business related to employee health and safety, work-life balance, and reduced employee. As a member of the Responsible Business Alliance, Acer requests its suppliers to adhere to the RBA Code of Conduct, which sets strict requirements for labor conditions and working hours. Acer has the following expectations of its suppliers in relation to the working hours of their employees.

- Suppliers must ensure that its employees work in compliance with local laws
- Workers shall not work more than 60 hours in a week, including overtime, except for emergency or unusual situations
- Workers shall be allowed at least one day off every seven days
- Suppliers shall ensure that any overtime worked is voluntary and compensated at a premium rate
- Wages should always be enough to meet basic needs for employees.

To ensure conformance with these supplier expectations Acer will:



Conduct internal professional training for procurement staff to learn to identify and address root causes of excessive working hours such as the communication and understanding of production scheduling and implementing responsible planning and purchasing practices.



Enforce these policy expectations and conformance to the RBA Code of Conduct through 3rd party verified audits and participation in the RBA Validated Audit Process (VAP).

It is Acer's goal through this policy to improve supplier communication and collaborative planning to eliminate excessive working hours, improve worker health and morale.

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Management of Chemical Substances in Manufacturing Process

We have adopted the RBA Code of Conduct, which requires suppliers to put in place effective systems for the management of chemical substances; comply with local regulations; provide appropriate protective equipment and training to workers; and carry out effective categorization, storage, usage, and disposal of chemicals. At the 2017 Supplier CSR Communication Meeting, we announced a list of prohibited and restricted chemical substances, including toluene, benzene, beryllium dust, chlorinated solvents, n-hexane, N-Methyl-2-pyrrolidone, and other substances that may be harmful to the ozone layer. Such substances may impact the external environment or the health of operators, and from 2019, our supply chain will be required to prohibit or restrict their use in production. We will continue to pay attention to regulations applying to relevant industries and evaluate the possible expansion of this list in order to reduce the risks to the environment and operators, while also strengthening on-site audit communication and inspections.

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 annual supplier CSR communication meetings, CDP project briefings, and major training programs on social and environmental responsibility. This helps them get access to the latest information on global trends, while also presenting opportunities for suppliers to engage in multidirectional communication with Acer senior management or relevant industry experts. In 2017, we focused on environmental responsibility issues such as the setting of carbon reduction targets and the sustainable management of resources.

Training in Science-Based Development of Carbon Reduction Targets

“Science-based targets” (SBT) see industries and individual companies use scientific methods to set reasonable emissions and carbon reduction targets based on total carbon emissions within a global temperature increase of 2°C and the Global Carbon Budget. Acer not only shoulders our own responsibility to take part in global carbon reduction but has also required our major suppliers define SBTs by the end of 2018 in line with international requirements to find paths to carbon reduction. In addition to inviting a consultant from the Industrial Technology Research Institute (ITRI) to give a talk on SBTs at our 2016 Supplier CSR Communication Meeting, in December 2017 we also invited an expert on carbon reduction from the ITRI to conduct a workshop on SBT carbon reduction target setting and the use of related tools for suppliers, further demonstrating our commitment to low-carbon, sustainable development throughout our supply chain.

Managing Greenhouse Gases in the Supply Chain

Acer has been a member of the CDP program since 2008, and we have encouraged our suppliers to respond to CDP surveys 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.

In 2017, we continued to participate in the Carbon Disclosure Supply Chain Program, with Acer’s suppliers achieving an 86% response rate to these surveys and the overall supply chain receiving a C grade for performance. In several key performance indicators, such as Scope 1 and Scope 2 emissions percentages, identification and disclosure of climate risks, and the setting of carbon reduction targets, suppliers actually scored higher than the global average. Target of 2018: Enhance the suppliers' average performance to B.

Acer Supplier CDP Response Rates by Year

	2013	2014	2015	2016	2017	2017 Average Participant Supplier Performance
Overall Average Performance Grade	B	B	C	C	C	C
Scope 1 and Scope 2 Emissions Percentage	92%	87%	95%	86%	94%	80%
Identification and Disclosure of Climate Risks	83%	90%	89%	91%	92%	81%
Integration of Climate Change into Business Strategy	87%	80%	88%	83%	90%	81%
Setting of Carbon Reduction Targets	75%	70%	78%	75%	85%	65%

The vendor CSR scorecard continues to address 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% and made use of green electricity. Into the medium term, we will be focusing on this as a priority in supply chain management pertaining to production operations, as through this we will be able to boost the overall performance of our supply chain in responding to climate change. The critical suppliers’ carbon reduction goal which is in line with SBT methodology will be included in annual supplier’s CSR scorecard in 2018.

In 2017, we continued to cooperate with the CDP China office, particularly with regard to organizing online courses for our China-based suppliers and increasing the capability of those suppliers to respond to climate change and stakeholder concerns. In meetings, we reiterated Acer’s requirements on our supply chain for GHG management and reduction, along with the expanded use of green energy.



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Responsible Minerals Procurement

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 from the illegal mining and trading of the ores of tantalum, tin, tungsten, and gold (3TG) from the DRC and neighboring countries, which is a major source of revenue for local armed rebel groups and a cause of serious armed conflict. Acer's commitment to ensuring that the procurement of minerals from the African Great Lakes region involves 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. Over the years, growing evidence has shown that mining is an intensive process involving social and environmental risks that must be managed and involves metals and minerals that extend beyond 3TG and the DRC.

As a result, in 2017, Acer began the transformation of its conflict minerals program into a responsible minerals sourcing program with a broader focus that seeks to strategically identify priority minerals and regions that are a high risk for negative social and environmental impacts. The mechanisms that drove the conflict minerals program are being adapted to address this broader focus, especially the supply chain tracing and due diligence processes that remain in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition, Acer realigned its policy and internal procedures to drive this renewed focus.

ACER'S POLICY ON RESPONSIBLE MINERALS SOURCING

For many years, Acer has been focusing on responsible minerals sourcing, which began with the Conflict Minerals issue in the Democratic Republic of the Congo (DRC). 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 ores of tantalum, tin, tungsten and gold (3TG) from the DRC and its adjoining countries is exploited to fund armed groups, and serious human rights abuses are connected to those groups and to the mines. Over the years, growing evidence has shown that mining is an intensive process involving social and environmental risks that must be managed and involves metals and minerals that extend beyond 3TG and the DRC.

Acer is committed to the best practices and we expect our supply chain to respect and support internationally recognized human rights movements. While sourcing minerals that originate in Conflict-Affected and High-Risk Areas, 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 Responsible Business Alliance 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 RESPONSIBLE MINERALS SOURCING POLICY, ACER WILL:

- Identify and prioritize minerals for inclusion in our responsible sourcing strategy;
- Conduct due diligence on prioritized minerals 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 on prioritized minerals in accordance with OECD Guidance and provide routine reporting using the tools developed by the Responsible Minerals Initiative (RMI) to enable supply chain transparency;
- Co-work with its supply chain, industry groups (RMI), government, civil society, and other organizations (OECD Responsible Minerals Forum & Public-Private Alliance for Responsible Minerals Trade) to develop supply of conflict-free products when sourcing prioritized minerals that originate in Conflict-Affected and High-Risk Areas;
- Seek to support organizations that focus on peace negotiations in Conflict-Affected and High-Risk Areas, a responsible and sustainable minerals trade, and diverse and stable economies;
- Publicize Acer's progress on due diligence and supply chain risk mitigation.



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2015- 2016

We continued to publish our smelter list, not only verifying smelter names and countries but also adding disclosures of newly added smelters. This information increases the transparency of Acer's supply chain, while also providing stakeholders with information on the identification and compliance status of the company's smelters and refineries. For more details, please see the 2015 Conflict Minerals Report and 2016 Conflict Minerals Report.

2013- 2014

Acer joined the Public-Private Alliance for Responsible Minerals Trade (PPA), and began using the version 2 RBA Due Diligence tool to launch surveys of our suppliers regarding smelting plants, including the use and sources of 3TG minerals (tungsten, tin, tantalum, and gold), along with gaining feedback through surveys of smelters. Through review and analysis of non-conflict mineral surveys conducted by suppliers in 2013, we have been able to identify a list of smelters/refiners that use conflict minerals in our supply chain. For more details, please see the 2013 Conflict Minerals Report and 2014 Conflict Minerals Report.

2011- 2012

We and our suppliers participated in the trial of the RBA Due Diligence Tool and the RBA/GeSI Extractives Working Group, submitting a smelter list and publishing our results, in addition to taking concrete measures to support the RBA/GeSI Responsible Minerals Assurance Process, RMAP. Acer joined the Organization for Economic Co-operation and Development (OECD) "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, building due diligence capacity in our supply chain and in the region, and sharing our experiences in program implementation.

2009 - 2010

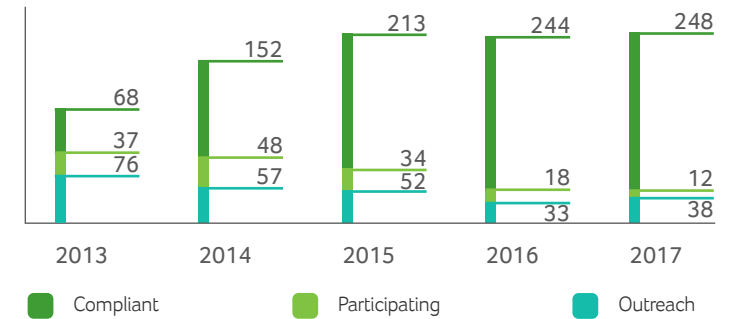
Acer began communicating the issue of conflict minerals with suppliers and participating in both the RBA/GeSI Extractives working group and the Extractives Due Diligence sub-working group. Acer also contributed to the development of the Conflict Minerals Reporting Template, which facilitates disclosure and communication of information regarding smelters that provide material to a company's supply chain.

Note: Responsible Minerals Reinsurance Process (RMAP) : formerly Conflict-Free Smelter Program

2017 Conflict Minerals Management

We completed and published our 2016 Conflict Minerals Report, including a summary of Acer's supply chain due diligence, future plans, smelter list and mineral country of origin. The report showed that the quantity of smelters in our supply chain had plateaued indicating that we had narrowed in on the total population of smelters. At the same time, the increase in compliant smelters, proved continued progress in the performance of our due diligence and overall conflict minerals program management. We also increased the visibility of the historic trends on Acer's conflict minerals supply chain indicators.

As a result of our conflict minerals due diligence measures in 2017, we were able to identify 298 unique smelters in its supply chain. The number was an increase of 3 smelters over the previous year. Acer also saw an increase in compliant smelters from 244 to 248 in 2017. The percentage remains unchanged. The data shows the continued trend toward identifying, engaging and driving more smelters toward the Responsible Minerals Assurance Process (RMAP). A summary of our progress year-over-year can be found to the right. Acer's ultimate goal is to have a supply chain in which 100% of smelters are engaged in the RMAP, either compliant or participating in the process with the goal of becoming compliant. Due to the dynamic nature of our supply chain and the existence of a due diligence process that identifies risk mitigation opportunities, it is realistic to assume that there may always be a number of smelters that require outreach. In 2018, we set the target that 90% of smelters are RMAP compliant and 95% are either RMAP compliant or participating.



While experiencing success, we have also begun to realize the challenge associated with the smelters that have yet to cooperate and those that have participated in the past, but may waiver on participation in the future. The supply chain is very dynamic and due diligence is an ongoing process that if working properly will continue to identify risks and opportunities for mitigation. 100% RMAP-compliant smelters is an ongoing goal for Acer and not the only criterion for success. Qualitative measurement of the due diligence process and our ability to respond to risks is the goal and direction toward which we shall strive in the future. Acer has started to incorporate other tactics to assess and mitigate risk in its supply chain, including demanding the cease of sourcing from some smelters, monitoring and scoring suppliers on their conflict minerals performance and their use of smelters that participate in the RMAP, and reviewing incident reports from schemes such as the RMI. Acer also began using the Standards Comparison and Risk Readiness Assessment (RRA) tools offered through the Responsible Business Alliance (RBA). The tool allows Acer to compare suppliers' performance across many different standards, initiatives and certifications, improving our ability to assess and manage risk in our minerals supply chain. At the time of the writing of this report, Acer has connections with 85 smelters and has received 79 RRAs.

Acer continues to follow the OECD Due Diligence Guidance as the basis for its conflict minerals management program and seeks to implement program elements that strengthen Acer's conformance to those guidelines. We also continue to conduct smelter outreach and communicate smelter details and the results of our efforts to the Responsible Minerals Initiative (RMI) Smelter ID team, as we believe the smelter/refinery identification and disposition are critical components of our due diligence procedure and of maintaining RMAP smelter data.

We 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 also continue to publish the results of our surveys, and to work with government, industry, and civil-sector groups to resolve supply chain challenges and to ensure the use of legal, conflict-free minerals. Additionally, we will continue to seek opportunities for more advanced due diligence surveys, verifying optimal methods and practices and working to ameliorate the conflict minerals situation in the Democratic Republic of the Congo and neighboring countries.



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Public-Private Alliance for Responsible Minerals Trade (PPA)

Phase one of the memorandum of understanding (MOU) for the Public-Private Alliance for

Responsible Minerals Trade (PPA) concluded in August of 2017. Acer continued its involvement in the PPA by committing to the phase 2 MOU, an additional 5-year partnership. The PPA is 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 October of 2017, Acer attended the annual multi-stakeholder face-to-face meeting in Santa Clara, California to discuss the outcomes and lessons learned during phase one and to participate in a discussion seeking to develop a phase two framework, the goal of which was to scale up economically sound and socially responsible minerals supply chains. The discussion included identifying priority outputs, required resources, implementation partners, and success factors.



Cobalt & Indonesia Tin

In 2016, to support this expansion of raw material priority, Acer became part of the initial group of companies that signed the Declaration of Support of the Responsible Business Alliance (RBA) Responsible Raw Materials Initiative (RRMI). Initially, the RRMI operated as a separate working group, which was co-sponsored by the RBA and the Conflict Free Sourcing Initiative (CFSI).

However, due to the increasing priority for most CFSI members, in 2017, the RMI was combined with the CFSI and rebranded under the name Responsible Minerals Initiative (RMI). This merger added several sub-working groups that were born out of the RRMI and combined them with the existing working groups of the CFSI.

Within the new RMI, Acer continues to be involved in various sub-working groups related to conflict minerals in the DRC and has joined the Cobalt Sub-working Group and the Tin Working Group. Each working group is working with industry members and cross-sector partners while using recognized industry standards to develop processes and tools to conduct due diligence and address the risks specific to these materials and the conflict affected and high risk areas where these mining activities occur.

The Cobalt Sub-working group is focused on child labor issues in the DRC and, in 2017, made progress defining the cobalt refiner and the choke point in the rechargeable battery supply chain, developed relationships with other cobalt focused organization and initiatives such as the Responsible Cobalt Initiative to begin collaboration on processes and tools, and began to draft an audit standard for cobalt refiners to support a future audit pilot in 2018.

In 2017, Acer participated in the initial development and pilot of the supply chain mapping tool that was based on the RMI Conflict Minerals Reporting Tool and Acer was a contributor to the initial cobalt refiner list that is now being maintained by the RMI. Acer will continue its efforts to survey its battery supply chain, identify cobalt refiners and drive their participation in the developing audit program.

The Tin Working Group is focused on the environmental impacts and safety concerns of mining tin in Indonesia. The Tin Working Group was originally convened by IDH Sustainable Trade Initiative during phase I of the project. In 2017, the convening role began its transition to the RMI to oversee phase II. Acer joined in the third quarter of 2017. Major progress in 2017, includes the drafting of the phase II work plan, the establishment of a local advisory committee in Indonesia, engagement with stakeholders and local government, and the review of draft proposals for pilot projects to address occupational health and safety as well as land restoration and reclamation.

Acer continues to believe that working together as an industry and in partnership with all stakeholders is the most efficient way to enable success at driving meaningful improvement in the social and environmental conditions associated with raw materials extraction.

03 DEEPENING CORPORATE GOVERNANCE CULTURE

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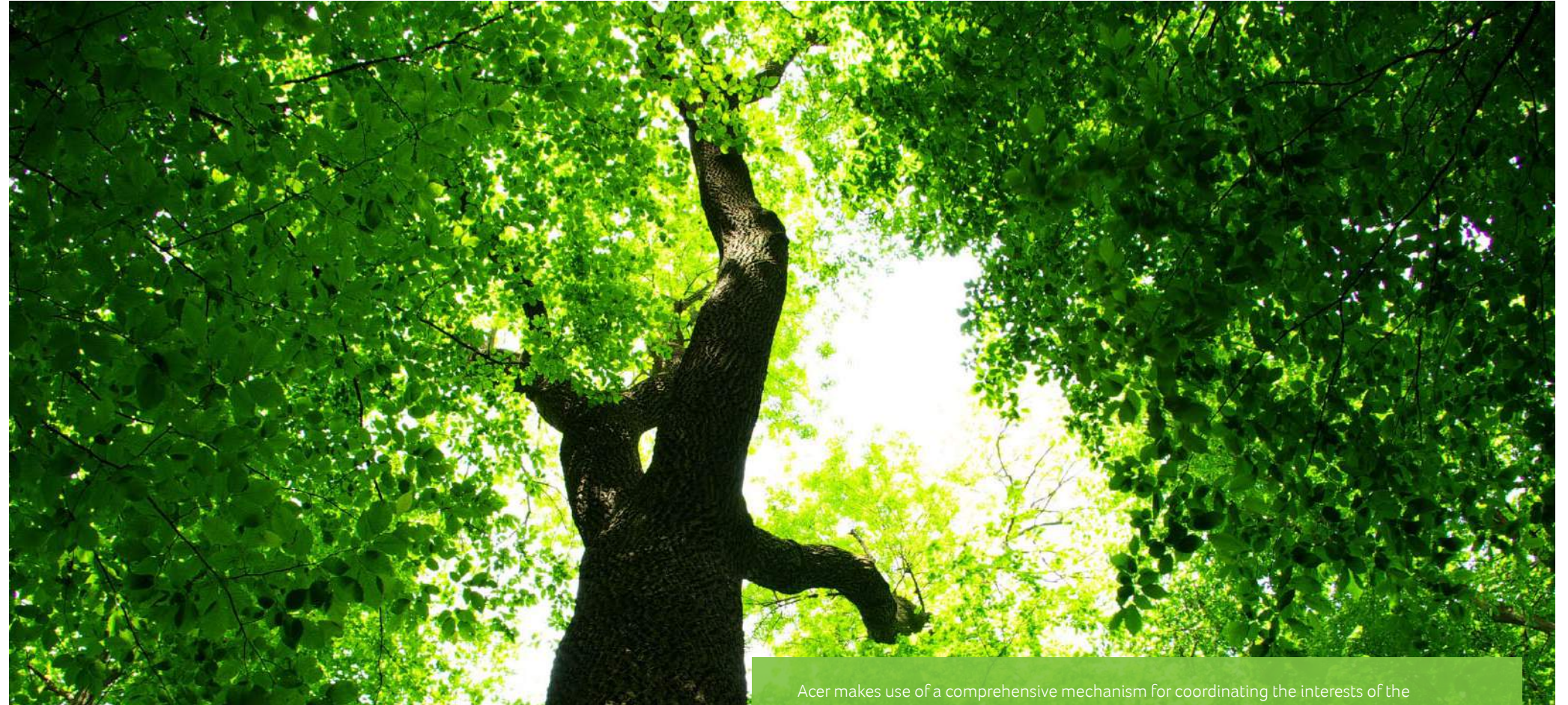
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Material Topics for Response to Stakeholder Concerns

Corporate Governance/Behavior Standards, Customer Data Protection, Information Security Governance, Information Transparency and Complaints Mechanism, Operational Risk Management

Acer makes use of a comprehensive mechanism for coordinating the interests of the Company and those of our stakeholders, thus strengthening our corporate governance and furthering the formation of a culture of sound governance. The Company has constructed its corporate governance system atop an effective governance structure. At its heart are the three core beliefs of the Wangdao philosophy: creating value, balancing interests, and sustainable operations. With comprehensive systems guidelines, regulations, and processes in place for all of these, Acer continues to deepen its corporate governance.



CORPORATE GOVERNANCE STRUCTURE



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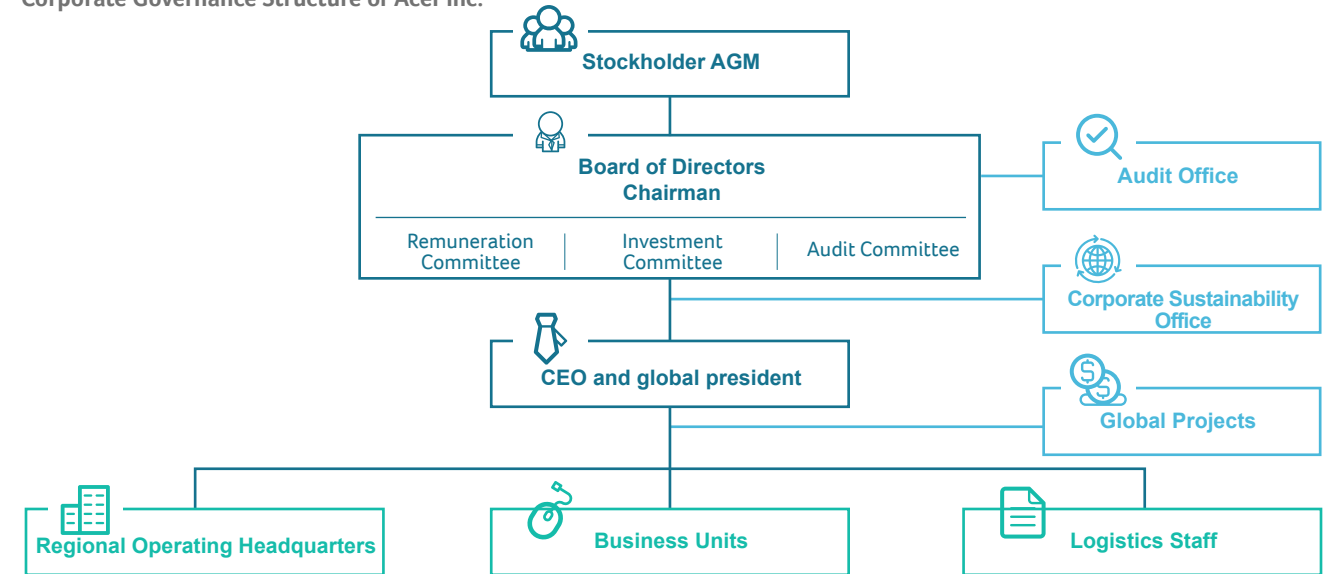


Board of Directors

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 healthy company. As such, in addition to being qualified and experienced, Board members not only must adhere to relevant legal requirements, they must also meet exceptionally high professional standards. Candidates for Acer directorships are elected at stockholder meetings and have all previously served in major positions with well-known companies or other related industry positions. They are expected to have a wealth of experience with commerce, finance, accounting, and corporate operations. When the current Board of Directors was up for reelection in 2017, Bruce Ji-Ren Lee, F.C. Tseng, Simon Chang San-cheng, and Charles Ching-Hsiang Hsu were elected as independent directors, enabling Acer to make use of their world-class experience, professionalism, and intelligence through stronger participation in and supervision of the Company's operational decision-making, as well as putting in place stronger corporate governance and improving operational quality.

Acer's Board of Directors is made up of 9 directors who each serve three-year terms. The previous Board's term ran from 18 June 2014 through 17 June 2017, and the current Board's will run from 18 June 2017 through 17 June 2020. In 2017, Acer underwent a successful transition between Boards. More than two-thirds of Board members do not hold managerial positions with the Company (of the nine members, only one director is also a manager); of those Board members, four are independent directors, and one director is female. Independent directors account for 4/9ths of the Board of Directors, almost one half, resulting in the current Board being more independent than ever before. Regarding age brackets, the current Board is composed of three directors between 50 and 59 years of age, three between 60 and 69, and three between 70 and 79. Such a makeup ensures that the experience of these veterans can be more fully passed down and integrated with the dynamism of the next generation.

Corporate Governance Structure of Acer Inc.



Members of the Board of Directors¹

Chairman	
Jason Chen	Male

Independent Director	
F.C. Tseng / Bruce Ji-Ren Lee / Simon Chang San-cheng / Charles Ching-Hsiang Hsu	Male

Director	
Stan Shih / George Huang / Hung Rouan Investment Corp. Representative: Philip Peng	Male
Hung Rouan Investment Corp. Representative: Carolyn Yeh	Female

Note 1 : For information on the academic experience and any other concurrent corporate positions, please refer to our annual report.



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In 2012, the Company amended its rules regarding conflicts of interest. In accordance with these rules, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest between those of any director(s) with those of the Company, said director(s) may neither participate in relevant 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 management.

With regard to the everyday business of Acer (including finances, the environment, 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, attendance of Board meetings is disclosed in the Company's annual reports.

Between 22 November and 15 December 2017, Acer completed its Board of Directors performance evaluation and report. This evaluation included self-evaluations in areas including the makeup and structure of the Board, Board participation in corporate operations, improving Board decision quality, internal controls, and director elections and ongoing improvement thereof. 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.

In order that our directors should keep their skills and strengths sharp, the currently serving nine directors each also undertook three-hour further education courses.

	<p>Jason Chen, Stan Shih, George Huang, Carolyn Yeh (Hung Rouan Investment Corp. representative), Bruce Ji-Ren Lee, Charles Ching-Hsiang Hsu, and F.C. Tseng attended "Trends in Information Security and Personal Information Protection in the Age of the Internet of Things and the Responsibilities of Directors and Supervisors" and "Major Changes in the IFRS for 2018-2019."</p>	<p>an annual total of training hours: 6</p>
	<p>Smart Capital representative Philip Peng attended "Practices in Corruption Risk Management," "Taxation Governance in the Anti-Tax Avoidance Era," "Information Security in Technological Development," and "Challenges and Priorities for the Audit Committee."</p>	<p>an annual total of training hours: 12</p>
	<p>Simon Chang San-cheng attended "Applications of AI in Customer Service Robotics and Insurance Products," "Major Changes in the IFRS for 2018-2019", "The AI Revolution & Opportunities for Banking Industry," "Trends in Information Security and Personal Information Protection in the Age of the Internet of Things and the Responsibilities of Directors and Supervisors," "Corporate Governance Forum: Trends and Challenges in IT Governance," and "Corporate Governance Forum: Crisis Management Strategies and Management."</p>	<p>an annual total of training hours: 18</p>

In addition, Acer's Board of Directors has three committees under its purview: the Audit Committee, the Salary and Remuneration Committee, and the Investment Committee. Each of these operates under its own set of guidelines and standards: the Audit Committee Organizational Rules, the Salary and Remuneration Committee Organizational Rules, and the Investment Review Committee Organizational Rules respectively. It is hoped that these committees will provide mutual supervision of and assistance to the Board of Directors, further strengthening investment, setup, and M&A decision-making while also improving overall corporate governance capability.

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Acer Committee Members



Audit Committee

Chair : Charles Ching-Hsiang Hsu
 Member : F.C. Tseng, Bruce Ji-Ren Lee, Simon Chang San-cheng



Salary and Remuneration Committee

Chair : Bruce Ji-Ren Lee
 Member : F.C. Tseng, Chin-Cheng Wu, Charles Ching-Hsiang Hsu
 Note : Chin-Cheng Wu stepped down on 06/21/2017; Charles Ching-Hsiang Hsu was appointed on 06/21/2017



Investment Review Committee

Chair : Simon Chang San-cheng
 Member : Bruce Ji-Ren Lee, Stan Shih, George Huang, Jason Chen

Audit Committee

Function

In order to ensure robust supervision of the Board and to strengthen the management mechanism that applies to the Board, in June 2014 Acer established an Audit Committee. This committee replaces the former Financial Statement and Internal Control Review Committee and is composed of independent directors, at least one of whom is a finance or accounting specialist. This committee serves terms of three years and must serve again should they be reelected. The Audit Committee is chaired by independent director Charles Ching-Hsiang Hsu, current chairman of the Board of eMemory Technology. 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:



2017 Performance

A total of five meetings were held over the year, one each in March, May, June, August, and November³.

Note 3 : For details of attendance, please refer to the Company's annual report.

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Remuneration Committee

Function

The responsibilities of the Remuneration Committee include

	Setting and periodically reviewing director and manager performance evaluations, along with remuneration policies, systems, standards, and structure.
	Making regular evaluations of the remuneration of the aforementioned personnel.

