

acer

**2018
ACER CORPORATE
RESPONSIBILITY REPORT**





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ABOUT THIS REPORT

Acer has issued Corporate Social Responsibility Reports annually since 2008, for 11 years running. We issue the report in both Chinese and English, and for the convenience of readers, we also publish the executive summary in Chinese, English and German editions. This report discloses information on performance in corporate governance, environmental issues, and social issues, as well as future plans, enabling interested parties to better understand Acer's efforts and achievements in sustainable development. Previous years' Corporate Social Responsibility Reports and the latest information on sustainable development are available at the [Acer Group's CSR website](#).

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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 investment 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.

Report Issuing Dates and Frequency

This report, released in June 2019, disclosed the Company's performance in key areas of sustainable development during 2018 (January 1, 2018 – December 31, 2018); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2018 or forward into 2019. Acer issues CR reports each year, with the previous report issued in June 2018.

Report Compilation Principals

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

Report Quality Management

Internal Verification

This report has been checked by internal department managers to verify the accuracy of the information herein, and the corporate sustainability officer has reviewed the ESG performance and strategic goals.

External Assurance

- Sustainability Data and Information: This report commissioned the accounting firm KPMG Certified Public Accountants in accordance with the limited assurance standards of ISAE 3000.
- Financial Data: Annual information that has been verified by KPMG.
- GHG and Energy: Have undergone assurance by SGS. Management including the Corporate Sustainability Office (CSO) also participated in the assurance process and took interviews.

Response and Feedback

If you have any questions or suggestions regarding Acer's 2018 Corporate Social Responsibility Report (CR Report) or sustainability issues, you are welcome to contact us.

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MESSAGE FROM CHAIRMAN AND CEO

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Acer’s pursuit to make a positive impact to our society and environment has made significant headway in 2018. In addition to the on-going engagement with our partners and suppliers to act responsibly, we initiated several activities to encourage our global employees to take part in caring for our environment. With sustainable development embedded in the company culture, and the determination to innovate in all aspects of our technology, management and operations, we persist in giving back to our communities and excelling in our corporate social responsibilities (CSR).

Acer’s responsibility efforts have been constantly recognized by leading sustainability indices that benchmark environmental, social and governance (ESG) performance of organizations. For the fifth consecutive year we are a constituent of MSCI’s ESG Indexes as well as being listed on the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index. Acer was included in the FTSE4Good Emerging Index for the third straight year, and listed in the new subcategory FTSE4Good TIP Taiwan ESG Index.

We have made enhancements within our organization with a new Corporate Sustainability Committee comprising of the Acer executive team to succeed the former Global Corporate Social Responsibility Committee. The new committee will integrate CSR strategies and drive Acer’s ESG performance with greater effectiveness, with working groups focused on corporate governance, risk management, innovation and product life cycle, environmental policy and management, supply chain management and others.

To put into clearer perspective of Acer’s impact on the environment and society, we continued to adopt the [True Value](#) methodology that quantifies in financial terms the costs and benefits. This serves as a guidance on taking the relevant risk control measures and weighing business opportunities. In addition, the [World Meteorological Organization](#) and [World Economic Forum’s](#) risks reports state that enterprises can no longer ignore the impact of climate change with extreme weather events and temperatures. For this, in addition to the on-going engagement with our partners and suppliers to act responsibly, 50 percent of electricity consumption from Acer’s global operations comes from green energy.

On the social aspect, Acer kicked off its second internal CSR Project Award submission with a focus on education and alignment with the United Nations’ Sustainable Development Goal 4 that states to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” Around the world, Acer employees submitted projects covering a spectrum of topics in the areas of health, education and environment, demonstrating their commitment to the company mission of breaking barriers between people and technology.

To boost environmental awareness and engagement among all employees, starting from Taiwan we launched the Acer Earth project that set up more than 300 collection centers for consumers to bring old batteries, notebook PCs and other mobile digital devices for recycling. The waste batteries will be recycled and reused in production, completing the chain of a circular economy. The result has been astounding with several tons of batteries and thousands of devices collected to date. In addition, our worldwide initiative - Project Humanity - has just kicked off, and invites employees to take part and make an impact together to protect the Earth. The “Green Challenge” was its first event, where we appealed to employees to reduce their consumption of one-time use materials such as disposable cutleries and paper cups. We are looking forward to the results of the first challenge!

Acer has been giving back to the communities since we were founded, but it’s not enough to talk just about the past. We are taking continuous proactive actions, setting higher goals to make a meaningful difference for today and for tomorrow.

Chairman and CEO

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IMPORTANT ACHIEVEMENTS AND RECOGNITION IN 2018

Sustainability

<p>MSCI ESG Leaders Indexes Chosen for the fifth consecutive year to join the MSCI Global Sustainability Indexes</p>	<p>Component Stock of Dow Jones Sustainability Emerging Markets Index Chosen for the fifth consecutive year to join the Dow Jones Sustainability Emerging Markets Index as a component stock</p>
<p>RobecoSAM Corporate Sustainability Award Received Bronze Class in 2018 RobecoSAM Corporate Sustainability Award</p>	<p>Industrial Development Bureau National Circular Economy Creative Competition Awarded Bronze in the Industrial Development Bureau's 2018 National Circular Economy Creative Competition, Industry Division</p>
<p>Taiwan Corporate Sustainability Awards (TCSA) Received Gold Award at the Taiwan Corporate Sustainability Awards for the fifth consecutive year</p>	<p>TCSA English Report Awards Chosen for 1st TCSA English Report Awards</p>
<p>FTSE4Good TIP Taiwan ESG Index (2018) Chosen for the inaugural Taiwan ESG Index</p>	<p>FTSE4Good Emerging Index Chosen for inclusion in the FTSE4Good Emerging Index for the third consecutive year</p>

Corporate Governance

<p>Stock Exchange Fourth Corporate Governance Evaluations Received fourth TWSE Corporate Governance Evaluation Top 6%–20% of listed companies</p>
--

Customer Service

<p>Customer Service Award</p> <ul style="list-style-type: none"> Received fifth French customer service award Received second Spanish customer service award
<p>Consumer Electronic Customer Service Survey Received first place among computer brands in German Consumer Electronic Customer Service Survey</p>
<p>Consumer Electronic Customer Service Survey Received third place in German Consumer Electronic Customer Service Survey</p>
<p>DISC PC Service study Received first place in German DISC PC Service Study for the fourth time</p>
<p>Best Service Brand Received Best Service Brand award for 13th consecutive year from China's "Popular Computing Weekly"</p>
<p>Top Brand Award Received Indonesia's Top Brand Award in the Notebook Category for 11th consecutive year</p>



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Market Recognition



iF Design Award

Twelve products won the 2018 iF Design Award, among which the Predator e-sports brand won six awards for hardware, software, and packaging design; award-winning products included the Predator Orion 9000 gaming desktop, the Predator Triton 700 gaming notebook, the Predator X27 gaming display, the Predator X34P curved gaming display, the PredatorSense Game Control Center software, and Predator gaming peripheral product packaging. Other award-winning products included the Acer Swift 7 ready-to-connect laptop, the Acer VG0 series of displays, the All-in-One Aspire S24 desktop, and three smart lifestyle products, namely the Acer Holo360 panoramic camera, the Vision360 driving recorder and pet-focused Pawbo WagTag.



Red Dot Design Award

Thirteen Acer products received Red Dot Design Awards in 2018. The award-winners span product lines, including not only the world's thinnest notebook, the pioneering Swift 7, but also the Acer Chromebook Tab 10, the first tablet computer focused on educational use to run Chrome OS. Acer's products, from gaming notebooks and headsets to desktop computers, notebook computers, projectors, and displays, all received praise from the judges.



Consumer Electronics Show (CES) Best of Innovation Award for Computer Peripherals

Four Acer products received the Best of Innovation Award at CES 2018, namely the Acer Switch 7 two-in-one flagship notebook, the Predator Orion 9000 gaming desktop, the Predator X27 gaming monitor, and the Acer Swift 7.



Taiwan Excellence Award

Several of Acer's products were selected for the 2018 Taiwan Excellence Awards, including the Predator X27, Z271UV, and Z35P gaming monitors; Acer VL7860 and V7850 projectors; Swift 5 ultra-thin notebook; Switch 7 flagship two-in-one notebook; Predator Orion 9000 gaming desktop; Aspire S24 all-in-one desktop; Acer Air Monitor; Acer Cloud Professor; aBeing Cloud health management platform; three-in-one remote pet camera/feeding machine; and many more



Japanese Good Design Award

Acer received the 2018 Good Design Award, specifically for the Windows mixed-reality headset Acer OJO 500, the Acer Swift 7 ultra-thin notebook, and the education-focused Acer Chromebook 11.



Computex Taipei 2018 d&i Awards and Best Choice Awards

Acer won seven awards at Computex 2018, four Computex d&i Awards and three Computex Best Choice Awards. The products that won the d&i Awards were the Acer Swift 7 ultra-thin notebook, Acer Switch 7 flagship two-in-one, Acer

Chromebox desktop, and Acer Chromebook 11; the Acer Chromebook 11, created for the education market, was particularly honored with the d&i gold award. The Acer Leap Beads, Air Monitor, and Microsoft mixed-reality headset won the Computex Best Choice Awards in Consumer Technology, IoT Applications, and Gaming categories respectively.

Social Inclusion



Buying Power Social Innovation Product and Service Procurement Award

Honored with second prize at the Ministry of Economic Affairs' 2nd Buying Power Social Innovation Product and Service Procurement Award in 2018. Acer has long focused on social welfare groups and social enterprises, using responsible consumption to support social enterprises and promote social innovation, thus improving ESG issues in Taiwan.



Taiwan iSports Certification

Honored by Sports Administration, Ministry of Education with 2018 Taiwan iSports Label certification



Great Place to Work

Acer's India office received Great Place to Work certification



CSR PERFORMANCE HIGHLIGHTS

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ENVIRONMENTAL

3.258 million kWh

Annual power generation by Aspire Park solar generator

31%

Critical suppliers having completed SBT setting

55%

Renewable energy usage rate in ICT product operations

50%

Total carbon reduction compared with baseline 2009

SOCIAL



over **60**

Groups working with Acer to create social value

over **42,700** man-hours

Invested in social philanthropy

1.5%

Global community engagement and social philanthropy investments as a percentage of profits

over **180,000** people

Beneficiaries of Acer's corporate social responsibility efforts



SUPPLY CHAIN MANAGEMENT

709

Number of tier-two suppliers to whom supplier management has been expanded

105

Total tier-one suppliers audited

96%

Number of smelters conformant with OECD Due Diligence Guidance third-party mechanism



CORPORATE GOVERNANCE

≈50%

Independent directors on the Board of Directors as a percentage



INNOVATION AND CUSTOMER SERVICE



Third Place

Ranking by number of patents applied for in Taiwan region.

NT\$ **116.5** billion

2017 True Value assessment

95%

Customer satisfaction level



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01 LAYING FOUNDATIONS, EXPANDING BLUEPRINTS

Material Topics of Concern to Stakeholders :



- About the Company
- Brand Values
- Status of Operations



Note: Please see page 14 of this Report for the management approaches of the material topic "Transparency and Disclosure."



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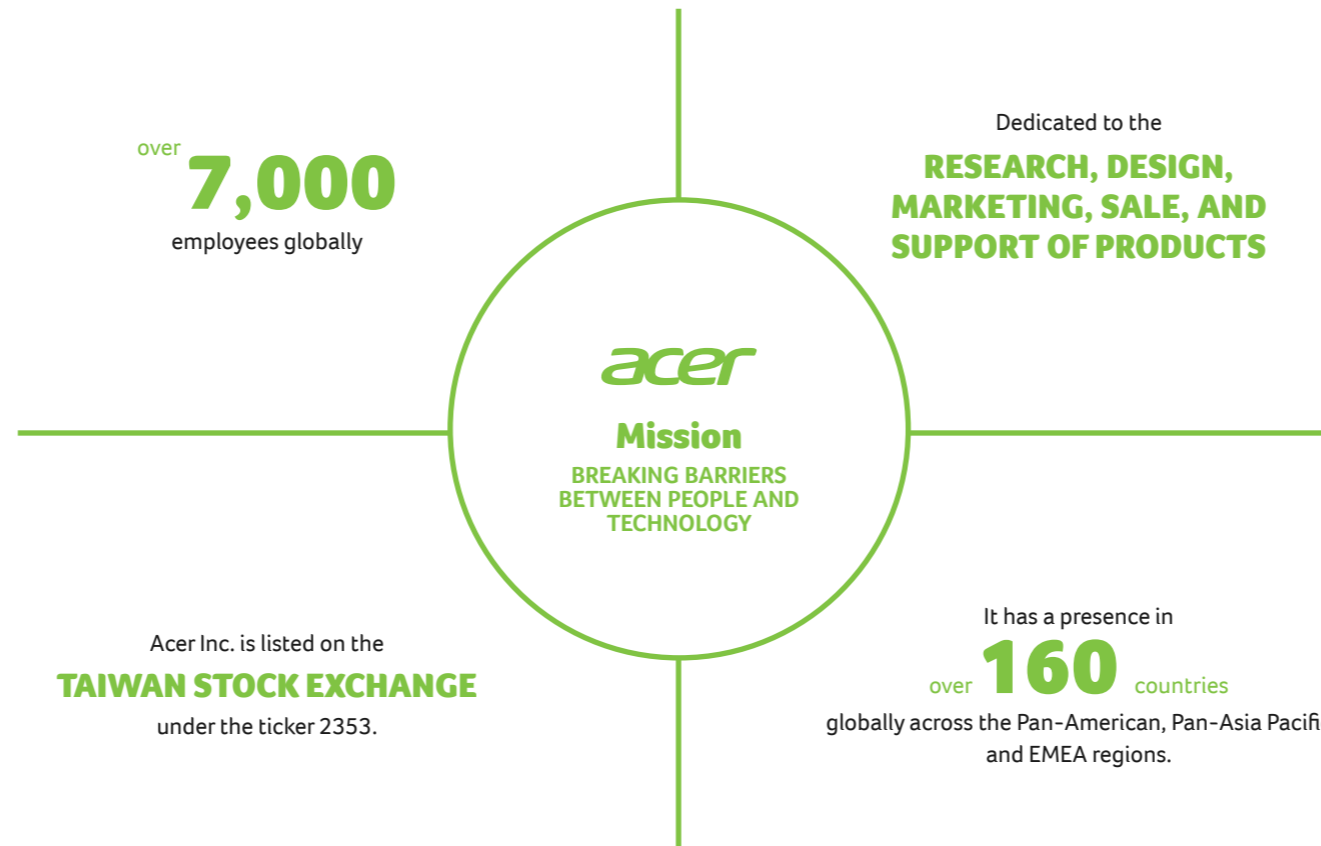
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ABOUT THE COMPANY

Founded in 1976, today Acer is one of the world's top ICT companies. 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 and to gaming, Acer is dedicated to the research, design, marketing, sale, and support of products and solutions that break barriers between people and technology.



Acer's main business focus is in IT products, including

-  Notebook PC
-  Desktop PCs
-  Display
-  Gadgets

The gaming segment of the PC market continues to be one of Acer's strengths, offering gaming PCs, monitors and gadgets for hardcore and casual gamers through the Predator and Nitro sub brands. Acer also offers Chromebooks for education, and ultra-thin and light notebooks for traveling professionals — striving to deliver a complete lineup of devices for users with different preferences and needs.

Acer is pursuing opportunities in cloud services and artificial intelligence, creating multiple growth engines for sustainable long-term operations.



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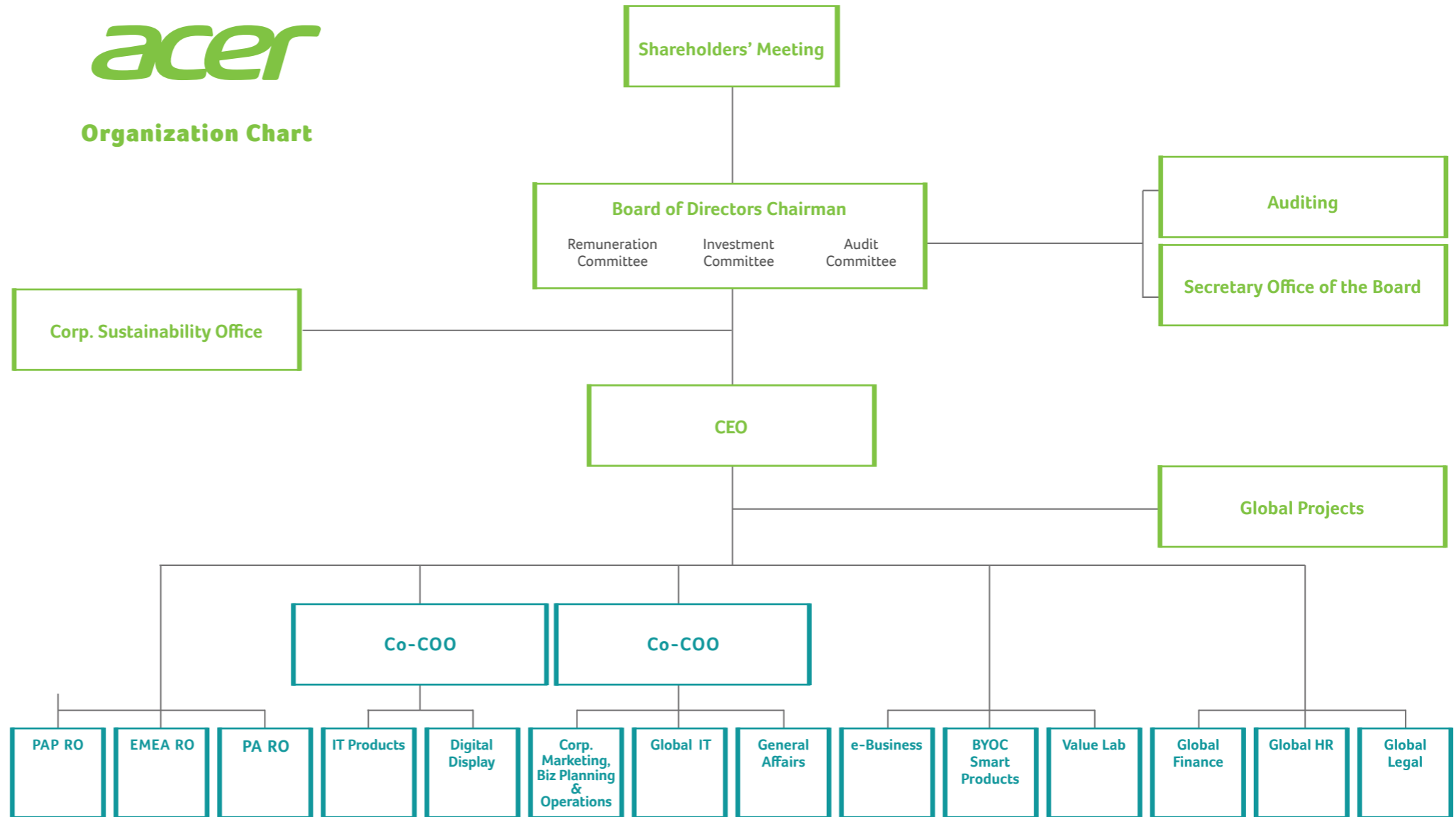
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Organization Chart



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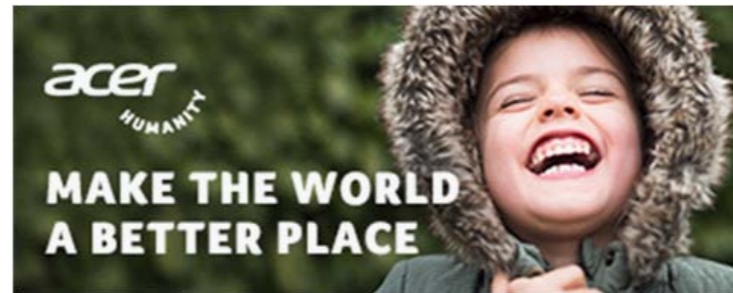
BRAND VALUES

Mission of “breaking barriers between people and technology”

Since day one, Acer has been guided by its mission of breaking barriers between people and technology, and today that mission is as relevant as ever. Acer believes everyone can reach their potential and that technology can help people achieve their goals, such as by making education accessible for the disadvantaged through technology. Acer’s brand values of “human,” “progressive” and “curious” translate into the determination to change the world for the better.

