



# 2017 Acer Corporate Responsibility Report

## Executive Summary

MAKING OUR MARK



# Message from the Chairman

After more than 40 years since our founding, Acer continues to evolve with the times and is again seeing the results of our latest efforts. Steady rise over the last few quarters demonstrates that the concerted efforts at Acer have steered our company onto the path of transformation with positive growth. Acer's PC business has stabilized, and a double-digit operating margin also substantiates the success of our product-mix strategy for different market segments.

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. 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  
Jason Chen




## Important Achievement and reorganization in 2017-2018

MSCI



2017 Constituent  
MSCI ESG  
Leaders Index

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

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM

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



FTSE4Good

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

2018 THOMSON REUTERS

**TOP100**  
GLOBAL TECH LEADER

Top 100 global tech leaders of 2018 Thomson Reuters



**ROBECOSAM  
Sustainability Award  
Bronze Class 2018**

Received Bronze Class at ROBECOSAM Sustainability Award in 2018



**TCSA 台灣企業永續獎**

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



Received a Gold Recognition Level based on EcoVadis CSR rating

**Baruch** COLLEGE  
ZICKLIN SCHOOL OF BUSINESS

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

# CSR Highlights in 2017



## 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 Review Committee established.



## Environmental

- The usage of green energy has achieved **48%** of scope 2 electricity consumption in Acer group.
- **60%** of CO<sub>2</sub> emissions reduced compared with the baseline year 2009.
- 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 employees worldwide: **1,056**
- Worldwide volunteers: **5,277**
- Groups with Acer to create social and environmental value: **Over 30**



## Supply Chain Management

- **88%** of suppliers achieved the level of medium or excellent for the CSR scorecard performance.
- Conduct **71** on-site audits for the tier-one supplies, **150 thousand** of workers subjected to on-site audits
- A total of **348** tier-two suppliers audits were carried out. Compared to the year of 2016, it is an increase of **238%** in audited ones.
- **85%** of suppliers set the targets of carbon emission.



## Innovation and Customer Service

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



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# CUSTOMER RECOGNITION

## Customer Recognition



reddot award 2017  
winner

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

Red Dot Design Award, Germany



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

Best Service Brand, Popular Computing Weekly, China

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



Good Design Awards, Japan

Taiwan Excellence Awards

Computex D&I Awards, Taipei

## Products and Services that respond to Society

### Acer Altos VDI for Education

Through the “Cloud Terminal + Cloud Desktop” approach, Acer provides user with a one-stop desktop virtualization solution that greatly simplifies desktop deployment and management. This solution can help educational organizations and businesses save some 20% to 40% in overall costs.

### VeriSee DR: Retinal health check system for people with diabetes

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.

# SUSTAINABLE VALUES, STURDY MODELS

In line with the transformation of the company, 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:

**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.**

We have also adjusted the existing Acer CSR policy to include three aspects.

## 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.

## Advocacy Initiatives



Responsible Business Alliance (RBA)



World Business Council for Sustainable Development (WBCSD)



Carbon Disclosure Project Supply Chain Program (CDP)



Public-Private Alliance for (PPA)



Responsible Minerals Initiative (RMI)

# Sustainable Supply Chain

## 2018 Targets

70 on-site audits; 1,500 workers interviewed;  
150 thousand of workers subjected to on-site audits

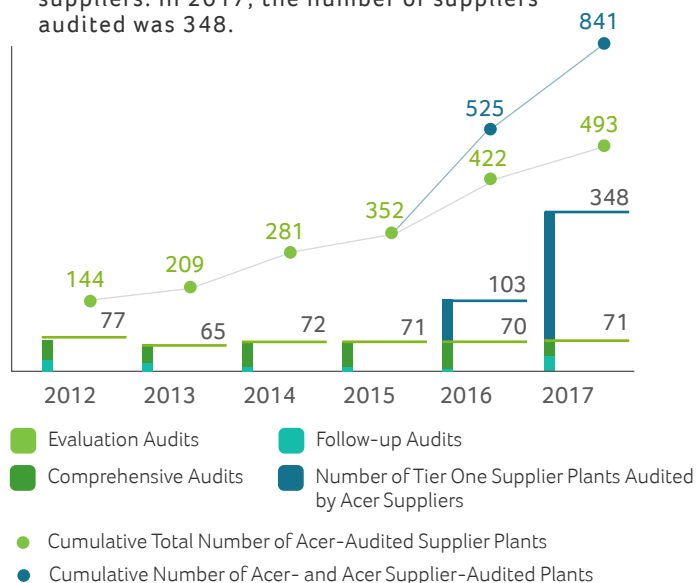


95% of smelters are either RMAP (Responsible Minerals Assurance Process) compliant or participating.