Remuneration of directors is handled in accordance with the Acer Articles of Association, Principles Governing Remuneration for Directors, and Management Principles Governing Remuneration for Senior Officers, with recommendations made by the Remuneration Committee and approved by the Board of Directors before they take effect. 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 set aside 10% of said profit as legal reserve (unless such legal reserve amounts to the total authorized capital). After the Company sets aside this special reserve in accordance with the applicable laws and regulations, and if any balance remains, no more than 0.8% 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, and directors concurrently serving as managers are excluded from such remuneration. The remuneration structure applicable to senior management is governed by the Management Principles Governing Remuneration for Senior Officers. Short-term incentives are tied to managers' individual performance and the Company's overall performance; long-term incentives are tied to stock price. Managers' annual performance indicators include financial and non-financial strategic performance indicators as determined by policy-responsible management 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.

2017 Performance
A total of five meetings were held over the year, one each in March, May, June, August, and November.

Note 1 : In response to the 2015 amendments to the Company Act, the Board of Directors has passed amendments to the Articles of Association stating that in the event that the Company has an annual profit, after losses have been covered, no more than 0.8% of the remainder shall be distributed to directors as remuneration, and the distribution method thereof shall be decided upon by the Remuneration Committee' s report to the Board.

Note 2 : For details of attendance, please refer to the Company's annual report.

Investment Committee

Function

The Investment Committee is Acer's new committee approved by the current Board of Directors in 2017.

	It is responsible for reviewing new investment, joint venture, M&A, and strategic investment plans in advance. After the committee reaches a resolution, it submits its proposal to the Board of Directors for approval.
	The decisions of the Board on matters relating to investment and other authorizations obtained and implemented. As such, the establishment this committee will lead to more professional and prudent processes for the making of investment-related decisions.

The Investment Committee is currently chaired by Mr. Simon Chang San-cheng, who is not only the current chairman of the Board for the Taiwan Mobile Foundation and president of the BeingNet Alliance, but also a man with a wealth of political, academic, and administrative experience. As such, through his leadership of the committee, we look forward to making the most of his expertise in management and investment.

2017 Performance
Since the Board's approval of the establishment of this committee on June 23, 2017, it has met twice, once each in July and November.

Future Development of Corporate Governance

Acer continues to pursue higher levels of corporate governance and look for ways to strengthen it in the hopes of becoming the yardstick for large enterprises. After the current Board of Directors was fully re-elected in 2017 at the stockholder meeting, and in response to the needs of the group's future development, the Investment Committee was formally established. Acer's Board of Directors and its three committees will continue to create a variety of growth engines for the Group in the future in line with the Company's corporate governance blueprint and corporate development model and through the establishment of a model of governance at both the Board and management levels, thus continuing to deepen corporate governance.



LEGAL COMPLIANCE



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Code of Ethics: Standards of Business Conduct

Acer has drafted the Standards of Business Conduct ^{Note} (SBC) to serve as a basic guideline for staff in their interactions with clients, business partners, shareholders, and the community. In April 2017, an amended version of the SBC was published with additions focusing on the protection of human rights. These Standards are built around Acer’s core values: passion, user-orientation, innovation, teamwork, balancing interests, and integrity. They serve as a guideline for decision-making and action with regard to fair competition; respect for the environment; intellectual property rights; conflicts of interest; the banning of improper payments, gifts, or hospitality; political contributions and activities; and so forth.

Should any member of the staff have questions regarding the Standards of Business Conduct (SBC), Acer management, Global HR, and Global Legal are available for both staff inquiries and external inquiries. Should staff or outside partners have any questions regarding potential breaches of the SBC or possible unethical behavior, they may directly contact the units mentioned above. 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 also details mechanisms to address potential corruption. The Company regularly carries out audits of day-to-day operational processes, using effective internal control mechanisms to reduce the possibility of acts of corruption occurring. All Acer staff have undergone training regarding anti-corruption measures. During annual performance reviews, we require management and colleagues to review their adherence to our standards of professional behavior. 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 guidelines of the Standards of Business Conduct.

Anti-Bribery and Corruption Policy

An Anti-Bribery and Corruption Policy has been put in place across all elements of Acer Group and a corruption risk analysis undertaken. We have also commissioned third parties to conduct corruption assessments of particularly high-risk subsidiaries, reporting their findings to the Audit Committee. Acer also sends “Acer Clean Business Statements” to vendors each year, emphasizing the Company’s commitment to integrity management, anti-corruption stance, and emphasis on corporate governance, and requesting they refrain from presenting Acer staff with any improper gifts, hospitality, or money.

In order to protect the rights and interests of stakeholders, promote communication with stakeholders, and strengthen corporate governance, should anyone discover involvement by company staff in fraud, corruption, or any behavior that is illegal or in violation of corporate governance, they can use the dedicated email (whistleblower.acer@acer.com) to file a direct report and complaint.

Regarding the above, in 2017 Acer found no confirmed cases of violations of anti-bribery policies, nor was the Company litigated against for anti-competitive, anti-trust, or monopolistic behaviors.



Acer has always prided itself on being compliant with the law, and as such 2017 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 voluntary codes with regard to the impact on consumers’ health and safety of any products or services
Breaches of regulations or voluntary codes concerning product or service information/labeling	Breaches of any regulations or voluntary codes with regard to 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

Note :Acer Group Standards of Business Conduct. <http://www.acer-group.com/public/Sustainability/approach/policy-2.htm>

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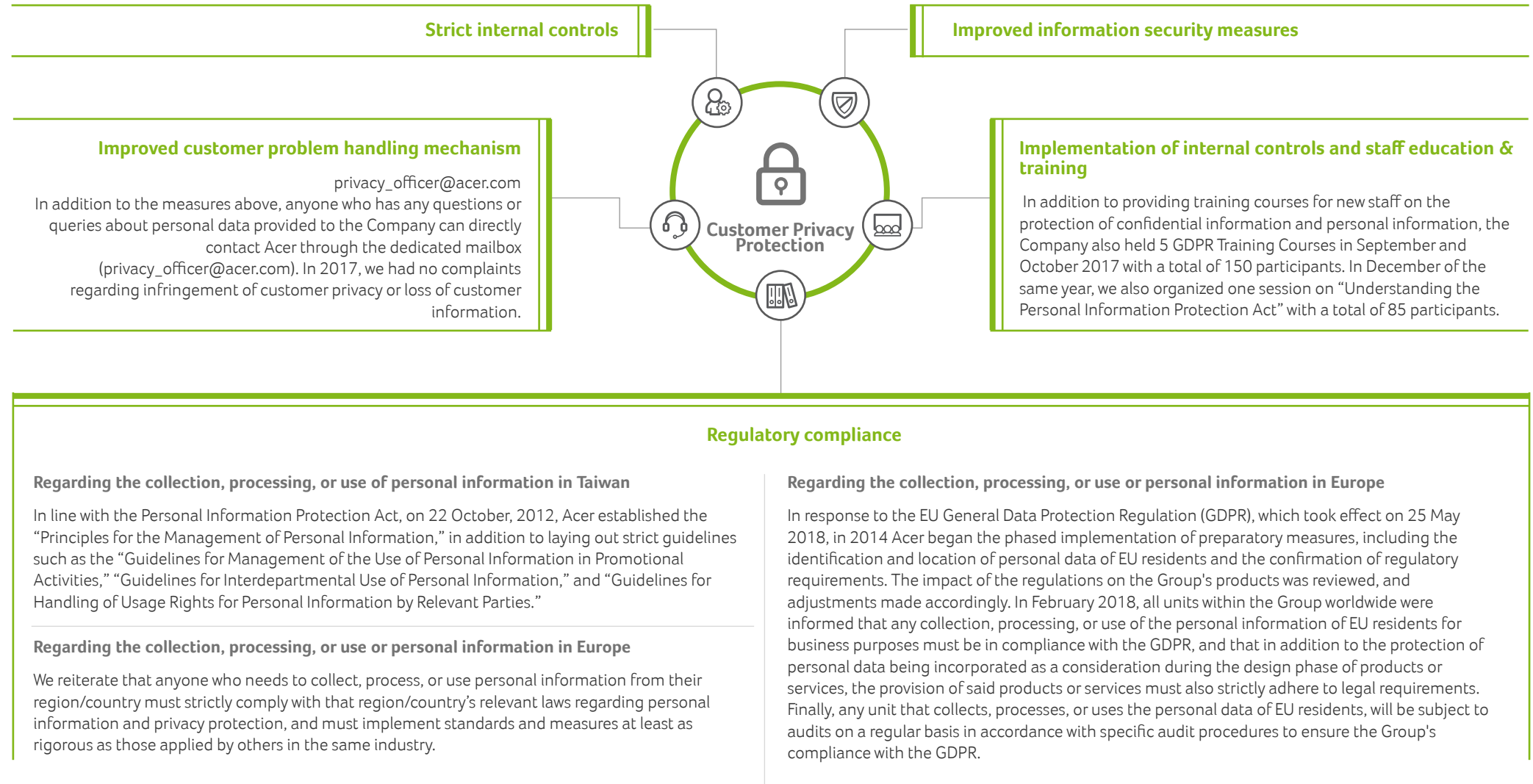
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Customer Privacy Protection

Acer understands the importance of the protection of personal information and privacy to our clients, and as such we consider our policies on personal information protection and privacy to be a priority. All Acer employees are required to carefully protect confidential or proprietary information provided by customers, and our products make use of data security technology. However, both technology and the risk of hacking or intrusion into systems are always changing, and so in addition to continually reviewing the necessity for collecting customer information and strengthening information security protection measures, the Company also seeks to distribute risk through information security protection systems in order to provide an additional layer of privacy protection.

Our customer privacy protection measures include:





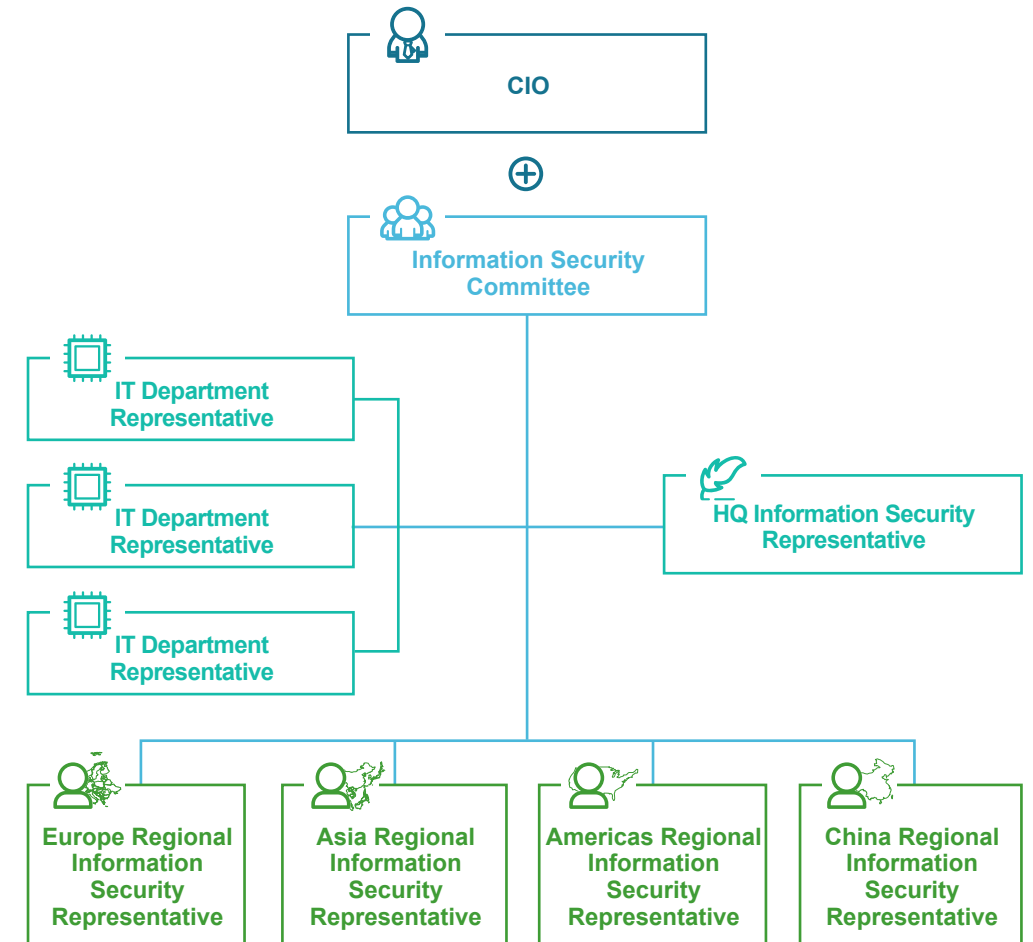
Information Security Governance

As a global brand, Acer considers the protection of information security to be of tremendous importance, particularly regarding earning and maintaining the trust of customers, those invested in the brand, and other interested stakeholders.



Over 2017, Acer introduced information security protection systems in a phased rollout, and in 2018 we will continue to work to deepen our information security culture and strengthen our responses to cases through obtaining ISO 27001:13 certification and conducting full-scale preparations to meet GDPR requirements.

Chart of Acer Global Information Security Organizational Structures



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The Audit Committee, under the aegis of the Board of Directors, regularly conducts audits of existing or potential risks to the Company. Internally, Acer has established an independent auditing unit focused on both the Company and its global subsidiaries and conducting audits that encompass financial and business operations and management functions. In 2017, the Audit Office undertook a special audit of information security and network security issues, submitting the results to the Audit Committee.



Drafting Plan

Audit method is based on risk assessment. An annual audit plan is drafted assessing items including financial, legislative change, personnel change, information security, and currency risks.



Carrying Out Audit

Subsequent routine audits based on annual audit plans or ad hoc project audits are conducted to discover possible areas in which internal controls are lacking in a timely manner, and unit(s) audited will be required to take measures to address any such areas.



Reporting Results

Audit results are reported to each Board member on the Audit Committee and Board of Directors, with subsequent improvements then tracked and monitored.



Strengthening Internal Controls

All units and subsidiaries are urged to conduct self-assessment of internal controls at the end of each year, including evaluation of integrity management and non-acceptance of bribery or inappropriate hospitality, and to establish their own self-supervision mechanisms.

Grievance Mechanism

Acer sets up whistleblower.acer@acer.com, encouraging people inside and outside the Company to directly report any incidences of fraud, corruption, breaches of the Standards of Business Conduct, or any other activity that is illegal or counter to good corporate governance. Through this, personnel, legal, or auditing departments can be notified, with each report passed on to the appropriate authorities for confidential investigation. After the Company's internal audit manager receives reports/complaints from stakeholders, they will convene an investigative team composed of the most appropriate people in light of the content of the report/complaint, carrying out investigations in a confidential manner, taking appropriate measures, and reporting the investigation process and results to the Audit Committee. In 2017, we received a total of seven complaints. These included two cases of sexual harassment, four personal information cases, and one integrity-related case. These complaints were confidentially investigated in conjunction with the relevant departments, with the facts and findings reported to the Audit Committee and Board of Directors.

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RISK MANAGEMENT



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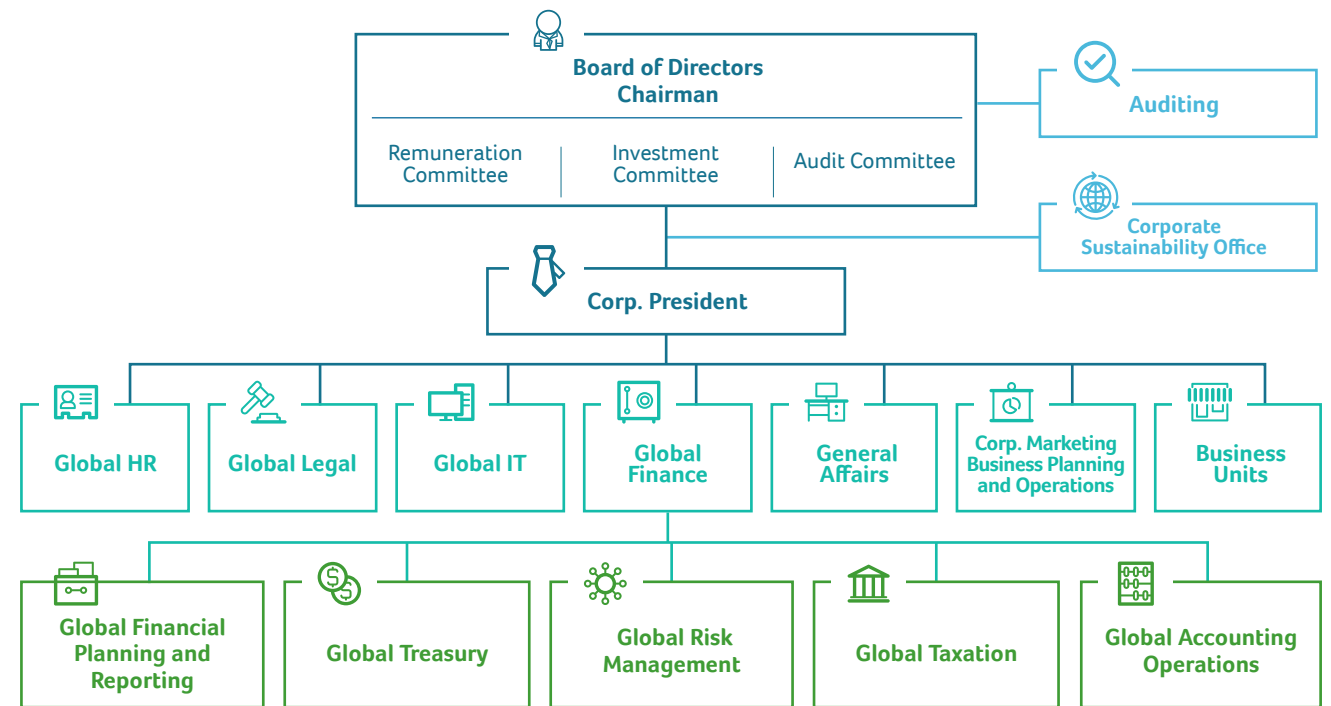
The ultimate goal of Acer's business philosophy is sustainability. We firmly believe that rigorous risk management not only represents the emphasis Acer places on our long-term commitments to customers, partners, and shareholders, but also provides concrete actions that can ensure stable business performance and the implementation of corporate social responsibility. One could even say that the sustainable development of a company is inextricably tied to its risk management. Only by continuously and consistently identifying dynamic changes in risk and implementing relevant management measures can we truly achieve sustainability and ensure our hard-won results are protected.

Acer collects and evaluates potential strategic, operational, financial, and hazard risks that could impact the Company's operations, setting out management policies and enforcement mechanisms and organizations in response to ensure risks are controlled and responded to appropriately. For the sake of ongoing monitoring, strengthening of risk management, timely response, where risk has been identified, it is included into routine meetings of the Audit Committee, where it is taken into consideration alongside the operating conditions of the Company and a decision regarding the relevant department and issue is made.

Acer's Risk Management Framework

At the end of 2012, Acer established a Risk Management Workgroup. The members of this group are drawn from departments throughout the Company, including legal affairs, finance, HR, supply chain management, marketing, IT, environmental health and safety, asset management, product business groups, and the sustainability office. Through this workgroup's annual meetings, members carry out identification and discussion of potential operating risks and emerging risks facing the Company along economic, environmental, and social axes.

Acer's Risk Management Framework



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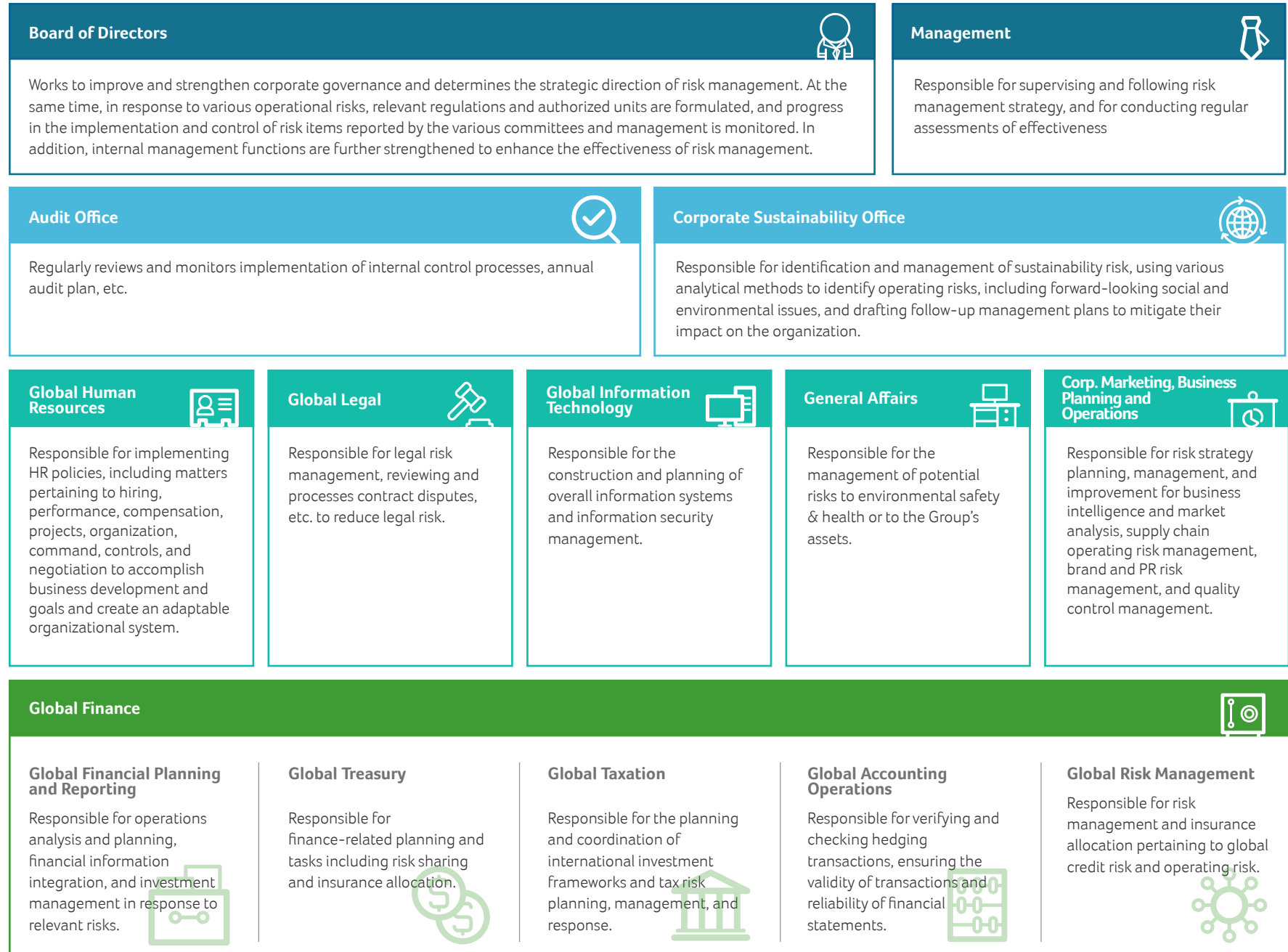
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Risk Identification

The Risk Management Workgroup uses risk maps to analyze the probability of losses resulting from various risks and the extent of those losses should the risks occur, as well as analyzing the level of potential threat those risks pose to the Company and carrying out risk classification in order to ensure the Company's risk management strategy is properly prioritizing risks. The following risk analysis and testing methods are adopted to further quantify and analyze risks and examine whether there is a high degree of correlation between risk factors.



The Risk Management Workgroup aggregates the results of these and drafts follow-up action plans, reporting to the convener of the group. Material risk information is also provided in Audit Committee reports. In 2017, the Risk Management Workgroup identified a total of 63 risk items, of which 11 were categorized as medium-high risk or higher, including IP and litigation risk, information security risk, and exchange rate risk. Personnel from the relevant departments are assigned to formulate follow-up risk management strategies and related implementation plans for risk items that have been identified and analyzed, including common risk management response methods :



Loss prevention, avoidance, separation & duplication, risk transfer, and risk retention.



They also evaluate the appropriate investment of resources, set out implementation priorities, and lay out follow-up methods. At the same time, risk response plans and crisis management mechanisms have been formulated to reduce the potential adverse effects of various potential risks on operations. In summary, we are engaged in ongoing and proactive risk management, taking a forward-looking focus on prevention and facing both current and future risks and challenges with prudence.

We also reported on the critical risk information to the Audit Committee. The reports are as followings:



In summary, we are engaged in ongoing and proactive risk management, taking a forward-looking focus on prevention and facing both current and future risks and challenges with prudence. The Audit Committee also aggregates risk environment, risk management priorities, risk assessment, and response measures, with the chair reporting this to the board.



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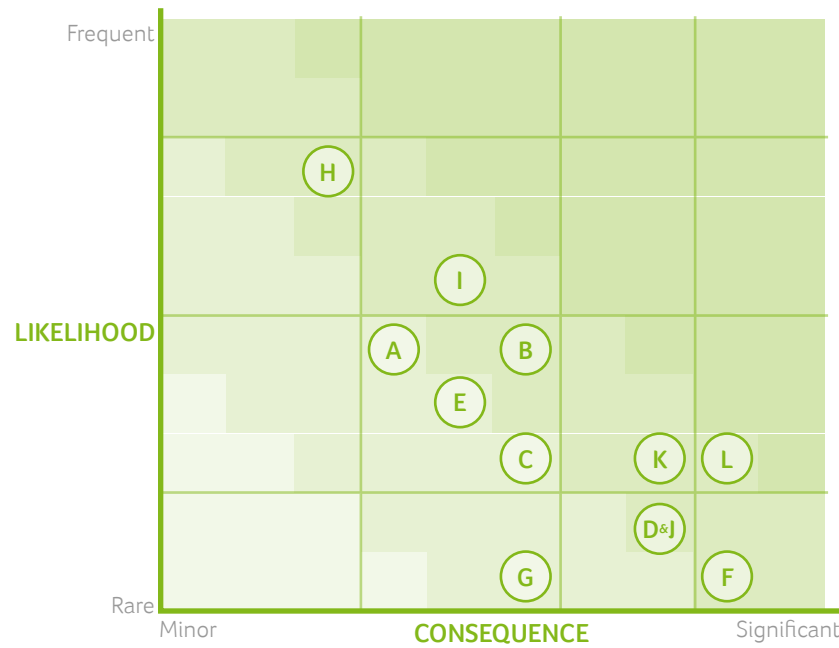
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A Supply chain related risk	e.g., whether or not raw materials sourcing is stable and reliable; and supplier risks on environmental and labor rights
B IP and litigation risk	Includes patent litigation filed by competitors regarding intellectual property
C Exchange rate risk	Impairment of property value due to exchange rate fluctuations
D Credit risk	Risks relating to payee's ability or willingness to repay
E Taxation risk	Potential risks due to tax reforms
F Inventory management risk	Includes risks due to slow inventory turnover
G Director/Supervisor/Manager management liability risk	Potential liability risks arising in the course of Company directors, supervisors and senior management personnel performing their duties
H Labor-related risk	Risks such as labor shortages or loss of high-level management talent
I Information security risk	Losses arising from leaks of personal information, malicious programs, computer viruses, or hackers
J Business interruption risk	Losses due to interruption of business caused by accidents
K Extreme climate risk	Risks due to global climate change and various extreme weather phenomena

Emerging Risks

With regard to the two primary emerging risk items identified by the Risk Management Workgroup (information security risk and trade protectionism risk), we have invited staff from the relevant departments to undertake in-depth discussions in hopes of evaluating any potential adverse impacts of these emerging risk items on the company through discussions and focused thinking. With regard specifically to information security risk, the Risk Management Workgroup has not only determined the types of losses that may occur, including reputational damage, damage to revenues, interruption of services, and leakage of confidential information, but has also worked with the IT Department to set out fundamental information security practices and plan for the introduction of the ISO 27001 international information security standard. We will continue to focus on long-term developments in information security risk and on reviewing and strengthening relevant information security operational principles.

With regard to future development trends toward and potential negative impacts of trade protectionism risks, such as trade protectionism triggered by certain countries and imposition of tariffs on non-locally manufactured goods in order to reduce trade deficits, it may be possible that production of computer products being largely concentrated in Asia becomes a bargaining chip in trade negotiations, or even triggers price changes and affects sales. The Risk Management Workgroup has summarized possible loss patterns (including declines in the sales volume or market share due to political instability and increases in labor costs due to the relocation of production). We will pay close attention to long-term trends in trade protectionism and continue to develop new niche markets and sales channels in order to distribute operational risks and reduce the impacts and uncertainties caused by trade protectionism.