Project Humanity

We have been seeking to take greater responsibility toward social and environmental issues, and encouraging our employees to take part in making changes for the better. In 2018, Acer initiated [Project Humanity](#), new global initiative built on the rich spirit of the Acer brand, to bring our employees and stakeholders closer to our humanity-centric values through sharing stories and inspiring action. Each year, we will set themes aligned with Acer’s business direction and important topics around the world. Workshops and seminars will be hosted to educate employees, and events will be hosted for employees to take part. Through Project Humanity, led by Acer executives, we strive to make a change to the world continuously and for every employee to feel proud to be a part of Acer.



Education

Children are the hopes of our future and through technology, Acer aims to empower them by providing access to learning and tools to accomplish their goals. Through education, we aim to diminish the digital divide, foster entrepreneurship, and cultivate technology talent. With our resources and capabilities, Acer is investing in the next generation.



Protecting the Environment

We are at a critical moment in the future of our planet. Without a healthy planet, our children are the ones who will suffer. Acer is dedicated to protecting the environment, and this commitment is reflected in our product innovation, in how we optimize resources, and why we engage employees to do more for our Earth.



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Marketing Communications

Acer adheres to the relevant legal frameworks in each region in its communication to stakeholders. Through Acer and its subsidiaries' social media and global web presence, and advertisements, we communicate our products and service's value proposition, beliefs, events and other messages. We actively use these media to announce or broadcast press conferences, attendance at trade shows, and sponsored activities such as regional e-sports competitions and international informatics contests for young scientists. In addition, Acer makes use of social and other digital media to increase interaction with users or new customers.

Major Events Acer Held or Participated in during 2018



1 January

- During the Consumer Electronics Show (CES) in Las Vegas, Acer unveiled and showcased a number of products including the new Nitro 5 notebook for casual gamers, the Acer Chromebook 11 that offers strong everyday performance with all-day battery life, and introduced big screens to PC gaming with the 65-inch Predator Big Format Gaming Display. In addition, Acer announced that select notebooks and desktops would support Amazon Alexa.
- At the BETT Show in London, the world's biggest education technology event, Acer debuted its stylish 360-degree convertible Acer Chromebook Spin 11 designed for people who want to embrace the ease and security of Chrome in versatile usage modes.
- Acer hosted the grand finals of the Asia Pacific Predator League 2018 tournament in January in Jakarta, during which eight esports teams battled for the league championship. The eight teams were chosen from 1,197 esports teams from across the region. The Asia Pacific Predator League 2018 is the first regional e-sports competition hosted by Acer and one of the largest world-class tournaments in the region. Teams competed for the US\$150,000 grand prize. The grand finals were also recognized by the Indonesian World Records Museum (MURI) as the "Live Online Game on the Largest LED Screen."

March

Acer was the official partner and monitor provider of the Intel® Extreme Masters (IEM), the longest running e-sports circuit in the world. Season 12 was held in Sydney, Shanghai, Katowice, and Gyeonggi, and Season 13 in Sydney and Shanghai.

5 May

Acer held its first Global Press Conference of the year in New York. At the event Acer unveiled a plethora of new devices including the powerful Predator Orion 5000 gaming desktop. It features a transparent side panel to show of its powerful internals and is EMI-compliant to protect users from potential electromagnetic interference. Acer also announced the 15-inch Swift 5 notebook weighing less than one kilogram and featuring exceptional performance and long battery life.

June

At Computex 2018 in Taipei, the leading global ICT and IoT show, Acer provided visitors with an immersive gaming experience by showcasing its full line of gaming PCs and gadgets, as well as bringing in celebrity gamers to take part in the action with Acer gaming devices. In addition to the company's booth at the exhibition hall, Acer created product experience rooms, locating them in downtown Taipei and opening them to the public so passers-by can experience Acer's latest gaming PCs and gear, and even compete against celebrity gamers.

8 August

Ahead of IFA Berlin 2018, the world's leading trade show for consumer electronics and home appliances, Acer announced its latest product portfolio spanning notebooks, desktops, monitors, Windows Mixed Reality headset and gadgets at its second global press conference of the year. Acer unveiled the latest Predator devices that bring gaming to the next level, including the refreshed Predator Orion desktop series, Predator monitor and gadgets series and notably, the highly-praised gaming chair Predator Thronos. New models from the Swift ultra-slim notebook series and Aspire notebook series were introduced. Furthermore, Acer announced the expansion of its product span in its new businesses with the Acer OJO 500 Windows Mixed Reality headset.

September

As the official sponsor of the 2018 International Olympiad in Informatics (IOI) in Japan, Acer was the sole provider of 450 notebook PCs for contestants and staff, along with servers to run the event's contest management systems and on-site technical support. Acer also hosted the Knowledge Fair at the IOI, during which an expert from Acer's Value Lab interacted with students in an information session on the latest trends in artificial intelligence and discuss various ideas. The exchange further deepened a scientific and cultural understanding.

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STATUS OF OPERATIONS

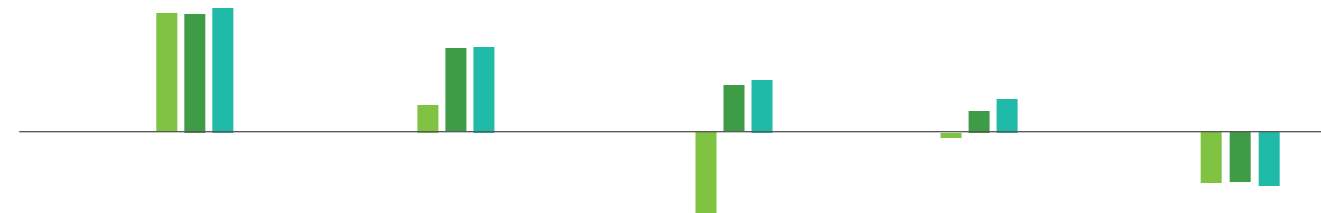
Acer's efforts and achievements in 2018 shone through with an eye-catching performance in terms of both revenues and profitability. In 2018, the Company reported consolidated revenues of NT\$242.27 billion, a year-on-year growth of 2.1%, and net income of NT\$3.06 billion, an annual increase of 8.7%; earnings per share (EPS) NT\$1.01, an eight-year high.

Operational Overview for Acer for the Past Three Years

Important Financial Information

Unit: NT\$ billion

	Consolidated Revenue	Operating Profit (Loss)	After Tax Earnings (Loss)	Basic Earnings Per Share (NT\$)	Operating Expenses
2018	242.27	3.738	3.060	1.01	(22.257)
2017	237.275	3.670	2.816	0.93	(21.900)
2016	232.724	1.193	(4.900)	(1.62)	(22.300)



	Staff Remuneration and Welfare	Dividends (NT\$)	Tax Income (Liability)	Liabilities	Equity
2018	(13.457)	0.77	(1.35)	95.003	58.986
2017	(13.094)	0.70	(0.642)	99.637	57.975
2016	(12.948)	0.50	(0.176)	107.996	57.678



Unit : NT\$



Consolidated revenues

242.27 billion



Profit after tax

3.06 billion



Earnings per share

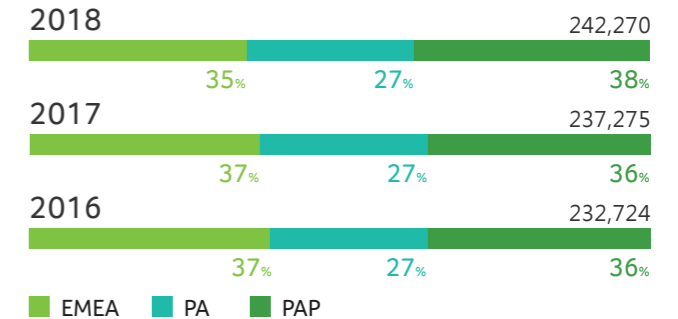
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For more details on the Company's operating performance and financial information, please refer to the Acer Incorporated [2018 Annual Financial Report](#).

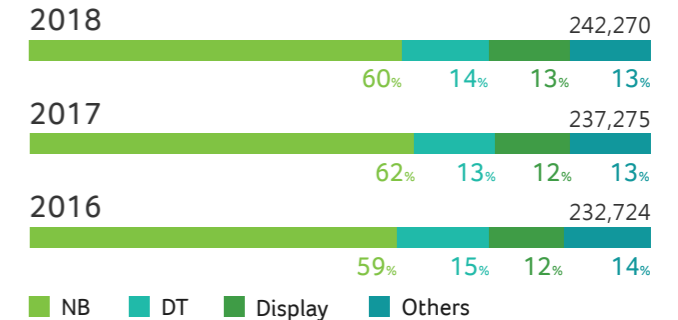
IT Products 2018

Region

Unit: NT\$ Million



Product Category





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02 SUSTAINABLE VALUES, STURDY MODELS

Material Topics of Concern to Stakeholders :



Transparency and Disclosure



Supplier Environmental Performance

CSR Policy, Strategy and Governance
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Stakeholder Engagement
Responsible Supply Chain





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Material Topics and Management Approaches

Transparency and Disclosure

Implications for Management 103-1

Transparently disclosing information on Acer's performance and future goals regarding all aspects of ESG, enabling interested parties to better understand about Acer's efforts and achievements in sustainable development.

Business Management Strategy 103-2

Strengthening disclosure of non-financial performance.

Evaluation Mechanism 103-3

Sustainability performance undergoes independent assurance by external third parties in accordance with the ISAE3000 standard.

Supplier Environmental Performance

Implications for Management 103-1

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 103-2

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

Evaluation Mechanism 103-3

Regularly reviewed by Corporate Sustainability Committee's Supply Chain Management Team.

CSR POLICY, STRATEGY AND GOVERNANCE

Sustainable Acer

Acer's corporate social responsibility mission aligns the Company's CSR strategy with the Company's new development direction and the core spirit of the brand, defined thus:

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.



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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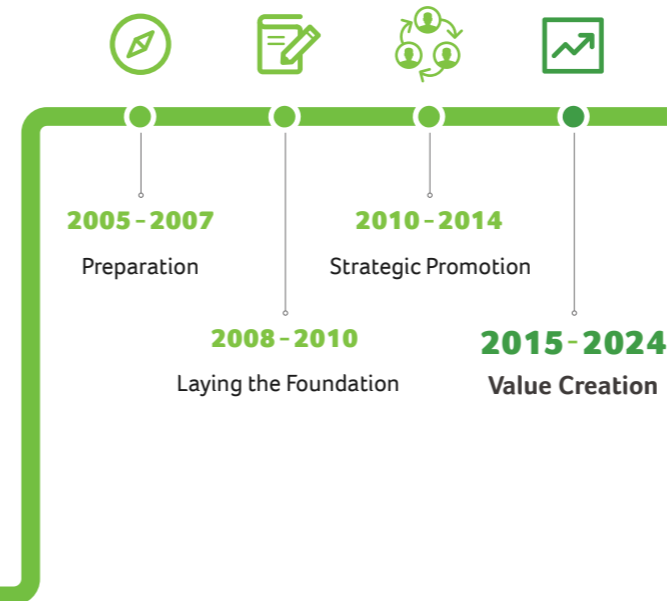
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Acer Corporate Social Responsibility Development Process and Policy

The development of Acer's CSR began with a preparatory period between 2005 and 2007, wherein we began focusing on environmental issues; 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.



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.

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

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

Corporate Social Responsibility Governance

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.

To expand the scope of our CSR governance and integrate sustainable development strategies into daily operations we established a Global Corporate Social Responsibility Committee (GCSRC) which came into operation in 2012. In line with the Company's new group-based strategy, a number of subsidiaries have become listed companies. As a result, our CSR governance structure faces changes, and thus we continue to review our CSR framework. 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.

In 2018, we carried out a comprehensive review of our CSR framework, reorganizing the Global Corporate Social Responsibility Committee into the Corporate Sustainability Committee (CSC). Five working groups have been set up under the committee: Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Policy and Management, and Supply Chain Management. The tasks of the working groups include reviewing the current status of operations with regard to sustainability, determining material issues, setting goals and action plans, and integrating CSR with corporate operations. The groups are composed of first-level managers of various units including operations management, legal, finance, and general affairs, with the chairman and CEO serving as chair. In 2018, two meetings were convened to complete the establishment of these working groups and set the 2019 ESG goals.



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Mission and Goals of the CSC



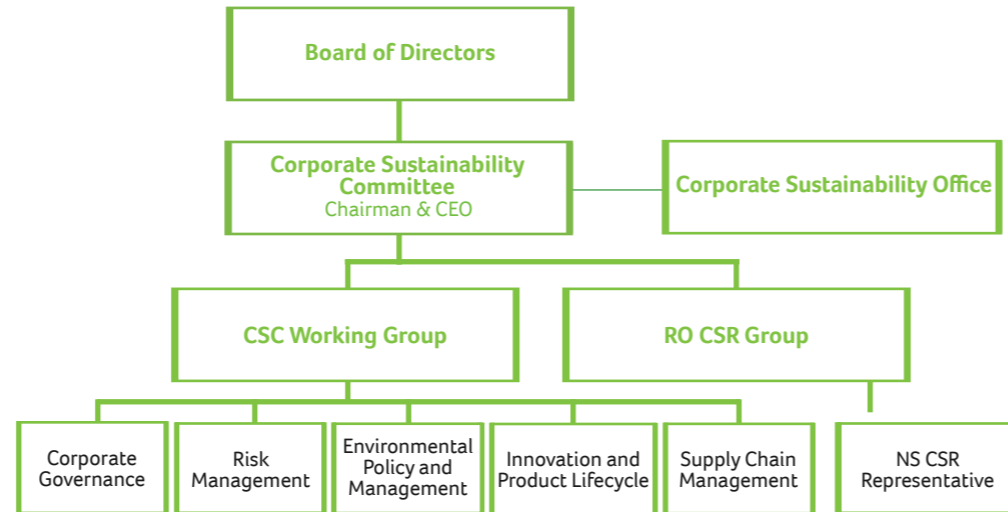
Mission • Integrate CSR Strategic thinking and boost Acer's ESG performance



Objectives

- Manage ESG risks and opportunities
- Alignment for cross-function collaboration
- Build up strategic investment plan
- Establish Acer's leadership in sustainable paradigm

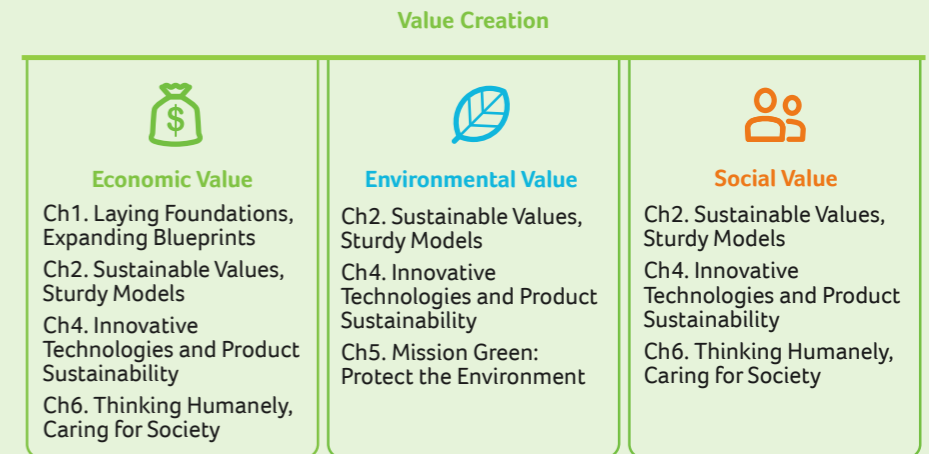
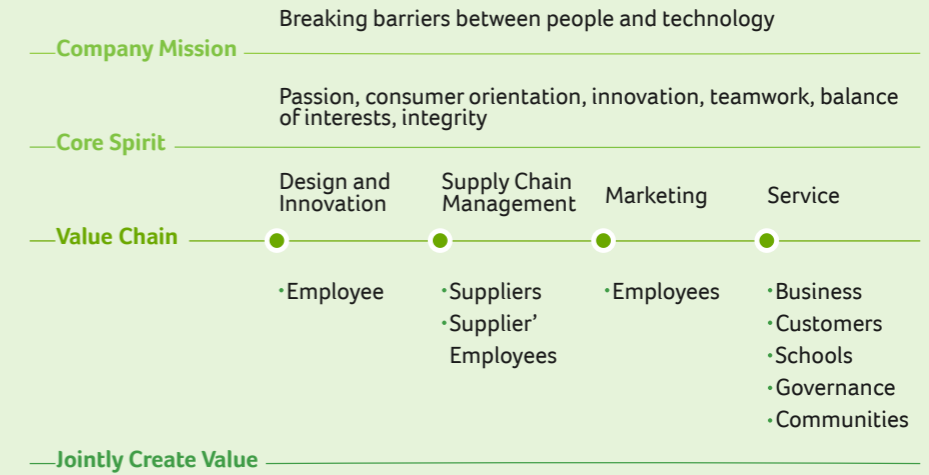
Acer CSR Governance Structure



— Supervision and Execution — Support and Assistance

The Corporate Sustainability Office (CSO) is Acer's specialist unit committed to corporate social responsibility. Led by the corporate sustainability officer, its primary responsibility is managing ESG issues. Reporting directly to the chairman of the Board, the CSO also regularly provides reports to the Corporate Sustainability Committee on 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 working groups and the CSC. To facilitate effective communication across global locations, we have put in place executive secretaries for corporate social responsibility in each regional headquarters who are tasked with implementing our CSR agenda.

Sustainability Value Creation





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Sustainability Value Measurement

To measure Acer's economic, environmental and social impact, in 2017 we began gradually introducing the True Value assessment tool to put a monetary value on external costs and benefits, stay on top of the full range of investment benefits and risks, and improve our ability to respond to risks and take advantage of business opportunities. In 2018, we began making use of comprehensive organizational True Value assessment, following the process outlined below.