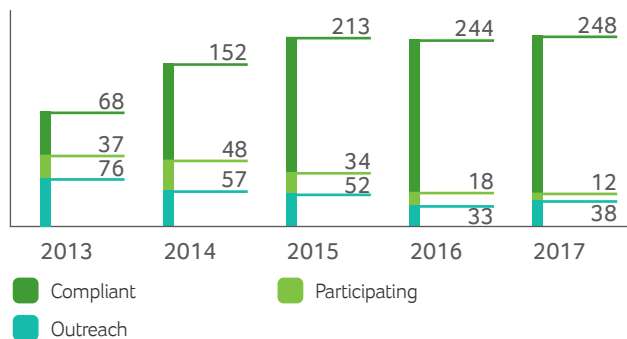
## 2017 on site Audit Results

- In 2017, we identified a total of 71 supplier plants as in need of on-site audits. Between 2008 and 2017, a total of 493 supplier audits were carried out.
- We have incorporated Acer RBA 2.0, conducting on-site audit to the tier-two suppliers. In 2017, the number of suppliers audited was 348.



## Conflict Minerals Management

In 2017, we identified 298 smelters in the supply chain. The number was an increase of 3 smelters over the previous year. We also saw an increase in compliant smelters from 244 to 248, which was 83% of all smelters. Besides, we participated in the initial development and pilot of the supply chain mapping tool.



## Managing green gas in the supply chain

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.

	Acer suppliers' average performance	Participant suppliers' average performance
Scope 1 and Scope 2 Emissions Percentage	94%	80%
Identification and Disclosure of Climate Risks	92%	81%
Integration of Climate Change into Business Strategy	90%	81%
Setting of Carbon Reduction Targets	85%	65%

# Cultivating Technology, Looking to the Future

## United Nation Sustainable Development Goals

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.



## Mid-Long term Target

Reinforcing links between innovative product/ services and SDGs.



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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
- Provide high-speed computing solutions to assist in genetic testing
- On-demand air quality monitoring with Acer Air Monitor
- Antibacterial, hydrophobic/oleophobic, breathable helmet

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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

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AFFORDABLE AND CLEAN ENERGY



### Affordable and Clean Energy

Provide more efficient, more sustainable, safe energy

- e-Bike Batteries
- Battery Health Management Systems

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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

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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

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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

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RESPONSIBLE CONSUMPTION AND PRODUCTION



### Responsible Consumption and Production

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

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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.

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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

**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD

# Mission Green: Protect the Environment

## Mid-Long Term Target

Increase the usage of green energy up to 50% of scope 2 electricity consumption. 

60% of CO<sub>2</sub> emissions reduced compared with the baseline year 2009. 



## Use more green energy



- In 2017, the carbon emissions of scope 1 and scope 2 are 18,844.380 tons which is a 4.1% reduction from the year of 2016.
- The following Acer national subsidiaries have used 100% of the Company’s electricity coming from wind, solar and other renewable energy sources: Acer European headquarter (Lugano in Switzerland), Germany, England, France, Italy, Spain, Netherland; Acer America such as USA, Canada, Brazil, Mexico; Acer PAP such as China, India, Thailand, Philippine and Vietnam.

## Reduction in packaging design



In 2017, approximately 60,000 desktops shipped with the reduced-volume packaging and boxes. In 2018, Acer expects some 40% of all desktop computer shipments to use this packaging.

## Reduce CO<sub>2</sub> Emissions of Transportation



Compared to the previous year, in 2017 a 6% reduction in global air shipping, an increase of 5% in maritime shipping, and a 1% increase in rail shipping.

## Use of Post-Consumer Recycled Plastics



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.



# Thinking Humanely, Caring for the Society

## The proportion of female employees increases

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.

## 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. We also held training sessions on privacy protections, with a particular focus on how our products should protect the privacy of consumers.

## 2017 CSR projects award

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, we formulated the Acer Global Corporate Social Responsibility Project Awards. In 2017, 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.

## Overall CSR Project Social and Environmental Impact and Performance





## CSR Project Awards Top 10




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