- Reviewing services open to the outside
- Using the principle of least privilege and encryption
- Verifying and protecting end-point security
- Paying attention to application security
- Educating users
- Seeking out and addressing the weakest links
- Paying attention to the latest norms in information security and understanding the latest attack methods

Notes: 1 The risk identification process begins in Q4 each year and is completed in Q1 the following year. 2 Risk maps are based on the results of the 2017 annual risk assessment. 3 Some risk items are presented by category.



04 CULTIVATING TECHNOLOGY, LOOKING TO THE FUTURE

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United Nations Sustainable Development Goals

Innovation and Research

Customer Service

Material Topics for Response to Stakeholder Concerns

Sustainable Operating Strategy, Innovative Research & Development and Product Services, Innovative Research & Development and Product Services

Innovation is one of Acer's core competencies. We are committed to research, development, and innovation, as well as to gaining a deep understanding of what both customers and markets demand. By combining these with cutting-edge technology, we are able to provide products and services that are innovative and reliable. We also share resources with partners through a variety of channels, creating innovative cooperation in this rapidly changing industrial environment and mutually seizing the possibilities.

Acer has always been committed to a quality policy of delivering competitive products and services on time to customers with zero defects to customers on time. We aim to provide professional products and services fueled by the credo "Proud to serve, Proud to be Acer." We strive to provide safe products with strict quality control and a thorough and improved customer service system, ensuring our customers can enjoy the fun and usefulness of technology with peace of mind.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



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The United Nations Sustainable Development Goals (SDGs) cover important sustainability issues and challenges facing humanity. The 17 goals comprise 169 targets across several aspects, namely people, planet, prosperity, peace, and partnership. The United Nations has called on governments, corporations, and individuals to contribute to the sustainable well-being of humanity.

Acer's development direction is built around the UN SDGs, and through the promotion of the widespread application of technology, we hope to help humanity find innovative solutions to the problems we face and achieve an improved quality of life. In 2017 we launched the next-generation aBeing Cloud platform, adopting "Si-innovation Island" as our vision and pursuing the adoption of BeingWare cloud-based solutions in transport, healthcare, commerce, and mobile lifestyles.

Through discussions with senior management of each business group, Acer has begun to link our technology, products, and services with the UN SDGs; lay out a business development strategy; and look at how we can continue employing our core competencies needs address society's needs. In 2017, we continued to launch a variety of new products and services while also reinforcing our sustainability management mechanism in order to respond to the UN SDGs.

3
GOOD HEALTH AND WELL-BEING

Good Health and Well-being

Ensure people's health and promote well-being through our products

- VeriSee DR: Retinal health check system for people with diabetes
- On-demand air quality monitoring with Acer Air Monitor
- Provide high-speed computing solutions to assist in genetic testing
- Antibacterial, hydrophobic/oleophobic, breathable helmet

7
AFFORDABLE AND CLEAN ENERGY

Affordable and Clean Energy

Provide more efficient, more sustainable, safe energy

- e-Bike Batteries
- Battery Health Management Systems

10
REDUCED INEQUALITIES

Reduced Inequalities

Ensure equality of opportunity and reduce inequalities due to gender, physical/mental disabilities, or socioeconomic status

- Bridging the digital divide with the Digital Mobile Vans project
- Integration of people with disabilities into work in Switzerland

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Consumption and Production

Through supply chain management systems, we implement sustainable management and effective use of natural resources

- Please see the section "Sustainability Supply Chain" of chapter 2 in this report.

16
PEACE AND JUSTICE

Peace, Justice, and Strong Institutions

Implement responsible supervision and management of conflict minerals, end all forms of child exploitation, and promote a peaceful and inclusive society

- Please see the section "Sustainability Supply Chain" of chapter 2 in this report.

4
QUALITY EDUCATION

Quality Education

Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning

- Acer Altos VDI for Education
- Acer VR Unlimited Museum
- Acer Foundation's Digital and Creative Talent Cultivation

8
DECENT WORK AND ECONOMIC GROWTH

Decent Work and Economic Growth

Provide smart solutions, more effective work platforms, and the information workers need

- Smart passenger recommendation platform
- IMAX VR ticketing system

11
SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Cities and Communities

Reduce the impact of transportation on urban environments through intelligent management

- Internet of Vehicles system
- Smart Parking Meter System
- Parking Lot App—The best way to find parking spaces and compare prices

13
CLIMATE ACTION

Climate Action

We are actively implementing climate change response strategies, including drafting low-carbon, sustainable strategies and increasing energy efficiency of products while decreasing carbon emissions

- Please see the section "Responding to Energy and Climate Change" of chapter 5 in this report.



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E-Learning



Relevant SDG(s):

QUALITY EDUCATION

Acer Altos VDI for Education

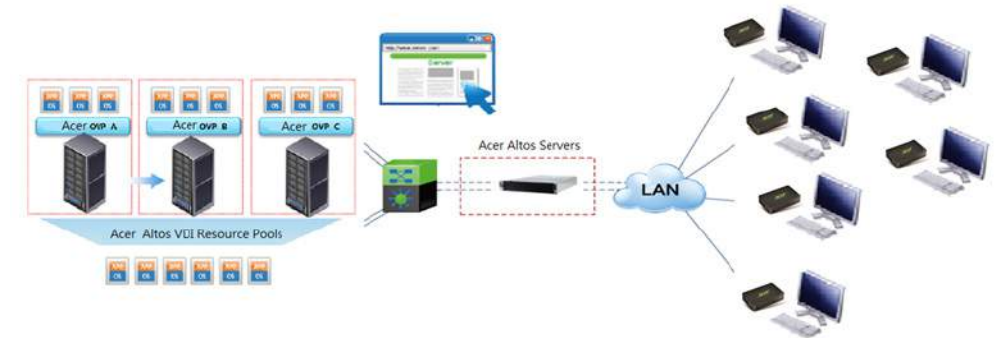
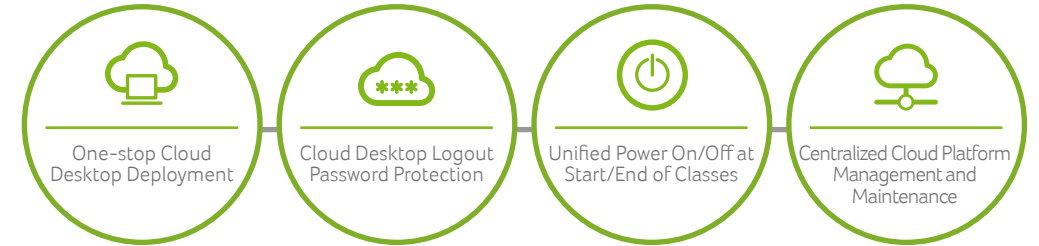
Almost all existing education networks adopt the PC model. However, an increasing number of schools and institutions are facing a series of problems relating to PC networking, from significant amounts of maintenance work and the cost of upgrading hardware & software to poor information security and inconsistent management. These can often lead to serious difficulties in maintenance and attendant high costs.

Acer Altos VDI (Virtual Desktop Infrastructure) for Education uses desktop virtualization technology to make the desktop, not the PC, the fundamental part of the structure. Through Acer Altos virtual machine (VM) servers, users and administrators can then install operating systems and applications on VMs. Administrators can assign virtual machines to users as needed, and user desktops no longer need to be accompanied by high-powered PCs; all that is needed is a safe, easily managed cloud-computing terminal and a user can connect to the VM server at the data center, making use of the server to transfer data to the end user as they use their VM.

Through the “Cloud Terminal + Cloud Desktop” approach, Acer provides user with a one-stop desktop virtualization solution that greatly simplifies desktop deployment and management. In this way, end users can be provided with a familiar PC experience with enterprise-level reliability, information protection, and disaster recovery capabilities with reduced costs and increased flexibility. This solution can help educational organizations and businesses save some 20% to 40% in overall costs.

Currently, Acer is working with over a dozen schools in China, including Lanzhou New Area Zhouqu Middle School and Anhui Sanlian University, to create a resource-sharing VDI solution.

Acer Altos VDI for Education Architecture





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Acer VR Unlimited Museum

Virtual reality (VR) is the use of computers to create a simulated three-dimensional space. Through simulated visual and auditory stimuli, VR gives users an immersive experience. When the user moves, the computer can generate accurate visual responses, creating a sense of presence. This technology brings together the latest developments in 3D CGI, sensors, displays, and networking.

The Acer VR Unlimited Museum lets anyone visit museums like the National Palace Museum at any time of the day with just VR equipment, enabling them to explore as though they were really there. Previously, when exhibitions are over, their hosts will compile the highlights into book form; now, with new VR technology, these exhibitions can come back to life.

The social value of the VR Unlimited Museum includes:

- Enabling those too far away to visit exhibitions
- Effectively making exhibitions available to all ages
- Can serve as teaching material for classes and other educational promotion activities
- Free of the restrictions of physical space, enabling constant changes to settings and exhibited objects
- Can support audio guides in a variety of languages
- Provides an immersive, safe experience



E-Health



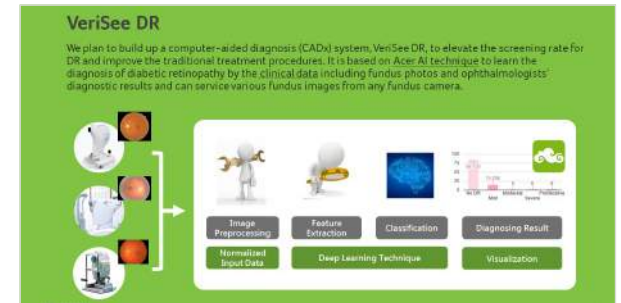
Relevant SDG(s):

GOOD HEALTH AND WELL-BEING

VeriSee DR: Retinal health check system for people with diabetes

Diabetes is a chronic disease that is having an increasingly serious impact. In several countries, as much as 10% of the population is diabetic. It is a condition that can cause a number of serious complications, among which one of the most severe is potential vision loss, which can have a marked impact on daily life. It is, in fact, already the leading cause of blindness among adults in the developed world. However, with the unequal distribution of medical resources today, it is common that specialists will first take retinal scans for later formal diagnosis by doctors. There can be a delay of several days between scan and notification, and as such many people can lose their sense of urgency about follow-up consultations, leading in turn to irreversible loss of vision.

VeriSee DR is an AI tool developed by Acer that uses clinical data gathered from a large number of people living with diabetes, both retinal scans and professional medical diagnoses, and through deep learning has developed a core capability to automatically detect diabetic retinopathy.



- STEP 1** A location with the equipment captures an image of the fundus of the eye
- STEP 2** Using VeriSee DR, an initial diagnosis is instantly provided
- STEP 3** A professional ophthalmologist can promptly verify the results
- STEP 4** Treatment can then be promptly provided based on their professional judgment

The barrier to use for VeriSee DR is low; with simple training, almost anyone can conduct a scan without the need for an ophthalmologist on site. Anyone from nurses and general clinicians to mobile clinic volunteers and even staff at eyeglass stores can operate the scanning service and help people get an initial diagnosis and follow-up quickly and conveniently, thus reducing the risk of permanent vision loss.

* VeriSee DR scan results are for reference only and should not be used as the only basis for clinical diagnosis; a trained medical professional must undertake further confirmation and diagnosis.



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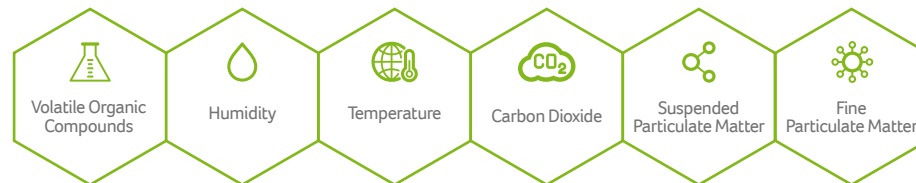


On-Demand Air Quality Monitoring with Acer Air Monitor

We have observed that most people, whether at work or at home, spend around 90% of their time indoors. In light of this, in 2017 Acer launched a new user-oriented Internet of Beings product: the Acer Air Monitor. By providing users with more and more timely information about their environment, the Acer Air Monitor enables them to take control of that environment and enjoy a better quality of life. An indoor air-quality monitor, the Acer Air Monitor can feed data to mobile phones for review and can warn of changes in air quality through changing the color of the breathing light on the monitor. It also supports the IFTTT platform, giving users the means to create their ideal home air environment and trigger home automation systems such as air purifiers. During the Christmas season, the Acer Air Monitor was listed as a recommended product by American online retailer Amazon, making it a popular Christmas gift.



Six Main Air Quality Indicators Monitored by Acer Air Monitor



E-Energy

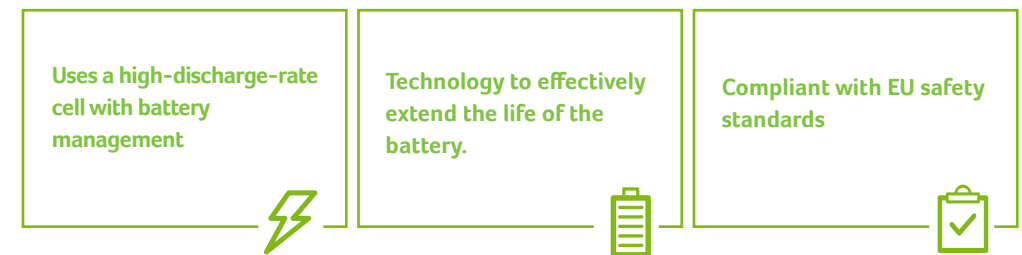


Relevant SDG(s):

AFFORDABLE AND CLEAN ENERGY

e-Bike Batteries: More Efficient Energy Usage

With the popularity of outdoor activities and growing environmental awareness, more and more people are taking up bicycling.



Acer has developed an e-bike battery module that uses a high-discharge-rate cell with battery management technology to effectively extend the life of the battery. Compliant with EU safety standards, this battery has also earned certification and subsidies in Taiwan. The module is designed with safety features to prevent over-heating, over-charging, and the propagation of fire between cells, making for a high-quality, highly safe battery fit to be sold worldwide. This long-lasting battery also has its own app that enables riders to monitor data like route, battery capacity, speed, and battery temperature, helping them stay on top of their bicycle's condition and their route planning. The product can also be tailor-designed for different customers to fit a broad range of applications.





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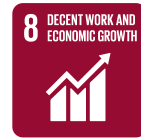
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E-Business

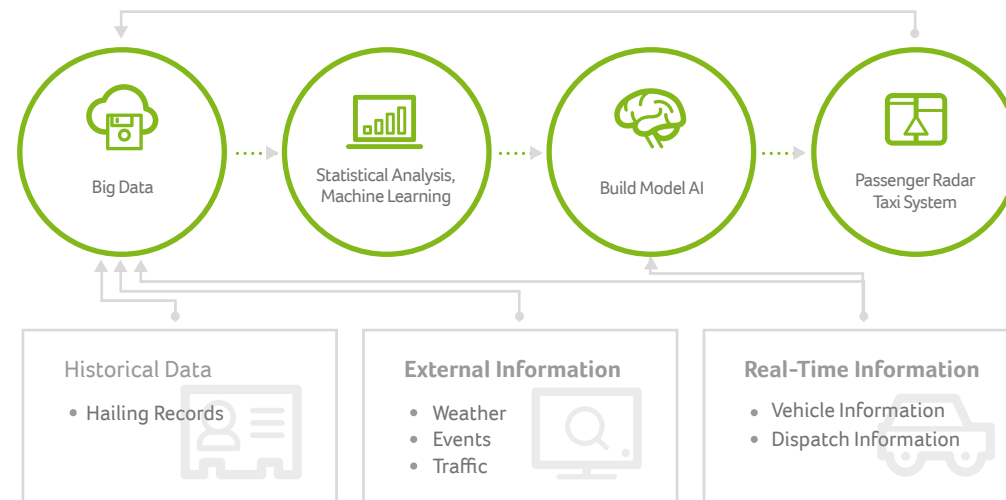


Relevant SDG(s):
DECENT WORK AND ECONOMIC GROWTH

Smart Passenger Recommendation Platform: Built on AI technology to capture passenger flow in real time

The Smart Passenger Recommendation Platform uses AI technology based on big data to conduct hot-spot analysis, forecast demand, and make smart recommendations, enabling drivers to stay on top of passenger flow in real time.

The “hot-spots” of hot-spot analysis are the areas where the greatest demand for cars has been based on historical car and passenger data. Through analyzing particular parameters (e.g., day of the week, time period, or physical region) and outside information (weather, holidays, events, etc.), the system can provide drivers with the location of hot spots in particular areas. Demand forecasting, meanwhile, is based on current situational information (including location, time, and outside information) and uses a combination of statistical methods and machine learning algorithms, building a demand forecasting model to determine the demand for cars in different areas at different times. Smart recommendation combines hot-spot analysis, demand forecasting, and current taxi position to recommend to drivers which areas to prioritize and which hot-spots to seek out passengers from.



Data Analysis and User Research

Working with data from Taiwan Taxi Company, after having carried out pre-processing of the data and verified its integrity and accuracy, Acer’s Data Analysis Team has integrated it with external environmental data and conducted analysis and visualization to understand the taxi industry better. Combining knowledge from the industry, statistical methods, and machine learning, the team has established a model for forecasting taxi demand and passenger pick-up locations.

Through user research plans and methods, the team, made up of members from different specialties, can meet users in person and collect first-hand information. After collation and analysis of the data, they can get insights into the information drivers need in their work. They can also see how drivers consider and interpret that information, as well as getting feedback on the software interface.

Interface Design and App/Platform Systems Development

Based on analysis of customer demand and the data forecasting model, we can discuss and define a system architecture, functionality, and data prioritization that best suits the needs of end users. From there, the interface design goes through a prototyping tool that compiles the concept into a logical interface framework. Then, through visualization of the information, we create a user-friendly man-machine interface. Software designers and system architects are closely involved in design discussions during the process, creating prototypes and systems, tracking overall usage as appropriate, and conducting a variety of stress tests to continuously optimize the service experience.



Pick-up Hotspots

- Display pick-up hotspots nearby
- Provide real-time number of picked up passengers
- Save time in looking for passengers

Recommendation Hot-circles

- Provide hot-circle information and nearby activities and events
- Help drivers toward appropriate area

Hot-zone Prediction

- Taxi demand prediction for each area
- Provide real-time number of empty running taxis
- Supply-Demand status

Video link: <https://www.youtube.com/watch?v=POm8P6-XzO4&t=27s>



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IMAX VR Ticketing System

In cooperation with IMAX, Acer has taken customer demand and VR entertainment to create a unique box office experience, a cloud-based ticketing management platform. This platform includes front-end ticketing website and in-person ticket sales systems and equipment, as well as back-end file creation and management. The advantages of this cloud-based ticketing system include: Integration of online and offline sales and show times, providing a complete ticketing program that fits the special requirements of VR; Supports not only credit card payment, but also common Chinese and third-party mobile payment, Alipay, WeChat Pay, and more; Provides services in multiple languages (Traditional Chinese, Simplified Chinese, and English); Users can find showings quickly and easily; Provides group tickets and discount coupons to facilitate marketing; Back-office staff are hierarchically organized, with accounts having different permissions to facilitate a unified system of control; And provides a variety of analytical reports to facilitate decision-making in marketing.

IMAX joined with well-known Chinese film group Jinyi Cinemas to launch a trial of this system at the Jinyi IMAX cinema in Shanghai starting in October 2017. We expect to open more IMAX VR experience centers across Taiwan and China over 2018.

Smart Cities, Smart Mobility, and Logistics



Smart Mobility and Logistics

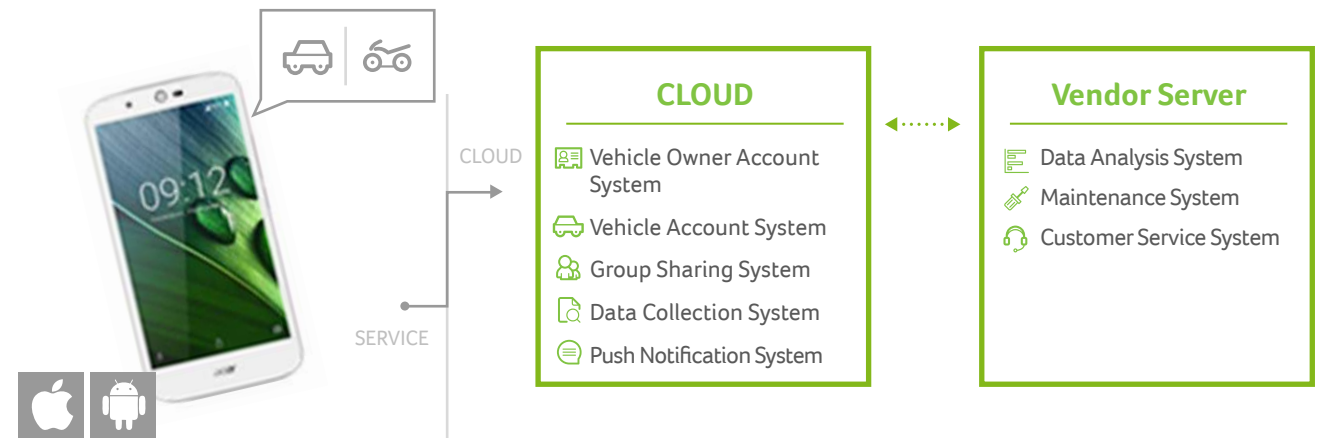
SUSTAINABLE CITIES AND COMMUNITIES

“Smart cities are important areas for the use of the Internet of Things, and the Internet of Things is an important part of the foundation of smart cities.” Acer has become a leader in the field of “smart transportation” in Taiwan, with projects already in broad application in smart ticketing systems across the country, including: smart roadside parking meter management systems, creation of a smart parking-lot license plate recognition system; and Parking Lot App, which integrates parking information and payment functionality.

Internet of Vehicles system

Smart cars are an important part of the smart city environment, and the “Internet of Vehicles” is the future of smart cars. Combining cars with smart tools, we can collect data and put it to use in a variety of applications, creating different user experiences and business opportunities.

Acer’s R&D team has developed an Internet of Vehicles system that extends IOT technology to vehicles. Through big data analysis of vehicle controller data and cloud services, we can provide users with a range of vehicle-related functions, such as driving records, trip analysis, parking location, maintenance reminders, breakdown warnings, push advertising, and electronic locks. Such functions enable users to enjoy smarter drives. At the same time, through the collection and big data analysis of driving data, we can analyze driving behavior and predict part failures, alerting the user in advance that maintenance or other services are required, thus enhancing the user’s driving experience.





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Smart Parking Meter Management System

Urban parking is a problem shared around the world. Acer's Smart Parking Meter Management System lets road users search for real-time roadside parking information through an app, greatly reducing the time required to find parking spaces. Through big data collection and analysis, those managing parking can more efficiently stay on top of parking turnover rate at different times, while smart meters can identify car license plates, reducing the need for manual billing and streamlining payment processes. This system was first put in place in Tainan in 2017 and will be expanded to Kaohsiung, Taipei, and New Taipei Cities in 2018. In February 2018, our Smart Parking Meter Management System won the WICTA "Global ICT Excellence Award – Private Sector Excellence," known as the Oscars of ICT and held in Hyderabad, India.



Parking Lot App—The best way to find parking spaces and compare prices

Parking Lot App is an app available for Android and iOS. After registering an account, drivers can provide their credit card information and, after this information has been matched with a database of credit card discounts, be given information on which parking lots have applicable discounts going. If a driver simply wants to find a spot they can get into and out of quickly, after linking their credit card details with their license plate number, the app can point them to a cooperating parking lot where they will be able to pay without having to leave the car.

Thanks to how the app has met the needs of drivers, over 20,000 people have rated it on Google Play, giving it an average rating of 4.7 stars. It was also selected by Google Play as the Best Lifestyle Apps of 2017, as an Editor's Choice app, and as a highlighted "Made in Taiwan" app.



The Advantages of Parking Lot App

The Most Comprehensive Collection of Parking Lot Data



In addition to combining open data information from local governments, it also responds to drivers' feedback and updates parking information in real time. Currently, data for more than 6,000 parking lots across Taiwan has been collected. In late 2017, it also incorporated the latest data from Hong Kong, Macao, and Singapore.

Providing the Best User Experience



Armed with an understanding of drivers' usage habits, we designed a straightforward and intuitive user interface to give drivers the quickest access to the parking information they need. We have also integrated Google Maps to provide photographs of entrances to parking lots, as well as navigation.



INNOVATION AND RESEARCH



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Innovative Design Thinking

Acer's product design is focused around a people-centric spirit and approach which asks the following fundamental questions:



We strive to understand our users' needs and behaviors and hope that we can offer technological solutions to humanity's problems. At the same time, we take into account technological and commercial feasibility. Acer's innovative R&D process is one which is built around learning through testing and around cooperation across fields.

Innovative Research & Development Cases:

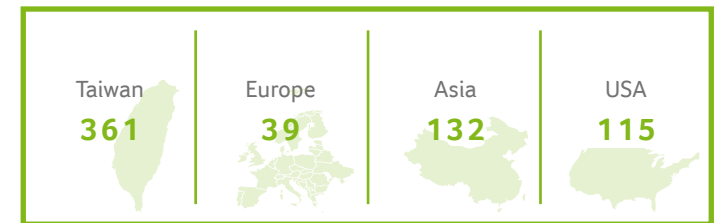
Since launching the GrandPad, a tablet aimed at assisting elderly users, we have continued to work on ways technology can improve the lives of the elderly, with a focus on their own particular experiences and needs. Working with the Chinese Consumer Center, we have used rigorous research methods to conduct market research into the use, acceptance, and barriers to entry of technology among the elderly of Taiwan. With reference to our findings, we have worked to develop specifications and business models communities to hold software training classes, focusing on small classes that go into depth. In these classes, we share with elderly users the functions and usage of modern social media, addressing a real need in their daily lives. As of the end of January 2018, more than 100 people had already taken part, reaping considerable benefits.

Innovative Technology

In 2017 we continued to innovate.

- 647** patents are granted around the world.
- Ranking **5** for number of granted patents in the Taiwan region.
- Granted patents in Europe grow by **18%** on 2016.

Granted Patents in 2017



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In 2017, Acer developed a number of software applications and technologies across all product levels, including:

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Higher Performance

High-Speed Computing

At the Supercomputing 2017 (SC17) conference, Acer launched the high-performance multi-node high-density Altos W2200h-W670h F4 server. Built for AI and deep learning applications, it has a 2U rack-mountable form factor supporting four front-access compute nodes, making it well suited for high-performance computing and in-memory database applications with compute-intensive and memory-intensive workloads. It can also be configured with liquid cooling to support processors with a higher TDP (thermal design power), thereby lowering the PUE (Power Usage Effectiveness) and boosting power usage efficiency.

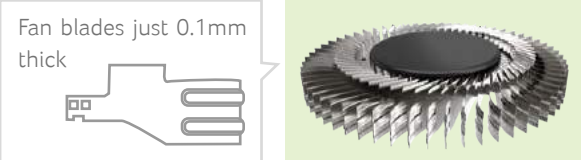


Better Heat Dissipation

AeroBlade 3D Technology

Traditional plastic-bladed fans are limited by the material as to how thin they can get. Metallic fans can get even thinner, down to just 0.1mm, some 87.5% thinner than normal plastic fans. With a total of 59 blades, there is a 35% increase in airflow volume, leading to a marked improvement in heat dissipation. Metallic fans are also some 25% quieter than traditional fans. At present, AeroBlade 3D technology is used in Acer's high-end gaming notebook, the Predator Triton700.

Fan blades just 0.1mm thick



More Cost-Effective

Under-Glass Fingerprint Sensor

Unlike traditional glass fingerprint sensor architecture, Acer's innovative under-glass fingerprint sensor technology enables users to use their fingerprints to activate devices through a 0.55mm touch sensor. The sensor requires no dedicated openings, and the ID design provides an excellent appearance and visual integrity. With no need for a dedicated opening or external exposure, not only are the devices more waterproof and less subject to interference from static electricity generated by the human body, there is also no need for additional CNC and processing, greatly reducing both the time and the cost of manufacture.