Reviewing Materiality

Identify key externalities through the identification of issues of materiality to Acer



Expanding the Value Chain

Extend the identified key externalities into all aspects of the value chain



Selecting Externalities

Select externalities for inclusion in current year's calculations based on the availability of data, materiality (materiality matrix, industry special issues, Acer's own situation, etc.), and the relationships between externalities and Acer

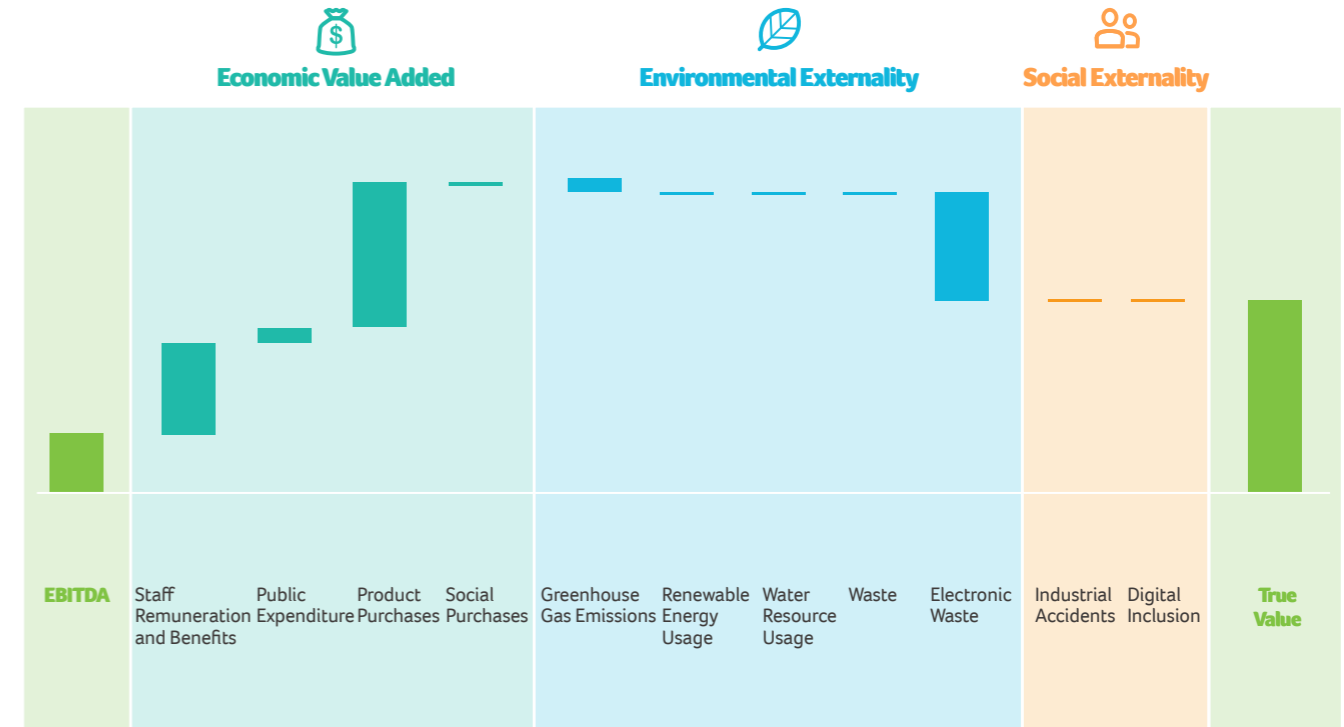


Calculating, Discussing, and Correcting

Running trial calculations based on collected information and, where necessary, carrying out corrections and discussions focused on the completeness of the information

Based on the materiality analysis of our 2017 CSR Report and the material sustainability issues that should be addressed in the industry value chain, the externalities included in the assessment include 10 elements: staff remuneration and benefits, public expenditure, procurements value, greenhouse gas emissions, renewable energy use, water resource use, waste, electronic waste, industrial accidents, and digital inclusion. The final calculation of the organizational True Value produced in 2017 is approximately NT\$116.5 billion.

Overall Results of Acer 2017 True Value Calculations (Corrected Percentages)



The understanding of material ESG externalities gained through this research, through attaching a quantitative monetary value to results and the scale of their impact, aids the Company by providing a useful reference for future internal sustainability management systems and corporate strategy.

Note: Greenhouse gases, water resource usage, waste, e-waste, and industrial accident figures represent negative numbers; the others are positive.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The United Nations Sustainable Development Goals (SDGs) cover important sustainability issues and challenges facing mankind. The 17 goals comprise 169 targets across several aspects, namely people, planet, prosperity, peace, and partnership.

Our 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 environmental and social problems we face and improve humanity's quality of life.

We review of the value chain, linking our relevant technology, products, services, and operations with 10 of the UN SDGs; laying out a business development strategy; and looking at how we can continue employing our core competencies to address society's needs. At the same time, we continue to reinforce our sustainability management mechanism and set management goals to respond to and implement the UN SDGs.

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SDGs that we respond to





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Acer Value Chain and SDGs practical Direction

Innovative Design	United Nations Sustainable Development Goals	Acer's Practical Direction	Related Products/Services or Practical Measures, 2018	
	SDG3	Ensure people's health and promote well-being through our products	<ul style="list-style-type: none"> CDC influenza prevention station Acer aBeing Cloud health management platform 	
	SDG4	Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning	<ul style="list-style-type: none"> VR skill training system E-books on traditional Chinese medicine 	
	SDG7	Provide more efficient, more sustainable, safe energy	<ul style="list-style-type: none"> Batteries for electric bicycles 	
	SDG8	Provide smart solutions, more effective work platforms, and the information workers need	<ul style="list-style-type: none"> Cloudgoda cloud portal 	
	SDG11	Reduce the impact of transportation on urban environments through intelligent management	<ul style="list-style-type: none"> Smart and autonomous driving systems abSignage aBeing Cloud-based digital billboards Smart roadside parking and paperless fees 	
	SDG13	Increasing energy efficiency of products while decreasing carbon emissions	<ul style="list-style-type: none"> Battery Health Management Systems AeroBlade 3D Technology Ice Tunnel 	
	Supply Chain Management	SDG12	Through supply chain management systems, we implement sustainable management and effective use of natural resources	<ul style="list-style-type: none"> Officially implemented list of banned or restricted chemical substances
		SDG13	Actively implementing climate change response strategies, including drafting low-carbon, sustainable strategies	<ul style="list-style-type: none"> Require critical suppliers to set science-based targets (SBTs) for carbon reduction
		SDG16	Implement responsible supervision and management of conflict minerals, end all forms of child exploitation, and promote a peaceful and inclusive society	<ul style="list-style-type: none"> Plan and release first integrated responsible minerals report Continue implementing systems for ending child labor and forced labor
	Marketing	SDG4	Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning	<ul style="list-style-type: none"> Acer Foundation's Digital and Creative Talent Cultivation Sponsor reading program for women and children in impoverished Cambodian villages
SDG10		Ensure equality of opportunity and reduce inequalities due to gender, physical/mental disabilities, or socioeconomic status	<ul style="list-style-type: none"> Reading for Hope x Cloud Professor Bookmobiles Dutch repair education project Combine with charitable parking app "Parking Lot App" Combine electronic stored-value cards with social welfare 	
SDG17		Create sustainable value with all stakeholders	<ul style="list-style-type: none"> More than 60 CSR projects between stakeholders and offices around the world 	
Service	SDG12	Coordinate implementation of responsible consumption/production and recycling/reuse	<ul style="list-style-type: none"> Launched "Earth Project" to promote global reuse and recycling 	



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STAKEHOLDER ENGAGEMENT

Deepening our corporate responsibility governance and engaging with stakeholders are among aspects of Acer's Corporate Social Responsibility 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

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:



Through this, we are able to deepen our level of communication with stakeholders and gain a more accurate understanding of their respective needs.

Stakeholder Communication

Through **communication, consultation, dialogue, cooperation** 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.

Our Stakeholders and Importance to Acer

<p>Employees </p> <p>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.</p>	<p>Customers </p> <p>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.</p>	<p>Suppliers </p> <p>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.</p>	<p>Investors </p> <p>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.</p>	<p>Community </p> <p>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</p>
<p>Government Agencies </p> <p>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.</p>	<p>Advocacy Organizations </p> <p>Advocacy organizations serve to motivate companies to implement social responsibility and can help Acer strengthen its own practice of corporate social responsibility.</p>	<p>Media </p> <p>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.</p>	<p>Industry Associations </p> <p>Industry associations play an important role in industry consolidation and can spur the development of Acer and the industry more broadly.</p>	<p>Educational and Research Institutions </p> <p>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.</p>



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Issues of Concern	Main Communication Channels and Frequency	2018 Communication Results	Report Section
<p> Employees</p> <p>Innovative Products and Services; Customer Management; Circular Economies and Product Life Cycle; Information Security and Customer Privacy</p>	<ul style="list-style-type: none"> • Acer Good News (occasional) • Acer Daily News (daily) • Chairman & CEO’s message (occasional) • Internal Website (My Acer/company intranet) (occasional) • External Website (Acer Group) (as needed) • Labor-management meetings (Employee Representatives Organization) (quarterly) • Employee Welfare Committee (quarterly) • Email bulletins (as needed) 	<ul style="list-style-type: none"> • Organized labor-management meetings (Employee Representative Organization) to discuss matters relating to operations management, work environment, and employees’ rights and draft plans for the implementation of major improvement resolutions • 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. The chairman has also held face-to-face meetings with staff in our also to various global locations, explaining new policies to our global staff • Responded to environmental issues of concern to employees through the collection of recycling and plastic reduction activities. • Held training courses in 2018 focused on the EU General Data Protection Regulation (GDPR), protection of protection information, and recruitment of information security staff 	<ul style="list-style-type: none"> • Corporate Governance • Legal Compliance and Codes of Conduct/Ethics • Innovation and Research • Risk Management • Employee Care and Development
<p> Customers</p> <p>Information Security and Customer Privacy; Circular Economies and Product Life Cycle; Innovative Products and Services</p>	<ul style="list-style-type: none"> • Email and Telephone Contacts (as needed) • Questionnaires and Surveys (quarterly) • Acer Sustainability Website (as needed) • Corporate Social Responsibility Report (annual) • Corporate Responsibility (CR) mailbox (cr@acer.com) (as needed) • Acer Official Website—Support page • Customer Service Line (as needed) • Online chat (as needed) 	<ul style="list-style-type: none"> • Ensuring that customers’ personal data is safe and informing customers of the relevant regulations and precautions before accepting equipment for repair. • Percentage of positive customer evaluations reached <u>95.09%</u>. • Received the Best Service Brand Award and the Outstanding Commerce Award in China, along with earning annual national customer service awards in countries including France, Germany, and Spain. • In 2018, we received <u>no complaints</u> regarding infringement of customer privacy or of loss of customer information. 	<ul style="list-style-type: none"> • Corporate Governance • Legal Compliance and Codes of Conduct/Ethics • Internal Audits • Customer Service
<p> Suppliers</p> <p>Innovative Products and Services; Climate Change and Energy; Product Responsibility and Customer Safety</p>	<ul style="list-style-type: none"> • Annual Supplier CSR Communication Meetings (annual) • CSR Scorecard (annual) • RBA On-site Examination (annual) • Business Review Meetings (quarterly) • Supplier Surveys (occasional) • Complaints Mailbox (occasional) (whistleblower.acer@acer.com) 	<ul style="list-style-type: none"> • Held 2018 Supplier CSR Communication Meetings, addressing topics including carbon reduction and product responsibility • We continued to carry out supplier CSR scorecard evaluations, including overall carbon management, carbon reduction results, and green energy adoption status, using this to further improve the ability of the overall supply chain to respond to climate change. • Held <u>105 RBA Site Audits</u> in 2018 • Successfully carried out <u>RBA promotional meetings</u> and invited suppliers to participate, facilitating their understanding of global trends in supply chains and of Taiwanese labor issues 	<ul style="list-style-type: none"> • Circular Economies and Product Life Cycle • Corporate Governance • Legal Compliance and Codes of Conduct/Ethics • Sustainable Supply Chain • Risk Management



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Issues of Concern	Main Communication Channels and Frequency	2018 Communication Results	Report Section
 Investors Codes of Conduct; Customer Management; Supplier Environmental Performance; Product Responsibility and Customer Safety	<ul style="list-style-type: none"> Regular Shareholders' Meeting/Institutional Investors' Conference Call (annual) Issue Regular Annual and Quarterly Corporate Reports, along with CSR Report Investor Mailbox (occasional) Investor Relations Webpage (monthly) Analyst Debriefing (YouTube/video link) Investors Summit (three times annually) Roadshows by chairman and CEO to meet with investors in Europe (twice), the US (once), Hong Kong (once), Taiwan (once), and Singapore (2017) 	<ul style="list-style-type: none"> Hold annual shareholders meetings to explain company's operating status and developmental trends Issue annual and quarterly reports, and promptly upload to investor relations page Completed corporate governance assessment with Financial Supervisory Commission Collect investment advice and report to Board of Directors and senior team each month 	<ul style="list-style-type: none"> Corporate Governance Legal Compliance and Codes of Conduct/Ethics Operational Overview Innovation and Research
 Community Ethics/Code of Conduct; Information Security and Customer Privacy; Climate Change and Energy	<ul style="list-style-type: none"> Acer Sustainability Website (as needed) Corporate Social Responsibility Report (annual) Acer Official Website (as needed) Acer Foundation Website (as needed) Volunteer Activities (regular times each year) Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> Held second BeingLife Creativity Competition to foster a combination of innovative thinking and tech among young students and encourage incorporation of cloud-based thinking into solving daily problems. Offices in each region around the world participate in global environmental protection and charitable activities and volunteer service each year Held second Corporate Social Responsibility Project Awards, themed around education and the organization of CSR activities built on the needs of local communities and stakeholders. Beginning in 2018, we have made charitable purchases of Caitian Rice from the Wanli and Jinshan areas of New Taipei City, grown under environmentally friendly contracts excluding the use of chemical fertilizers and herbicides, placing an emphasis on the balance between agriculture and the environment. 	<ul style="list-style-type: none"> Corporate Governance Legal Compliance and Codes of Conduct/Ethics Internal Audits Employing Skills to Impact Society
 Government Agencies Corporate Governance; Innovative Products and Services; Transparency and Disclosure; Energy and Climate Change; Circular Economies and Product Life Cycle; Information Security and Customer Privacy; Human Rights, Diversity, and Equality of Opportunity; Charity, Philanthropy, and Digital Inclusion	<ul style="list-style-type: none"> Responding to Legal Advice (occasional) Policy Advice Meetings (occasional) Topic Meetings (occasional) 	<ul style="list-style-type: none"> In 2018, Acer invited the Ministry of Labor officials to the RBA Outreach Meeting to give a special lecture to help Responsible Business Alliance members understand the current status and problems of labor-related management in Taiwan. In September 2018, we participated in the International E-waste Management Network Workshop at the invitation of the Taiwanese and American EPAs. At the workshop, we shared our experiences in industrial cooperation on issues such as circular economies and voluntary recycling. Participated in EPA Waste Recycling Conference 	<ul style="list-style-type: none"> Corporate Governance Legal Compliance and Codes of Conduct/Ethics Internal Audits Innovation and Research Employing Skills to Impact Society



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 Advocacy Organizations Transparency and Disclosure; Supplier Environmental Performance; Information Security and Customer Privacy	<ul style="list-style-type: none"> Acer Sustainability Website (occasional) Corporate Social Responsibility Report (annual) Questionnaires and Surveys (quarterly) CR mailbox (as needed) Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> Participated in 2018 Public-Private Alliance for Responsible Minerals Trade Meeting Continuing participation in the Carbon Disclosure Project (CDP) supply chain program, inviting major suppliers to participate in and fill out questionnaires Continuing to sponsor CDP promotional presentations in Taiwan 	<ul style="list-style-type: none"> Corporate Governance Internal Audits Stakeholder Engagement Sustainable Supply Chain Circular Economies and Product Life Cycle Responding to Energy and Climate Change
 Media Transparency and Disclosure; Innovative Products and Services; Circular Economies and Product Life Cycle; Information Security and Customer Privacy	<ul style="list-style-type: none"> Press Conferences (occasional) Press Releases and Promotional Articles (as needed) Social and Digital Media (as needed) Corporate Websites (as needed) Marketing and Media Communication Events (regular) 	<ul style="list-style-type: none"> Held two global new product launches Participated in Consumer Electronics Show, BETT (world's largest educational technology trade show), Computex Taipei 2018 Official partner and display supplier for Intel® Extreme Masters (IEM). Official sponsor of 2018 International Olympiad in Informatics (IOI) in Japan 	<ul style="list-style-type: none"> Brand Values Operational Overview Corporate Governance Stakeholder Engagement Legal Compliance and Codes of Conduct/Ethics
 Industry Associations Ethics/Code of Conduct; Information Security and Customer Privacy; Product Responsibility and Customer Safety	<ul style="list-style-type: none"> Participating in organizational conferences and fulfilling membership obligations (occasional) Participating in cooperative events and meetings (occasional) Email and telephone (as needed) 	<ul style="list-style-type: none"> Participating in 2018 RBA Members' Assembly and assisting with Taipei promotional meeting Participation in routine meetings of Corporate Green Competitiveness Alliance Participating in the Taiwan Corporate Sustainability Forum (TCSF) Core Group Participating in Center for Corporate Sustainability Participating in the US Information Technology Industry Council—Environmental Leadership Council 	<ul style="list-style-type: none"> Sustainable Supply Chain Legal Compliance and Codes of Conduct/Ethics Internal Audits Innovative Research & Development United Nations Sustainable Development Goals Stakeholder Engagement
 Educational and Research Institutions Ethics/Code of Conduct; Supplier Environmental Performance; Product Responsibility and Customer Safety; Talent Attraction and Retention	<ul style="list-style-type: none"> Industry-Academia Exchanges (occasional) Surveys and Interviews (annual) Conference Activities (occasional) Acer Sustainability Website (occasional) Corporate Social Responsibility Report (annual) 	<ul style="list-style-type: none"> Acer engaged in sharing and exchange on the topic of corporate environmental responsibility with students and faculty from the Department of Marine Environment and Engineering, National Sun Yat-sen University, focusing on driving and implementation of corporate environmental responsibility and sharing of crucial roles in sustainable supply chain management. 	<ul style="list-style-type: none"> Legal Compliance and Codes of Conduct/Ethics Innovative Research & Development Circular Economies and Product Life Cycle Employing Skills to Impact Society



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Identification of Important Issues and Boundaries

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





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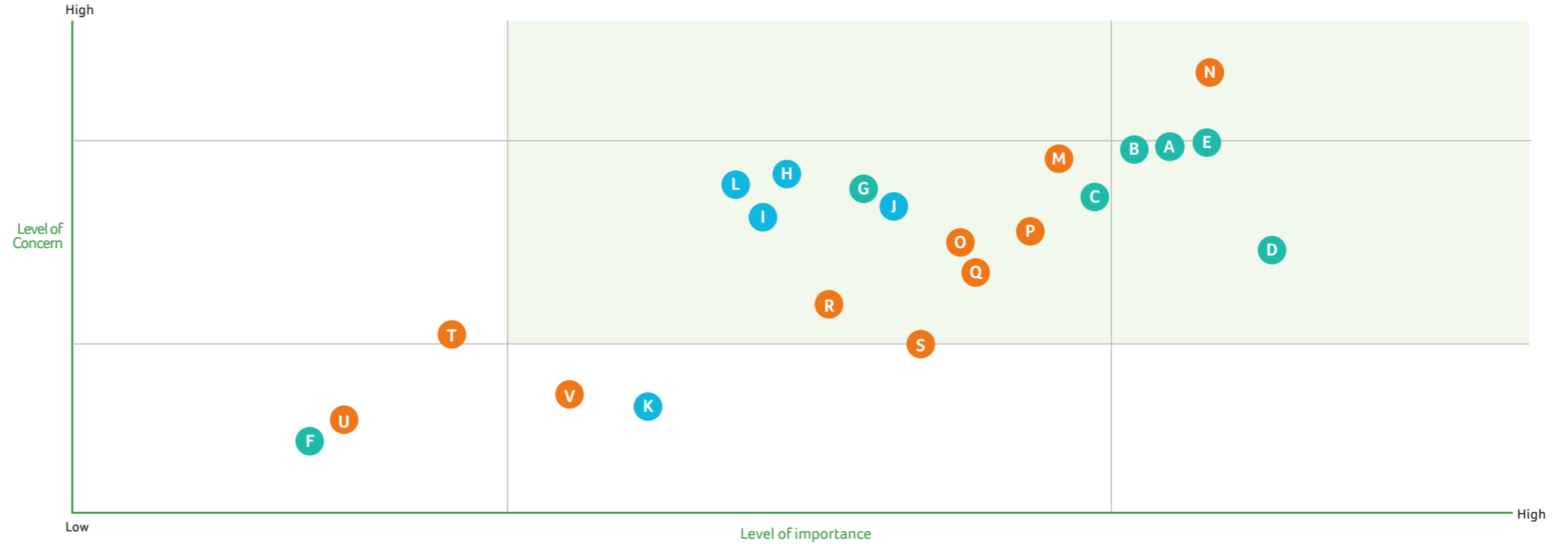
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Results of Analysis of Material Topics Note



Governance/Economic

- A Corporate Governance
- B Ethics/ Code of Conduct
- C Risk and Crisis Management
- D Customer Management
- E Innovative Products and Services
- F Public policy and Initiative
- G Transparency Disclosure



Environment

- H Energy & Climate Change
- I Environmental Policy and Management
- J Circular Economy and Product Stewardship
- K Water Resource Management
- L Supplier Environmental Performance



Social

- M Product Responsibility and Customer Safety
- N Information Security and Customer privacy
- O Labor Management and Relations
- P Talent Attraction & Retention
- Q Human Rights, Diversity and Equal Opportunity
- R Human Capital Development
- S Occupational Health and Safety
- T Community Philanthropy and Digital Inclusion
- U Conflict Mineral
- V Supplier Social Performance



Note: 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.

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Issue	GRI Standards/Acer Topic	GRI Standards/Acer Indicator	Level of Organizational Involvement with Impact	Company-internal Boundaries		Company-external Boundaries		
				Headquarters	Regional Headquarters/ Subsidiaries	Client	Suppliers	Community
💰 Governance/Economic								
Corporate Governance	• Governance	102-18~108-26	Directly Created	●	●			
Code of Ethics/Standards of Conduct	• Corruption Prevention • Anti-Competitive Behavior • Management Approach (Complaints Mechanism)	205-2 ~ 205-3 206-1 103-2	Directly Created Through business practices Directly Created	● ● ●	● ● ●	● ● ●	● ● ●	●
Risk and Crisis Management	• Strategy and Analysis	102-14~102-15	Directly Created	●	●			
Customer Management	• Customer Service	Acer EC2~3	Directly Created	●	●	●		
Innovative Research & Development and Product Services	• Obtaining and maintenance of innovative technologies and applications, innovative platforms and cooperation, and IP and patents	Acer EC4~6	Directly Created	●	●			
Transparency and Disclosure	• Information transparency covers all aspects	Covers all indicators	Directly Created	●	●	●	●	●
🌿 Environment								
Energy and Climate Change	• Energy Resources • Emissions (Greenhouse Gases)	302-1~302-5 305-1~305-5	Through business practices Through business practices	● ●	● ●	● ●	● ●	
Environmental Policy and Management Performance	• Emissions (Airborne Pollutants) • Waste Water and Waste Products	305-1~3 306-1~5	Directly Created Directly Created	● ●	● ●		● ●	
Circular Economies and Product Life Cycle	• Materials	301-3	Directly Created	●	●	●	●	
Supplier Environmental Performance	• Supplier Environmental Assessment	308-1~2	Through business practices	●			●	
👤 Social								
Product Responsibility and Customer Safety	• Client Health and Safety	416-1 Acer EN1	Directly Created	●	●	●	●	
Information Security and Customer Information Protection	• Client Privacy	Acer SO1 (formerly EC1) 418-1	Directly Created	●	●	●	●	
Labor Relations	• Labor Relations	401-1~3	Directly Created	●	●			
Talent Attraction and Retention	• Overall Compensation and Incentives System • Establishment of and Investment into Talent Database	Acer SO4 405-2	Directly Created	●	●			●
Human Rights, Equality, and Diversity	• Minimum Notice Period for Operational Changes • Opportunities for Staff Diversity and Equality • No Discrimination • Freedom of Association and Collective Bargaining	402-1 405-1 ~ 405-2 406-1 407-1	Directly Created Directly Created Directly Created Directly Created	● ● ● ●	● ● ● ●		● ●	
Talent Development and Training	• Training and Education	404-1~404-3	Directly Created	●	●		●	
Occupational Health and Safety	• Occupational Health and Safety	403-1~2	Directly Created	●	●		●	

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Medium-and-Long-Term Goals

Corporate Governance

- In accordance with our corporate governance blueprint, establish a governance model through directors and management, establish an effective corporate governance structure that keeps pace with the times, protect shareholders' rights, strengthen Board function, boost transparency, and continue to deepen corporate governance.
- Continue to elevate the independence and diversity of the Board of Directors; we expect that independent directors will account for more than 50% of Board seats by 2023, and female directors will account for more than 20% of Board seats by 2020.
- Create a variety of growth engines for the Group that will make both our core business and new businesses more profitable.

Ethics/ Code of Conduct

- Continue to streamline internal and external personnel reporting pipelines and implement a whistleblower protection system
- Use annual assurance statement issued by independent third party as basis for improvement.

Risk and Crisis Management

- Introduce comprehensive enterprise risk management (ERM)

2018 Accomplishment Status and Highlights & Results

- Target: Strengthen the corporate governance knowledge of new directors and supervisors for IPO companies and hold corporate governance training.
Status: In 2018, the nine current directors participated in 6-12 hours of further education courses organized by the Taiwan Corporate Governance Association.
- Target: Accelerate the Titan Project to enable appropriate subsidiaries to be listed independently.
Status: Subsidiary StarVR Ltd. became an emerging listed stock on April 23, 2018 (stock symbol: 6681, no longer publicly issued); Subsidiary Acer Cyber Security Ltd. became an emerging listed stock on July 27, 2018 (stock symbol: 6690).
- Amend the Rules for Board Meetings to add an internal control mechanism and reinforce the duties of independent directors.
- Plan for listed subsidiary companies to draft internal guidelines such as a Procedure for the Acquisition or Disposal of Assets to facilitate financial risk control.
- Formulate and issue the Acer Anti-Bribery and Corruption Policy, to apply to all members of Acer Group, including directors, managers, consultants, and employees.
- A clause forbidding bribery has been added to our contracts and commercial partners are required to sign an "integrity commitment."
- Stakeholder Dispute Handling Mechanism has been added to the Corporate Governance webpage.
- In 2018, we established a Working Group on Risk Management under the Corporate Sustainability Committee, further strengthening existing risk management practices and helping build a corporate culture of risk management awareness.
- In 2018, the Risk Management Workgroup identified a total of 62 risk items. Relevant department personnel are responsible for drafting of follow-up risk management strategies related implementation plans with regard to risk items identified and analyzed.

2019 Goals

- Continue to implement Corporate Social Responsibility in the Corporate Governance Blueprint to improve Acer's Environmental, Social and Governance (ESG) performance.
- Continue to strengthen corporate governance and revise our Corporate Governance Code of Practice in line with amendments to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Continue to promote the Acer Group's transformation plan to enable appropriate subsidiaries to be listed independently.
- In order to implement the Acer Anti-Bribery and Corruption Policy, online teaching materials will be produced and relevant education and training will be conducted.
- Include manufacturers' Code of Ethical Conduct in regular product and service supplier evaluations.

- Plan for introduction of comprehensive enterprise risk management (ERM)
- Promote internal risk management operations in accordance with ERM standards.

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Medium-and-Long-Term Goals

Customer Management

- Actively pursue an understanding of customer needs, continue to provide products and services that exceed customer expectations, and create greater value for customers

Innovation & Research and Products & Services

- Customer Center: Listen to customers and keep up with the demands of the market
- Diversity of Innovation: Combine product features and transformative technologies to achieve greater diversity of innovation
- Solution Orientation: Provide innovative solutions across software, hardware, services, and processes
- Creation of Demand: Incorporate new technologies into products to meet new market requirements

Transparency and Disclosure

- Integrated Reporting

2018 Accomplishment Status and Highlights & Results

Target: Maintain average customer satisfaction survey results above 95%, with year on year growth.
Status: In 2018, the percentage of positive customer evaluations reached 95.09%.

Target: Establish fanpage administration and combine it with tenders and computer health checks, establishing good relations with institutions including businesses and schools
Status: In 2018, Acer China held 40 events in 35 schools across 10 major cities. In Taiwan, Lunar New Year checkups were held.

Target: Implement regular education and training for maintenance center service staff.
Status: On-site training was held for all staff at authorized centers each quarter, increasing knowledge base content and resulting in a marked increase in platform

Target: All notebook computer and consumer desktop computer models meet Cortana 2.0 specifications.
Status: 70% or more of notebook computer models meet Cortana 2.0 specifications.

More than 50% of notebook computers incorporate TrueHarmony Plus second-generation virtual surround sound

Corporate Social Responsibility Report was issued on schedule in June 2018 and passed independent wired assurance by external third parties.

To measure Acer's economic, environmental and social impact, in 2018 we began gradually introducing the True Value assessment tool to put a monetary value on external costs and benefits.

2019 Goals

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

Be committed to creating greater profits through innovation with value

- More sophisticated audiovisual experience
- Player-centric product experience
- Improved fingerprint identification for security management
- Cooler, quieter cooling management system

- Continued optimization of True Value assessment in 2019

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Medium-and-Long-Term Goals

Energy and Climate Change

- 2020: 60% carbon reduction compared with baseline year of 2009
- 2050: 80% carbon reduction compared with baseline year of 2009

Environmental Policy and Management Performance

- Increase global environmental management system coverage to 87%
- Reduce water consumption in 2025 to 7% lower than in 2018

Circular Economies and Product Life Cycle

- Sustainable Products: Products and services can be linked with United Nations SDGs.
- Product Lifecycle: Product lifecycle can be taken into account during development and design stages for all products, in turn increasing production levels supportable by product lifecycle assessments.
- Saving Energy, Recycling, and Reducing Consumption: Reduce product energy consumption and have products surpass energy conservation specifications. Increase the use of recycled materials to reduce environmental impact.
- Sustainable Packaging: Ensure that 100% of product packaging comes from sustainable materials.
- Environmental Regulations: All commercial products receive EPEAT (IEEE1680.1 2018) silver certification

Supplier Environmental Performance

- Critical suppliers set carbon reduction targets to 100% in line with SBT methodology and begin implementing absolute carbon reductions in 2021.
- Gradually implement bans/restrictions on chemical substances
- Enhance level of suppliers' RBA code of conduct conformance on the environmental aspect
- Enhance suppliers' average performance of CDP(Carbon Disclosure Program)

2018 Accomplishment Status and Highlights & Results

Target: Complete and disclose medium- and long-term carbon reduction targets in accordance with SBT methodology
Status: 2050 carbon reduction targets already set and disclosed

Have company's environmental safety and health management system successfully pass certification

Generate approximately 3.25 million kWh in solar power over the full year for Acer Taiwan

Launch water footprint certification for Aspire Resort Longtan

Reach water recycling rate of approximately 71,000 liters over the full year for Acer Taiwan

Target: Expand battery recycling and undertake closed-loop recycling pilot projects in selected regions.
Status: Launched "Earth Project" to promote global reuse and recycling in July 2018, starting in Taiwan. Reduce resource exploitation through recycling and reuse.

Target: All newly developed commercial notebooks incorporate post-consumer recycled plastics (PCRs).
Status: Newly developed commercial notebooks in 2018 incorporated PCRs into their design.

Target and Status: In 2018, 31.43% of critical suppliers had completed SBT setting

Target and Status: Officially implemented list of banned or restricted chemical substances

Target: Level of suppliers' RBA code of conduct conformance on the environmental aspect achieves 90%.
Status: 94%

Target: Suppliers' average performance of CDP achieves B
Status: C

2019 Goals

• 54% carbon reduction compared with baseline year of 2009

- Establish an environmental performance tracking and monitoring mechanism
- Investigate global waste collection statistics and establish uniform standards
- Global environmental management system coverage up to 72%
- Reduce water consumption by 1% compared with 2018.

- All products take product lifecycle into account during the design and development stages. Assess product sustainability and reduce environmental impacts
- Conduct assessment of product lifecycle for high-end commercial products
- Use post-consumer recycled plastics in commercial products and meet regulatory requirements

• In 2019, 40% of critical suppliers will complete SBT setting

- List of banned/restricted chemical substances will begin formal implementation in 2019
- Level of suppliers' RBA code of conduct conformance on the environmental aspect: 92% in 2019
- Suppliers' average performance of CDP: B in 2019.

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Medium- and Long-Term Goals

Product Responsibility and Customer Safety

- Transparency and Supervision: Trace the source of materials and harmful substances to effectively control the risk of possible harm to the human body.
- Responsible Production: Priority is given to international regulations in the reduction of harmful substances/raw materials and gradual elimination of the use of environmentally sensitive substances.

Customer Privacy Protection

- In implementing the global Acer Group personal data protection management policy, headquarters and the regional headquarters (Pan America, Asia Pacific, and EMEA) have established personal data protection management organizations, corresponding specifications, and implementation procedures.
- Personal-data-protection relevant regulations and laws compliance with zero lapse

Information Security

- Rigorous implementation of information security policies and customer privacy protection measures, with strict organization, management systems, and control mechanisms to ensure customer safety and information security.

2018 Accomplishment Status and Highlights & Results



Target: No incidents of products or services impacting customer health and safety
Status: Monitor and reduce the use of hazardous substances in products and toxic chemicals in production. The use of some phthalates has been restricted.



Target: GDPR compliance with no lapses and complete underwriting of cyber insurance.
Status: A cyber insurance mechanism has been established to disperse the risk of damage from data leakage.



Acer Europe Privacy Protection Design Policy and Acer Europe Information Protection Impact Assessment Policy have been updated to incorporate information protection concepts into the design and operation of information systems and business practices.



Units that collect, process, or use personal information from EU residents must sign a Personal Information Management Assignment Letter.



Undertake registration and inventory of personal information protection management in Taiwan Region.



Target: Establish a culture of information security
Status: Hold information security education and training for senior management (1 session, 16 people), global headquarters management (1 session, 87 people) and IT



Target: Strengthen information security management system
Status: Plan for Corp. IT ISO 27001:2013 information security management systems inspection and prepare cloud-based



Established global information system early warning mechanism



Completed Data Protection Office (DPO) establishment and management mechanism in response to GDPR



Commissioned Acer Cyber Security Inc. with implementation of information security management systems and execution of information security testing measures

2019 Goals

- Work with others in the industry to monitor and reduce the use of hazardous substances in products and toxic chemicals in production.
- Promote the use of environmentally friendly substances to reduce environmental damage and protect employees from the risk of injury.
 - Computers and screens must comply with Acer's Banned or Restricted Substances Controls Specification
 - Computers and screens continuously designed free of PVC, BFRs and phthalates in compliance with international regulations (EPEAT)
- Develop and promulgate Acer's personal information protection management policy.
- Establish a personal information protection executive organization structure at headquarters.

- Implement an information security protection strategy
- Obtain ISO 27001:2013 information security management systems certification
- Reinforce cloud safety management
- Strengthen the global information system's early warning mechanism



Achieved



Not Accomplished



In Progress



Highlights and Results

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Medium- and Long-Term Goals

Labor Relations

- Carry out annual staff satisfaction/commitment surveys and achieve an overall satisfaction score of 80% or higher.

Talent Attraction and Retention

- Lower the turnover rate to achieve rate of turnover of employees who excel in performance appraisals significantly below market average.

Human Rights, Equality, and Diversity

- Continue to make human rights, diversity, and opportunity equality of opportunity a focus across the corporate family.

Talent Development and Training

- Cultivate the overall management and dynamic financial analysis capabilities of outstanding talents in key leadership positions to mold business intelligence, diagnose problems, explore opportunities, and make accurate determinations in order to maintain a strong competitive edge.
- 2023: achieve an average of 15 hours of training per person

Occupational Health and Safety

- Pass ISO 45001 Verification
- Acquire Health Promotion Administration Healthy Workplaces Excellence certification

2018 Accomplishment Status and Highlights & Results

Carried out employee engagement survey.

Target: Reduce turnover rate to 10% lower than 2017.
Status: 2018 turnover rate was 18.22%, 1% higher than that of 2017.

In 2018 the Acer Group Human Rights Policy was set out to protect human rights

Target: Increase investment in resources for staff training and development, as well as increasing training funds and hours. Average training time per person in 2018 was 11.5 hours, and training satisfaction was as high as 85%
Status: Average training satisfaction level in 2018 was 90%, with an average of 13.1 hours of training per person

Target: Implement the Titan Private Training development plan for public company management
Status: Launched Titan Private Development training program in coordination with the Titan Project in 2018, aiming to cultivate outstanding talent among the group's primary leadership.

To strengthen the people management skills of Acer's new managers and in line with the development needs management, in 2018 we held Acer Management Training Camps

Target: Optimize health checks
Status: Starting in 2018, health checks have been made annual

Honored by Sports Administration, Ministry of Education with Taiwan iSports Label certification

2019 Goals

Carried out first staff satisfaction/commitment surveys to collect staff opinions in Q1 2019. Response rate was over 60%.

Reduce turnover rate to 10% lower than 2018.

At least four labor meetings will be held throughout the year to ensure that the opinions of labor can be fully expressed and their rights are protected.

Continue to strengthen employees' overall hardware, software, and services capabilities to create value, increase profitability, and enhance brand value.

- No major occupational injuries or deaths (excluding commuting accidents)
- Improve health check rate



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Exchange with Interested Stakeholders

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.

RBA Taipei Outreach Meeting

On December 6, the world's largest supply chain responsibility alliance, the Responsible Business Alliance, held an RBA Outreach Meeting in Taipei, inviting members from across the electronics, retail, automotive, and toy industries and their suppliers to discuss codes of conduct and, through collective action and sharing of experience, come together to advance labor safety, health, and environments throughout the global supply chain.

Acer played an active part in the success of this meeting, assisting officials from the Ministry of Labor to give special lectures to help RBA members understand the current status and problems of labor-related management in Taiwan. Suppliers were also invited to participate in the conference to help them understand global trends in responsible supply chains. Acer's Co-Chief Operating Officer Tiffany Huang was invited to share Acer's practical experience with global supply chain responsibility in our role as a member of the alliance.



Acer's Co-Chief Operating Officer Tiffany Huang shares Acer's practical experience with global supply chain responsibility. (From right) Acer's Co-Chief Operating Head Tiffany Huang, RBA vice president Bob Mitchell.



Deputy Minister of Labor Shih Keh-her gives a talk on CSR and labor in Taiwan



2018 RBA Taipei Outreach Meeting

International E-waste Management Network Workshop

Jointly organized by Taiwan, the US, and the Department of Environment and Natural Resources of the Philippines, the International E-waste Management Network Workshop was held in Quezon City, the Philippines, in September 2018. More than 50 experts and scholars from 11 partner countries across five continents took part, sharing experience with the management of e-waste.

At the invitation of the Taiwanese and American EPAs, we participated in the International E-waste Management Network Workshop, sharing our experience through talks on topics including "Pursuing Circular Economy" and "Identifying Effective Voluntary Approaches for Working with Industry." On the issue of circular economy, Acer's Corporate Sustainability Office shared with representatives from around the world the Company's measures to extend product life, useful lifecycle, resource utilization optimization, and effective recycling of materials. We also shared our experience promoting voluntary recycling through the "Earth Project" conducted in cooperation with partners Tsann Kuen 3C and the Taipei Orphan Welfare Foundation.



Taiwan's delegation to the International E-waste Management Network Workshop



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Recognition from Customers: Fubon Financial Holdings

In December 2018, Fubon Financial Holdings held their first Supplier CSR Exchange Meeting, at which the results of their supplier sustainability evaluations were announced. Acer received the inaugural Excellence in Supplier CSR award and was invited to present our experiences with CSR at the event.

Since joining the Responsible Business Alliance in 2008, we have worked to keep our supply chain in line with international standards and practices and to enhance the ability of our supply chain to respond to challenges in sustainable development. Not only have we worked with our suppliers to build a responsible supply chain, we have also worked with our customers to advance ESG sustainability and create a sustainable value chain.

Academic Exchange: National Sun Yat-sen University

In 2018, Acer engaged in discussions on how we have implemented corporate environmental responsibility with students and faculty from the Department of Marine Environment and Engineering, National Sun Yat-sen University, focusing on the driving forces behind corporate environmental responsibility and the sharing of crucial roles in sustainable supply chain management. The students also raised many questions, gaining a further understanding of how companies can implement corporate environmental responsibility.

Continued Focus on Social and Environmental Issues around Materials

Public-Private Alliance for Responsible Minerals Trade

Acer continued its involvement in the PPA by completing the first year of the new 5 year, phase 2 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 2018, Acer attended the annual multi-stakeholder membership meeting in Santa Clara, California to review a proposed scope of work for 2019 – 2020 and share guidance on major activities for the coming year, hear updates on PPA milestones and work in progress in 2018, learn about government partners’ activities and priorities over the near and long-term related to responsible minerals trade in the Great Lakes Region, and identify opportunities for PPA collaboration.