Healthier

Antibacterial, Hydrophobic/Oleophobic, Breathable Helmet

Bacteria can enter the respiratory system, causing coughing, sneezing, and discomfort. Acer's VR/MR helmet is 99.99% antibacterial. It uses a special organic antibacterial material, Toppoly, that can destroy the cell wall of bacteria, making them unable to grow. Sweat, skin keratin, and bacteria are among the factors that can cause odors. Taking inspiration from the lotus effect, we have used Parylene for its hydrophobia and oleophobicity. Neither sweat nor water will seep into the surface, nor will keratin or cosmetics stick to it. In addition, Acer VR/MR helmets are also highly breathable, and will still feel comfortable even if used for long periods.




The material used for Acer's helmets simulates the ultrahydrophobic and self-cleaning characteristics of the lotus leaf.

Breathable

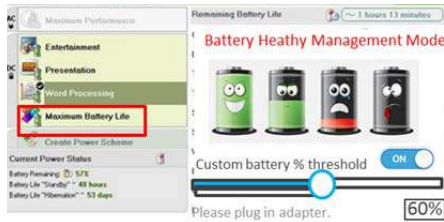
Deodorizing

Antibacterial

More Environmentally Friendly

Battery Health Management

With mobile devices becoming ever more commonplace, the safety and environmental impact of batteries have become issues of increasing concern. Acer launched a new battery health management system in 2017 which models battery charge levels. It can help reduce overcharging and the risk of swelling, as well as reducing the discarding of batteries during their useful lives, thus having a positive environmental effect.



Suggestion user enable BHM function for extend battery healthy



Innovation Platform

Faced with the rapidly changing industry environment and the rise of the Internet of Things, Acer shares resources with our partners, building a collaborative model that ignites sparks of innovation. By taking on the strength of Taiwan's supply chains and people to create a cloud-based ecosystem, we can jointly face the challenges and opportunities of the age of the Internet of Things.



BeingLab Interdisciplinary Innovation Platform

In May 2017, Acer formally launched the BeingLab project in response to developments and innovations in the Internet of Things. The goal of this is to strengthen interdisciplinary exchange in software services, sharing our brand resources and encouraging new flows of creative knowledge to elevate the software sector in Taiwan and create a stronger spirit of experiential services.

The establishment of BeingLab is about not only perspectives and technologies, but also humanistic thinking and imagination. With the physical space always in constant use for exhibitions, seminars, projects, and other collaborative works, we are fostering inter-industry exchange and cooperation, and acting as a platform for continued collaboration in the new economy. By building the foundation of talent and alliances necessary for the new Internet of Beings economy, BeingLab will become an incubator for new Internet of Beings (IoB) applications.

The first stage of the BeingLab project began with a space brimming with creative atmosphere aimed at not just people in the tech community, but was also built large enough to accommodate the general public, inviting people from all walks of life to share and exchange ideas. Young or old, top to bottom, any and all are invited to immerse themselves at the source of new technologies!



The opening ceremony was hosted by Acer founder and honorary chairman Stan Shih and Maverick Shih, general manager of the BYOC™ & Smart Product Business Group and project leader for BeingLab.

<p>CloudProfessor</p> <p>Goal Teaching about cloud computing and the Internet of Things</p> <p>Target Elementary and middle school students</p> <p>354 people</p>	<p>School Tours</p> <p>Goal Guiding students through current developments and applications in the Internet of Things</p> <p>Target College students</p> <p>20 schools</p>	<p>Forums</p> <p>Goal A dialogue on the intersection of art and technology, talks on environmental technology, introductions to innovation and the nation, free community software lessons, etc.</p> <p>Target Startup teams General public The elderly</p> <p>35 forums</p>	<p>AI Pioneers Exchange Forum</p> <p>Goal A conference on progress in applied AI in various fields</p> <p>Target R&D Specialists</p> <p>Over 500 signups</p>
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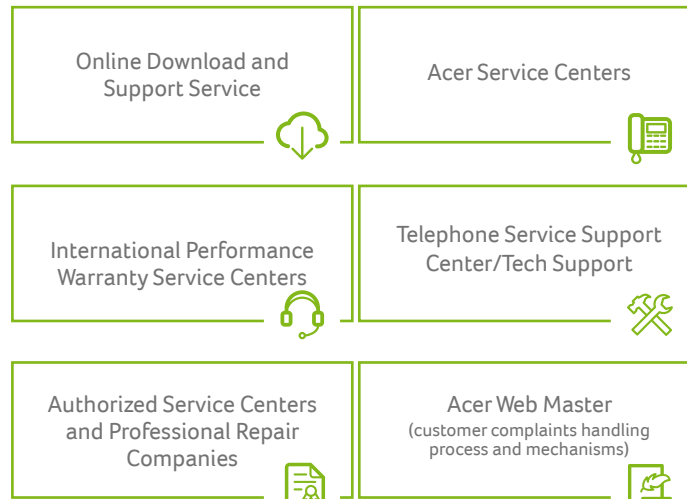
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Acer's success depends on the trust our customers have in us. Since the company's founding, we have demanded of ourselves constant improvement in quality. From product design through production to after-sales service, we continually strive for innovation and improvement, all while also complying with domestic and foreign legal requirements for performance and customer safety.

Acer's vision is to become a leading brand that creates better lives through innovation and customer care. We firmly believe in the pursuit of quality in everything we do, and that this approach will ensure we remain competitive. To ensure our customers are satisfied, we actively strive to understand their needs and to develop better, easier to use products and services that meet, or even surpass, expectations. In this way, we create greater value for our customers.

Multiple Service Channels

Acer is 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. Our customers should feel free to contact us at any time and provide comments and suggestions through the following channels:



In 2017, we conducted computer health check-up in 16 communities around Taiwan, providing the following services:

- Unlimited warranty check-up services for branded computers
- The latest information on discounts on maintenance and peripherals as necessitated by customer services and maintenance work
- Acer e-Service app promotion
- Increased exposure and strengthened relationship with communities.



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



Mixed Mode

Combining our own venues with partnered telephone service and maintenance centers



Acer's "One Company, One System" IT System

Providing service units with seamless, real-time linkage



Parts and Logistics

Our parts center and regional service centers, managed by a single system, along with parts centers in all corners of the globe, are ready to respond to customers' maintenance service needs



Multiple Brands

Consistently meeting customers' needs across different brands around the world



E-service Application

News, sales & service, Q&A, service locations, case status, warranty information, customer service centers, home delivery

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With the Acer e-Service app to version 3.0, customers can easily get service information on their smartphones

Product Alerts and Recalls

In accordance with the law, all Acer products and services carry required labeling and product information. Manuals for our products include guidelines for safe usage, laying out proper usage and items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Product manuals and the company website all provide contact details for Acer, facilitating consumers' use of telephone or online customer service.

Whenever important product information or recalls arise, we provide all customers with full details on our various national websites, such as in the Support section of our Taiwan website. There, customers can see if their product(s) 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. In 2017, there were no new product recalls or incidents causing concerns about consumer safety.

Enhancing Service Quality

Acer Care Center: a self-testing system

The Acer Care Center (ACC) is a software suite for optimizing Acer notebooks and desktops, helping users keep their devices in top condition. ACC can also link users to Acer's support team to get them the assistance they need. ACC provides comprehensive service, including checks and updates, ensuring users can keep their devices up-to-date and running smoothly.

My System

Provides detailed hardware and software information, giving users an easy way to get information on system components including the operating system, CPU, graphics system, memory, and more.

Detailed Computer Checks

Using PC Checkup, users can get diagnostics and status reports for their hard drives, batteries, and networks. By providing them with the information they need, this helps them get an insight into whether their devices are running properly and how to unleash those devices' full potential.

Tune-Up

Using a disk cleaner, disk defragmenter, startup manager, and junk removal tools, Acer Care Center helps users keep devices in peak condition. These four services help users improve performance. Acer Care Center also provides Smart Tune-up functionality that enables the system to automatically optimize performance.

Support Information

Using Acer Care Center, users can find the closest service center, access the Acer community, look through FAQs, and connect to Acer's support pages. Users can also view their serial numbers and product ID numbers, which can be used to get more information on their devices from the Acer website.

System Updates

Acer Care Center makes it easy for users to get the latest system updates. With the push of a button, they can download and install any available updates. Acer Care Center also offers updates to Acer software and drivers, as well as keeping detailed logs of versions and update dates.

Recovery Management

Using Acer Care Center, users can backup or restore system settings and networking drivers to protect against the effects of system failures. The recovery management function assists users in reinstalling Windows 10 and can also help restore system settings.





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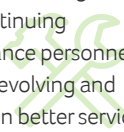
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In addition, the Acer Diagnostics Suite (ADS) also provides hardware diagnostics for service centers performing maintenance.

<p>ADS can help maintenance personnel zero in on the causes of hardware failures, condensing the time needed for testing and for accurately identifying faults, thus providing improved service quality.</p> 	<p>The development of ADS has created annual savings of US\$495,000 by eliminating the need to purchase commercial diagnostic software licenses.</p> 	<p>This system is already in widespread use in the Taiwan, Pan-American, Pan-European, and Pan-Asian regional service centers. With continuing feedback from maintenance personnel, the system is constantly evolving and improving, providing even better service.</p> 
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Acer Community: Online Communications, Prompt Responses

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.


 Members 240,436	 Visitors 7,724,733	
 New user registrations in 2017 38,653	 Posts over 330,550	 Solutions over 8,143

The website supports 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, including product hardware or software improvements, more customer-friendly web pages, and so forth. A total of 228 innovative ideas have been shared through this channel. These ideas help Acer understand what our customers need, knowledge that can be applied in later product development and service improvements.


The Acer Product Evaluation Program (APEP) is a product testing program that allows expert members of the Acer Community to test out the latest products. Their feedback can then help us improve our products and be more innovative. Relevant departments, including the management team, marketing, and UX, evaluate and discuss user feedback and lay out plans for improvements.

Global Customer Relationship Management System


A good system is fundamental to excellent customer service. To improve 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 in use 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.

In addition, we have also improved the functions of the customer relationship management system, providing customers with a mobile application through which they can make inquiries and can track service requirements. Technical service engineers can also work online. To improve maintenance quality and reduce maintenance time, all regional service centers also make use of the Acer Diagnostics Suite (ADS).



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Acer eAcademy: Helping Service Staff Solve Problems Better

To facilitate our worldwide customer service staff's provision of the best customer advice and assistance, we established an online learning system (Acer eAcademy) 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 eAcademy provides more than 7,700 employees and partners around the world access to the latest product information, equipping them to provide better customer service. In 2017, Acer Europe offered nine courses, the goal of each being to help staff more effectively deal with customer inquiries through a set of standard methods and to enable the participants to fully understand each product through a virtual journey, even without seeing the actual product.



Customer Satisfaction Survey

We carry out Acer Customer Satisfaction Surveys in each country individually. As such, methods can vary. However, head office still regularly collects the results of our surveys and reviews them for trends and insights. The four main methods by which these surveys are carried out are by telephone, online, face-to-face, and through telephone discussions with major corporate customers. In terms of customer type, we categorize them as either end users or retailers.

In aggregate, our 2017 survey results show high global satisfaction, with positive customer evaluations accounting for **95.05%** of total evaluations.

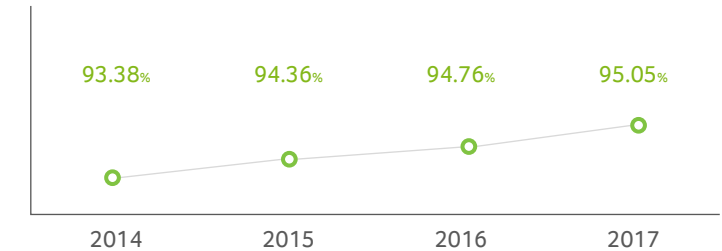
We have set the following goals for customer service improvement in 2018:

Maintain average customer satisfaction survey results above 95%, with continued growth year by year.

Implement a fan management project integrating sales and computer health check-up. Additionally, implement a bidding system for companies and schools, carrying out computer health check-up and establishing strong customer relationships.

Implement regular education and training for maintenance center service staff.

Global Customer Satisfaction Survey



○ Global Customer Satisfaction Survey(%)

World-Recognized Customer Service

Thanks to our excellent customer service, in 2017 Acer won several awards from around the world. For example, we were named Best Service Brand for the 12th year running by Chinese magazine Popular Computing Weekly. We also won the Outstanding Merchant Award from JD.com for the second consecutive year. In addition, we earned annual national customer service awards in countries including China, the Netherlands, France, Switzerland, Germany, and Czechia.

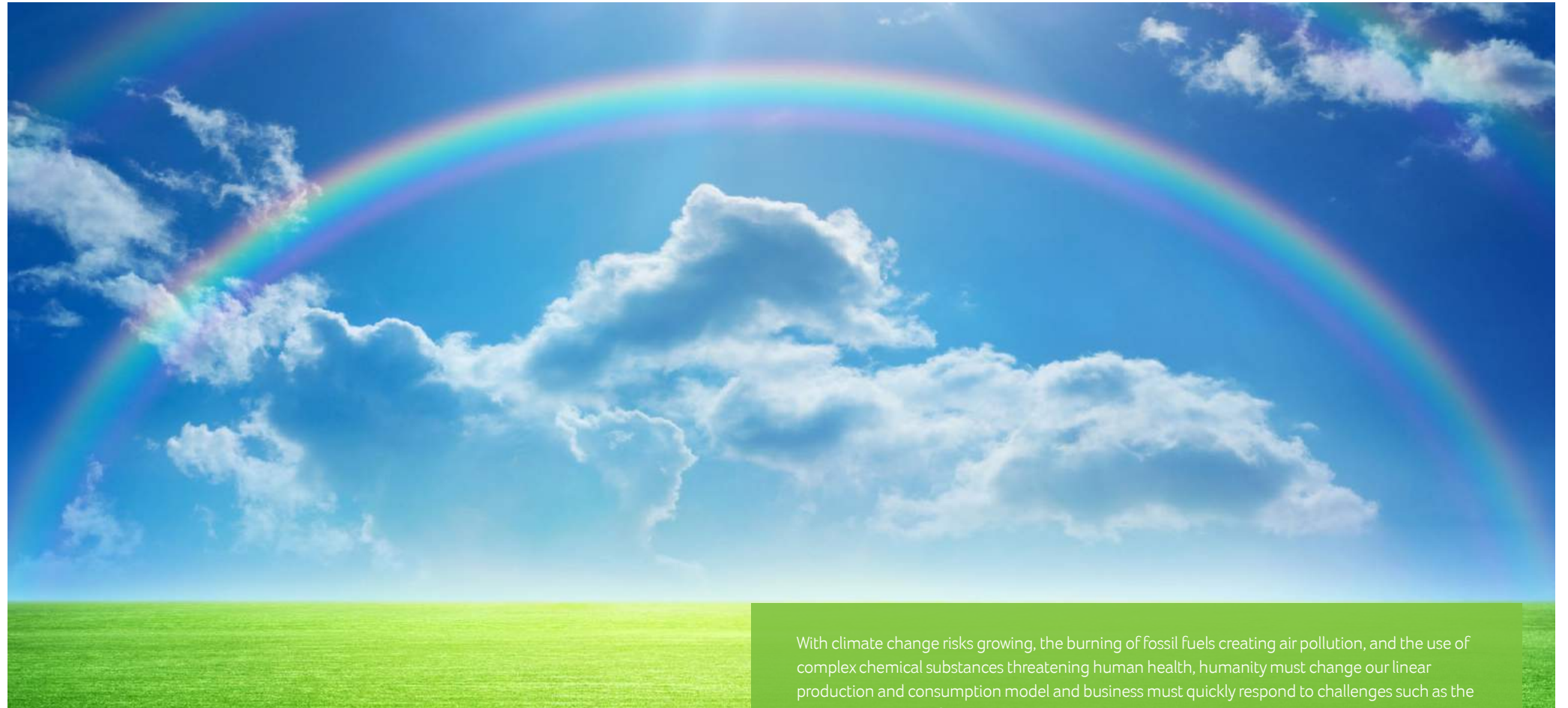




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Circular Economies and Product Life Cycle

Responding to Energy and Climate Change Issues

Our Operations and the Environment

Material Topics for Response to Stakeholder Concerns

Circular Economies and Product Life Cycle, Environmental Policy and Management Performance, Energy and Climate Action, Environmental Policy and Management Performance, Water Resource Management

With climate change risks growing, the burning of fossil fuels creating air pollution, and the use of complex chemical substances threatening human health, humanity must change our linear production and consumption model and business must quickly respond to challenges such as the increase in demand for raw materials, growing extraction costs, ever-rising prices, and escalating costs and risks associated with the procurement of materials. Through the use of circular economics, we can reduce the impact of such factors on both the environment and our business. Given this, we insist on upholding our responsibility to the environment, making use of renewable energy and putting in place energy saving and carbon reducing measures, not only providing safe, harmless products, but also seizing both the risks and opportunities presented by climate change as we continue to reach for our goal of being an environmentally friendly company.



CIRCULAR ECONOMIES AND PRODUCT LIFE CYCLE



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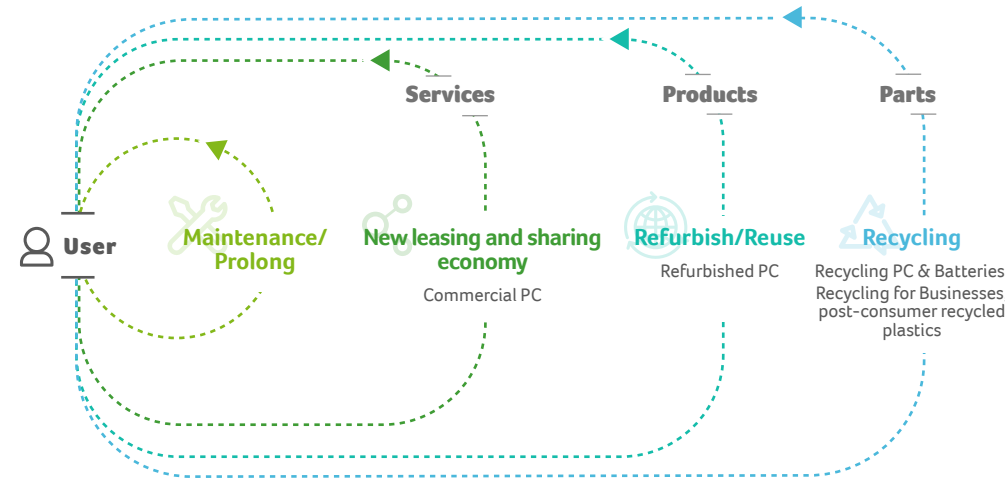
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In our efforts to minimize the impact of our products on the environment and society, Acer has worked to implement the concept of circular economies, including improving the energy efficiency of our products and using recycled materials in our product designs and packaging. We also regularly review the environmental impact and performance of our products throughout their life cycles. Into the near future, Acer will also continue to actively seek out ways to pursue sustainable development through new business models that decouple corporate profitability and growth from raw materials inputs.

Circular Economies and Acer



Example:
 Acer has observed that the majority of startups today use cloud-based IT solutions and prefer software subscriptions and hardware rentals over purchases, as such measures help reduce the substantial costs they can incur in the early stages of their operations. As such, in 2018 Acer worked with a number of hardware rental companies in the Middle East, successfully breaking into the startup market in the United Arab Emirates. The use of rentals in place of purchases not only reduces use and waste of raw materials, but also promotes the ongoing improvement of our commercial-use computers.

Acer's Green Product Policies

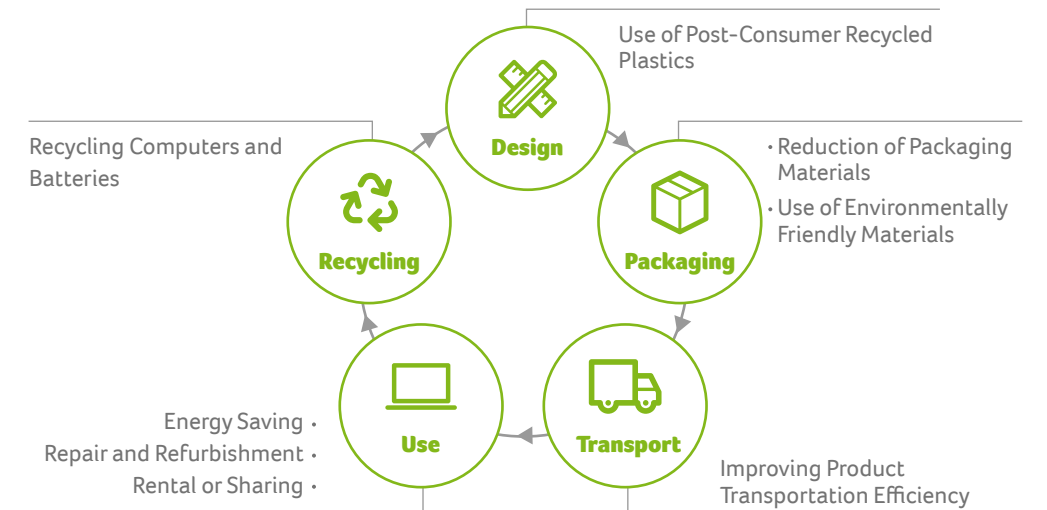


Based on the life cycle concept, we offer high-quality products that are energy and resource efficient, low in pollutants and hazardous substances, and easy to recycle.



By employing green purchasing and communications with our suppliers we have been able to establish a green supply chain that is thoroughly in line with international environmental practice.

Acer Product Life Cycle Management



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Sustainable Product Design

Raw Chemical Materials Management

To protect the health and safety of users and reduce potential environmental risks, Acer strives for prudence in its management of chemicals in raw materials.

In 2016

we continued with the introduction of Phthalate Usage Disclosure in our vendor CSR scorecard, encouraging vendors to prioritize the use of phthalate-free materials. Additionally, we have not only promoted the elimination of phthalates from our products, but also added investigation of the use of other banned or restricted chemical substances, continually collecting information from stakeholders at home and abroad on materials of concern and setting out a list of chemical substances banned or restricted from use in vendor manufacturing processes. This has further strengthened the toxin-free nature of Acer's products and their production.

In 2015

we added further restrictions, introducing limits on the use of two more phthalates, along with sulfur and red phosphorus.

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 2012

we added to our product environmental safety specifications limiting the use of seven phthalates that could potentially have an impact on human health.;

Since 2009

we have continued to voluntarily promote the production of notebooks, desktops, displays, and smartphones that do not include polyvinyl chlorides (PVCs) or brominated flame retardants (BFRs), as well as continuing to move forward on dehalogenization.

In 2017

we continued to include Phthalate Usage Disclosure in our vendor CSR scorecard, encouraging vendors to prioritize the use of phthalate-free materials and further promoting the elimination of phthalates from our products. 2017 also saw us continue to develop the list of products free of BFRs and PVCs, in particular the TMP 648 and TMP 658 lines of notebook computers.

BFRs / PVC Free!



TMP648



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Use of Post-Consumer Recycled Plastics

Acer not only supports the concept of resource recycling but also actively strives to use post-consumer recycled plastics (PCRs) 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 responsible recycling (R2), earning international export licenses and recycling service provision qualifications from local governments.



When deciding on machinery and proportion of PCR plastics during the planning of products, we are careful in our selection of plastics vendors.



For 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 more rigorous 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 2017, we continued to use recycled plastics in display units and all-in-one computers, including the B6 and V6 lines of displays and the all-in-one VZ4640G, VZ4820G, and VZ6820G models.

From 2018 onwards, we expect to introduce more models and accessories that use post-consumer recycled plastics, and more to create more circular economies.

Production process of post-consumer recycled ABS



Towards Sophisticated Packaging Design

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 and selection of materials through fabrication and transportation to use and eventual waste processing. For example, we actively pursue reductions in packaging volume and weight through principles like simplified packaging, unified dimensions, and minimal printing. These principles also help reduce the fuel consumption involved in transportation.





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Reduction in Design

Out of a desire to cherish the resources we have available, Acer has since 2016 been planning reductions in the size of desktop product boxes and scale of packaging. In 2018, Acer expects some 40% of all desktop computer shipments to use this packaging. In 2017, approximately 60,000 desktops shipped with the reduced-volume packaging and boxes. In 2017, Acer launched all new chassis and new interior structure for boxes, making more efficient use of the space and streamlining product appearance and size. These new chassis boast a some 40% reduction on the previous design, reducing the amount of iron, plastic, and cardboard used.

Use of recycled materials

The vast majority of product packaging becomes waste after it has finished its job of protecting the product(s) within. Acer carefully considers the materials we use in our packaging, with packaging design emphasizing recyclability and making use of readily recyclable materials a priority. We are striving to minimize the negative impact of packing on the environment. In 2017, 98% of desktop computer shipments used 100% recycled boxes and the package inner cushion materials of 96% laptop shipments was made by 100% recycled paper pulp, minimizing the negative impact of packaging on the environment. On top of this, all of the posters included with products are produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks.



On the cardboard boxes are printed green packaging icons and QR codes linking to the website, where more information can be found.

Folded Cardboard

Percentage of recycled paper: **80%**



Before 2013

Molded Paper Pulp

Percentage of recycled paper: **90%**



2013-2014

Streamlined Molded Pulp Interior

Percentage of recycled paper: **100%**
Products Using Green Packaging, 2017

- Consumer Notebooks
Aspire 1,3,5,7
Spin 5
- Chromebook product line
- Commercial product line



2015-2017

Improving Product Shipping Efficiency

Every day, tens of thousands of Acer products make their way to consumers' hands. Acer strives 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 CO₂ emissions through the principles outlined below.

Changing Shipping Modes and Improving Supply Chain Management

We have reduced the amount of air shipping used and increased the percentage of maritime and rail shipping each year; compared with 2016, in 2017 the achievement we accomplished are illustrated as the right:

Together with our partners, we have continued to adjust our container shipping management, enabling us to handle empty container deliveries at our Chongqing production site and eliminating the 1,800-plus-kilometers of overland transportation between Shenzhen and Chongqing. In 2017, the Chongqing site directly dealt with some 3% more in empty container deliveries than in 2016, while in Q4 2017 we further optimized our logistics management, not only reducing shipping time but also improving supply chain lead time and saving approximately US\$3.19 million in shipping costs.



A 6% reduction in global air shipping, an increase of 5% in maritime shipping, and a 1% increase in rail shipping.



Inland air shipping of notebook computers in China also **reduced by 2%**.



Goods shipped by rail from Chongqing to Europe increased by 4% for **a total shipping cost saving of US\$12.06 million**.



Disclose the Environmental Performance of Products and communicate with consumers

At the product design end, in addition to complying with legal and regulatory requirements for product sales in all regions, Acer continues to enhance product energy efficiency, reduce the use of hazardous chemicals, facilitate recycling, and extend product life, all of which indicate of our commitment to optimization of product design. Ultimately, we communicate and disclose the environmental performance of our products through a variety of environmental labels.

With regard to changes in environmental label standards, such as ENERGY STAR® Computer Program Requirements Version 7.0 and IEEE 1680.1:2018 for EPEAT, we continue our efforts to tracking its new developments and, working with ODM to promptly assess and respond to these new requirements.

ENERGY STAR is the most widely accepted voluntary energy efficiency program to identify products. In 2017, 83% of Acer's notebook computers and desktop computers (including all-in-one computers) shipped in the US meeting version 6.1 requirements, and 62% of displays shipped in the US meeting version 7.0 requirements.

 ENERGY STAR (US) 	 EPEAT 	 Green Mark (Taiwan)
 Energy Label (Taiwan) 	 China Environmental Labeling 	 China Energy Conservation Program
 TCO (Sweden) 	<ul style="list-style-type: none"> Energy Efficiency Chemical Substances Easy to Recycle Extended Useful Life 	

Energy Star Version



Calculated as a percentage of shipped models

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Product Recycling

We value the sustainable future for humanity and nature that the reuse and recycling of Earth's precious resources can bring. The preservation of natural resources is often framed in preventative terms, that the use of renewable resources should not exceed their natural regeneration and that the use of non-renewable resources should be done with caution and efficiency. To this end, we have adopted a variety of recycling programs to reduce our impact on both resources and the environment. We actively support Individual Producer Responsibility (IPR) and are committed to working with the government, consumers, and retailers to shoulder our responsibility for recycling electronic waste. Waste electronic equipment contains many recyclable materials, and so throughout our product design we have created a sustainable materials supply chain, from reducing materials used to minimizing waste produced. Acer not only offers easily recyclable products but also provides consumers with convenient channels for recycling.

In Taiwan

Acer continues to enjoy 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 boxes 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. In Taiwan, Acer's total recycling in 2017 was 1,811 tons.