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

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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RESPONSIBLE SUPPLY CHAINS

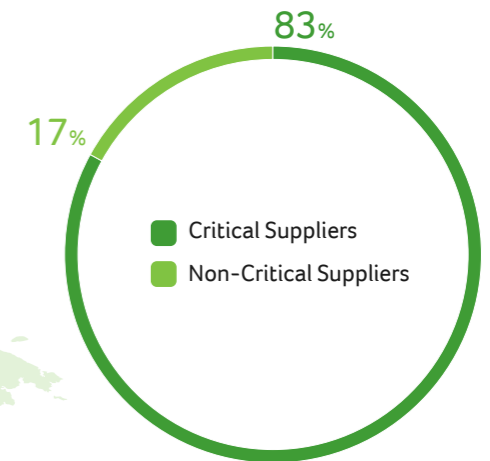
Acer and our suppliers are working together to provide customers with valuable products and services; these suppliers are our most important partners. Beyond economic value, we also focus on social and environmental value, building on a foundation of respect for human rights and working diligently toward a sustainable supply chain. With a solid foundation of cooperation and through the Acer Responsible Supply Chain Management (ARSM) mechanism, we jointly shoulder our responsibilities toward society and the environment alongside our supply chain.

Acer's Supply Chain

Acer's first-tier suppliers can be grouped into five main categories according to the products or services they supply: ODM/OEMs, key components, assigned suppliers, logistics, and services. Our manufacturing suppliers are distributed around the globe, including Taiwan, China, Malaysia, Thailand, the Philippines, Singapore, Vietnam, India, Brazil, and Hungary, although our primary production base is China.



Distribution of Critical and Non-Critical Suppliers



We identify critical suppliers based on purchase spending; non-substitutability; strategic material, product, or business; and leading technologies. We support striking a balance between local procurement and supply chain diversification. In addition to reducing overall supply chain carbon emissions and creating local employment opportunities, we can also reduce overall supply chain risk. In 2018, Acer's local procurement in our major production base (China) exceeded 60%.



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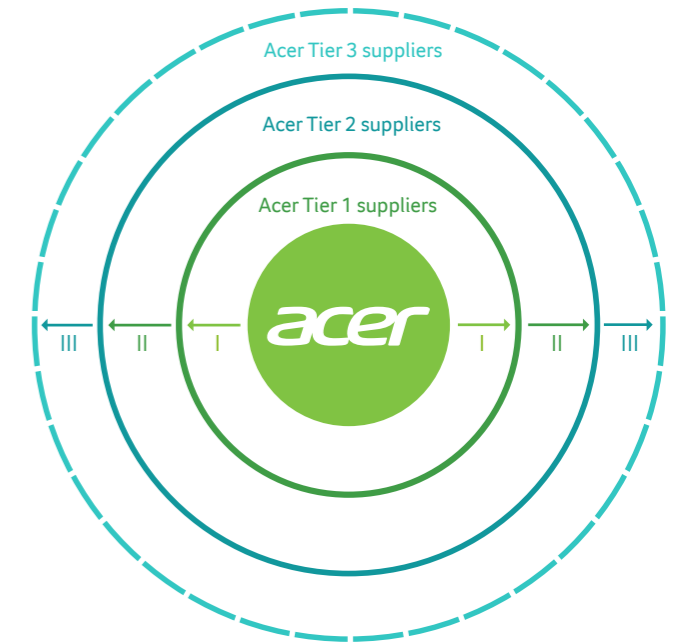
Acer Responsible Supply Chain Management

Acer has been a member of the Responsible Business Alliance (RBA) 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. Through the Acer Responsible Supply Chain Management (ARSM) mechanism, 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 encourage and require suppliers to uphold their corporate responsibility by ensuring and their suppliers implement socially and environmentally responsible management and advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

Since 2013, we have carried out supplier CSR scorecard evaluations, reviewing the implementation of CSR among our suppliers and performance therein. CSR assessments have been part of quarterly business review meetings since 2014 and have been provided to senior management of Acer and our suppliers, serving as a driving influence behind our bilateral business relationships.

Since 2016, Acer has required first-tier suppliers to implement risk assessment and management of second-tier suppliers based on the RBA Code of Conduct. For higher risk suppliers, we also carry out on-site audits and tracking of improvements. Additionally, we incorporate performance in this regard into our supplier CSR scorecard assessments, realizing and expanding our supply chain's environmental and social responsibility. We anticipate the scope of supply chain responsibility management to have expanded to third-tier suppliers by 2021.

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.

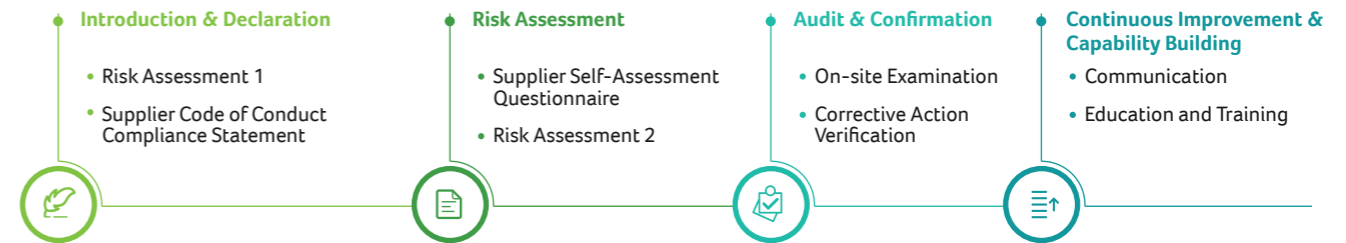


I: 2008~ II: 2016~ III: 2021

Supplier Social and Environmental Management Processes

We have set out environmental and social management practices and guidelines for our suppliers, while also making use of our various communications channels to provide assistance to those suppliers in boosting their capabilities. We have adopted the [RBA Code of Conduct](#) as our standard, and in terms of management framework, we refer to the RBA Supplier Engagement Process and divide our suppliers' social and environmental management process into four stages: Introduction, Assessment, Validation, and Continuing Improvement. New suppliers pass a social and environmental responsibility risk assessment and sign an RBA Code of Conduct compliance statement before they become official suppliers.

Supply Chain Social and Environmental Management Processes



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



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Supplier CSR Scorecard

Since 2013, we have carried out supplier CSR scorecard evaluations, reviewing the implementation of CSR among our suppliers and performance therein. Since 2014, these have been part of quarterly business review meetings focused on major product lines and key components since 2014 and provided to senior management of Acer and our suppliers, serving as a driving influence behind our bilateral business relationships.

Supplier CSR scorecard assessments include the following:



Corporate Sustainability Management

- Corporate Governance
- Stakeholder Communication
- Supply Chain Management



Environment, Energy, and Climate Change Management

- GHG Inventory
- GHG Reduction
- Carbon Disclosure Supply Chain Program Ratings and Scores
- Green Electricity and Renewable Energy
- Environmental Problems



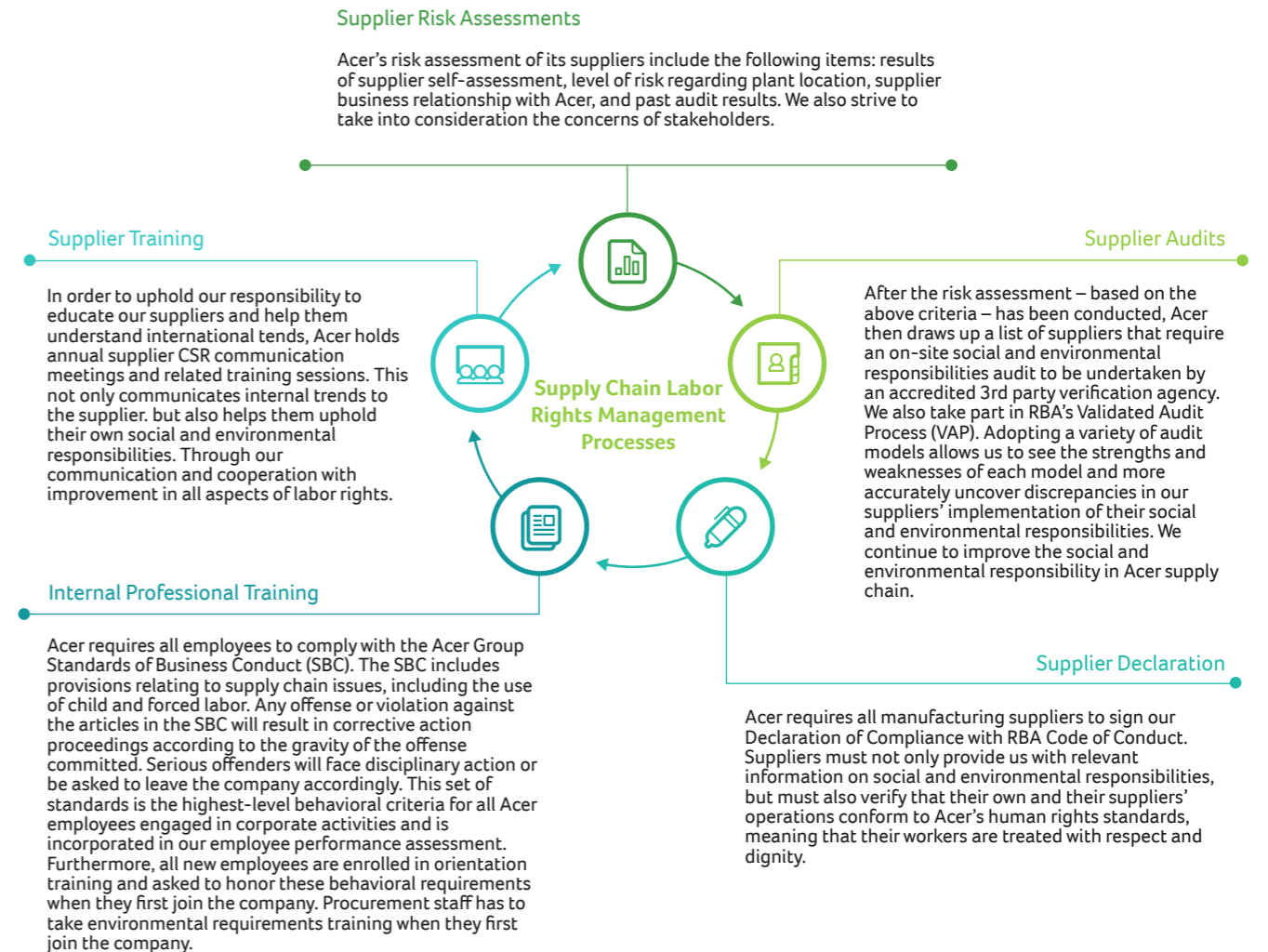
Labor, Ethics, Health, and Safety Management

- Management Systems Certifications
- Conflict Minerals Management
- RBA Code of Conduct Audit Scores

Overall, the average performance of suppliers on the CSR scorecard in 2018 was improved compared to 2017. Nearly 30% of suppliers achieved an “excellent” scoring, and nearly 59% of suppliers were at the “medium” level. However, approximately 11% of suppliers were determined to be in the range requiring improvement as soon as possible. We also use quarterly business reviews or individual meetings in order to demand underperforming suppliers implement appropriate actions to improve their CSR performance. This mechanism will continue in the future, and according to internal and external issues and past performance, we will make any necessary adjustments to weighting or items to be assessed.

Labor Rights

At the core of Acer’s responsible supply chain management is the idea of putting people first. As such, we strive to protect the rights and health of labor and provide safe workplaces. We have established a complete system of supply chain labor rights management, including conducting risk assessments, on-site audit, and education and training for suppliers, as well as conducting supply-chain-focused human rights training for Acer employees in positions relating to supplier management. To ensure that the human rights of those throughout our entire supply chain are protected and that they are treated appropriately, we also adhere to the [California Transparency in Supply Chains Act](#) and the [UK Slavery and Human Trafficking Statement](#).





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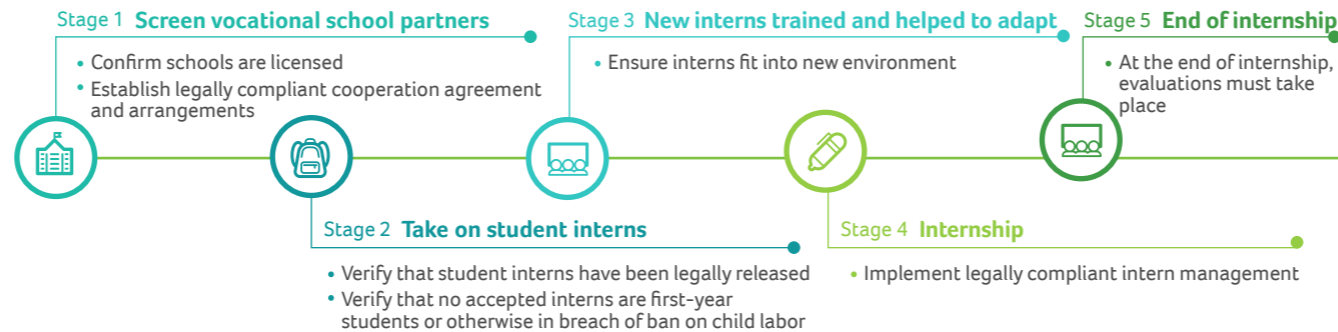
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Child Labor and Forced Labor

We have also address high-risk violations of human rights such as child labor and forced labor through the establishment of a [Slavery and Human Trafficking Policy](#) and [Measures for Remediation Child Labor and Forced Labor](#). These provide complete definitions and remedial measures, and as soon as any relevant violations occur, our supply chain must follow these, ensuring that the affected workers have their basic human rights protected and are treated appropriately. Our ultimate goal is to eliminate the very possibility of slavery or human trafficking occurring in our supply chain.

Student Workers and Interns

Student workers and interns comprise a high-risk group in terms of human rights in the electronics supply chain. Acer prohibits any form of forced labor in our supply chain, including forced labor involving students or interns. Taking our cue from the RBA's Guidelines for Good Management of Interns (Student Workers management framework, we have established our own five-stage "Management Steps for Student Workers and Interns" to be followed with students and interns in our supply chain. In addition to this, we require that student workers not exceed 20% of our total direct employees.



Acer Supply Chain Working Hours Policy

Excessive working hours are one of the most common labor problems in the supply chain. Working too long can have a negative impact on the health and safety of employees, as well as on their work-life balance, productivity, and morale. As a member of the Responsible Business Alliance, Acer requires our suppliers to comply with the RBA Code of Conduct and [Acer Supplier Working Hours Policy](#). Through supply chain working hours policies, we communicate and cooperate with our suppliers to reduce excessive working hours in the supply chain and improve the health and morale of workers.

Living Wage

While addressing issues such as overtime and wages/benefits for staff, we believe that the incorporation of a living wage is an important consideration in improving the living conditions of those who work for us. As such, we continue to explore the issues and opportunities around introducing the concept of a living wage to the electronics 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 systems. This system is used in our on-site audits of suppliers with regard to both social and environmental responsibility. Through different auditing methods adopted based on the particular nature of the supplier's operations and their implementation of the RBA Code of Conduct, we can verify any lapses we may find in the aforementioned five areas and 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 Document Review and Technical Exchange



New Employees Must Receive Training and Education in RBA-relevant Issues and be Tested before Commencing Employment



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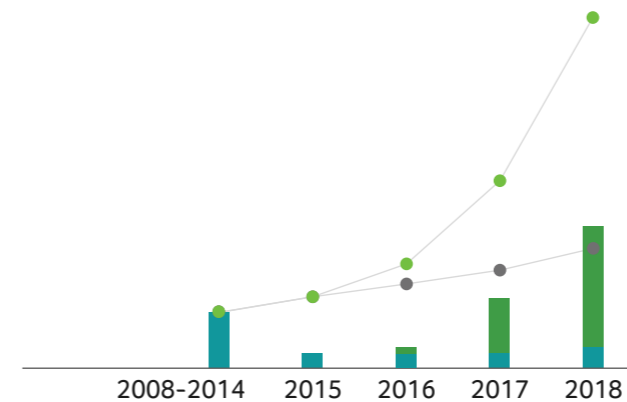
2018 On-Site Audit Results

Acer uses risk assessment results as the basis for on-site audits and assessments. We examine the country risk, manufacturing processes, and products of each supplier, along with results of previous audits, as well as taking into account the concerns of stakeholders when setting out our annual audit plan.

In 2018, we conducted on-site audits of 105 supplier plants, including six new suppliers, resulting in on-site audits of 100% of new suppliers. Our auditing methods include audits by Acer supplier management, audits by third parties, RBA Validated Audit Process (VAP) audits, and evaluation reviews. We particularly encourage suppliers to undergo the Validated Audit Process (VAP) themselves, resulting in a broader scope of application of audit results that can help boost overall industry responsibility and compliance. In 2018, the audited suppliers had more than 250,000 direct employees, 3,341 of whom were interviewed. More than 60% of audits employed the RBA VAP. Between 2008 and 2018, a cumulative total of 598 supplier audits have been carried out. In addition, Acer's first-tier suppliers also conduct risk assessments of the next tier of materials suppliers for potential audits. After the results were summarized, high-risk suppliers accounted for 14% of the total, and medium-low risk the remaining 86%. In adherence to this policy, a total of 709 audits were conducted in 2018. In 2019, we expect to conduct on-site audits of 90 supplier manufacturing plants, covering 200,000 direct employees and interviewing 1,800 employees.

Supplier Audit Categories and Incidences, 2008-2018

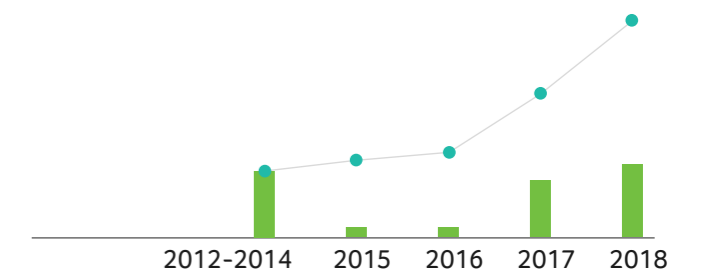
	2008-2014	2015	2016	2017	2018
Cumulative Total Audits	281	352	525	944	1,758
Cumulative First-Tier Supplier Audits	281	352	422	493	598
Number of First-tier Supplier Audited	281	71	70	71	105
Number of Second-tier Supplier Audited			103	348	709
Annual Total Audits	281	71	173	419	814
Cumulative Number of Second-tier Audited Suppliers Plants			103	451	1,160



Note: 1. First-Tier Supplier Audits = VAP (incl. SA8000) + Full Audit + Surveillance Audit
2. Cumulative First-Tier Supplier Audits = Cumulative First-Tier Supplier Audits (Previous Year) + First-Tier Supplier Audits (Current Year)
3. Cumulative Total Audits = First-Tier Supplier Audits + Second-Tier Supplier Audits + Cumulative Total Audits (Previous Year)
4. The statistical period is one year, from 1 Oct. 2017 through 30 Sept. 2018.