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 mail. We have also established PC recycling collection centers to provide consumers with more information and advice, as well as to collect personal computers that are primarily employed for home use. In Japan, Acer recycled a total of 35,575.60 kg of desktop computers, notebook computers, CRT displays, and LCD displays in 2016.

In Europe

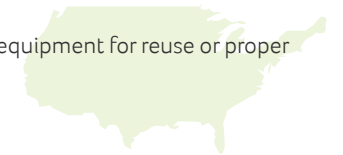
Acer products, batteries, and packaging are designed and recycled in accordance with the relevant EU directives, including the European Union Waste Electrical and Electronic Equipment Directive (WEEE). For more information on our recycling channels, please consult Acer's various European websites.



In North America

Acer continues to provide legally required and voluntary electronic product recycling channels, giving consumers peace of mind and convenient recycling opportunities. In 2017, we continued to participate in recycling efforts with the Reverse Logistics Group Americas (RLGA), as well as continuing working with the Consumer Electronics Association (CEA)-developed Billion Pound eCycling Challenge. Acer's total recycling in 2017 towards this challenge was 233,600kg. We require all recycling programs to provide suitable disposal of electronic equipment, and that all parts and materials be appropriately managed. In the United States, Acer works exclusively with environmental management system certified recycling partners, including Responsible Recycling (R2) and eStewards. In addition, we also require all recycling suppliers to comply with Acer's waste processing standards. In North America, the total recycling in 2017 was 4,478,930kg.

Regarding Acer's US business and service plans, in Q4 2017 we launched a "technology upgrade program." This program aims to motivate Acer customers to return aging equipment for reuse or proper recycling, thus avoiding valuable resources entering the waste logistics system.





RESPONDING TO ENERGY AND CLIMATE CHANGE ISSUES



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Risks and Opportunities of Climate Change

According to World Meteorological Organization research, 2017 was one of the three years with the highest yearly average temperature since meteorological records began. Average temperature has already risen by 1.1°C when compared with before the Industrial Revolution, and atmospheric carbon dioxide levels continue to rise. When the World Economic Forum published their report on global rise in January 2018, three of the top five risks were related to the environment, namely extreme weather, natural disasters, and failures to respond to climate change. Extreme weather has been listed as the number one risk for two consecutive years. Such research and investigations have shown that the internal and external impacts on business that climate change creates cannot be ignored.

The internationally signed Paris Agreement came into effect in November 2016, with signatory nations laying out progressive goals. As a global corporate citizen and leading ICT industry brand, Acer supports this agreement's goals of keeping global temperature increase within 2°C of the temperature before the Industrial Revolution, and within 1.5°C if possible. As such, both in the nations in which we operate and in our supply chain, we have actively implemented a plan oriented toward meeting Nationally Determined Contributions.

Through our Working Group on Risk Management, we continue to consider the potential impacts of 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 effects of risks on operations.

Regarding major climate risks, we anticipate that natural disasters, as well as regulations and consumer preferences for energy efficiency and product labeling in various countries, will have a more significant impact than in the past. 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.

With regard to climate-change-derived opportunities, we not only continue to pursue improvements to product energy efficiency but also strive to integrate existing and new business groups to create a unified low carbon, sustainable "Smart Strategy." In addition, in our primary operating locations such as Aspire Park, we have set up solar power generation stations, along with formally establishing a "smart transportation" subsidiary. This will enable us to make the most of the expertise of the ICT industry to help society and all departments of the Company reduce carbon emissions and make appropriate adjustments.

In addition, through internal assessments and situational analysis, we are able to relatively limit the financial impact of changes in physical infrastructure, policies, regulations, and markets brought about by climate change. We also create related business opportunities through innovation and product development. Through the continual strengthening of our capabilities through projects like a smart parking system, improvements to energy efficiency in our IT products, and development of renewable energy resources, we expect to be in even better control of our circumstances into the future.

Since 2011, Acer has contracted a third-party verification agency with both CDP and Taiwan EPA accreditation to undertake GHG Protocol Scope 1, 2, and 3 inspections of the emissions produced by staff business flights.

Through this, we found that the Acer Group was responsible for **18,844.380 tons**.



Of Scope 1 and Scope 2 carbon emissions in 2017, with Scope 1 emissions primarily from North American and European natural gas usage and global combustion activity.



Scope 2 electricity usage **down to approximately 70%**, primarily due to increased usage of green electricity.



Total emissions in 2017 were **reduced by approximately 56.05%** compared with the baseline year. Per capita emissions were approximately **2.412 tons**.



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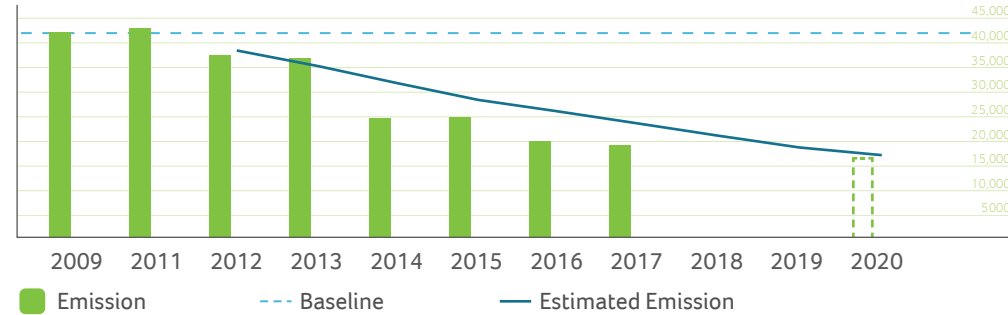
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Annual Group Greenhouse Gas Emissions and Reduction Targets



In addition, in accordance with GHG Protocol Scope 3 principles, we inspect the emissions produced by staff business flights, product and service purchases, product shipping, 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.

Scope 3 Greenhouse Gas Emissions Sources and Levels

	<p>Staff business flights</p> <p>Total Emissions, Including Global Employee Business Flights</p>	<p>Emissions</p> <p>5,086.425 tons</p>
	<p>Product and service purchases</p> <p>Covers all regions of the world including Taiwan, Europe-Africa-Middle East Region, the Americas, China, and Asia Pacific</p>	<p>Emissions</p> <p>61,668.603 tons</p>
	<p>Product shipping</p> <p>Covers all regions of the world including Taiwan, Europe-Africa-Middle East Region, the Americas, China, and Asia Pacific</p>	<p>Emissions</p> <p>59,338.020 tons</p>
	<p>Leased assets</p> <p>Primarily rental of e-Enabling Data Center (eDC) and North Sioux City facilities</p>	<p>Emissions</p> <p>17,513.146 tons</p>

Note: Number of full-time staff at the end of 2017 is 7,046, with 766 contracted staff, for a total of 7,812.

Greenhouse Gas Reductions and Policies

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.

Regarding green electricity, in 2017 Acer's use of renewable energy at its operating locations expanded to include Brazil and Mexico. Usage methods differ by region, with Taiwan setting up its own renewable energy generators, such as solar panels and wind power; the US and Canada going through local Green-e certified Renewable Energy Certificates (RECs), with a particular focus on wind power; and European countries such as Germany and Spain purchasing renewable energy Guarantees of Origin (GOs). In addition, Brazil, Thailand, China, Vietnam, Indonesia and Philippines each make use of local International Renewable Energy Certificates (I-RECs). Acer's US subsidiary also participates in the EPA Green Power Partnership Program and other renewable energy certifications, leading to 100% of the Company's electricity coming from wind, solar and other renewable energy sources within the US.

According to EPA Green Power Partnership statistics as of the end of 2017, Acer ranks in the top 30 largest renewable energy users of all companies in the ICT sector, known as the Top Tech 30. In total, Acer Group uses as much as 21,532.09579 kWh of green electricity globally, accounting for 48.07% of Scope 2 power usage.

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 mid-term goal of a 60% carbon reduction by 2020.

We have also formulated long-term carbon reduction targets in line with the methodology proposed by the Science Based Targeting initiative, and we expect to accomplish in 2050 an 80% reduction in Scope 1 and Scope 2 carbon emissions from the baseline year of 2009. However, by the end of 2017/beginning of 2018, due to the acquisition of listed companies and the disposal of related assets, the Group had already reached a point necessitating recalibration of the base year emission limits, and as such the exact long-term carbon reduction target must be recalculated and confirmed after the said recalibration is complete.

Note: EPA Tech Top 30 website: <http://www.epa.gov/greenpower/toplists/top30tech.htm>



OUR OPERATIONS AND THE ENVIRONMENT



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Robust Environmental Health and Safety Management

Acer is a brand that operates under a global model, with our global headquarters located in Xizhi's Eastern Science Park in an otherwise ordinary office building. Our other Taiwanese branch outlets, service centers, and distribution centers are all also regular office or industrial buildings.

The scope of our corporate social responsibility includes environmental health and safety management systems, and the Acer Environmental Health and Safety Policies have been developed in accordance with both domestic and international regulations. These policies are implemented through environmental health and safety 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. In addition, with regard to Taiwan's Occupational Safety and Health Act stipulating that "employers shall adequately plan and adopt the necessary safety and health measures ... [t]o prevent wrongful physical or mental harm caused by the actions of others during the execution of job duties," Acer has implemented a plan for hazard identification and risk assessment in each business unit.

We have expanded the scope of our environmental health and safety management mechanism such that it covers all offices and operating locations in Taiwan. We continue to organize courses related to environmental health and safety, as well as organizing on-site guidance and training in our offices in central and southern Taiwan. Additionally, we hold regular Environmental and Occupational Health and Safety Meetings and discussions regarding progress in and reports on related areas.

In October 2017, Acer's business units in Taiwan (excluding Nanpiao, Kaohsiung) took the lead in introducing ISO 14001:2015 New Environmental Management Systems. Other operating subsidiaries, such as in China, are in the process of planning ISO 14001:2015 system implementation. In order to comply with the Acer Group's global strategy, preparations for the integration of the company's environmental and safety and health management systems with those of acquired companies are underway. The Group also plans to replace the existing OHSAS 18001 occupational health and safety management system with ISO 45001 within three years.

Energy Saving Measures

The main source of energy consumption for Acer is electricity use in offices. To address this, we are actively pursuing the three main goals laid out below, as well as undertaking relevant planning and evaluation.



Promotion of green electricity



Improve office equipment



Adjust to power consumption habits

In 2017, Acer built a solar power plant with a total of four ground and rooftop arrays in the Aspire Park, generating about 3.52 million kWh of electricity each year. In addition, Acer e-Enabling Data Center conducted a review of UPS equipment usage requirements and re-adjusted shutdown settings, saving approximately 1.752 million kWh per year.

To protect and live with the environment, we continue to explore a variety of energy saving opportunities. Given the fact that the primary source of electricity consumption in our offices is air conditioning and lighting, in 2017 we changed out air conditioning equipment in three office areas, including Da'an, and high-consumption lighting in four office areas including our Xizhi headquarters. In addition, our office areas continue to make use of monitoring systems to adjust the hours air conditioners are active, adjust the temperature of water emitted by air conditioner chiller on a seasonal basis, and use lighting systems that automatically shut off during lunch breaks and after hours to control energy consumption.

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Acer Taiwan's 2017 Main Water Saving Measures

Green Electricity Usage	Energy Saving Measures	Office Area Implemented	New Facilities	Continuing Implementation
Production of Green Electricity	Solar Power Generation	Acer Taiwan Aspire Resort Acer Taiwan Aspire Park Acer Taiwan Longxian Solar Power Station	●	●

Improved Electrical Equipment	Energy Saving Measures	Office Area Implemented	New Facilities	Continuing Implementation
Air Conditioning System	Updated Air Conditioning Equipment	Acer Taiwan Da'an Office Acer Taiwan Songxin Service Center WebLink Taipei Headquarters	●	
	Reduced Leakage of Cold Air from Data Center Air Conditioning	Acer e-Enabling Data Center		●
	Improved Cooling Tower Air Flow	Acer e-Enabling Data Center		●
Lighting Fixtures	Changed to Energy-saving LED Lamps	Acer Taiwan Xizhi HQ Acer Taiwan Songxin Service Center Acer Taiwan Guanghua Service Center Acer Taiwan Central Taiwan Offices	●	

Adjusted Electricity Usage Habits	Energy Saving Measures	Office Area Implemented	New Facilities	Continuing Implementation
Employed Electricity Monitoring	Using Energy Management Systems	Acer Taiwan Xizhi HQ Acer Taiwan Aspire Park Acer e-Enabling Data Center		●
	Air-conditioning usage	Raised Water Cooler Temperature	Acer e-Enabling Data Center	●
	Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ		●
Using UPSes	Shutdown Settings	Acer e-Enabling Data Center	●	
Lighting	Using Automated Shut-off System	Acer Taiwan Xizhi HQ		●

Acer Aspire Resort



2013

In 2013, Acer Aspire Resort first received a Gold Level Green Hotel certification, the first private-sector recipient of this recognition for its clearly implemented carbon reduction and energy saving measures in place and use of a resource-centric monitoring system to optimize energy management.



2014 ~ 2016

At the same time, Acer has set out and implemented environmental protection policies in an effort to fully uphold our corporate social responsibility, resulting in Aspire Resort winning silver in the ROC's Annual Enterprises Environmental Protection Award for three consecutive years from 2014 through 2016.



2016

In 2016, it also received the highest honor, the Honored Environmental Enterprise Award.

Although we have no manufacturing plants, we nonetheless value our planet's resources and remain committed to the protection of the environment.



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Water Resource Management

With Acer's global business model primarily focused on product sales and customer service, with no large-scale of manufacturing, our working environment is mainly one of office buildings. As such, there are no large-scale water uses, with the major use being daily-use water in the offices, which is drawn from municipal sources and thus has no significant impact on water resources. The wastewater produced by our global offices is primarily ordinary sewage and wastewater. Our wastewater 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.

In 2017, Acer Taiwan continued to focus on



Our main water-saving measures include: the reuse of water used in Aspire Park for the irrigation of greenery; the collection of wastewater from swimming pools and wading pools at Aspire Resort and sending it through filtration systems for reuse; the establishment of a condensate reclamation system for all of Aspire Resort's air conditioners and dehumidifiers; and Acer e-Enabling Data Center's use of reclaimed rainwater and application of well-water for air conditioner cooling.



Acer Taiwan's 2017 Main Water Saving Measures

Collection and Reuse of Water Resources



Water Saving Measures	Office Area Implemented
Using Reclaimed Water for Irrigation of Greenery	Acer Taiwan Aspire Park
Waste Water from Swimming and Wading Pools Collected, Passing Through Filtration and Ozone Sterilization, and Reused	Acer Taiwan Aspire Resort
Rainwater reuse and recycling	Acer e-Enabling Data Center
Using Wells to Provide Water for Air Conditioner Cooling	Acer e-Enabling Data Center
Recycling and Reusing Air Conditioner Condensate and Dehumidifier Drainage Water	Acer Taiwan Aspire Resort

Improving Water Using Facilities



Water Saving Measures	Office Area Implemented
Using Water Pre-tank Filtration System to Reduce Water Consumption from Frequent Cleaning	Acer Taiwan Aspire Resort

Usage Management



Water Saving Measures	Office Area Implemented
Regular Inspections and Promotion of Water Conservation	Acer Taiwan Xizhi HQ Acer Taiwan Aspire Resort



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Waste Management

With no manufacturing facilities, the primary source of waste products for Acer is daily office operations. We continue to strengthen our waste product management, collecting statistics on garbage production, recycling, and waste IT equipment at our office locations around the world to stay on top of any changes and investigate potential improvement measures.

In order to reduce trash levels, Acer Taiwan does not provide personal trash bins and works to promote the sorting of trash. During lunch breaks, trash bags for each category of trash, including food, are set up in stairwells, while on each floor and in staff rooms recycling bins are also available.



In compliance with our corporate environmental policy, we are committed to adherence to waste product management legislation, industrial guidelines, and our own commitments. For example, Acer Taiwan's garbage is handled in line with the building management committee's guidelines or handed over directly to local cleaning teams; recyclables are sorted and turned over to recycling plants or local recycling transport; and waste IT products are regularly turned over once each year to qualified, contracted processing facilities. Although the mold workshop located in the Xizhi office area produces a small amount of CNC waste and waste oil each year, in order to best protect the environment, we insist on signing treatment contracts with qualified processors to collect and quantify said waste and then perform clean-ups.

Paper Reduction and Recycling

Given the severe impact on the ecosystem of forest destruction and the loss of biodiversity, Acer Taiwan

continues to use only copier paper with the FSC mark to ensure that paper is sourced from sustainably managed forests.



At the same time, we encourage staff to reduce printing and use double-sided or multiple-pages-per-sheet printing functions, as well as promoting paper recycling.



and setting up paper recycling stations beside photocopiers to facilitate the recycling of paper.

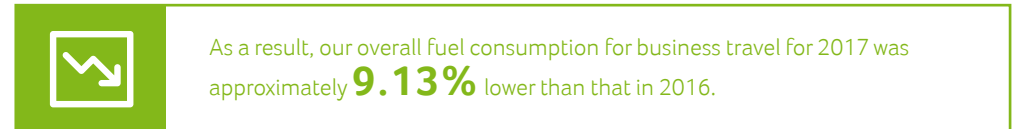


We also have dedicated collection areas for paper coffee cups in stairwells and encourage staff to make use of them.



Staff Transport and Commuting

In order to reduce the impact of our staff's travel on the environment, we encourage them to carpool to and from work, prioritize public transportation, and teleconference rather than travel for off-site or overseas business.





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Material Topics for Response to Stakeholder Concerns

Talent attraction and retention; labor/management relations; equality, diversity, and human rights; talent development and cultivation, Occupational health and safety, Social philanthropy and digital inclusion

Corporate development is built upon staff and the community, and is thus deeply connected to communities and their people. The greatest value a business can create is that which is used to strengthen the community, and as such, Acer is committed to caring for our staff and their families by providing a healthy, safe working environment and offering multiple channels through which our staff can make their voices heard. By putting our core competencies to work toward community welfare and engagement, we strive to use our resources and influence as a stable force for social progress.

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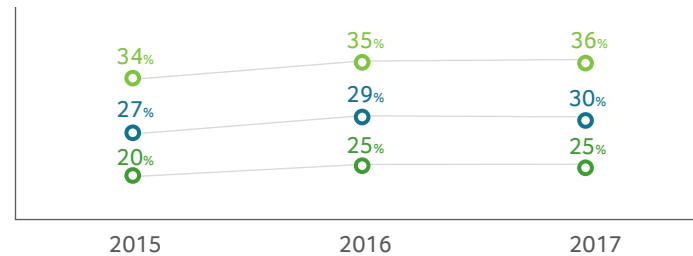
Employee Structure

Staff Employment

As of the end of December 2017, Acer employees 7,046 people in 40 countries worldwide, including 1,473 managers, 2340 specialists, 743 administrative staff, and 2,490 technicians. Of these, 2,844 are working in the Taiwan region, 1,601 in the Europe region, 1,955 in Asia, and 646 in the Americas. Their average age is 38.7, and their average length of employment with the Company is eight years. Other contracted and temporary staff number 766, of which 575 are male and 191 female.

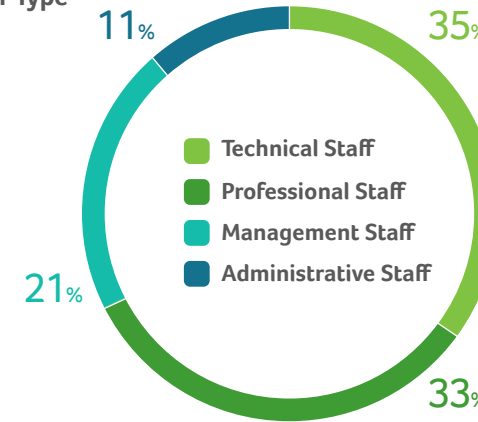
Acer attaches importance to human rights and gender equality among its workers. The proportion of female employees has increased year by year. As of 2017, female staff accounted for 36% of total staff, 30% of management, and 25% of senior management.

Proportion of female staff

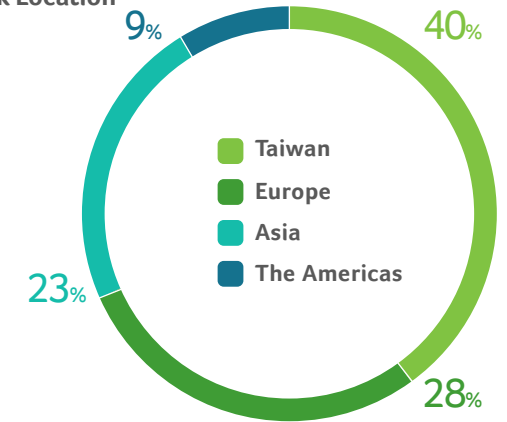


■ Female senior management ■ Female management ■ All women

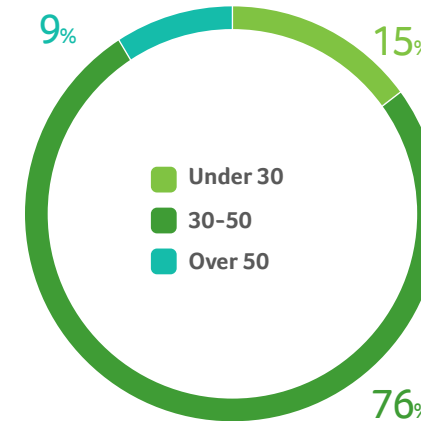
Staff Type



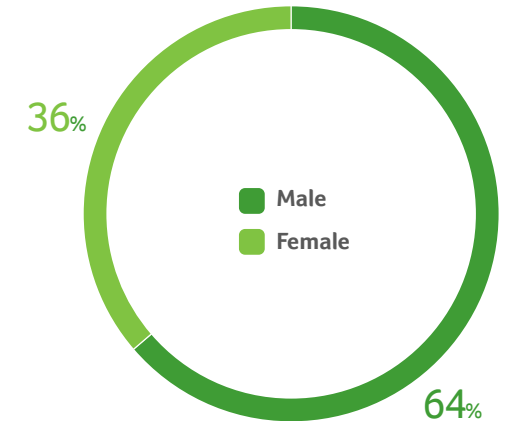
Work Location



Age Bracket



Staff Gender



Notes: In accordance with limitations imposed by local information laws, a total of 80 staff members could not disclose their ages and were thus not included in the statistics

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Talent 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 2017, the global average percentage of staff who were new hires was 14.96%. With Acer Group entering new industries and areas including smart transportation, medical care, virtual reality, and augmented reality, the Company faces new challenges regarding staffing and skills compared with the familiar field of computer hardware. In 2017, average turnover rate was revised down slightly to 17.22%.

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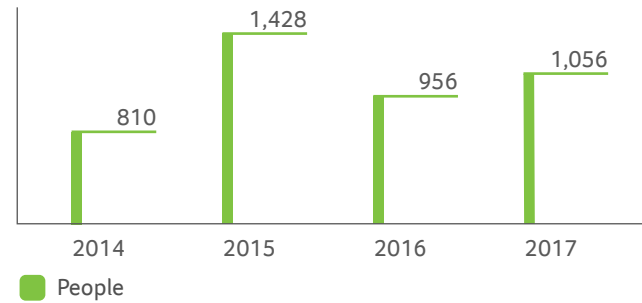
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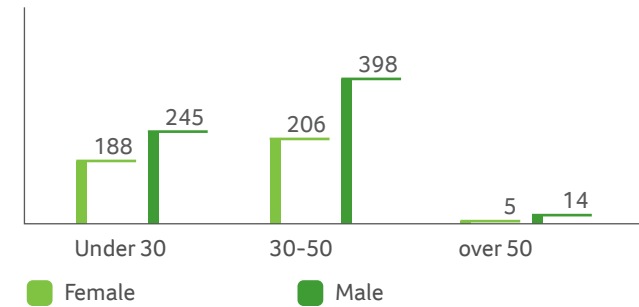
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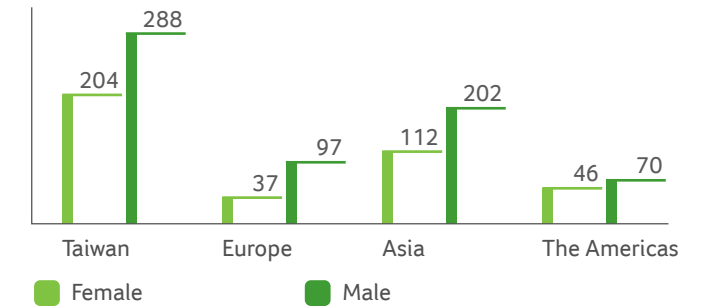
New Staff by Year



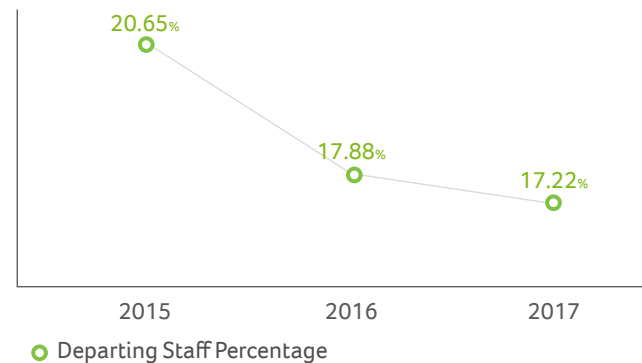
New Staff Age Distribution (Global), 2017



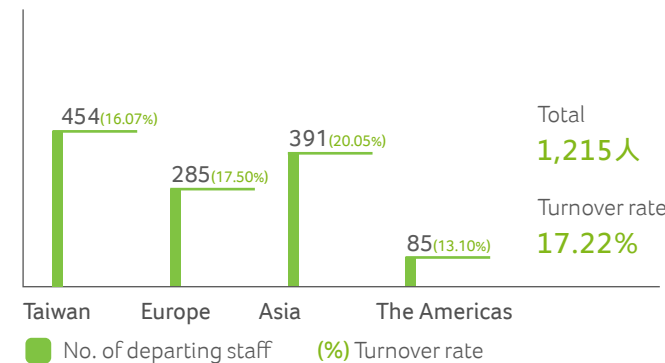
New Staff Distribution (Global) by Work Location, 2017



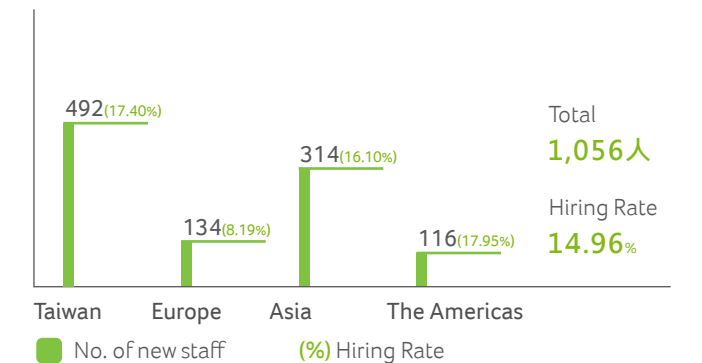
Departing Staff Percentage by Year



Departing Staff, 2017 (by work location)



New staff Distribution, 2017 (by work location)



Notes: The statistics for new employee and turnover rates for 2016 and before were calculated thus: Total No. of New Employees for Year / Total Number of Employees at End of Year; Total No. of Departures for Year / Total Number of Employees at End of Year; In 2017, these were changed to monthly figures thus: Total No. of New Employees for Month / Total Number of Employees at End of Month; Total No. of Departures for Month / Total Number of Employees at End of Month. The monthly figures are then used at year-end to calculate the respective annual figures for the Company.

Note: The Company's calculation of annual turnover rate has been slightly adjusted. Therefore, data for 2015-2017 has been adjusted appropriately, resulting in slight differences from previously published information.

Note: Voluntary employee turnover rate is counted as 16.3%. (Calculation formula: Total No. of voluntary employees in 2017 / Total No. of Acer Employees in 2017)

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Recruitment Platform

In response to this era of global talent mobility, as well as to maintain our competitive advantage, Acer has introduced a cloud-based talent recruitment system incorporating talent resources from a variety of sources, thus bolstering the Company's global competitiveness. This platform brings together various sources of recruitment and performance information, collecting them in an established data warehouse. Specialists analyze staff data, helping the Company understand staffing trends and impact on business operations & HR, ensuring we can optimize our talent attraction and retention strategies.