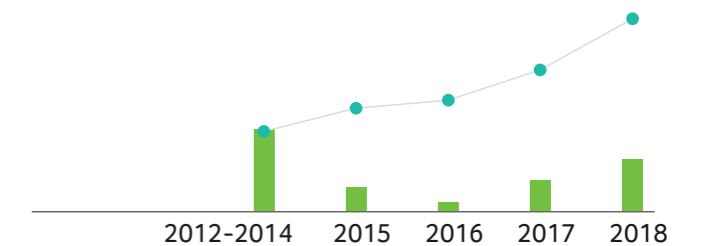
Cumulative Interviewed Employees of audited suppliers, 2012-2018

	2012-2014	2015	2016	2017	2018
Cumulative Employees Interviewed	3,050	3,500	3,950	6,561	9,902
Employees Interviewed	3,050	450	450	2,611	3,341



Cumulative Direct Employees of Audited Suppliers, 2012-2018

	2012-2014	2015	2016	2017	2018
Cumulative Direct Employees	43	54.5	58.5	73.5	98.9
Direct Employees	43	11.5	4	15	25.4





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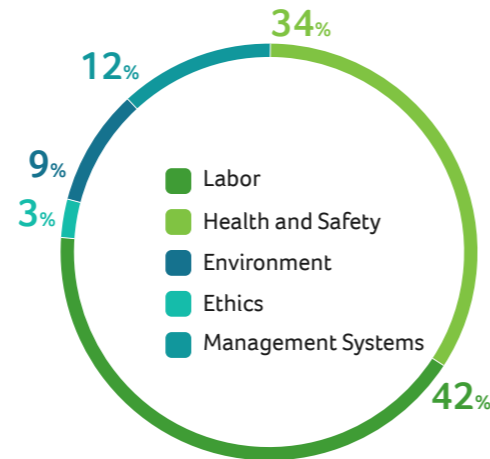
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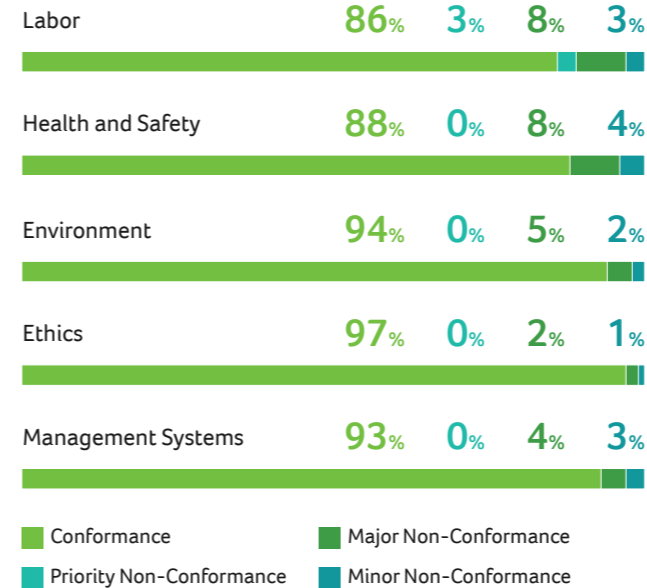
2018 Audit Results Analysis

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

Distribution of Non-Compliance Found in 2018 Audits



RBA Code of Conduct Conformance



Note: Data covers all suppliers subject to audits by Acer management, third parties, and VAP, a total of 105.

Unannounced Audits

Suppliers found to have concerns regarding child labor, falsification of records, discrimination issues, high levels of Priority non-conformance, or low audit scores will be listed as potential subjects of unannounced audits. Suppliers are notified of an upcoming unannounced audit 12 hours prior to the audit taking place and are not notified of the content of said audit. In 2018, two suppliers with lower audit scores and higher risk in the previous year were subject to unannounced audits, with Acer more strenuously demanding they review practical action and take stronger measures to carry out their social and environmental management responsibilities.

In this year's unannounced audits, executive management discussions were conducted using the results of the audits to share information on industry trends and offer guidance on how to improve. Through continual monitoring of improvement progress over a nearly six-month period, initial results have been accomplished. Based on this experience, in the future Acer will, when having relevant management undertake on-site audits, also attempt to provide continual guidance on avenues for improvement, thus reducing exploratory periods and accelerating the accomplishment of indicators both up- and downstream in the supply chain.

Important Issues and Tracking of Improvements in 2018

The main lapses in terms of labor rights were: some problems around working hours, wages, and benefits, with a few others relating to supplier management, occupational safety, and emergency assistance.

In terms of working hours, the main problems were around overtime or insufficient days off. In addition to ongoing bimonthly monitoring of work attendance at key suppliers, we are also actively pushing for the implementation of attendance management systems supplemented by the implementation of timely review and control mechanisms. Secondly, with regard to the cost of health examinations and work clothes for new hires, most manufacturers have adjusted their recruitment costs, with related expenses borne by the recruiting units. Through the joint efforts of Acer and the relevant suppliers, these methods have already begun to result in concrete improvements.

There are still some omissions in the management of upstream suppliers by our first-tier suppliers, with some manufacturers still having yet to effectively standardize their risk assessment and effective coverage. In addition, efforts on the part of management to implement improvements and prevent against recurrence of problem points post-audit are still insufficient. As such, we have pressed for suppliers to strengthen their management procedures a key audit item and requirement for 2018, and will continue audits of high-risk plants. In 2018, a total of 709 audits of second-tier suppliers were carried out, double those of the previous year.

We will continue to expand the scope of our influence and strengthen the consensus on the management of labor and working environments in our supply chain. In 2019, our RBA on-site audit compliance goals are: labor: 85%, health and safety: 86%, environment: 92%, ethics: 95%, management systems: 90%.



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The main lapses in terms of environmental health and safety were in the area of emergency preparedness and equipment safety. There were no major lapses found with regard to personal protection. In terms of emergency preparedness, it was found that the evacuation routes and signage had not been reviewed after the reorganization of spaces between production lines or access routes in a portion of suppliers, resulting in mistaken signage or inappropriately operated emergency exits. In addition, some of the signage and lighting at some older plants was out of order or too old. In addition to promptly addressing these issues, in order to avoid such issues recurring, these plants were required to be entered into a list for regular spot tests and equipment inspections.

Regarding equipment safety, audits found some facilities lacking safety measures such as error-proofing or emergency shutoffs. In addition to actively cooperating with equipment suppliers on modifications, manufacturers are also to add safety assessment checklists to their equipment acceptance processes to prevent the risk of such situations recurring. As for occupational safety, the protective wear used for some positions was found to not meet reasonable protective functionality or level requirements, and as such suppliers are required to formulate protective equipment inspection guidelines and accordingly ensure that wearing instructions and labels are corrected for the relevant work positions to ensure the health and safety of workers on site are protected.

Acer will issue Corrective Action Reports (CAR) to audited suppliers in response to any issues of non-compliance identified in the audit. Within 30 days of receiving such reports, suppliers must produce a written CAR of their own and submit it to Acer for approval by management personnel. These reports will be 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.

 Category	RBA Code of Conduct	Main Issue	Corrective Action Delete
Labor	Freely Chosen Employment A1.1	Medical examination and work clothes costs are paid by job-seekers upon commencement of work	<ul style="list-style-type: none"> Expenses associated with taking up work, including work clothes, boots, and so on, will be paid by the Company; Health checks ahead of commencement of work will be adjusted and rationalized, with relevant fees shouldered by the employing unit.
	Working Hours A3.1-A3.2	Workweek exceeded 60 hours; workers were not allowed at least one day off in seven days	<ul style="list-style-type: none"> Introduce attendance management system, supplemented by pre-declared review operations. Strengthen the promptness and effectiveness of controls on overtime and attendance; Continue to optimize the ratio of temporary, social, and student workers; Take inventory of and rationalize manpower requirements by function; Carry out training of managers to strengthen awareness of labor rights.
	Health and Safety	Occupational Safety B1.3	Lapses in exposure to safety hazards and safety protection
Emergency Preparedness B2.4		Failure to maintain evacuation instructions and keep routes clear	<ul style="list-style-type: none"> In management procedures, when changing site spacing and layout, evacuation routes, signage, and lighting must be reviewed; Nighttime escape drills are to be added and dormitories included in the affected area; Blocking/closing of emergency exits is strictly forbidden. Clear signage is to be added to the floors.
Machine Safeguarding B6.2		Insufficient equipment safety signs or protective equipment	<ul style="list-style-type: none"> Check equipment and define risk items, then list risk factors and post Safety signs accordingly; Introduce an equipment risk checklist, with testing requirements listed for all newly purchased equipment; Equip protective equipment with error-proofing and emergency shutoff functionality; Regularly check the functionality of equipment safety facilities.
Management Systems	Supplier Responsibility E12.2	Have not ensured suppliers have implemented RBA Code.	<ul style="list-style-type: none"> Take inventory of major suppliers and carry out risk assessments. Accordingly, list out audit items; Continually improve procedure manual, supplement corrective tracking and prevention processes; Expand management scope to include temporary and outsourced labor coordination and training provision.



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Supply Chain Greenhouse Gas Management

Acer has been a member of the CDP Supply Chain Program since 2008, and we have encouraged our suppliers to respond questionnaires from the CDP regarding greenhouse gas emissions and policies in response to climate change. This information has then been made public or disclosed to members of the program.

We continued our participation in this program in 2018. The response rate to CDP Supply Chain Program questionnaires among Acer suppliers increased from 86% to 91%, with overall supply chain performance at C level. Some key performance indicators, such as the ratio of Scope 1 to Scope 2 emissions, climate risk analysis, carbon reduction target setting, and so forth are also higher than the global supplier average, and according to the CDP supply chain report, more than 40% of our suppliers have adopted green electricity. In 2019, our CDP Supply Chain Program goal is to raise the overall average performance grade of our tier-one suppliers to B.

Acer Supplier CDP Response Rates

Overall Average Performance Grade	C	C	C	D
Ratio of Scope 1 to Scope 2 Emissions	86%	94%	91%	81%
Climate Risk Analysis	83%	89%	87%	78%
Incorporation of Climate-Related Business Opportunities into Business Strategy	83%	90%	87%	81%
Carbon Reduction Goal Setting	75%	85%	85%	67%

■ 2016 ■ 2017 ■ 2018 ■ 2018 Average Participant Supplier Performance (number of plants = 11,692)

The environment section addresses first-tier and key second-tier 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 adopted green electricity. In the medium term, one of our key issues is supply chain management in product operations, as through this we will be able to elevate the overall performance of our supply chain in responding to climate change.

Supply Chain Chemical Substances Management

We have adopted the RBA Code of Conduct and require our suppliers to employ effective chemical substances management systems and comply with local regulations to effectively classify, store, use, and dispose of chemicals, as well as to provide workers with appropriate protective equipment and training. In our 2017 Supplier CSR Communication Meeting we announced our list of Banned or Restricted Chemical Substances, with the list formally coming into effect in 2018. This list includes toluene, benzene, beryllium dust, chlorinated organic solvents, n-hexane, N-Methyl-2-pyrrolidone (NMP), and substances harmful to the ozone layer. These chemical substances, which can impact the outside environment or the health of workers, are required to be banned from or limited in their usage in processing throughout the supply chain from 2019. We will continue to pay attention to specifications set out by relevant industries, evaluate expanding the scope of this inventory, reduce the risks faced by workers and the environment, and strengthen both communication and checks in on-site audits.

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 2018 we focused on real-world cases of circular economy and how we can improve our supply chain's ability to stay current with international trends.

RBA Taipei Outreach Meeting

Acer was active in working for the smooth holding of the 2018 RBA Taipei Outreach Meeting, including inviting suppliers to take part. The main focuses of the meeting were not only sharing information on developments relating to the RBA and related advocacy efforts, but also issues around migrant labor in Taiwan, with members sharing with suppliers their best practices. For more details, please refer to the "Exchange with Interested Stakeholders" section of this report.

2018 Supplier CSR Communication Meeting

Every year, Acer invites representatives of our major suppliers to participate in annual CSR Communication Meetings, sharing the latest global trends in corporate sustainability, human rights issues, and mitigation measures, emphasizing Acer's requirements of and goals for supply chain CSR management performance. In 2018, focusing on circular economy, we specially invited the plastics recyclers in our supply chain to share their practical operations and experiences to enhance the overall supply chain's awareness of the topic and its gradual implementation in Acer's circular economy goal.

2018 CDP Conference

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 CDP's annual briefings, in April 2018, CDP UK headquarters representatives were invited, along with Taiwan's top-performing companies, to discuss Science-Based Targets (SBT) and the Task Force on Climate-related Financial Disclosures' Use of Scenario Analysis and Recommendations for Climate Risk Management. The aim of this was to help Taiwanese industry meet the expectations of international investors and customers in terms of climate and carbon management.





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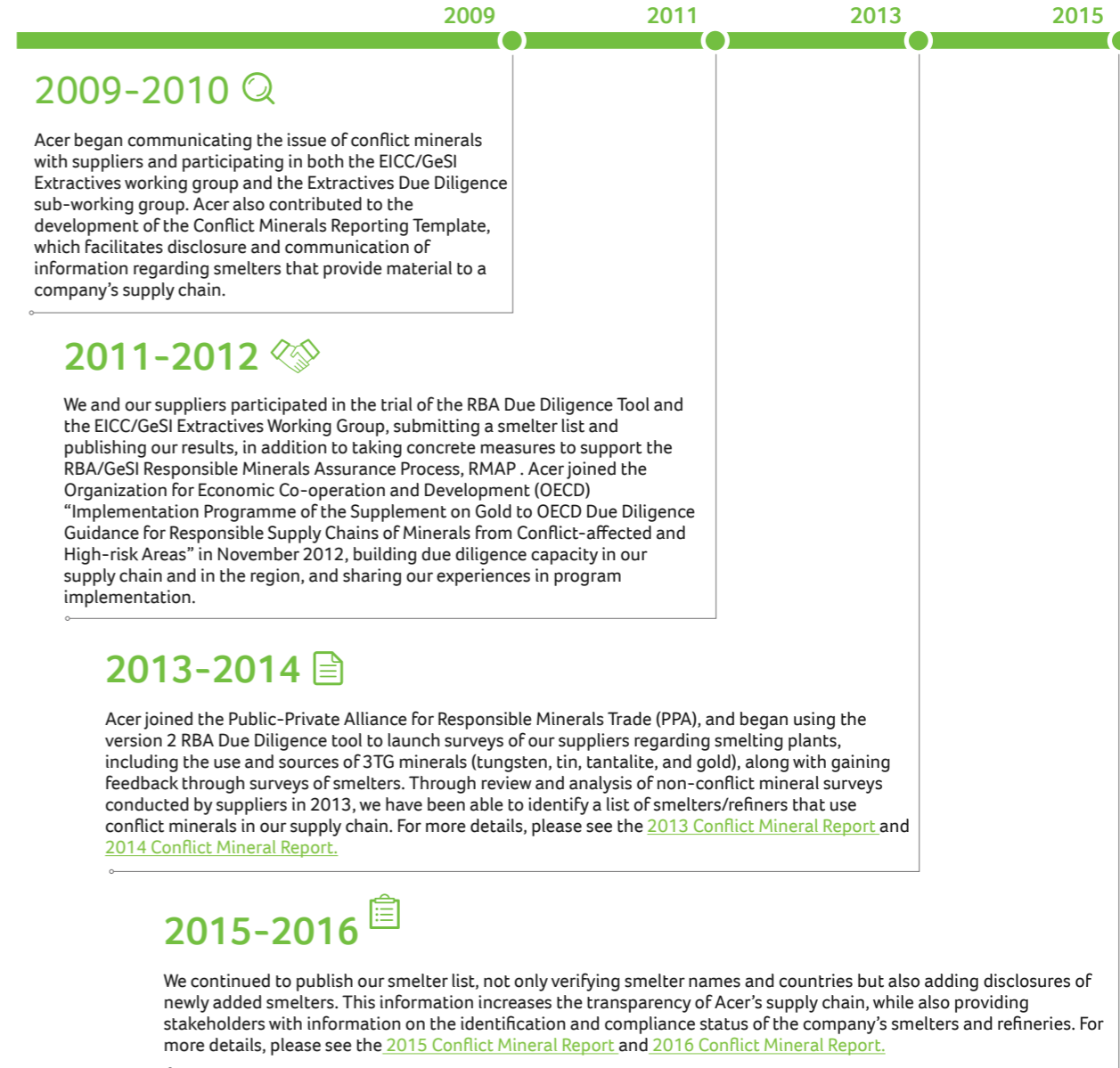
Responsible Sourcing of Minerals

Responsible minerals sourcing continues to be a major focus for Acer. We believe that it is our responsibility to respect the human rights of others and to address adverse human rights impacts that exist where we do business and within in our area of influence. As a program that began with a focus on 3TG (tantalum, tin, tungsten and gold) in the Democratic Republic of the Congo (DRC), Acer's Responsible Minerals Sourcing program has expanded to a program capable of addressing any minerals identified by Acer that involve social and environmental risks.

In 2017 and 2018, Acer's responsible minerals sourcing program completed the transformation to this renewed focus. Acer has identified and prioritized minerals for inclusion in our responsible sourcing strategy and they currently include Conflict Minerals or 3TG from the DRC and its adjoining countries, cobalt from the DRC and tin from Indonesia. Acer will continue to reassess its priority minerals as well as be involved in the refining of the procedures to identify Conflict-Affected and High-Risk Areas (CAHRAs). In 2018, Acer issued its first [consolidated responsible minerals report](#), outlining the steps taken to conduct due diligence on all priority minerals.



Our Actions



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2017

2017

We renamed our Conflict Minerals Management Program to the Responsible Minerals Procurement Project. Through the identification of priority minerals and areas with a negative impact on society and the environment and through supply chain traceability and due diligence, we aim to strategically expand the scope of our minerals management to ensure that it is consistent with the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas." In addition, we have adjusted our Responsible Raw Materials Procurement Policy and internal management procedures in response to this new strategy.

In 2017, we continued to publish our Smelter List, list of countries of mineral origin, and Acer Supply Chain Due Diligence Guidelines, covering not only conflict minerals (tantalum, tin, tungsten, gold), but also disclosing the status of due diligence investigations into cobalt and Indonesian tin mines. We also require suppliers to stop working with high-risk smelters unless those smelters can provide evidence of progress on RMAP certification. For details, please see our [2017 Responsible Minerals Report](#).

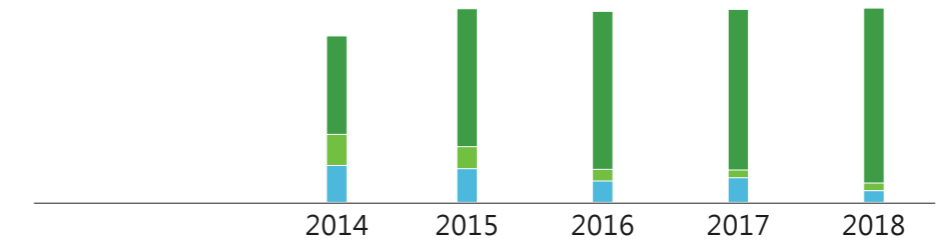
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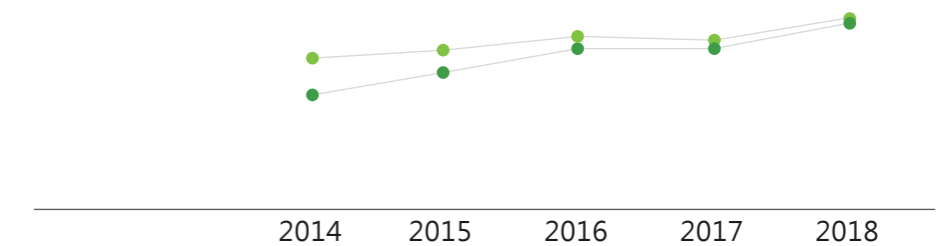
In order to ensure Acer's responsible minerals management aligns with the expectations of stakeholders, we adjusted the definition of "qualified smelters" to those that comport with third-party systems in compliance with the OECD's Due Diligence Guidance, including the RMI Responsible Minerals Assurance Process, the London Bullion Market Association (LBMA), and the Responsible Jewellery Council (RJC) certification.

As a result of our conflict minerals due diligence measures in 2018, we were able to identify 262 unique smelters in its supply chain. The number was a decrease of 36 smelters over the previous year. Acer also saw an increase in conformant smelters from 248 to 252 in 2018. The percent that conformant smelters represent in Acer's supply chain increased from 83% to 96%. A summary of our progress year-over-year can be found to right. For the results of the smelter due diligence investigations on cobalt, please see the [2018 Responsible Minerals Report](#).

Total	257	299	295	298	262
Comformant	152	213	244	248	252
Participating Smelters	48	34	18	12	4
Smelters Requiring Outreach	57	52	33	38	6



Percentage of Comformant or Participating Smelters	78%	83%	89%	87%	98%
Percentage of Comformant Smelters	59%	71%	83%	83%	96%



For 2019, our targets are: 95% of smelters are conformant to an OECD-aligned 3rd party mechanism and 100% are either conformant to or participating in an OECD-aligned 3rd party mechanism.



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Acer continues to use the Standards and Risk Readiness Assessment (RRA) tools provided by the Responsible Business Alliance (RBA). These tools compare the performance of smelters across many different standards, initiatives, and certifications, improving our ability to assess and manage risks in the mineral supply chain. We have currently established links with 95 smelters and received 86 RRA assessment results.

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/refiner 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.