Innovative, Disruptive Recruitment: Acer's 24-hour Hackathon

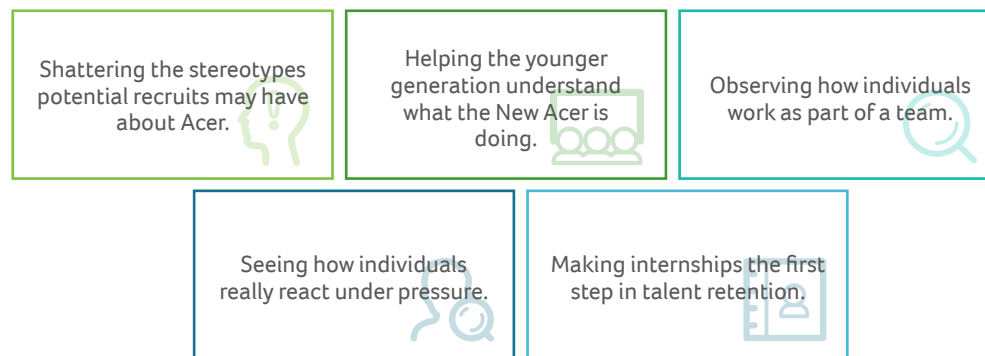
Corporate transformation requires a new breed of top talent. In 2017, Acer held our first 24-hour Hackathon, with the goal of recruiting interns that could then go on to become formal staff. The competition attracted 1,700 applicants, from whom the top



Source: Global Views Monthly, Oct. 2017

30 were selected to compete. In the end, seven were chosen from the finals to join Acer for two months. The Advanced Tech BU transformed its internship interview process into an overnight hackathon, giving participants 24 hours to complete their project. In this way, Acer has been able to use an innovative approach that attracts different talent to step up and join us.

This recruitment contest had several main goals:

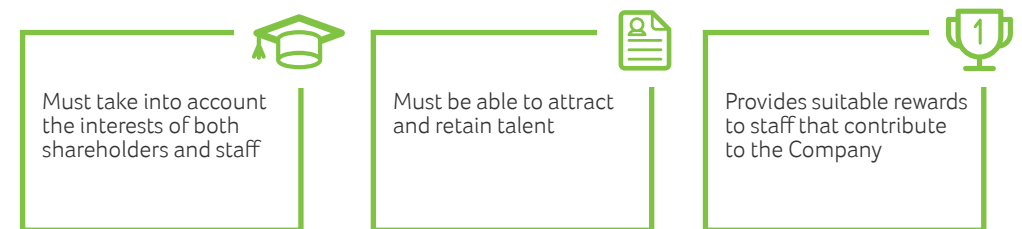


Competitive Compensation

Remuneration Policy

Competition is fierce in the technology market, as is competition for talent. To attract and retain outstanding employees, we provide competitive, comprehensive salary packages. When developing salary policies, we comply with 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. 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



The following table shows the ratio of women's base salaries and wages to those of men at each major work location. From it, we can see that salary is not tied to gender and takes into account responsibilities and performance.

Ratio of Women's Base Salaries and Wages to Men's by Work Type and Location (Female:Male Ratio)

	Management	Technicians	Specialists	Administration
Taiwan	0.91	0.83	0.82	0.93
Europe	0.67	0.87	0.93	0.82
Asia	0.74	0.60	0.81	1.03
The Americas	0.80	1.17	0.72	0.88



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Parental leave

In order to take care of childcare need, Acer employees can apply for leaves of absence. They can also apply to return to our company before the end date of his or her leave of absence. Parental leave at Acer Taiwan in 2017 is as following:

Parental Leave at Acer Taiwan in 2017

Number of Employees Entitled to Parental Leave in 2017		
82	172	254
Number of Employees Who Took Parental Leave in 2017		
24	6	30
Applicants for Parental Leave (%)		
29.27%	3.49%	11.81%
Number of Employees Expected to Return to Work After 2017 Parental Leave		
17	4	21
Employees that Returned to Work After Parental Leave in 2017		
12	1	13
Post Parental Leave Return-to-work Rate (%)		
70.59%	25.00%	61.90%
Number of Employees that Returned to Work After 2016 Parental Leave		
6	3	9
Number of Employees Still Employed 12 Months After Return in 2016		
6	2	8
Post Parental Leave Retention Rate (%)		
100%	66.67%	88.89%

■ Female ■ Male ■ Total

Note: Data is focused on employees in Taiwan region

Employee benefits

In addition to the benefits as stipulated by law, Acer also provides group medical insurance and outstanding employee benefits based on local customs. For example, the Taiwan Employee Welfare Committee - Acer Welfare Committee provided employee benefits in the following three categories in 2017:



Recreation and Entertainment Benefits

We organize a wide range of activities for staff, including staff trips, family days, festival celebrations, film viewings, art and culture events, seminars, sporting activities, mental and physical relaxation activities, and activities promoting good health. In 2017, these activities had a total of over 34,000 participants, and through them we were able to facilitate staff self-care and help them enjoy fun activities with their families, satisfying their need for physical and mental balance. In addition, Acer also has a digital library with a rich collection of books which was used over 5,700 times in 2017.

Acer Taiwan also organized a number of talks by leading figures in several fields, including ultramarathon runner Kevin Lin and cultural/art history expert, broadcaster, travel writer, and mountaineer Hsieh Che-ching. In addition, we promote an international perspective on the arts, organizing trips to attend world-class events and performances such as the Musée d'Orsay30 Taiwan exhibition, the St. Petersburg Ballet Theatre, Cirque du Soleil's "Avatar," the Emerson String Quartet, the Miniature Life Exhibition, the musical "Chicago," and Britain's Royal Philharmonic Orchestra. Furthermore, in 2017 we held a number of sporting and team-based activities, including not only the Wan Jin Shi Marathon and several building run-ups, but also a dominoes competition, the Acer Cup Badminton Tournament, laser tag, and other such competitive events to foster friendship among our staff.



Acer staff gathered together for the Acer Family Day festivities



Acer staff who took part in the Wan Jin Shi Marathon



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Fellowship Activities

We provide funds for a variety of club activities. Such activities currently include a wilderness society, a horticulture club, an

ironman club, a street dance club, an aerobics club, and a coffee enthusiasts club. Through such clubs and their activities, we encourage our staff to get together with like-minded colleagues to learn, grow, and cultivate their interests together.

By providing funding for these, we let our staff focus on the activities and fellowship.

We have also set up a number of other spaces for social interaction, including break rooms, dance classrooms, and cafes.



Cash Benefits and Vouchers

We provide cash bonuses 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. In addition, we also offer non-cash bonuses like Carrefour vouchers.



Employee Assistance Program

We provide staff and their dependents with free psychological, legal, wealth management, mental health,

and management counseling services. This counseling is available by telephone, online, or through one-on-one in-person sessions.

Retirement System

Acer's retirement system adheres to the regulations for each of the Company's global locations. In Taiwan, for example, contributions are made to staff pensions 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.

The company provides pensions or severance according to law for employees who have terminated their employment relationship due to retirement or layoffs. In this way, we hope to help support them in their retired lives or in their transition to alternative employment.



As for the new system, the Company currently contributes 6% of employee pay, while the employees may contribute anything between 0% and 6%.



As of the end of 2017, the Company's deposits with the Bank of Taiwan under the old system totaled approximately NT\$245 million.

Employee Relations

Employee Communication

In response to the diversified development of the Company's operations, we continue to work to strengthen internal communications with staff and ensure that everyone shares a common belief, vision, and set of core values that drive us jointly toward success:

<p>Acer Daily News</p>	<p>Acer Good News</p>
<p>"Acer Daily News" enables colleagues to get prompt access to media information relating to the Company.</p>	<p>"Acer Good News" also reports the awards the Company's products have received, along with news on the Company's growth.</p>
<p>An Appointment with Jason</p>	<p>Chairman & CEO's Message</p>
<p>Chairman and CEO Jason Chen has also held "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.</p>	<p>Each quarter, the "Chairman & CEO's Message" shares with those at or above the level of general manager the Company's quarterly results and future focus, with this information then passed down to their subordinates.</p>



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Employee Communication Channels

Effective two-way communications can further cement the unity and sense of identity among staff. At the same time, it helps further develop an organizational culture wherein the staff are respected and cared for, thus creating a win-win situation for both the Company and its staff. Our Employee Relations Promotions Committee organizes quarterly Employee Representative Meetings, headed by the chairman and CEO, with unit general managers, top management from support units, and staff representatives in attendance. These meetings focus on discussing and implementing resolutions regarding operations management, work environment, and employees' rights. In 2017, the following major resolutions were among those raised by Taiwan staff through the Employee Representative Meetings. We have formulated and are carrying out improvement plans for each resolution.

Major proposals and items brought up at the 2017 Employee Representative Meetings (Taiwan Region) include the following:

 <p>Staff Employment and Welfare</p> <p>To optimize the content/frequency of staff health programs, we have worked to establish the "Acer Fitness Center," strengthen the facilities and management of employee recreational areas, and provide competitive staff purchases and service information.</p>	 <p>Strengthening of company systems communications:</p> <p>Recommending a finer delineation between "job grade" and "position," strengthening the performance management and promotion system, and reinforcing the description of the goals of IPOs and establishment of new startups</p>
 <p>Optimizing work processes and strengthening interdepartmental communication:</p> <p>Explained the timetable for introduction of OEM activation of Windows 10 operating systems, recommended unified procurement of software to reduce costs and the establishment of a company software asset management system, and recommended optimization of the procurement of non-Taiwanese testing equipment.</p>	 <p>Improvement of working environment in Acer Building:</p> <p>Set up sensor-based automatic sliding doors for men's and women's bathrooms to avoid potential for the passing on of infections caused by contact; reduce the impact of outdoor smoking rooms on air quality.</p>
 <p>Recommendations for improvement of neighboring traffic safety around Acer Building:</p> <p>Improve management of signals in parking lot, increase traffic guidance system, and increase overpasses across roadways to make walking safer and easier.</p>	

In addition, the following channels are also available for staff to quickly and promptly express their opinions and thoughts:



Compliance with Labor Laws

In 2017, Acer Inc. saw no cases regarding penalties for violation of labor laws. To strictly comply with these laws, we continue to strengthen awareness of the importance of work-life balance, thus ensuring we avoid a repeat of 2016 when we found that overtime hours had exceeded the maximum of 46 hours per month allowed by Taiwanese law. With regard to the unique nature of some of the work required, in September 2016, in accordance with Article 84-1 of the Labor Standards Act, agreements between the Company and affected staff were prepared and signed that gave more flexibility for negotiation of working hours between the two sides. These agreements were submitted to the Taipei City Government for approval on 10 October 2016.

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 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 never prevented nor hindered the freedom of association of any employee. The percentage of employees covered by collective agreements in countries or regions with unions is 20.0% mainly in Italy, France, Germany, the Netherlands, Finland, Vietnam, and China (Shanghai region).

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. It also provides training courses for the prevention of sexual harassment to increase employee awareness and to prevent sexual harassment. The Company received two complaints of sexual harassment for 2017, both of which have been investigated and resolved.



Continuing Learning and Growth


Personnel Training and Career Development

In order to continue to increase our market competitiveness, Acer strives to develop new listed internal businesses, injecting new drivers of growth and dynamism. In line with the Group's "Titan Project," in 2017 we launched Titans Development Training, aiming to cultivate outstanding talent for important leadership positions within the Group by boosting their operational judgment capabilities, accounting/financial analysis skills, operations management abilities, crisis management skills, industrial knowledge, international market perspective, leadership skills, and decision-making abilities.




Enhancing brand strength

Acer continues to explore new trends in end-user demand-oriented services. In 2017, we actively worked with our staff to develop their skills in areas related to such services, including AI technologies, effective social media operations, innovative service applications of smart technologies, threats and opportunities in interdisciplinary competition, and big data analysis. In addition, we have continued to strengthen Acer's core values and their implementation in daily work.



General education and training

We offered a series of seminars on trends, helping staff understand these new developments in technology with the end consumer in mind and how these could be applied to new product development and the provision of solutions, thus responding to market demands more accurately and quickly.



Management training

We worked to improve people management skills, equipping management staff with an understanding of how to select the most suitable talent, strengthen their ability to direct work, and better manage performance, as well as showing them how to work with motivational tools to improve both team and individual performance.



Specialist courses

By guiding staff in their application of the latest technological trends to marketing and sales, we are able to make them more effective and more efficient. Guided by our core values, we continue to promote the full range of skills, including fostering innovation, improving cross-team cooperation, encouraging "5C" (communication, communication, communication, consensus, commitment) communication, and promoting integrated project promotion.

To ensure the quality implementation of such training, all training is done in accordance with the "Management Process of Internal and External Training," organized on the principles of work demand, gender equality, and equality of opportunity. In 2017, the total number of enrollments in training worldwide was 13,766, a total of 7,046 individual participants, receiving a total of 74,222 training hours for a per-person average of 10.5 training hours, higher than in 2016.

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Quality Control and Problem Solving Skills Course: Group discussion and practice led by Zheng Kaiwen.



Work Direction and Improvement Course: Role-playing activities led by Lin Huilan.



How to Improve Marketing Effectiveness of Internet Keywords: Invited Institute for Information Industry's Wu Chun-ching to share his experience.

Staff Participation in Training Activities

		Senior Management	Middle/Base-level Management	General Staff	Total
2015	Number of Trainees	723	1,444	6,814	8,981
	Participants	618	1,098	5,147	6,863
	Course Man-Hours	6,069	10,492	44,715	61,276
	Average Hours of Training Per Person	9.8	9.6	8.7	8.9
2016	Number of Trainees	759	2,812	15,558	19,129
	Participants	141	985	5,907	7,033
	Course Man-Hours	1,765	7,741	42,766	52,272
	Average Hours of Training Per Person	12.5	7.9	7.2	7.4
2017	Number of Trainees	372	2,219	11,175	13,765
	Participants	141	986	5,919	7,046
	Course Man-Hours	1,515	10,482	62,225	74,222
	Average Hours of Training Per Person	10.7	10.6	10.5	10.5

Staff Training Time and Number of Participants (by region and gender), 2017

Location	Item	Senior Management		Middle/Base-level Management		General Staff	
		♀	♂	♀	♂	♀	♂
Taiwan	Course Man-Hours	14	77	165	350	921	1,501
	Participants	44	247	528	1,122	2,950	4,813
Europe	Course Man-Hours	179	1,016	2,676	5,686	19,065	31,105
	Participants	6	32	85	180	605	987
Asia	Course Man-Hours	27	152	401	852	2,857	4,661
	Participants	5	30	78	166	557	908
The Americas	Course Man-Hours	8	42	113	240	804	1,311
	Participants	1	7	19	40	135	220



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Human Rights Education and Training

Acer supports the protection and basic principles of universal human rights. In 2017, in response to the European Union's stricter regulations on the protection of personal information through the European Union General Data Protection Regulation (GDPR) which is set to take effect in 2018, we held GDPR training sessions around the world, with managers of nearly 200 core product lines taking part. In addition, we also conducted CSR training to help our staff understand sustainability-related performance indicators and ideas, including social issues such as labor operations, human rights issues, and freedom of association. We also held training sessions on privacy protections, with a particular focus on how our products should protect the privacy of consumers, including the use of fingerprint scanning, facial recognition, retinal scanning, cookies, IP addresses, and mobile device IDs.

Staff Human Rights Training



Note: Applies only to Taiwan and Europe regions.

Development of Diversified Learning

To cultivate an understanding of Acer's experience and management philosophy among important managers of our subsidiary companies, Acer invites company pioneers back to share their past experience. Through this, Acer can effectively pass on that operating philosophy and culture, and many potential mistakes can thus be avoided, improving operational capabilities and decision-making. In addition, we have invited well-known figures to share their experience of industry trends and innovative developments, thus broadening the management horizons of Acer staff. This is all complemented by the My Acer internal communication platform, through which we continue to promote Wangdao concepts.

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 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

	Senior Management	Titans Development Training and IPO Training End Consumers' Needs and Innovation Global Business Skills	E-Commerce and Strategy Platform
	Middle Management	End Consumers' Needs and Innovation Authority Management and Goal Implementation Problem Analysis and Solving	E-Commerce and Digital Marketing Personnel Management (Interviewing and Selection, Goal Setting, Delegation, Work Instruction, Performance Management)
	Base Management	Efficiency Project Management Problem Analysis and Solving	Personnel Management (Interviewing and Selection, Goal Setting, Delegation, Work Instruction, Performance Management)
	General Staff	Core Value Training Self-Management Training Communication Skills Training	Office Computing Training Cloud Applications (digital marketing, social media)

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Management Capability Training

With regard to senior management training, in 2017 the main focus was on Titan Private Training and IPO training, in coordination with the Titan Project. The aim of this was to cultivate outstanding talent among the group's primary leadership.



Philosophically, while this training takes a "divide and conquer" approach, it is employed with an eye toward the Group's greater goal of synergy, with the divided approach employed as needed for corporate governance and the passing on of the Group's collective corporate culture.



Regarding content, the training primarily makes use of the sharing of knowledge and experience. It is split into two modules, "Board of Directors Operational Practices" and "Board of Directors Operational Experience," giving students an understanding of the decision-making approaches and practical experience of the Board in past M&A, reinvestment, or new company startup decisions.



In order to boost the management skills of our middle- and base-level management staff, as well as continuing to hone their personnel management capabilities, our personnel management classes covered five areas: interview and selection skills, goal setting, delegation of responsibility and authority, work instruction and improvement, performance management interviews and motivational skills. Every team leader was required to complete these classes.



European headquarters

To improve the leadership and operations skills of their senior management, invited business coaches from the European Centre for Executive Development (CEDEP), using personalized learning models to provide guidance and assist managers in learning to cut to the core of problems in the shortest possible time, understand their own strengths and opportunities for development, respond promptly to emerging situations, and improve their overall leadership and business efficiency. In addition, senior management was dispatched to a leadership course run by London Business School and a senior management training program at Lausanne's International Institute for Management Development (IMD).



The Digital Marketing Guru course held by our European headquarters in 2017



Headquarters in the Americas

Organized an experience sharing training program entitled "Customer Experience in Leadership Training" to help strengthen the leadership and management skills of our quality assurance department heads. We also help a call center service quality improvement program entitled "Quality Assurance Program Development."



Call center service quality training organized by our headquarters in the Americas



Asia-Pacific headquarters

Organized a two-day Top Sales training camp to improve management and marketing capabilities in mainland China, with a total of 60 middle and senior managers taking part. In Thailand, we organized a customer satisfaction and service course attended by 54 managers to boost customer satisfaction; in Malaysia, we held Acer Day Product Training to improve staff knowledge of our product lines; and in the Philippines we brought together 28 local managers for a team motivation camp in order to boost overall team dynamics.



Our Thai subsidiary held "Customer Delight," a customer satisfaction training course



Our Top Sales training program held in mainland China



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Professional Occupational Training

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. In 2017, we launched a series of seminars on industrial trends, inviting a team of senior research analysts from the Institute for Information Industry to give monthly talks on IoT consumer trend analysis and insights to staff from our product lines. Topics included how to use Facebook and LINE@ to build brand value, trends in the application of smart technologies to innovation in services and business, trends in key applications of and technological developments in the Internet of Vehicles, trends in AI technologies and portfolio analysis of the major players, technological developments in and future applications of fog computing, observations of trends in the development and application of 5G communications technologies, and analysis of innovative business models in emotion identification. Each department also held its own experience sharing sessions, with many focusing on implementing consumer insights in product concepts or discussing how to make business opportunities through product innovation.

General Education Courses

Our general education courses focused on how technology can be put to use to improve business performance, including practice in combining big data and business intelligence, how to quickly produce business intelligence analysis reports using Excel Power Pivot and Power Query, and how to make skilled use of cloud-based tools like Evernote, Wunderlist, and Google's Cloud Apps. We also continue to promote stronger core competencies and basic professional skills through courses covering areas like improving workplace communication and patent protection and use. On the marketing side, we held courses in visual marketing techniques using Instagram, innovative applications of mobile payments, and the use of web analytics in marketing. In addition, to strengthen concepts of personal information protection, we held special training around the EU's General Data Protection Regulations (GDPR).

New Employee 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, systems, corporate core values, brand spirit, corporate culture, and Standard of Business Conduct (including instruction on labor rights, freedom of expression, individual privacy rights, sexual harassment prevention, and corruption prevention), as well as strengthening their awareness of health and safety, thus helping them become fully integrated parts of the team.

New staff working in product-related positions also receive training on patent protection and CSR (including green products, RBA (formerly EICC), and greenhouse gases). We also listed actively encourage staff to take training in CPR and automated external defibrillator use.

Training for Transformation

To strengthen the corporate governance knowledge of new directors and supervisors for IPO companies, in 2018 we will hold corporate governance training including:



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 & coaching, the link between performance & remuneration, and career development. In 2017, the proportion of employees worldwide involved in performance evaluations reached almost 80%.

Percentages of Staff Receiving Performance Evaluations



Note: Exclusion of staff from evaluations: Due to their short time working with the Company, it can be difficult to track the performance of short-term contracted staff with contracts of a year or less, and as such, they are not included in this evaluation. Additionally, staff that joined the Company after October are still in their probationary period, and so their performance evaluations at the end of their probation will serve as their evaluations.



HEALTH AND SAFETY IN THE WORKPLACE



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Acer Inc. has set out the health and safety policy as followings:



Providing healthy, safe working environments to protect the physical and mental well-being of staff.



Continually improving environmental, health, and safety performance through audits and communication.

Acer Taiwan has also established a Safety and Health Management Department staffed with professional health and safety management and nursing personnel. Each month, the department coordinates with occupational medicine physicians to provide clinics and to plan and promote occupational health and safety services.

Health and Safety Communication

In order to most effectively implement our health and safety policies and facilitate internal communications, Acer Taiwan has launched an environmental health and safety management system. A working team composed of the Corporate Sustainability Office and representatives of other business units works to ensure the Company passes IRO 14001 and OHSAS 18001 certification each year. This team has a total of 42 members, 41 of whom are elected representatives, thus accomplishing 97.6% labor representation. Each year, the team plans and carries out education and training, committee meetings, and audits. In addition, the Company has set up an Employee Relations Promotions Committee, made up of regional representatives elected by employees from all departments. Meetings are elected held quarterly to discuss topics including health and safety issues and improvement tracking.

Health and Safety Education and Training

In order to adhere to legal requirements and strengthen staff understanding of health and safety, thus preparing our offices for emergency responses, Acer holds annual training and education programs tailored to different groups, aiming to improve focus on and create a corporate culture of health and safety.

2017 Health and Safety Education and Training

<p>New Employee Health and Safety Education and Training </p> <p>Target: New Colleagues Course Type: Internal Course, Online Course Quantitative Statistics: 11 Stages </p>	<p>General Health and Safety Education and Training </p> <p>Target: General Staff Course Type: Online Course Quantitative Statistics: 2Stages </p>	<p>CPR-AED Training </p> <p>Target: General Staff Course Type: Internal Course Quantitative Statistics: 4 Classes, 40 people </p>	<p>Emergency Personnel Education and Training </p> <p>Target: Emergency Personnel Course Type: Internal Course Quantitative Statistics: 2 Classes, 55 people </p>	<p>Occupational Health and Safety Business Management On-the-Job Training </p> <p>Target: EOccupational Health and Safety Business Management Course Type: External Course Quantitative Statistics: 6 people </p>
<p>Emergency Personnel On-the-Job Training </p> <p>Target: Emergency Personnel Course Type: External Course Quantitative Statistics: 6 people </p>	<p>Fire Safety Seminar </p> <p>Target: Fire Defense Personnel Course Type: Internal Course Quantitative Statistics: 2 Classes, 137 people </p>	<p>Fire Prevention Supervisor On-the-Job Training </p> <p>Target: Fire Prevention Supervisors Course Type: External Course Quantitative Statistics: 14 people </p>	<p>Occupational Health and Safety Management Personnel On-the-Job Training </p> <p>Target: Occupational Health and Safety Management Personnel Course Type: External Course Quantitative Statistics: 3 people </p>	

Exceeded Regulations
 Complied with Regulations


MAKING OUR MARK






A Healthy Workplace


Acer places great importance on the health of our staff.



From 2018, we will be increasing the frequency of health checks from once every two years to annually. We hope that through these annual checks, staff will be encouraged to pay closer attention to health issues, thus leading to improved awareness of personal health management.




Moreover, to create a healthy working environment, these checks will be analyzed by our Health Management Center, whose reports will help us focus on at-risk groups or individuals and coordinating with the Employee Relations Department to plan and hold a variety of health promotion activities.



Acer also applied for extended Healthy Workplace Certification in 2017, obtaining a health promotion label that fully demonstrates our commitment to providing healthy workplaces.

Life Clinics

Acer Netherlands provides staff with “life clinics,” through which they can measure blood pressure, heart rate, and BMI, as well as having access to experts who can interpret that data and provide additional information to staff whose readings are normal and referrals to GPs for those with abnormal readings. So far, approximately 60 Acer staff have taken advantage of this service.

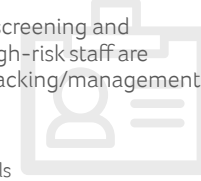


2017 Health Management

Health Check Report Graded Management

Medium-risk staff are selected by screening and provided with health education; high-risk staff are provided with consultations and tracking/management

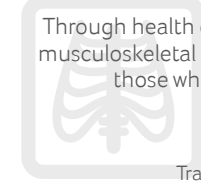
Quantitative Statistics
8 Categories, 5 Risk Management Levels



Ergonomic Hazard Prevention Program

Through health checks, we investigate the degree of musculoskeletal pain being suffered by staff and add those whose levels are severe to tracking and management

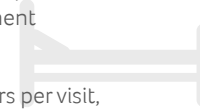
Quantitative Statistics
Tracking and management: 10 participants



Clinical Services by Occupational Medicine Physicians

Monthly clinical services including office environment evaluations, staff consultations, and tracking/management

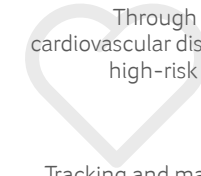
Quantitative Statistics
Once per month, 3 hours per visit,
Health consultations: 70 participants



Cardiovascular Disease Prevention Program

Through health checks, we carry out cardiovascular disease risk assessments, with high-risk staff added to tracking and management

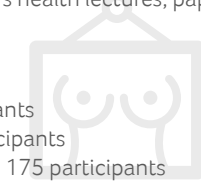
Quantitative Statistics
Tracking and management: 27 participants



Maternity-Related Health Protection Program

Pregnant staff: Provided with pregnancy-supportive chairs, care packages, work hazard assessments, and medical consultations
Breastfeeding staff: Provided with dedicated lactation rooms
Female staff: Provided with women's health lectures, pap smears, and mammograms

Quantitative Statistics
Medical consultations: 29 participants
Lactation room usage: 6,912 participants
Women's health lectures: 1 lecture, 175 participants
Pap smear recipients: 96 people
Mammogram recipients: 31 people



Blood Sugar Care Plan

Annual health check reports are analyzed, with the participation of those staff with high blood sugar levels in this plan encouraged.

Making use of the resources provided by Changhua Christian Hospital, we provide group health education, blood tests, health consultations, and remote health care services.

Quantitative Statistics
50 participants



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Health Checks, 2017



Health Checks for New Colleagues

Pre-work health checks are given to new staff by a contracted health check provider, with reports paid for upon commencement of work

Participants **394 people**



Staff-wide Health Checks

Once every two years, adjusted to annually from 2018

Participants **1,969 people**



Management Health Checks

Signed special contracts with 8 health check providers, arranged checks based on management staff's ages and seniority

Participants **253 people**



Health Promotion Administration Screenings For Colorectal, Oral, Cervical, and Breast Cancer

Arranged for free colorectal, oral, cervical, and breast cancer screenings

Participants **745 people**

2017 Health Promotion

	Target	Approach	Quantitative Statistics
Health Seminars	All Staff	Lunch Seminars	15 Classes 2,436 participants
Stop Smoking Classes	Smoking Staff	Smoking Cessation Clinics Oral Health Screening Pharmacy Service	12 participants 10 people reduced levels 2 people quit
Fitness Testing	All Staff	Various Testing Stations Physical Fitness Analysis and Advice	186 participants
Health Promotion		Information on/in general website, bulletin Boards, and bathrooms	
Acer Healthy Party (Healthy Weight Loss Class)	Staff with BMI>24	Nutrition Seminars , Exercise Lessons , Team Competitions , 10,000 Steps a Day , Daily Body Fat Measurement , Charitable Donations	120 participants Total weight loss: 247.8 kg Total Steps: 109,143,000 Charitable Donations: \$6,189
Sporting Competitions Sports Promotion	All Staff	Wan Jin Shi Marathon Hiking Badminton Competitions Sports Clubs	72 participants 1,230 participants 110 participants 12
Health Stations	All Staff	Staff can independently conduct emotional testing, stress testing, blood pressure measurement, weight & body fat measurement, and systolic assessment	150

Work Environment Health and Safety Monitoring and Management

To ensure our workplaces are healthy and safe, we pay constant attention to the insights and recommendations of our staff in this regard and strive to communicate, respond, and improve in a prompt fashion. Each year we convene an Environmental Health and Safety Committee to identify and assess workplace hazards risks and environmental impact considerations. Any existing or potential risks and high-impact items that are identified are then subject to assessment and improvement. In order to monitor office environment quality, we carry out office-area cleaning and disinfection in link with our annual plan. We also regularly invite specialist organizations to conduct tests of drinking water quality, interior carbon dioxide levels, cooling tower legionella, and other environmental factors.



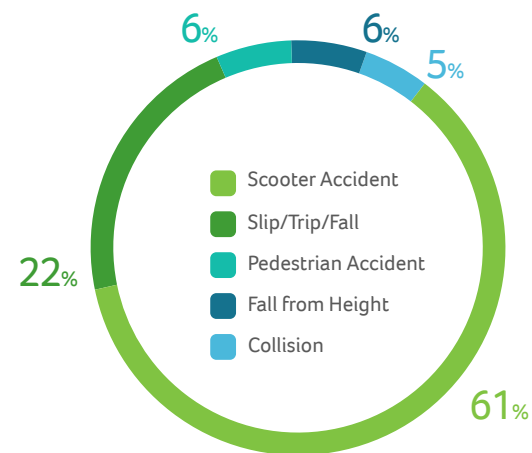
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In 2017, Acer Taiwan saw a total of 18 occupational accidents among both full-time and temporary staff with 12 applying for injury leave, for a total of 142 lost working days. Among these cases, traffic accidents involving scooters totaled 11, for a total of 121 lost working days and accounting for 61% of occupational accidents. To reinforce our staff's attitudes toward traffic safety, we have not only used our general website to promote traffic safety and highlight occupational accidents but also again held safe scooter driving seminars, with a total of 93 people signing up.

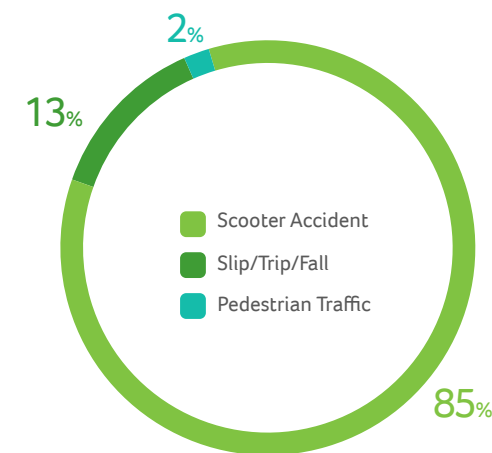
Injury and Lost Day Rates, 2017 (Acer Taiwan)

Injury Rate (IR): (total occurrences of disabling injury×200,000)/total work hours		
	Full-time staff	Temporary staff
Male	0.29	7.53
Female	0.47	0
Total	0.36	3.03
Lost Day Rate (LDR): (total days lost to disabling injury rate×200,000)/total work-hours		
	Full-time staff	Temporary staff
Male	2.43	120.45
Female	6.34	0
Total	3.93	48.54
Absence Rate %		
	Full-time staff	
Male	0.88	
Female	1.46	
Total	1.10	

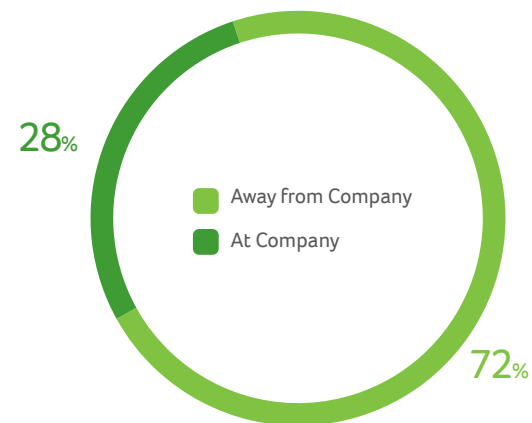
Accident Type



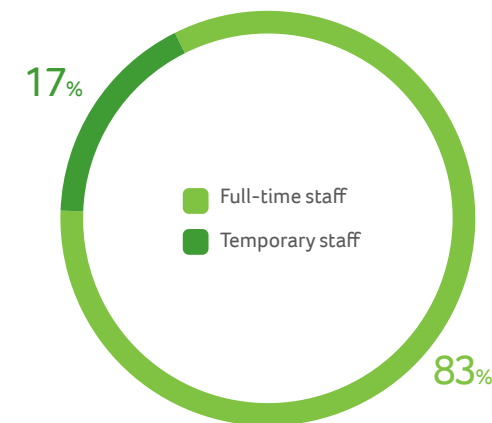
Lost Days



Accident Location



Injured person



Note 1: IR, LDR, and Absentee Rate were calculated based on the 12 cases that took injury leave.

Note 2: In 2017, Acer Taiwan saw a total of 18 occupational accidents among both full-time and temporary staff (15 full-time, 3 temporary), with 12 applying for injury leave, for a total of 142 lost working days. Traffic accidents involving scooters totaled 11 (9 involving full-time staff, 2 temporary staff), for a total of 121 lost working days (91 full-time, 30 temporary).

Note 3: Temporary staff at Acer Taiwan in 2017 numbered 67; as the result of one male temporary staffer being involved in a traffic accident and losing 30 working days, LDR was thus 120.45.

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EMPLOYING SKILLS TO IMPACT SOCIETY



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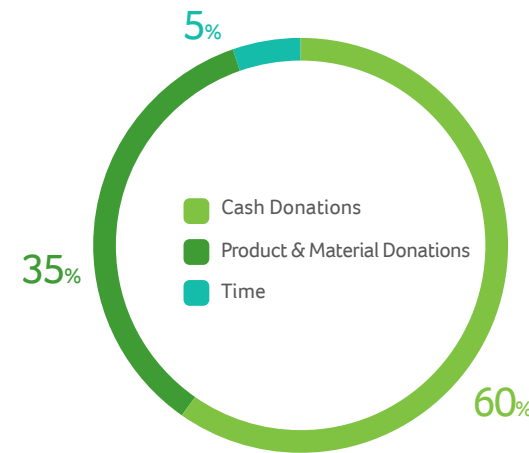
Ideas and Inputs

Since our founding, Acer has cultivated a people-first culture and a spirit of philanthropy. We continue to do all we can to use our skills and core competencies to give back to the community and light the way forward. Regarding social action, Acer focuses on the three main areas of education, the environment, and philanthropy, engaging in community work and charitable efforts by providing volunteer services and resources like products, technologies, and capital. We have developed long-term cooperative relationships with stakeholders including local governments, schools, and non-profit organizations, emphasizing the value of local experience and ensuring resources are put to the most effective use. We calculate that Acer's global community engagement investments in 2017 amounted to over NT\$49.34 million. Compared with 2016, the amount of product and goods we have donated has increased by some 24%, while our long-term investments in the community have also increased over 2016 by 11%. In the future, we will continue to value the feedback and shared values that come through such efforts, and intend to move forward alongside society.

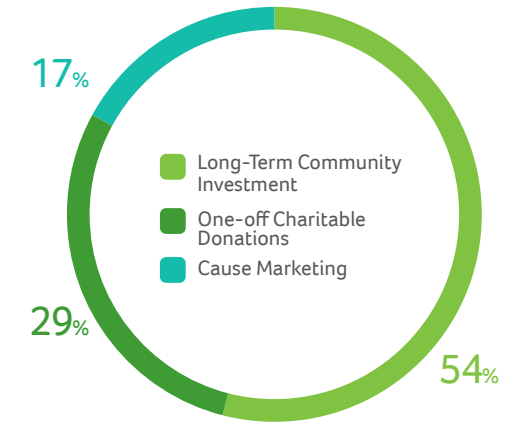
The Core of Acer's Community Engagement Efforts

<p>Volunteerism</p>	Education	
	Environment Conservation	
	Charity philanthropy	

Resource Engagement Type



Participation Type



Corporate Social Responsibility Project Awards

Since Acer's founding, our staff around the world have shown a great concern with social issues and have taken actions to get involved, giving life to our philosophy that the meaning of existence lies in the value we can create for society. Since 2008, we have continued to disclose the direction and achievements of our global social concern efforts each year. To encourage our staff to be more proactive in their care for society, exert a greater level of social and environmental influence, and realize our corporate mission of breaking down barriers between people and technology, in 2017 we formulated a three-year plan for the Acer Global Corporate Social Responsibility Project Awards. This plan is anticipated to create a gradual increase in the impact of CSR projects year on year, accompanied with an expansion to include individual employee proposals.

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We have incorporated the concept of social return on investment (SROI), the London Benchmarking Group (LBG) Framework for assessment of community investment, and Acer's own mission and contributions toward the United Nations Sustainable Development Goals (SDGs) into the assessment rubric for these awards. Ultimately we had 10 projects make the finals, covering areas such as poverty alleviation, digital education, job opportunities for the physically disabled, stair climbing, marine conservation, caring for cancer patients, renewable energy, and social media CSR activities, with awards going to Acer subsidiaries in the Philippines, Switzerland, Taiwan, the United States, and Spain.

The shortlisted and award-winning projects shared several common characteristics, including:

	Capable use of Acer's core competencies to exert social and environmental influence
	Long-term concern and dedication to specific issues
	The ability to work with stakeholders, including non-profit organizations, governments, schools, vendors, and customers
	A high level of engagement by regional office staff

CSR Project Awards Top 10

Escaping Poverty and the GreenEarth Heritage Foundation

Gold

Region: Philippines

Project Description/Social and Environmental Performance

The Acer Philippines office has worked with the GreenEarth Heritage Foundation for over six years, helping to promote conservation and education as well as providing scholarships to rural children who otherwise would be unable to afford education. In addition to providing necessary computer equipment, Acer also supports the children's families. One previous scholarship recipient, Romnick Blanco, was accepted into Harvard University in 2017, and he hopes to use his experience to inspire other children to pursue better lives through education. On top of this, Acer Philippines' tree-planting activities have attracted participation from a total of 76 staff members. Over the past six years, Acer Philippines has planted some 8,000 trees, counteracting 1,600 tons of CO₂ emissions. They have also encouraged our business partners and vendors to donate US\$9,288 dollars to activities related to promoting the protection of the environment.

Partners in Creating Social and Environmental Value

GreenEarth Heritage Foundation, The Rotary Club of Manila, Baguio Cathedral / Molina & Sons (Phils.) Inc., Acer vendors and business partners / Philippine staff

Relevant Acer Community Engagement Efforts

Education, Environmental Conservation, Charity and Philanthropy

Relevant SDG(s)

SDG1, SDG4, SDG13



Video link: <https://youtu.be/5zv4RncPauA>

This-Priis for Integration of Physically Disabled Staff

Silver

Region: Switzerland

Project Description/Social and Environmental Performance

Acer Switzerland was awarded the 2017 This-Priis employer award for their long-term efforts to actively integrate people with physical disabilities into the Company, supporting them in work in maintenance centers. For over a decade, Acer Switzerland has been committed to integrating those who have suffered disabilities due to occupational accidents or disease into the workplace. Acer is the only computer manufacturer in Switzerland to have successfully integrated persons with disabilities into maintenance center work. Hildegard Haas has worked with the Company for more than 16 years and has been committed to helping those with physical disabilities return to work for over 12 of those. Since 2006, seven people with disabilities have joined Acer as hardware engineers, office staff, or logistics specialists. Ms. Haas has helped showcase their strengths, and these disabled staff members have proven to be incredibly productive additions to the team.

Partners in Creating Social and Environmental Value

This-priis, Switzerland Staff

Relevant Acer Community Engagement Efforts

Education, Charity and Philanthropy

Relevant SDG(s)

SDG4, SDG8



Video link: <https://youtu.be/Rrx6CAEFbWc>



CSR Project Awards Top 10

Stair Climbing for energy saving and carbon reduction

Bronze

Region: Head Office

Project Description/Social and Environmental Performance

Acer Taiwan has held a stair climbing competition for the past 18 years running. In 2017, Acer welcomed, sponsored, and participated in the landmark event that was the Summer Universiade in Taipei. Through the stair climbing competition, they were able to communicate the concepts of energy saving, carbon reduction, and physical fitness, having a positive impact on the community and the environment. In 2017, a total of 1,680 staff took part, reaching a cumulative total of 6,812,780 steps. This event offered as prizes products from innovative social enterprises, indirectly helping staff to get a better knowledge of such products and services, along with the concept behind them, and to support mutual prosperity and leverage social influence. In buying such products as prizes instead of donating money, Acer also further realized our corporate social responsibility, as well as winning the Ministry of Economic Affairs Small and Medium Enterprise Administration's Social Enterprise Innovative Product/Service Purchase Award.

Partners in Creating Social and Environmental Value

International University Sports Federation, Buy NearBy, Taipei City Government, EasyCard Corporation, MediaTek, Taiwanese staff

Relevant Acer Community Engagement Efforts

Environmental Conservation

Relevant SDG(s)

SDG3, SDG13



Social Media CSR Activities

Bronze

Region: America

Project Description/Social and Environmental Performance

Acer understands that our primary consumer base, Millennials, is a generation marked by a strong concern with social issues, and as such one that also understands the benefits for brands of participating in CSR activities. In 2017, Acer Americas chose a period each quarter to post articles on social media (including Facebook, Twitter, and Instagram) on topics like pet services, childhood education, cognitive activities, and holiday gifts. Readers were also invited to "like" the posts, with the promise that for each "like," Acer would donate US\$1 to a related group. These social media activities accumulated over 9,157 "likes" in 2017, resulting in Acer donating US\$9,157 to four non-profit groups. The plan made full use of social media and helped lock in the attention of the Millennial generation to social philanthropy, thus leveraging greater social influence.

Partners in Creating Social and Environmental Value

Silicon Valley humanitarian community, Boys and Girls Clubs of America, Reading Partners, Toys for Tots, Acer consumers

Relevant Acer Community Engagement Efforts

Charity and Philanthropy

Relevant SDG(s)

SDG1, DG4, SDG8



Caring for Cancer Patients

Bronze

Region: Spain

Project Description/Social and Environmental Performance

Spanish organization La Casa dels Xuklis works to provide a home away from home for low-income families with children who have cancer and come from places far from hospitals. In 2016 and 2017, Acer Spain donated 18 tablet computers and €6,000 to La Casa dels Xuklis, helping a total of 76 low-income families. This project saw a high degree of engagement from the majority of Acer Spain's staff, showcasing Acer's commitment to breaking down barriers between people and technology and to using our strength to change the world.

Partners in Creating Social and Environmental Value

La Casa dels Xuklis, Spanish staff

Relevant Acer Community Engagement Efforts

Charity and Philanthropy

Relevant SDG(s)

SDG1



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CSR Project Awards Top 10

Recycling Consumer Electronics and Batteries

Commendation

Region: Head Office

Project Description/Social and Environmental Performance

In support of Acer's commitment to circular economies, Acer volunteers invited Taiwanese staff to turn in unused or garbage consumer electronics and batteries during October and November 2017. With the cooperation of professional recycling firms, we have been able to reduce the usage of resources through the reuse or recycling of precious materials. The rebates from such recycling are all donated to non-profit organizations to help children in need get access to better living and educational environments. In the course of this activity, we recycled over 18 notebooks, 398 mobile phones, 5 cameras, 5 PDAs, 231 kg of batteries, 12 tablet computers, 23 kg of optical discs, and 5 boxes of cables.

Partners in Creating Social and Environmental Value

Taiwan Fund for Children and Families, Umicore, Well-known professional recycling companies Company, Taiwanese staff

Relevant Acer Community Engagement Efforts

Environmental Conservation
Charity and Philanthropy

Relevant SDG(s)

SDG3, SDG12, SDG13, SDG16, SDG17



Enabling Boat

Commendation

Region: Vietnam

Project Description/Social and Environmental Performance

The Enabling Boat project in Hải Phòng, Vietnam, is a joint project between Acer Vietnam, Microsoft Vietnam, the Center of Marinelife Conservation and Communication Development (MCD), and the Quảng Ninh Provincial Government. The project aims to provide underprivileged youth living in the coastal area educational opportunities, helping give them access to technology, improve their awareness of marine conservation, and train them in ICT, while also boosting awareness among both Vietnamese society and the government of the Acer brand. For this project, Acer donated a total of 26 computers to help with learning and two to be given to outstanding students after courses were complete. The primary reason for this project's inclusion in the Corporate Social Responsibility Project Awards is its multi-stakeholder nature, which is effectively pushing forward Acer's influence while also raising environmental awareness, promoting knowledge relating to adaptation to climate change, and creating digital learning opportunities.

Partners in Creating Social and Environmental Value

Microsoft Vietnam, Quảng Ninh Provincial Government, Center of Marinelife Conservation and Communication Development (MCD), Vietnamese Staff, Local residents

Relevant Acer Community Engagement Efforts

Education, Environmental Conservation, Charity and Philanthropy

Relevant SDG(s)

SDG4, SDG10, SDG11, SDG14, SDG17



Renewable Energy

Commendation

Region: America

Project Description/Social and Environmental Performance

Acer Americas is working with carbon emissions exchange through the purchase of Renewable Energy Certificates (RECs), helping Acer achieve our goal of reducing our global carbon emissions. They have reached 100% offset of emissions created in the course of business, and this renewable energy plan has additionally led to a US\$3,194,330,000 reduction in social costs. Acer has applied to become part of the United States Environmental Protection Agency's Green Power Partnership and has been listed as a user of 100% green energy, ranking among the top 30 Tech & Telecom companies.

Partners in Creating Social and Environmental Value

3Degree, US Environmental Protection Agency, Green-e

Relevant Acer Community Engagement Efforts

Environmental Conservation

Relevant SDG(s)

SDG3, SDG7, SDG12, SDG13



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CSR Project Awards Top 10

Beach and Ocean Protection

Commendation

Region: Head Office

Project Description/Social and Environmental Performance

In 2017, the Acer Volunteer Team and Hiin Studio joined forces to hold seminars on protecting the oceans, highlighting the urgency of the issue and promoting related knowledge. In addition, in August they brought together a team of staff for a beach cleaning event which also included a visit to the National Museum of Marine Science & Technology, complete with a guided tour to help our staff better understand the ocean. A total of 177 staff and family members took part in the seminars and event, collecting a total of over 100 kg of trash from the Keelung coastline.

Partners in Creating Social and Environmental Value

Hiin Studio, National Museum of Marine Science & Technology, Taiwanese staff

Relevant Acer Community Engagement Efforts

Environmental Conservation

Relevant SDG(s)

SDG14



Society to Create Awareness towards Life and Environment (SCALE)

Commendation

Region: India

Project Description/Social and Environmental Performance

Acer's India office began its cooperation with SCALE in 2013, donating US\$500 a month and providing computer hardware to support efforts to boost IT knowledge in schools. Through this, they have helped the organization in its commitment to improving educational quality, finding clean energy alternatives, and aid women's self-help groups, among other things. The organization primarily focuses on helping women and children in the two main areas in need of assistance, Uttarakhand and Uttar Pradesh. As a result of these efforts, many rural women are uplifted, and children can build their IT abilities, which will make finding work easier for them in the future.

Partners in Creating Social and Environmental Value

Society to Create Awareness towards Life and Environment (SCALE)

Relevant Acer Community Engagement Efforts

Education, Environmental Conservation, Charity and Philanthropy

Relevant SDG(s)

SDG4, SDG7, SDG10



Overall CSR Project Social and Environmental Impact and Performance

	Personnel Involvement
	Globally, across all regions, over 2,600 people
	Monetary Donations
	Over US\$154,000
	People Touched and Assisted
	Over 170,000 people
	Carbon Reduction
	9,900 tons
	Partnered Stakeholders
	Over 30 (incl. governments, clients, non-profit organizations, vendors, and local staff)

SDG Topics Responded to Across all Regions through CSR Projects

<p>Taiwan</p> <p>SDG3, SDG12, SDG13, SDG14, SDG16, SDG17</p>	<p>Europe</p> <p>SDG1, SDG3, SDG4, SDG8</p>
<p>Asia</p> <p>SDG1, SDG3, SDG4, SDG7, SDG8, SDG10, SDG11, SDG14, SDG17</p>	<p>The Americas</p> <p>SDG1, SDG3, SDG4, SDG7, SDG8, SDG12, SDG13</p>

Note: Performance covers 20 participating projects

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The Most Valuable Investment is Education

Acer has always believed that education is the most valuable investment in the future, as equipping people with knowledge gives them power and access to opportunities. Technology, meanwhile, is a powerful tool to help people get quick access to information and deepen their connections to the world. By putting our core competencies to their fullest use, we hope to achieve the following goals:

 <p>Increasing digital inclusion, offering more people access to knowledge through technology</p>	 <p>Addressing the lack of educational resources to help children continue their studies</p>
 <p>Deepening the application of technology in education, using technology to transform education</p>	 <p>Cultivating the next generation of scientists and technologists, creating opportunities for the youth</p>

Boosting Digital Inclusion

Technology can hugely improve quality of life and open up new possibilities. Helping everyone enjoy the convenience and opportunities technology brings is one of our goals, and through cooperation between our global locations and non-profit organizations, we can extend the reach of technology to different groups.



Cloud Professor Social Impact Assessment Project

To promote IoT and coding education, Acer developed the Acer Cloud Professor line of products and courses, helping schools and students quickly grasp the essence of the Internet of Things and develop coding skills and knowledge they can take with them. To properly measure the results and benefits of this effort, we visited particular partners and users to understand the changes and impacts that participating in such courses have had on them or their organizations, thus assessing the social impact of Cloud Professor.

This time we visited students, digital entrepreneurship teams, and principals/chancellors at universities, high schools, and elementary schools. Our studies found that Cloud Professor has had a number of social benefits on users and partners, including boosting learners' understanding of and skills with the Internet of Things, increasing interest in learning, increasing self-confidence, stimulating students' imaginations, cultivating their creation of items with market potential, helping with educational or employment advancement, helping with finding future career paths, and assisting startups with broadening business opportunities.

Among these, students from the Southern Taiwan University of Science and Technology who participated in a Cloud Professor course then went on to make use of the concepts of cloud technology and the Internet of Things, together with medical cloud data, to develop the "uBag" smart catheter bag, winning the iF Design Talent Award for their work.



Honorary chairman Stan Shih and founder Carolyn Yeh with Cloud Professor seed students



Reading for Hope 2.0: Transforming Rural Education through Social Reading and Digital Learning

Programming languages are the languages of the digital age and the lingua franca of machines. They are crucial to the literacy of the new generation and will provide new forms of organization, expression, and sharing of ideas for the people of the future. To help children in rural areas connect with the world, the Acer Foundation and Global Views Educational Foundation have joined forces on the "Reading for Hope x Cloud Professor Bookmobiles," promoting the use Reading for Hope 2.0

digital resources in teacher training. The hope is to combine traditional hard-copy books with new-generation literacy in programming languages to open up a variety of new and entertaining learning experiences for rural children.

In addition to physical books, these dedicated vehicles also carry Acer Cloud Professor IoT Smart Maker Kits (Cloud Professor + GigoToys 40-in-1 Building Block Set) as they travel from school to school. From the 2016 to 2017 academic years, the number of vehicles grew from one to four; the number of Acer Cloud Professor kits from 10 to 27; the number of towns and cities visited from eight to 17; and the number of teachers participating in training from 50 to a predicted 98.



Physical books and Acer Cloud Professor IoT Smart Maker Kits tour rural schools around Taiwan each semester



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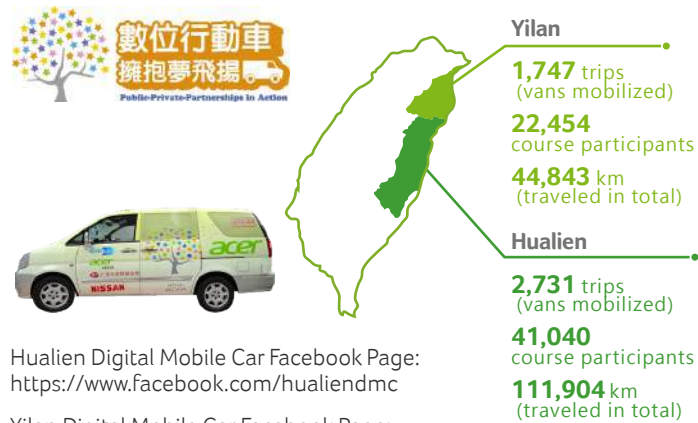
Shrinking the Digital Divide: Digital Mobile Vans Go!

The digital divide between urban and rural Taiwan is substantial. Not only do students in more rural areas lack sufficient IT education and resources,

IT education and planning for people with mental or physical disabilities are also severely limited. To bridge these divides, since 2010 Acer has operated the Digital Mobile Vans project with the cooperation of the Hanguang Education Foundation. This project aims to bridge the information divide by bringing free computer education to groups in Yilan and Hualien that rarely have opportunities to engage with technology, including children, Aboriginal peoples, immigrants, and the elderly. Through this project, we also hope to improve the technological literacy of people around Taiwan, fostering a good understanding of computers and the Internet while also creating more opportunities for learning and employment. We also encourage our staff to serve as volunteers, teaching members of the public about hardware, software, and the Internet, helping them become more competent users of technology. As of December 2017, since the project's launch in June 2010 in Hualien and April 3012 in Yilan the vans had traveled a total of over 156,747 km, or far enough to have circled around Taiwan 156 times.



Results of the Digital Mobile Van Project, 2010 to 2017:

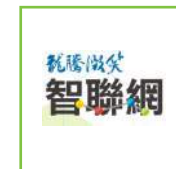


Hualien Digital Mobile Car Facebook Page:
<https://www.facebook.com/hualiendmc>

Yilan Digital Mobile Car Facebook Page:
<https://www.facebook.com/yilandigitalmobilecar>

Creating Opportunities for the Youth

Today's children are tomorrow's leaders and innovators. We want to help them tap their potential, using our accumulated experience in problem-solving to fertilize the future. Through organizing and sponsoring events and providing internship opportunities, we foster outstanding talent by providing children with awards, training, and exchange opportunities. We look forward to the continued use of our products and expertise to provide youth with better development opportunities.



Longterm Smile Competition

The Longterm Smile Competition is aimed at tertiary and postgraduate students and encourages the creation of innovations with market value by providing entrepreneurial guidance and a mechanism for innovation teams, industry, and academia to cooperate. Since its founding, the competition has hosted over 1,768 teams and become the collegiate entrepreneurship competition in Taiwan that offers the biggest prize. At the end of the competition, 4 to 6 teams are selected to be matched with venture capital. As of January 2018, a total of 132 teams numbering a total of 773 participants had registered, a 14.8% increase on last year's 673 participants. We hope that through this competition, we will be able to continue to strengthen industry-academia cooperation on innovation, enhancing R&D capabilities and changing the world together. Given that we face the advent of an era of widespread connectivity, in June 2017 Mr. Stan Shih announced that the competition would be changing, becoming the Longterm Smile Internet of Beings Competition. He also proclaimed the contest open to any and all teachers and students eager to put forward entrepreneurial proposals connected to the Internet of Beings.



Origins (1987 - 2006)

Longterm Thesis Award

Encouraging research into the knowledge economy and implementation of innovative technologies; held 19 times



Transformation (2007 - 2012)

Longterm Smile Competition

Stimulating the R&D capabilities of Taiwanese college students and inspiring them to develop product concepts with potential at both ends of the "smile curve," pursue technological breakthroughs, and break new ground in marketing



Vertical Integration (2013 - 2017)

Longterm Smile Competition

In 2013, the Longterm Smile Competition began integration with the Ministry of Science and Technology's FITI (From Innovation To IPO) project, moving from a one-stage competition to a two-stage one and raising the total prize money from NT\$2 million to over NT\$4 million. It also implemented industry mentorships and incorporated resources from science parks to help bring entrants' ideas into reality and into the market, enabling the students to realize their entrepreneurial dreams.



Evolution (2017)

Longterm Smile Internet of Beings Competition

Embracing the imminent ABC Era (Artificial intelligence, Big data, and Cloud computing) and shaping a new advantage for us as industrial trends shift, we are also taking advantage of Taiwan's established foundation in D (Devices), using devices to collect big data through the cloud and welcome the coming era of the Internet of Beings.