Cobalt & Indonesia Tin

As part of its responsible minerals program, cobalt is a key focus for Acer due to the associated child labor issues in the DRC. Acer continues to support the cobalt sub-working group as part of its RMI membership. In 2018, the group made progress developing outreach materials and tools to aid in supply chain transparency and developing validation systems to support company due diligence. Acer participated in an expanded pilot of the cobalt reporting template and for the second time in two years, engaged its lithium-ion battery suppliers to gather information on cobalt policies, due diligence procedures and to identify the cobalt refiners in the battery supply chain. In addition, the RMI developed the cobalt refiner audit protocol and launched a pilot of the audit program. Acer supported the program by engaging several key refiners to request their participation in the pilot. It is expected that the Cobalt Reporting Template (CRT) will be finalized and the assessment program will be fully launched in 2019. Acer will continue its efforts to survey its battery supply chain each year and will seek to identify cobalt refiners and drive their participation in the assessment program.

In 2018, Acer continued its membership in RMI's Tin Working Group (TWG). The TWG is focused on the environmental impacts and safety concerns of mining tin in Indonesia. Major progress in 2018, included the award of two pilot projects and research project. One of the pilot projects focused on mine site land reclamation and sought to show the feasibility of mine site land reclamation to enable alternative business model (e.g., agriculture, rubber trading, fisheries, etc.) that would generate an increased income for the community and reduce the reliance on mining activities. The other pilot project was related to Occupational Health and Safety (OHS) and targeted improving the OHS performance at mines sites. The RMI funded a research project that focused on offshore mining to assess the regulatory landscape, social and environmental risks associated with mining, develop a stakeholder map, and best practices. The project has concluded and a paper documenting the results will be developed in 2019. Finally, in the fall of 2018, the membership met face-to-face at the RMI conference to discuss expectations of the group and to begin the development of the 2019 work plan.

Acer is aware of issues regarding labor conditions and environmental degradation associated with tin mining on the Indonesian islands of Bangka and Belitung. Therefore, Acer is committed to undertaking the actions to remedy this. 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.

Action on Management of Tin Mining in Indonesia



Continue to use our current conflict minerals due diligence program to improve transparency with regard to tin smelters/refiners in our supply chain that may be sourcing tin from within Indonesia.



Support and follow the lead of the RMI Tin Working Group in developing methods to support sustainable growth through responsible sourcing.



Require our suppliers to only use responsibly sourced tin from Indonesia.



Provide periodic updates on our progress related to the above activities via our publicly available website.



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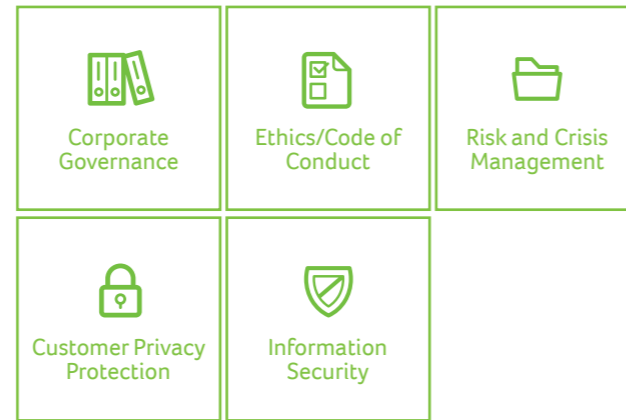
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Material Topics and Management Approaches

Implications for Management 103-1

Corporate Governance

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 103-2

- Transparency in its operations, establish [Corporate Governance Best-Practice Principles](#), continue strengthening corporate governance, and establish a robust and effective Board of Directors.
- Link performance evaluations and [Standards of Business Conduct](#), and implement a system of integrity management.
- Require all manufacturing and service suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct.

Evaluation Mechanism 103-3

- Set out the Guidelines for Board of Directors Performance Evaluations and announce the results of the annual director performance evaluations on the Company website.
- Establish links between the Standards of Business Conduct (part of the Rules for Human Resource Management) and performance evaluations, ensuring each employee helps to implement integrity management.
- Require manufacturing suppliers to sign a Supplier Code of Conduct Compliance Statement as part of the Company's supplier evaluations.

Ethics/Code of Conduct

To ensure that all Acer Group staff (including directors, supervisors, managers, consultants, and regular staff) perform integrity management practices and behave in accordance with our ethical standards, we constantly strive to elevate our corporate practices and protect the Company's stakeholders.

- We have formulated Standards of Business Conduct and rooted them deeply into the everyday work of our staff, along with providing effective and efficient channels for the filing of complaints.
- Acer has established a channel through the Company [website for stakeholders](#) to file reports or complaints, and should they find Acer staff to be involved in fraud, corruption, breach of the Standards of Conduct, or any unlawful conduct or violation of corporate governance, stakeholders are encouraged to make use of this channel to file a report or complaint.

The audit unit drafts annual audit plans through risk assessment and, on a regular basis, reports to the Audit Committee and the Board of Directors.

Risk and Crisis Management

Sustainable development and risk management are inextricably linked. Only by continuously identifying and analyzing the dynamic changes and trends in risk and implementing relevant risk management strategies can we ensure that the Company's hard-won results are maintained and our development goals achieved.

Regularly carry out [overall evaluations](#), prioritizations, and risk appetite boundary definitions for potential strategic, operational, financial, and hazard risks, both internal and external, that the Company's operations face in all aspects. In response, set out risk management strategies, enforcement mechanisms, and organizations in response to ensure relevant key risks are effectively controlled and appropriately responded to.

Continuously measure and monitor risk environments and the effectiveness of risk management strategies.

Customer Privacy Protection

Personal data and privacy protection have become basic human rights protected by legislation in many nations, as well as a part of consumer rights awareness. This is particularly the case in the wake of the adoption of the GDPR. With Acer being a name brand, the implementation customer data protection measures and relevant appeals handling mechanisms are of substantial importance to the Company's business management responsibility and the maintenance of the brand.

In order to standardize the collection, processing, utilization, and international transferral personal data by the Acer Group, as well as to avoid the violation of privacy protection regulations and promote the rational use of personal data, Acer has drafted and implemented a global personal data protection management policy.

Regularly carry out inventories and risk assessments of personal data.

Information Security

In the era of the Internet of Things and widespread access to information technology, businesses must ensure that information is secure, incorporating this into their governance objectives by establishing relevant policies; notification, management, and prevention mechanisms; and improved information security management.

- Implement personnel education and training
- Improve information protection mechanisms and information security management.

- Implement security exercises and tests to get a clearer picture of the effectiveness of employees and protection mechanisms.
- Introduce ISO 27001 "Information Security Management System" audit operations.

CORPORATE GOVERNANCE STRUCTURE

Corporate Governance Blueprint

To continue strengthening corporate governance, the Company has set out the *Acer Inc. Corporate Governance Code of Practice* with reference to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and OECD Principles of Corporate Governance. The Company also responded to the new Corporate Governance Blueprint (2018-2020) and amended Corporate Governance Code of Practice for TWSE/GTSM Listed Companies published by the Taiwan Stock Exchange in 2018 by revising their Corporate Governance Code of Practice in March 2019, including the establishment of the highest-level corporate governance supervisor responsible for corporate governance matters, requiring the Audit Committee Convener and Functional Committee representatives to attend stockholder meetings, updating Director and Functional Committee member performance evaluations, and raising Directorial required annual attendance rate to 75%. Through this, we continue to strengthen corporate governance and establish a robust, efficient Board of Directors.

Goals and Principles and Implementation Guidelines



Protecting shareholders' rights



Respecting the rights of stakeholders

- Articles of Association
- Standards of Business Conduct
- Corporate Responsibility Policy Management and Strategies
- Shareholders' Meeting Principles
- Guidelines for Management of Subsidiaries
- Internal Control Mechanisms
- Guidelines for Prevention of Insider Trading
- Anti-Bribery and Corruption Policy



Strengthening the functions of the Board of Directors



Fully exercising the functions of the Audit Committee



Protecting information transparency and privacy

- Rules for Board Meetings
- Guidelines for Board Elections
- Guidelines for Board of Directors Performance Evaluations
- Audit Committee Organizational Rules
- Salary and Remuneration Committee Organizational Rules
- Asset Management Committee Powers and Guidelines
- Investment Review Committee Organizational Rules



Commitments

- Sustainable operations
- Value creation
- Balanced interests



Goals and Principles

- Protecting shareholders' rights
- Strengthening the functions of the Board of Directors
- Fully exercising the functions of the Audit Committee
- Respecting the rights of stakeholders
- Protecting information transparency and privacy



Respecting the rights of stakeholders



Protecting information transparency and privacy

- Procedures for Acquisition or Disposal of Assets
- Procedures for Management of Loans to Others
- Procedures for Making of Endorsements/Guarantees
- Regulations Governing Foreign Exchange Risk Management and Administration of Structured Deposit-Related Financial Products
- Anti-trust and Fair Competition Principles
- Regulations on the Measures for the Prevention of Sexual Harassment and Relevant Disciplinary Measures
- Principles for the Management of Personal Information
- Other internal audit rules

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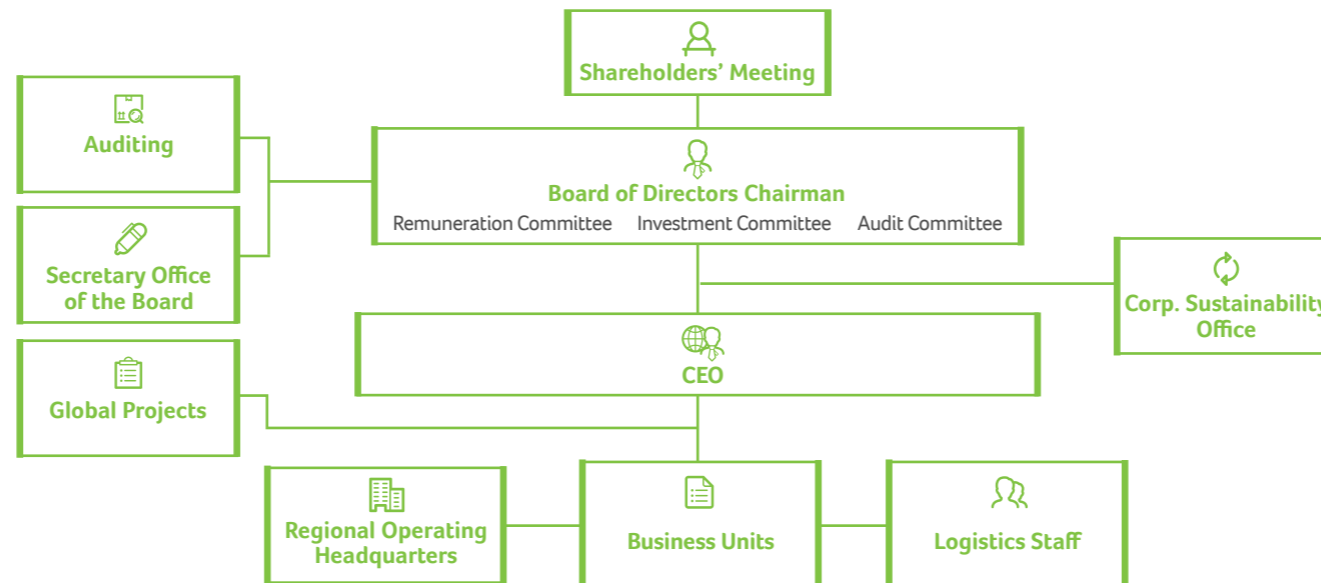
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Board of Directors

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 strong company. As such, in addition to being qualified and experienced, board members not only must adhere to relevant legal requirements, they are also held to exceptionally high professional standards. 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. The 2018 Board of Directors is the result of elections in 2017, with Bruce Ji-Ren Lee, F.C. Tseng, Simon Chang San-cheng, and Charles Ching-Hsiang Hsu elected as independent directors, making use of world-class experience, professionalism, and intelligence to implement 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 nine directors who, in accordance with the law, will hold their positions for three years, a term running from June 18, 2017 to June 17, 2020. More than two-thirds of the Board members do not hold managerial positions with the Company (of the 9 members, only one director is also a manager); of those Board members, 4 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 even more independent. In terms of age brackets, the current Board is composed of 3 directors between 50 and 59 years of age, 3 between 60 and 69, and 3 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 Directors ^{Note}

• Jason Chen Chairman	• Simon Chang San-cheng • Bruce Ji-Ren Lee • Charles Ching-Hsiang Hsu • F.C. Tseng Independent Director
• Stan Shih • George Huang • Smart Capital Corp. Representative: Philip Peng • Hung Rouan Investment Corp. Representative: Carolyn Yeh Director	

■ Male ■ Female

In accordance with the Rules for Board Meetings, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest with that of the Company, said directors may neither participate in discussions or votes, nor serve as a representative of another director in exercising their right to vote. Additionally, should an independent director oppose or express reservations on the record and/or in writing about any issue resolved by the board, this should not only be recorded clearly in the minutes, but also be reported within two days of the meeting through the reporting website specified by management. In line with amendments to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies promulgated by the Financial Supervisory Commission, in 2019 an additional requirement shall be added for at least one independent director to be personally in attendance at each meeting of the Board of Directors.

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, actual attendance of Board meetings is disclosed in detail in the [Company's annual reports](#), along with details on how attendance rates are calculated.

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



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On November 7, 2018, Acer completed the carrying out of anonymous performance self-evaluations of the Board, along with the relevant report. The results of this have been published on the Company’s corporate governance webpage. 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 to preserve the professional advantages and capabilities of the directors, in 2018 all nine directors participated in between six and 12 hours of further education courses organized by the Taiwan Corporate Governance Association: Jason Chen, Stan Shih, George Huang, Hong Rouan Investment Corp. representative Carolyn Yeh, Smart Capital Corp. representative Philip Peng, Bruce Ji-Ren Lee, and Simon Chang San-cheng participated in “International Trade Outlook 2019—Observations of the Sino-US Trade Conflict,” “Important Regulatory Updates,” “The Impact of the International Political and Economic Situation on the ICT Industry in Taiwan,” and “Corporate Governance Trends and Outlook for the Taiwanese IPO Capital Markets,” an annual total each of nine hours of further education; F.C. Tseng participated in “Artificial Intelligence and the Future,” “International Trade Outlook 2019—Observations of the Sino-US Trade Conflict,” “Important Regulatory Updates,” “The Rebirth of Taiwanese Corporations,” and “Corporate Governance Trends and Outlook for the Taiwanese IPO Capital Markets,” an annual total of 12 hours of further education; Charles Ching-Hsiang Hsu participated in “International Trade Outlook 2019—Observations of the Sino-US Trade Conflict,” “Important Regulatory Updates,” and “The Impact of the International Political and Economic Situation on the ICT Industry in Taiwan,” an annual total of 6 hours of further education.



Board of Directors Performance Self-Evaluations Evaluation Results

In addition, beneath Acer’s Board of Directors are three committees: the Audit Committee, the Salary and Remuneration Committee, and the Investment Review Committee. Each of these committees 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.” It is hoped that these committees will provide mutual supervision and assistance with the Board of Directors, further strengthening investment, setup, and M&A decision while also improving overall corporate governance capability. A detailed attendance record of the Board of Directors and various Functional Committees can be found in [Acer’s 2018 Annual Report](#).

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, Charles Ching-Hsiang Hsu








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, 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:

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



2018 Performance

Details of attendance by Audit Committee members

A total of 4 meetings were held by the Audit Committee over the year, one each in March, May, August, and November.^{Note}

Note: For details of attendance by Audit Committee members, please refer to the Company’s annual report.



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Salary and Remuneration Committee

Function

The responsibilities of the Salary and Remuneration Committee include setting and periodically reviewing director and manager performance evaluations, along with remuneration policies, systems, standards, and structure, and 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 Salary and 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 first set aside 10% of said profit as legal reserve (unless such legal reserve amounts to the total authorized capital). After the Company sets aside a special reserve in accordance with the applicable laws and regulations, and if any balance remains, no more than 0.8% shall be set aside as remuneration to directors^{Note1}. Remuneration of directors is handled in accordance with the regulations laid out in the Principles Governing Remuneration for Directors. The targets of such remuneration do not include directors concurrently serving as managers. The remuneration structure applicable to senior management is governed by the 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 so as to ensure senior management understands and collectively achieves the Company's strategic goals. Severance payments are handled in accordance with the relevant local regulations. Senior executives are reminded of the mandatory requirement of compliance with the Standards of Business Conduct in the remuneration confirmation letter each year.



2018 Performance

Details of attendance by Salary and Remuneration Committee members

A total of 4 meetings were held by the Salary and Remuneration Committee over the year, one each in March, May, August, and November.^{Note2}

Note1: 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 Salary and Remuneration Committee's report to the Board.

Note2: For details of attendance by Salary and Remuneration Committee members, please refer to the Company's annual report.

Note3: For details of attendance by Investment Review Committee members, please refer to the Company's annual report.

Investment Review Committee

Function

The Investment Review Committee 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, with the decisions of the Board on matters relating to investment and other authorizations obtained and implemented. As such, the establishment of this committee will lead to more professional and prudent processes for the making of investment-related decisions. The Investment Review 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, he through his leadership of the committee, we look forward to making the most of his expertise in management and investment.



2018 Performance

Details of attendance by Investment Review Committee members

A total of 2 meetings were held by the Investment Review Committee over the year, one each in April and October.^{Note3}

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. We 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.



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ETHICS/ CODE OF CONDUCTS AND LEGAL COMPLIANCE

Standards of Business Conduct

Acer has drafted the Standards of Business Conduct (SBC) to serve as a basic guideline for staff in their interactions with clients, business partners, shareholders, and the community. 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, and should staff or outside partners have any questions regarding potential breaches of the SBC or possible unethical behavior, they may directly contact the above-mentioned units. In the event that the SBC is violated, the situation will be handled according to the severity of the violation, with serious cases subject to disciplinary action and even dismissal.

The SBC also clearly states our rules on conflicts of interest, the banning of inappropriate interests, business entertainment and bestowing of gifts, as well as detailing 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 Inc. staff receive anti-bribery and anti-corruption training, and during annual performance reviews we require management and colleagues to reexamine the Standards to see if their behavior is appropriate; In the event of corruption being found, the Company must immediately report the incident and implement management measures, while also reminding staff that they must adhere to the regulations of the Standards of Business Conduct.



Legal Compliance

Acer has always prided itself on being compliant with the law, and as such 2018 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 with regard to 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.



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Anti-Bribery Policy

On December 5, 2018, Acer put into action the Acer [Anti-Bribery and Corruption Policy](#), which applies to all members of Acer Group globally, including directors, managers, consultants, and employees.



Internally, Acer has planned anti-bribery and anti-corruption education training courses, which staff must pass. We provide anti-bribery and anti-corruption education training course content to all members of the group as reference material. It also serves as part of the training materials used for new members of the group.



Acer's auditing units undertake regular assessments of corruption risk, focusing on high-risk subsidiaries and reporting their findings to the Audit Committee. At the same time, Acer sends Acer Clean Business Statements to global suppliers every year, requesting their compliance with the Acer Inc.



Externally, when trading with business partners, Acer requires said partners to sign integrity commitment statements or otherwise incorporated integrity commitments into contracts, as well as publicly offering templates for such statements for the use of group members in implementing this policy. All of this emphasizes the Company's commitment to integrity management, anti-corruption stance, and emphasis on corporate governance, and requesting that others refrain from presenting Acer staff with any improper gifts, hospitality, or money. Acer also sends annual e-mails to business partners to promote, remind, or request compliance with this policy. We will make full use of any occasions or opportunities to communicate with business partners and reiterate Acer's Anti-Bribery and Corruption Policy to business partners, including annual Acer Supplier Conferences, meetings with agents, and distributor conferences, calling on these partners to work with in complying with the policy.

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.

As stated previously, in 2018 Acer Inc. was not involved in any confirmed cases of violations of the anti-bribery and anti-corruption policy.

Anti-trust

In 2013 the Acer Group established the Global Anti-trust and Fair Competition Principles in 2013, announcing them on the corporate website. In addition to regular employee education and training every year, in 2018 our legal unit compiled important cases from recent years to produce an animated film for anti-trust and fair competition internal education and training. Through this film, the Company aims to prevent legal risks and negative impacts that employees may incur due to violations of anti-trust and fair competition laws. In 2018 Acer was not litigated for any anti-competitive, anti-trust, or monopolistic behaviors.