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BeingLife Creativity Competition

Having seen how the Internet of Things and cloud technologies are shaping the future, the promotion and intensification of new technologies is a top priority. In response, the Acer Foundation's Digital Creation Awards have transformed, becoming the BeingLife Creativity Competition, in the hopes of creating a platform for young innovators to come together and compete as they create innovative solutions to life's problems through cloud technologies. In this IoT age, the BeingLife Creativity Competition aims to stimulate new definitions of "being life" built on the concept of the



Senior high BeingLife Creativity Competition winners receiving their prize

"Internet of Beings" and user-centric approaches. The results of the inaugural BeingLife Creativity Competition were unveiled in April 2017 at an awards ceremony held at the National Taiwan Science Education Center (NTSEC), with prizes handed out by Acer Foundation chairman Mr. Stan Shih and Dr. Chu Nan-Shyan, director-general of the NTSEC. The imaginative ideas developed by this year's entrants included innovative ways to use cloud technology to address everyday issues like food safety, pet care, caring for the elderly, education and learning, the global environment, and transportation. From these enthusiastic entrants, we can surely see that IoT knowledge and the idea of the Internet of Beings are slowly but surely taking root along the educational path of today's students.

Deepening the Application of Technology to Education

Not only do we provide the educational world with hardware that is both high-quality and reasonably priced, through skilled application of our products and technologies, we also help with the creation of digital education resources and give students the technological skills they will need to tackle the challenges of the future and make their dreams into realities.



The finals of the 6th NCHC 3D Animation Challenge, as well as the awards ceremony, were held at Acer's headquarters in August 2017, with Minister of Science and Technology Chen Liang-Gee, Minister of Culture Cheng Li-Chun, and Minister of Economic Affairs Lee Chih-Kung all in attendance.



HPC Kung Fu - The NCHC 3D Animation Challenge

Acer has assisted the National Applied Research Laboratories National Center for High Performance Computing (NCHC) in establishing a rendering farm to help meet the needs of academia and the cultural & creative industries for large amounts of rendering. At the same time, we have also worked to foster talent in both the creative and digital content realms.

In 2017, Acer further provided support for the HPC 3D Animation Challenge, a national competition hosted by the NCHC and the Ministry of Science and Technology, with the finals and awards ceremony held in August at Acer's headquarters. Working together, Acer and these government agencies aim to cultivate the interdisciplinary talent of the future and to witness a new generation of cultural and technological innovations take flight.



Investing Resources in Cultivating E-Sports Talent

E-sports has been officially recognized by the Taiwanese government as a "real sport," included as a medal event in the

2022 Asian Games in Hangzhou, China, and is under consideration as a potential medal event at the 2024 Olympic Games. In 2017, Acer aided in the establishment of e-sports classrooms in schools including Providence University, Hsing Wu University, and Hujung High School, as well as assisting with professional guidance and training around hardware setup. We have also launched a campus e-sports seed program, inviting teams from all campuses to join and hiring professional instructors for unboxing writeups, word-of-mouth publicity, competition organization, livestreaming lessons and match tutorials. The training of such e-sports talent will help those young people eager to build a career in e-sports by providing them with a platform for information exchange and chances to put their skills to the test.



Addressing the Lack of Educational Resources

Education is the key to change, but the lack of resources in some areas can negatively impact the quality of education available, impacting children's ability to access schooling. In 2017, we continued to contribute to the improvement of education through donations of products, study items, and funds. The best examples of such efforts for 2017 are the projects involving the Vietnamese Enabling Boat, Indian Society to Create Awareness towards Life and Environment, and Philippine GreenEarth Foundation from the Acer Corporate Social Responsibility Project Awards; for more information on these, please refer to the relevant sections of this report.

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Volunteer Activities

Acer Volunteer Teams

For the past 13 years, the Acer Volunteer Teams have encouraged our staff to get involved in charity service outside of work and to contribute a little of their spirit and talent. Through volunteer activities, Acer nurtures the seeds of kindness in the hearts of our staff, helping them bloom by giving everyone the chance to contribute. Every employee of Acer enjoys two days of paid volunteer work each year. Starting in 2015, Acer America staff will also enjoy two days of paid volunteer leave to enable them to get involved with company-approved charitable activities.

Our volunteer teams have also created many opportunities to give back to the community through volunteer experiences, organizing a number of activities for both staff and their families to promote concepts of charity. In the past, such activities have included recruiting IT volunteers, working to protect mountains and the oceans, second-hand item donation drives, blood drives, electronics recycling, working with people with dementia, promoting carbon reduction and energy saving to address climate change, and helping both disadvantaged children and the elderly.

Volunteer Service: Locked on to Issues for Long-term Involvement!

 Underprivileged Children 10 Years Running	 Elderly People Living Alone 7 Years Running	 Blood Donation 10 Years Running
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Volunteering is actually not as difficult as you might imagine, and is simply the act of giving a little of your enthusiasm to help those around you both seen and unseen, passing on some of your care and warmth. I may just be a humble R&D engineer, but beyond investing my passion and professionalism into my work, sometimes I wonder what it all really means. Getting involved in volunteering has helped make that clear, and shown me that real value isn't in how much money you have stockpiled, it's about how much value you create for others. Maybe the real value in life is the fact that others have been helped because of your existence!

Acer staff Brian

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

Helping Underprivileged Children

For the past ten years, we have collected 100 Christmas gifts each year for underprivileged children in the Xizhi area, giving them a little warmth and encouragement. Acer is also a long-time supporter of the Taiwan Association of Child Development and Early Intervention, helping provide medical services to sick children in the Hualien-Taitung area.



Acer volunteers showing care for the community by donating Christmas gifts

Organize Donation Drives



Volunteers providing charitable service in Cambodia

Acer organizes donation drives to collect food and everyday necessities to be given to elderly and underprivileged people in rural areas.

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.

Other Charitable Activities

Relief Work for the Napa Fires in California

In October 2017, Napa Valley in California was ravaged by wildfires which destroyed some 6,000 buildings and left many displaced. Acer staff donated over US\$10,000 to the Napa Valley Community Disaster Relief Fund, helping victims of the fires get back to their normal lives.

Helping Syrian Refugees

Acer and our staff deeply care about refugees around the world. In March 2017, Acer Middle East (AME) took part in Emirates Red Crescent's Joyful Giving Initiative. The city of Dubai collected a total of 3,796 blankets, with Acer donating UR\$1,000 and 45 blankets for Syrian refugees.

Helping the Elderly

In 2017, Acer worked with the Old Five Old Foundation to provide company and goods for the elderly. In addition, for the past seven years we have organized distribution of festive meals on Chinese New Year's Eve for elderly people living alone, showing them that they are cared about. Acer has also donated some 7,500 company-internal receipts to the Huashan Social Welfare Foundation, as well as holding theatrical events on self-care for elders who have dementia, promoting the importance of health care for this group.



Photo of Acer Chinese New Year's Eve meal delivery ambassadors

Quarterly Blood Drives

For the past ten years, Acer has held regular blood drives. In 2017, a total of 1,700 people participated, donating a total of 2,727 bags of blood at 250cc per bag.

Annual Fundraising Activities

Every year, Acer organizes the "Let Love Go Around" fundraising activity, which in 2017 raised a total of NT\$736,000.





CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT OVERVIEW




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 Economic	GRI Indicators	2014	2015	2016	2017	Page No.
Consolidated Revenue (USD Million)	102-7、201-1	10,394.23	7,977.23	7,209.77	7,949.44	p12
Operation Profit (Loss) (USD Million)	102-7	85.37	28.39	36.94	122.95	p12
After Tax Earnings (Loss) (USD Million)	102-7	56.46	18.26	(151.81)	94.33	p12
Basic Earnings Per Share (USD)	-	0.02	0.01	(0.05)	0.03	-
Operation Expenses (USD Million)	102-7、201-1	(837.61)	(732.53)	(690.84)	(733.73)	-
Staff Remuneration and Welfare (USD Million)	201-1	(470.43)	(428.32)	(400.75)	(438.69)	-
Dividends (USD)	201-1	-	0.02	0.02	0.02	-
Tax Income(Liability) (USD Million)	-	(25.97)	(7.34)	(5.47)	(21.52)	-
Tax Income(Liability) (USD Million)	102-7	4,113.29	3,202.30	3,345.69	3,338.16	-
Equity (USD Million)	102-7	1,911.53	1,991.63	1,786.87	1,942.35	-

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Environmental		GRI Indicators	2014	2015	2016	2017	Page No.	
Total Input	Direct Energy Resource Usage	Natural Gas (m3)	302-1	1,093,260.41	1,726,991.867	1,318,428.59	1,389,526.08	p79
		Energy consumption (GJ)	302-1	40,565.23	64,330.90	49,111.81	51,760.21	-
		% of total energy consumption	302-1	14.88	22.02	19.11	20.96	-
		Gasoline (liters)	302-1	841,655.72	841,312.06	662,923.94	530,496.61	-
	Energy consumption (GJ)	302-1	28,363.80	28,352.22	22,340.54	17,877.74	-	
	% of total energy consumption	302-1	10.41	9.70	8.69	7.24	-	
	Diesel(liters)	302-1	730,753.59	665,059.90	586,970.62	537,550.68	-	
	Energy consumption (GJ)	302-1	28,207.09	225,671.31	22,657.07	20,749.46	-	
	% of total energy consumption	302-1	10.35	8.79	8.81	8.40	-	
	Water (m3) ¹	302-1	209,744.75	215,101.74	169,456.76	189,888.84	p83	
Indirect Energy Resource Usage	Green Electricity (kWh) ²	302-1	15,682,202.64	19,802,992.09	21,674,069.20	21,532,095.79	p79-80	
	Electricity Consumption(kWh) ³	302-1	48,729,267.43	48,276,132.31	45,259,748.98	43,490,527.48	p79-80	
	Energy consumption (GJ)	302-1	175,425.36	173,794.08	162,935.09	156,565.90	-	
% of total energy consumption	302-1	64.36	59.49	63.39	63.40	-		
Total Output	Greenhouse Gas Emissions	Scope 1 (tonnes of CO ₂ equivalent)	305-1	6,899.26	7,920.46	5,620.90	5,568.69	p79-80
		Scope 2: market-based (tonnes of CO ₂ equivalent)	305-2	17,841.39	16,733.89	14,037.168	13,275.69	p79-80
	Waste Water	Sewage Discharge (tonnes) ⁴	306-1	167,795.80	172,081.39	135,565.41	152,011.07	p83
	Waste Products	Municipal Solid Waste (tonnes) ⁵	306-2	888.00	681.15	749.65	724.03	p84
		Resource Recycling (tonnes) ⁶	306-2	2,557.00	2,267.77	2,058.28	2,344.47	p84
		Electronic Waste (tonnes) ⁷	306-2	1,831.00	1,443.57	1,771.17	1,876.84	p84

Note 1: Water usage statistical scope: 2014-2017 figures cover 100% of Acer global Staff (some regional data uses per-capita estimates)

Note 2: Green electricity includes self-owned generation facilities and renewable energy certificates.

Note 3: Only certified green electricity is included in electricity consumption.

Note 4: Sewage accounts for an estimated 80% of water usage, with the remaining 20% used for air conditioning. The scope of this data is consistent with previous years' water usage data scope.

Note 5: Municipal solid waste statistical scope : 2014-2017 figures cover 100% of Acer global staff. (some regional data uses per-capita estimates)

Note 6: "Resource Recycling" statistical scope: 2014-2017 figures cover 99% of Acer global staff; 2015-2017 figures cover 100% of Acer global staff. (some regional data uses per-capita estimates)

Note 7: "Electronic Waste Recycling" statistical scope: 2014 figure cover 89% of Acer global staff; 2015-2016 figures cover 93% of Acer global staff; 2017 figure cover 100% of Acer global staff.



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 Social	GRI Indicators	2014	2015	2016	2017	Page No.	
Staff Employment ¹	Number of Employees ²	102-7	7,745	7,607	7,749	7,812	p86
	Average Age (years)	-	37.6	37.6	37.4	38.7	-
	Average Seniority (years)	-	6.7	7.1	7.7	8.0	-
	Turnover Rate (%)	401-1	16.4	20.65	17.88	17.22	p87
	Hiring Rate (%)	401-1	9.70	18.41	13.67	14.96	p87
	Applicants for Parental Leave (%)	401-3	14.8	13.5	22.2	11.81	p89
	Post Parental Leave Return-to-work Rate (%)	401-3	42.1	66.7	52.9	61.90	p89
	Post Parental Leave Retention Rate (%)	401-3	100.0	100.0	90.0	88.89	p89
Continuing Learning and Growth ³	Average Number of Training Hours for Staff Members (hours)	404-1	4.07	6.82	5.47	10.50	p93
Health and Safety in the workplace ⁴	Disabling Injury Rate	403-2	0.14	0.14	0.23	0.36	p100
	Lost Day Rate	403-2	0.35	1.70	1.40	3.93	p100
	Absence Rate ⁵ (%)	403-2	0.90	0.87	1.10	1.10	p100
Financial Value of Community Engagement and Investment	Financial Value of Community Engagement and Investment (million-approx.)	-	41	36	33	49.34	p101
Donation Type	Cash (%)	-	67	87	87	60	p101
	Time, Products, or Other in-kind Donations (%)	-	33	13	13	40	p101
Participation Type	Community investment (%)	-	42	43	43	54	p101
	Charitable Donations (%)	-	25	29	39	29	p101
	Commercial Initiatives (%)	-	33	28	18	17	p101

Note 1: The statistics of "Applicants for Parental Leave, Post Parental Leave Return-to-Work Rate, and Post Parental Leave Retention Rate cover the Taiwan region staff.

Note 2: Includes regular and dispatched staff.

Note 3: 2014's statistical scope cover Taiwan region staff; 2015-2017 statistical scope cover 100% of Acer global staff.

Note 4: The statistical scope covers Taiwan region staff.

Note 5: Including sickness leave (menstrual leave, occupational sickness leave, special sickness leave) and personal leave. The statistical scope mainly covers Taiwan region staff.

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Internet 網址 kpmg.com/tw

Independent Limited Assurance Report

To Acer Incorporated:

We were engaged by Acer Incorporated ("Acer") to provide limited assurance on the Corporate Social Responsibility Report of Acer ("the Report") for the year ended December 31, 2017.

Reporting Criteria

In preparing the report, Acer applied the Core option of Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in "About This Report" section of the Report.

Acer's Responsibilities

Acer is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the information included in the Report. Acer is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error.

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 and to issue an independence limited assurance report on whether the Report is free from material misstatement, excluding Report section "Responding to Energy and Climate Change" on the Greenhouse Gas Emissions (Scope 1, 2 and 3), and associated energy, electricity consumption related data. 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.

Independence, professional standards and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard No. 46 – "Quality Control for Public Accounting Firms" in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, and professional standards as well as applicable legal and regulatory requirements.

KPMG is a Taiwan member firm of a member firm of the PRCG network of independent member firms affiliated with the PRCG member network ("PRCG Member Firm"), a Swiss entity.



Summary of Work Performed

Our main work on the Report included:

- Obtain and review the Report.
- Inquiries of responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the information reported, including the evaluation to the design and implementation of internal control system.
- On the basis of the understanding obtained from the above matters, perform analytical procedures on the Report and if necessary, select samples to test for acquiring sufficient and appropriate evidence.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Report, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

There are certain inherent limitations of the Acer's internal controls over the contents in the Report that may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report of Acer for the year ended December 31, 2017 has not been properly prepared, in all material aspects, in accordance with the Reporting Criteria.

Others

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.

KPMG

Taipei, Taiwan (Republic of China)

May 28, 2018

Notes to reader

The limited assurance report is the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report, the Chinese version shall prevail.

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Statement TW18/00104GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2017 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	5,568,691 tonnes of CO ₂ e
Energy indirect emissions (Market Base)	13,275,690 tonnes of CO ₂ e
Direct emissions and energy indirect (market base) emissions	18,844,380 tonnes of CO₂e

Authorized by



David Huang
 Director
 Date: 15 May 2018
 Version 1

TGP 5615A-1 1801
 SGS Taiwan Ltd.
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 New Taipei City 24603, Taiwan
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This Statement is not valid without the full verification scope, objectives, criteria and findings available on pages 2 to 7 of this Statement.

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General Standard Disclosure

Disclosure	Chapter	Page No. / Description	External Assurance	
Organizational Profile				
102-1	Name of the organization	About the Company	9	Assured by KPMG
102-2	Activities, brands, products, and services	About the Company, Brand Values	9-10	Assured by KPMG
102-3	Location of headquarters	About the Company	9	Assured by KPMG
102-4	Location of operations	About the Company	9	Assured by KPMG
102-5	Ownership and legal form	About the Company	9	Assured by KPMG
102-6	Markets served	About the Company	9	Assured by KPMG
102-7	Scale of the organization	About the Company Status of Operations Employee Care and Development	9, 12, 86	Assured by KPMG
102-8	Information on employees and other workers	Employee Care and Development	86	Assured by KPMG
102-9	Supply chain	Sustainable Supply Chains	33-43	Assured by KPMG
102-10	Significant changes to the organization and its supply chain	About the Company Sustainable Supply Chains	No significant changes took place during 2017.	Assured by KPMG
102-11	Precautionary Principle or approach	Risk Management	53-56	Assured by KPMG
102-12	External initiatives	Stakeholder Engagement Sustainable Supply Chains	18-32 33-43	Assured by KPMG
102-13	Membership of associations	Stakeholder Engagement	32	Assured by KPMG
Strategy				
102-14	Statement from senior decision-maker	Message From the Chairman and CEO	4	Assured by KPMG
102-15	Key impacts, risks, and opportunities	About the Company Risk Management Responding to Energy and Climate Change	9 53-72	Assured by KPMG
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	Legal Compliance	49-51	Assured by KPMG
102-17	Mechanisms for advice and concerns about ethics	Internal Audits	52	Assured by KPMG

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General Standard Disclosure

Disclosure	Chapter	Page No. / Description	External Assurance	
Governance				
102-18	Governance structure	Corporate Governance Structure	45-48	Assured by KPMG
102-19	Delegating authority	Corporate Social Responsibility Governance	17	Assured by KPMG
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Social Responsibility Governance	17	Assured by KPMG
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Structure	45-48	Assured by KPMG
		Corporate Social Responsibility Governance	17	
		Employee Care and Development	86-96	
102-22	Composition of the highest governance body and its committees	Corporate Governance Structure	45-48	Assured by KPMG
102-23	Chair of the highest governance body	Corporate Governance Structure	45-48	Assured by KPMG
102-24	Nominating and selecting the highest governance body	Corporate Governance Structure	45-48	Assured by KPMG
102-25	Conflicts of interest	Corporate Governance Structure	45-48	Assured by KPMG
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Structure	45-48	Assured by KPMG
		Internal Audit	52	
		Risk Management	53-56	
		Corporate Social Responsibility Governance	17	
102-27	Collective knowledge of highest governance body	Corporate Governance Structure	45-48	Assured by KPMG
		Corporate Social Responsibility Governance	17	
102-28	Evaluating the highest governance body's performance	Corporate Governance Structure	46	Assured by KPMG
102-29	Evaluating the highest governance body's performance	Corporate Governance Structure	45-48	Assured by KPMG
		Internal Audit	52	
		Risk Management	53-56	
		Corporate Social Responsibility Governance	17	
102-30	Effectiveness of risk management processes	Internal Audit	52	Assured by KPMG
		Risk Management	53-56	
		Corporate Social Responsibility Governance	17	
102-31	Review of economic, environmental, and social topics	Internal Audit	52	Assured by KPMG
		Risk Management	53-56	
		Corporate Social Responsibility Governance	17	
102-32	Highest governance body's role in sustainability reporting	Corporate Social Responsibility Governance	17	Assured by KPMG
102-33	Communicating critical concerns	Corporate Governance Structure	45-48	Assured by KPMG
		Corporate Social Responsibility Governance	17	
		Staff Relations	90	
102-34	Nature and total number of critical concerns	Corporate Governance Structure	45-48	Assured by KPMG
		Corporate Social Responsibility Governance	17	
		Staff Relations	91	
102-35	Remuneration policies	Corporate Governance Structure	48	Assured by KPMG
102-36	Process for determining remuneration	Corporate Governance Structure	48	Assured by KPMG



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General Standard Disclosure

Disclosure	Chapter	Page No. / Description	External Assurance
Stakeholder Engagement			
102-40 List of stakeholder groups	Stakeholder Engagement	32	Assured by KPMG
102-41 Collective bargaining agreements	Employee Care and Development	91	Assured by KPMG
102-42 Identifying and selecting stakeholders	Stakeholder Engagement	18	Assured by KPMG
102-43 Approach to stakeholder engagement	Stakeholder Engagement	18	Assured by KPMG
102-44 Key topics and concerns raised	Stakeholder Engagement	18-32	Assured by KPMG
Reporting Practice			
102-45 Entities included in the consolidated financial statements	About this Report	Please refer to Acer's 2017 annual report for details on the Company's related entities	Assured by KPMG
102-46 Defining report content and topic Boundaries	Stakeholder Engagement	24-26	Assured by KPMG
102-47 List of material topics	Stakeholder Engagement	24-30	Assured by KPMG
102-48 Restatements of information	About this Report	No restatement of information provided in previous reports	Assured by KPMG
102-49 Changes in reporting	About this Report Stakeholder Engagement	No significant changes in the scope and aspect boundaries	Assured by KPMG
102-50 Reporting period	About this Report	3	Assured by KPMG
102-51 Date of most recent report	About this Report	3	Assured by KPMG
102-52 Reporting cycle	About this Report	3	Assured by KPMG
102-53 Contact point for questions regarding the report	About this Report	3	Assured by KPMG
102-54 Claims of reporting in accordance with the GRI Standards	About this Report GRI Standards Index Comparison Table	3 115-122	Assured by KPMG
102-55 GRI content index	GRI Standards Index Comparison Table	115-122	Assured by KPMG
102-56 External assurance	About this Report Independent Limited Assurance Report	3 113-114	Assured by KPMG
Management Approach			
103-1 Explanation of the material topic and its Boundary	Stakeholder Engagement	22-30	Assured by KPMG
103-2 The management approach and its components	Internal Audit Stakeholder Engagement	52 18-72	Assured by KPMG
103-3 Evaluation of the management approach	Important Achievements and Recognition in 2017 Stakeholder Engagement	5-6 18-72	Assured by KPMG

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Specific Standard Disclosures

Disclosure	Chapter	Page No. / Description	External Assurance	
Economic				
Economic Performance				
201-1	Direct economic value generated and distributed	Status of Operations Employing Skills to Impact Society	12 86	Assured by KPMG
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management Responding to Energy and Climate Change	53-56 79-80	Assured by KPMG
201-3	Defined benefit plan obligations and other retirement plans	Employee Care and Development	90	Assured by KPMG
Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	Employing Skills to Impact Society	101-109	Assured by KPMG
203-2	Significant indirect economic impacts	Employing Skills to Impact Society	101-109	Assured by KPMG
Procurement				
204-1	Significant indirect economic impacts	Sustainable Supply Chains	33	Assured by KPMG
Environmental				
Materials				
301-3	Reclaimed products and their packaging materials	Circular Economies and Product Life Cycle	75-76	Assured by KPMG
Energy				
302-1	Energy consumption within the organization	Circular Economies and Product Life Cycle	81-84 111	Assured by KPMG
302-2	Energy consumption outside of the organization	Sustainable Supply Chains	40	Assured by KPMG
302-3	Energy intensity	Circular Economies and Product Life Cycle	111	Assured by KPMG
302-4	Reduction of energy consumption	Circular Economies and Product Life Cycle	77	Assured by KPMG
302-5	Reductions in energy requirements of products and services	Circular Economies and Product Life Cycle	77	Assured by KPMG
Water				
303-1	Water withdrawal by source	Our Operations and Environment Corporate Social Responsibility Management Overview	83 111	Assured by KPMG
303-2	Water withdrawal by source	Our Operations and Environment	Acer's global business model primarily focused on product sales and customer service and its facilities are largely office buildings; as such, the water used is drawn from municipal sources and has no significant impact on water resources.	Assured by KPMG
303-3	Water recycled and reused	Our Operations and Environment	83	Assured by KPMG

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Specific Standard Disclosures

Disclosure	Chapter	Page No. / Description	External Assurance
Emissions			
305-1 Direct (Scope 1) GHG emissions	Responding to Energy and Climate Change	79-80 111	Verified by SGS
305-2 Energy indirect (Scope 2) GHG emissions	Responding to Energy and Climate Change	79-80 111	Verified by SGS
305-3 Other indirect (Scope 3) GHG emissions	Responding to Energy and Climate Change	80	Verified by SGS
305-4 GHG emissions intensity	Responding to Energy and Climate Change	79-80	Verified by SGS
305-5 Reduction of GHG emissions	Responding to Energy and Climate Change	79-80	Verified by SGS
306-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Responding to Energy and Climate Change	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.	Assured by KPMG
Effluents and waste			
306-1 Negative environmental impacts in the supply chain and actions taken	Our Operations and Environment Corporate Social Responsibility Management Overview	83 111	Assured by KPMG
306-2 Waste by type and disposal method	Our Operations and Environment Corporate Social Responsibility Management Overview	84 111	Assured by KPMG
Non-compliance with environmental laws and regulations			
307-1 Non-compliance with environmental laws and regulations	Legal Compliance	49	Assured by KPMG
Supplier Environmental Assessment			
308-1 Supplier Environmental Assessment	Sustainable Supply Chains	33-34 36-43	Assured by KPMG
308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chains	33-34 36-43	Assured by KPMG
Social: Labor Practices and Decent Work			
Employment			
401-1 New employee hires and employee turnover	Employee Care and Development	87	Assured by KPMG
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care and Development	89	Assured by KPMG
401-3 Parental leave	Employee Care and Development	89	Assured by KPMG
Labor/Management repletions			
402-1 Minimum notice periods regarding operational changes	Employee Care and Development	91	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.
Occupational Health and Safety			
403-1 Workers representation in formal joint management-worker health and safety committees	Health and Safety in the Workplace	97	Assured by KPMG
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety in the Workplace	100	Assured by KPMG



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Training and Education				
404-1	Average hours of training per year per employee	Employee Care and Development	92	Assured by KPMG
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Care and Development	90 94-96	Assured by KPMG
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Care and Development	96	Assured by KPMG
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	Corporate Governance Structure Employee Care and Development	45 86	Assured by KPMG
Diversity of governance bodies and employees				
405-2	Ratio of basic salary and remuneration of women to men	Employee Care and Development	88	Assured by KPMG
Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chains	34	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chains	34-39	
Social : Human Rights				
Human Rights Assessment				
412-2	Employee training on human rights policies or procedures	Employee Care and Development	94	Assured by KPMG
Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	Sustainable Supply Chains Employee Care and Development	39 91	Assured by KPMG
Non-discrimination				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable Supply Chains Employee Care and Development	34 91	Assured by KPMG
Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Care and Development Sustainable Supply Chains	87 35	Assured by KPMG
Forced or Compulsory Labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Care and Development Sustainable Supply Chains	87 35	Assured by KPMG
Supplier Human Rights Assessment				
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chains	34	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chains	36-39	Assured by KPMG

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Social : Society				
Anti-corruption				
205-2	Communication and training about anti-corruption policies and procedures	Legal Compliance Continuing Learning and Growth	49、96	Assured by KPMG
205-3	Confirmed incidents of corruption and actions taken	Legal Compliance	49	Assured by KPMG
Public Policy				
415-1	Political contributions	Legal Compliance	Acer made no political contribution in 2017.	Assured by KPMG
Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Legal Compliance	49	Assured by KPMG
Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	Legal Compliance	49	Assured by KPMG
Supplier Assessment for impacts on Society				
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chains	34	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chains	36-42	Assured by KPMG
Negative social impacts in the supply chain and actions taken				
416-1	Assessment of the health and safety impacts of product and service categories	Circular Economies and Product Life Cycle	74	Assured by KPMG
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Legal Compliance	49	Assured by KPMG
Marketing and Labeling				
417-3	Incidents of non-compliance concerning marketing communications	Legal Compliance	49	Assured by KPMG
417-1	Requirements for product and service information and labeling	Customer Service	All product, service information and labeling are meeting environmental as well as social regulation.	Assured by KPMG
417-2	Incidents of non-compliance concerning product and service information and labeling	Legal Compliance	49	Assured by KPMG
Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Legal Compliance	50	Assured by KPMG
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	Legal Compliance	49	Assured by KPMG

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Customer Service			
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