Anti-trust and Fair Competition Principles



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INTERNAL AUDITS

The Acer 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 terms of controlling corruption risk, internal audit units conduct investigations of corruption-related complaints and high-risk subsidiaries, reporting the results to the Audit Department each quarter.

Acer also stresses information security, and as such in 2018 the Audit Office undertook a special audit of internal R&D information and IT systems outsourcing issues, submitting the results to the Audit Committee. In addition, in the second half of 2018 Acer began implementing the introduction of ISO 27001, commissioning external security consultants to provide ISO 27001 guidance. Internal audit units participate in relevant meetings, formulate audit plans and standards, and are expected to work with external information security consultant in the first half of 2019 on ISO 27001 audits.

Complaints Mechanism

<p>Channels for Complaints</p> <ul style="list-style-type: none"> Whistleblower reports system (whistleblower.acer@acer.com) Workplace sexual harassment complaints channel Written reports/complaints
<p>How Do Users Learn About Complaints Channels?</p> <ul style="list-style-type: none"> Dedicated reporting email: Whistleblower.acer@acer.com MyAcer intranet Occasional announcements within the Company about complaints mechanisms Purchasing contracts include “anti-corruption statements” and complaints channel information Annual integrity and clean business letters signed by partners New staff training and education/Supplier conferences
<p>Complaints Mechanism Goals</p> <ul style="list-style-type: none"> Safeguarding the interests of stakeholders, promoting communication with stakeholders, and strengthening corporate governance
<p>Expected Complaints Mechanism Users and Coverage of Complaints Mechanism</p> <ul style="list-style-type: none"> Expected Complaints Mechanism Users: Staff, customers, suppliers, investors, community members Covers the event that any Acer staff are involved in fraud, corruption, breach of the Acer Group’s Standards of Conduct, or any unlawful conduct or violation of corporate governance Also covers inappropriate, threatening behavior toward or sexual harassment of Acer staff in the workplace
<p>Complaints Mechanism Management</p> <ul style="list-style-type: none"> After the Company receives reports/complaints from stakeholders, the internal audit manager 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 2018, we received a total of 7 complaints. These included 2 cases of sexual harassment, 1 personnel management rule case, and 4 integrity-related cases. In 2018, seven complaints were included in the survey, of which two were partially substantiated, while the remaining five were found to be unsubstantiated after investigation.

	Sexual Harassment	Personal Management Rule	Integrity-related	Standards of Business Conduct	Total
2016	0	0	0	5	5
2017	2	4	1	0	7
2018	2	1	4	0	7

RISK MANAGEMENT

The ultimate goal of Acer's business philosophy is "sustainable development." We firmly believe that rigorous, sound risk management not only speaks to Acer's long-term commitment to customers, employees, partners, and shareholders, but also ensures that we take concrete measures that result in stable business and the implementation of corporate social responsibility. Sustainable development and risk management are inextricably linked. Only by continuously identifying and analyzing the dynamic changes and trends in risk and implementing relevant risk management strategies can we ensure that the Company's hard-won results are maintained and our development goals achieved.

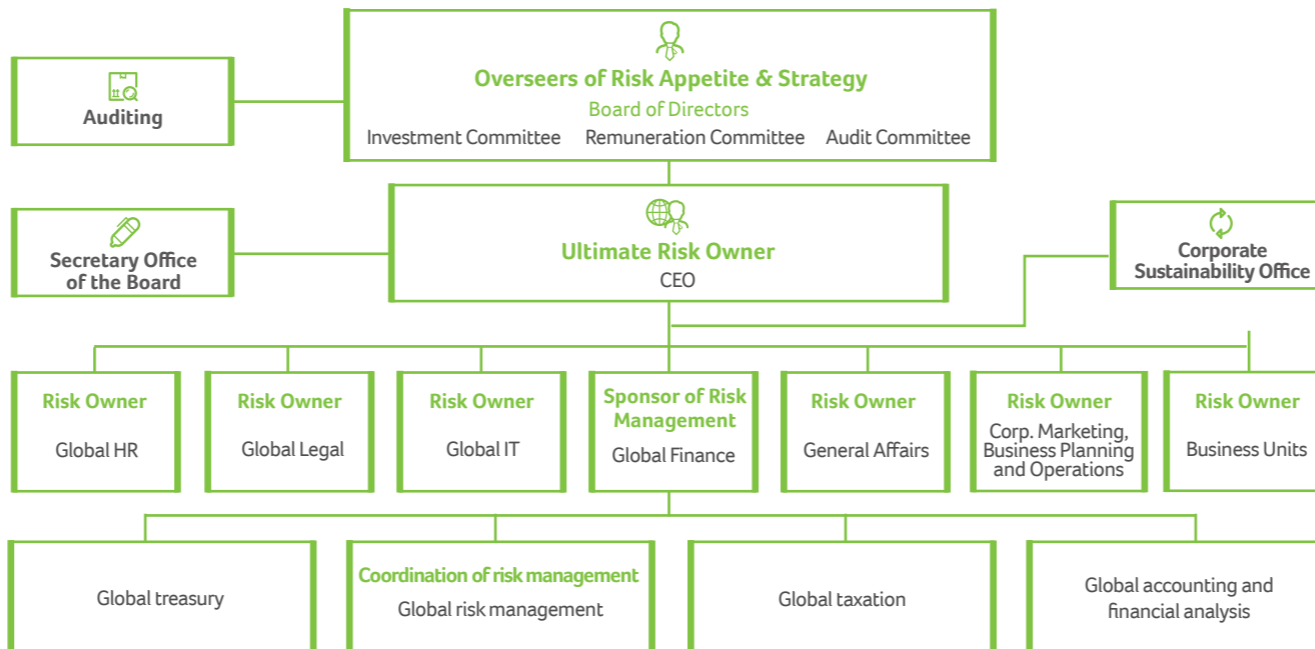
Acer regularly carries out overall evaluations, prioritizations, and risk appetite boundary definitions for potential strategic, operational, financial, and hazard risks, both internal and external, that our operations face in all aspects. In response, we set out risk management strategies, enforcement mechanisms, and organizations in response to ensure relevant key risks are effectively controlled and appropriately responded to. To continuously monitor and strengthen our risk management actions and response measures, the Audit Committee evaluates the inclusion of discussions into meeting agendas based on priority and urgency and clarifies the issues and units responsible. The Audit Committee regularly aggregates risk environment, risk management priorities, risk assessment results, and response measures, with the chair reporting this to the board.

Acer's Risk Management Organizational Structure

In late 2012, Acer established the Risk Management Working Group, the membership of which spans the Legal, Finance, Human Resource, Supply Chain Management, Enterprise Communication, Marketing, QA & Services, IT, Environmental Safety and Health, Asset Management, all Product Business Groups, and the Corporate Sustainability Office. Every year, the working group holds regular meetings, inviting members of various working groups to engage in identifying, assessing, and discussing risks the Company may face in three aspects: economic, environmental, and social.

Additionally, in 2018 Acer reorganized the former Global Corporate Social Responsibility Committee (GCSRC) into the Corporate Sustainability Committee (CSC); the Risk Management Working Group is a unit under the CSC. We believe that this reorganization will not only further strengthen our existing risk management practices, but also help in building a corporate culture with a strong awareness of risk management through the participation of top-level management from various departments and business units.

Chart of Acer's Risk Management Organizational Structure



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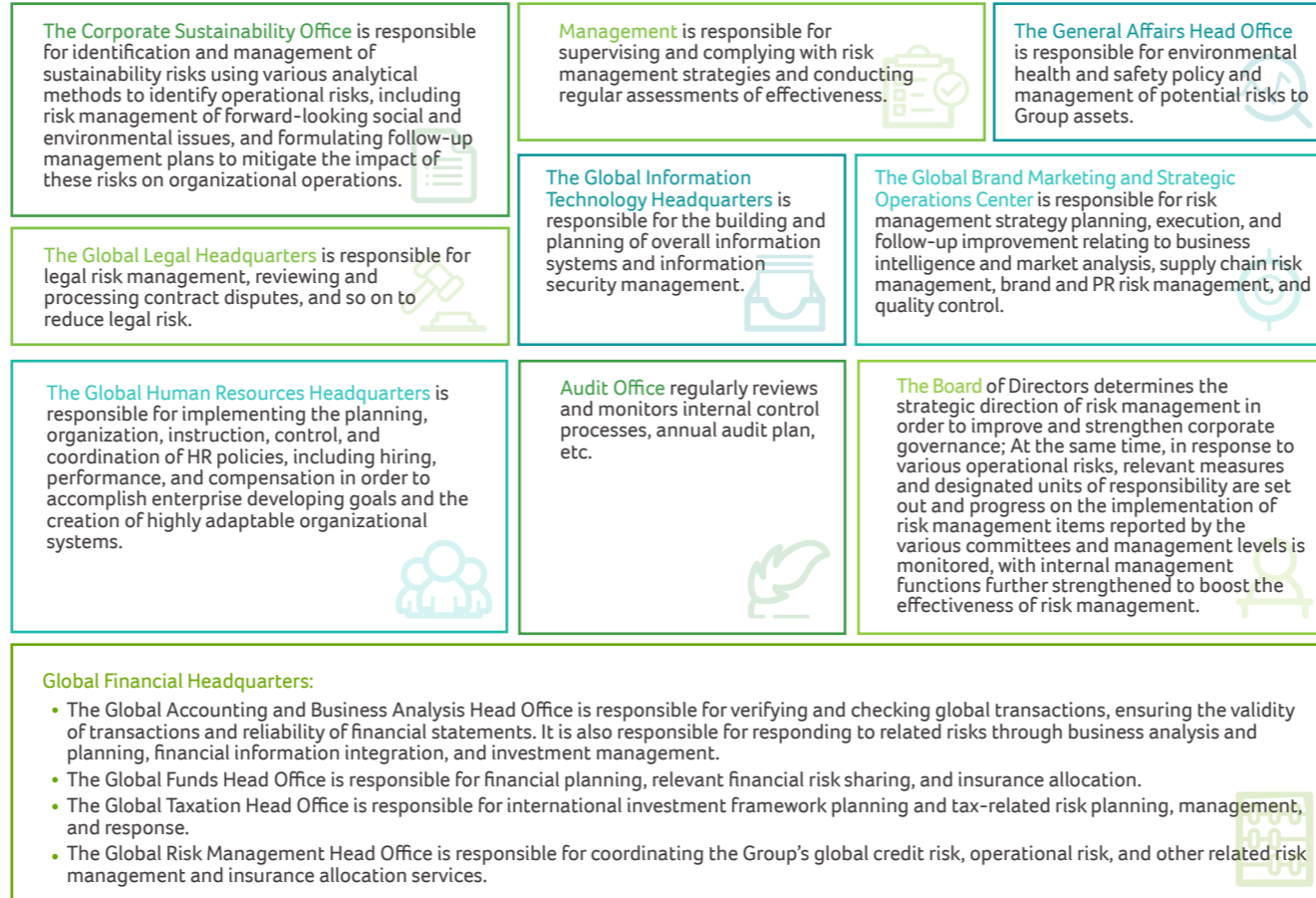
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Risk Identification and Management

The Risk Management Working Group uses risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further quantitative analysis of each risk item and examine whether there is a high correlation between risk factors.

The Risk Management Working Group aggregates the results of these analyses and tests, then drafting follow-up action plans and reporting to the convener of the group. In 2018, the Risk Management Working Group identified a total of 67 risk items, of which 10, in areas including IP and associated litigation risk, information security risk, and extreme climate risk, were categorized as medium-high risk or higher.

Designated personnel from the relevant departments are responsible for the drafting of follow-up risk management strategies related implementation plans with regard to risk items identified and analyzed, including commonly used response methods such as loss prevention planning, avoidance, separation & duplication, transfer, and retention. In addition, they also assess appropriate resource inputs, execution priorities, methods for follow-up progress tracking. At the same time, risk contingency plans and crisis management mechanisms are developed to reduce the possible adverse effects of various potential risks on operations. Significant risk information is also reported to the Audit Committee. Report content includes:

- Response to the GDPR
- Reporting on liability insurance for directors and managers
- Information security controls
- Corporate CSR risk management

Bringing together all of the above, we continue to actively implement relevant risk management practices, employing a forward-looking outlook on prevention and a cautious approach to the risks and challenges facing the Company both now and in the future. 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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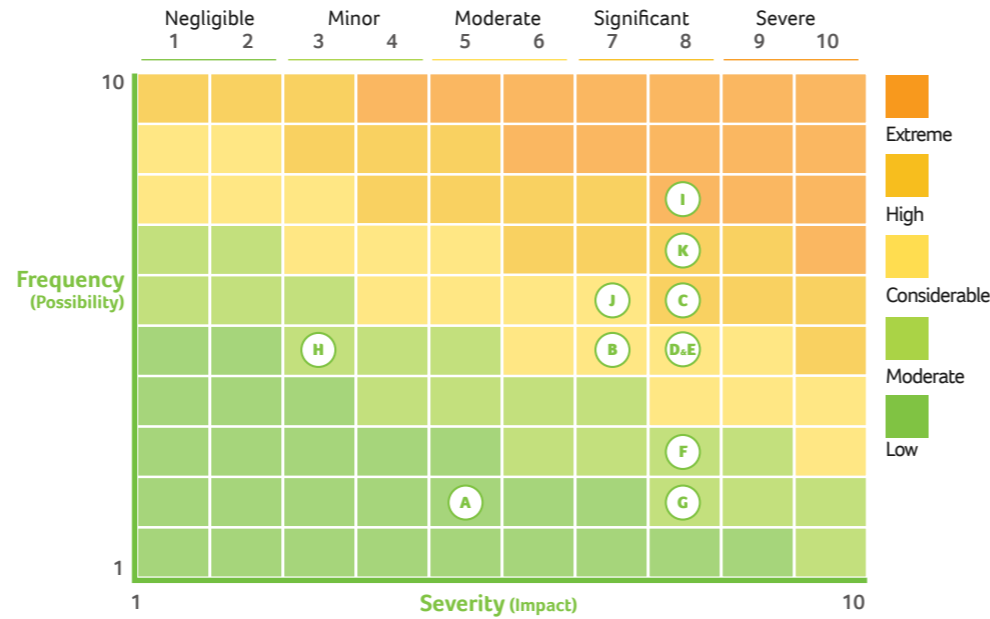
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- A** **Supply chain related risk**
Relates to reliability or otherwise of sourcing and supplier management of environment and labor rights risks
- B** **IP and litigation risk**
Includes patent litigation filed by competitors regarding intellectual property
- C** **Interest 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** **Tax risk**
Potential risks due to changes in tax regulations
- F** **Inventory management risk**
Includes risks caused by slow inventory turnover
- G** **Liability risks for directors and managers**
Potential liability risks produced by the execution of directorial and managerial duties
- H** **Human resources related risk**
Risks such as labor shortages, loss of high-level management talent, or human rights issues
- 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 warming and various extreme climate events

Note:1. The risk identification/analysis process begins in Q4 each year and is completed in Q1 the following year.
2. The risk map is based on the results of assessment of the risk levels of 2018 risk items.
3. Some risk items are presented by category.

Emerging Risks

With regard to the many emerging risks identified by the Risk Management Working Group in 2018, including trade protectionism, information security, and extreme climate, we additionally have invited staff from relevant departments for in-depth discussions and focused thinking in order to assess the potential adverse effects on the Company's future operations. In response to information security risk, the Risk Management Working Group not only summarizes patterns of potential losses (including loss of goodwill, interruptions to operations, and data leakage), but also works with the IT Department to consolidate the basic capital operation principles and plans laid out below, as well as the gradual implementation of the ISO 27001 international information security specification standard. Beyond this, in 2018 Acer procure a global cyber insurance program, not only from consideration of risk transfer, but also in hopes of making use of the international insurance market to receive further assistance and resources from external information security experts. Into the future, we intend to continue paying attention to the developmental trends in information security risk and continuously review and improve the relevant operating principles.

Review externally oriented services	Make use of principle of least privilege and encryption
Identify and protect endpoint security	Pay attention to application security
Educate users	Find and protect the weakest link
Pay attention to the latest information security standards and attack methods	

Acer will continue to focus on long-term trends and threats relating to global warming and extreme climate phenomena. Currently, our Supply Chain Management Department is assessing changes in low temperature that may be encountered during transportation along particular routes, discussing and cooperating with shipping companies to enact feasible preventive measures based on the type and characteristics of products.

With regard to future trends and potential negative impacts of trade protectionism risk, such as trade protectionism and related trade barriers between countries and the imposition of tariffs on goods not produced domestically to alleviate trade deficits, ICT products produced in Asia are likely to become a point of focus, becoming a bargaining chip in trade negotiations and even causing changes in pricing that may affect sales. The Risk Management Working Group has collated the types of losses that may occur (including a decline in sales or market share due to political/economic instability, labor-related costs due to migration of production bases, and so forth). We will closely monitor long-term development trends in trade protectionism and the subsequent impacts, while also continuing to expand into new niche markets and sales channels so as to distribute operational risks and reduce the impact and uncertainty so caused.



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04 INNOVATIVE TECHNOLOGIES AND PRODUCT SUSTAINABILITY

Material Topics of Concern to Stakeholders :

 Innovative R&D and Products & services	 Circular Economy and Product Life Cycle	 Product Responsibility and Customer Safety
 Customer Management	 Customer Privacy	 Information Security

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Innovative Research & Development and Product & Services

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.

- Committing to R&D, patent acquisition, and other core competencies, and providing targeted product and service models
- Providing open source solutions to promote shared social innovation.
- Leading transformation and development of innovative services, primarily in the Build Your Own Cloud™ business group.

Regular review by the Corporate Sustainability Committee's Innovation and Product Lifecycle Team

Circular Economy and Product Life Cycle

Through product lifecycle management, Acer is able to both manage our products and reduce their potential impact on the environment.

We actively strive to find a balance between product management and environmental performance in order to provide our customers with more environmentally and commercially competitive products.

Minimizing the impact of our products on the environment, we have worked to implement the concept of circular economies, including improving the energy efficiency of our products and using recycled materials in our [product packaging](#). We also regularly review the cradle-to-cradle environmental performance of our products.

Regular review by the Corporate Sustainability Committee's Innovation and Product Lifecycle Team

Product Responsibility and Customer Safety

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.

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.

Regular review by the Corporate Sustainability Committee's Innovation and Product Lifecycle Team

Customer Management

User orientation is essential to Acer's operating spirit, and through our global-scale foundation and end-to-end holistic thinking, we have established a customer management system that can help us boost the brand and the experience of our customers.

Listening carefully to feedback from our users, we 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](#).

- Regular review (weekly/monthly) of authorized service centers; if a problem is found or an incident occurs, the center will also provide a corresponding corrective plan.
- Implementing ISO 9001/ISO 14001 certification in internal maintenance centers and partner authorized service centers.

Customer Privacy

Personal data and privacy protection have become basic human rights protected by legislation in many nations, as well as a part of consumer rights awareness. This is particularly the case in the wake of the adoption of the GDPR. With Acer being a name brand, the implementation of customer data protection measures and relevant appeals handling mechanisms are of substantial importance to the Company's business management responsibility and the maintenance of the brand.

In order to standardize the collection, processing, utilization, and international transferal personal data by the Acer Group, as well as to avoid the violation of privacy protection regulations and promote the rational use of personal data, Acer has drafted and implemented a global personal data protection management policy.

- Carrying out regular inventories and risk assessments of personal data.

Information Security

In the era of the Internet of Things and widespread access to information technology, businesses must ensure that information is secure, incorporating this into their governance objectives by establishing relevant policies; notification, management, and prevention mechanisms; and improved information security management.

Implementing [staff education and training](#); Improving information protection mechanisms and information security management.

- Implementing security exercises and tests to get a clearer picture of the effectiveness of employees and protection mechanisms.
- Introducing ISO 27001 "Information Security Management System" audit operations.



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PRODUCTS AND SERVICES THAT RESPOND TO THE SDGS

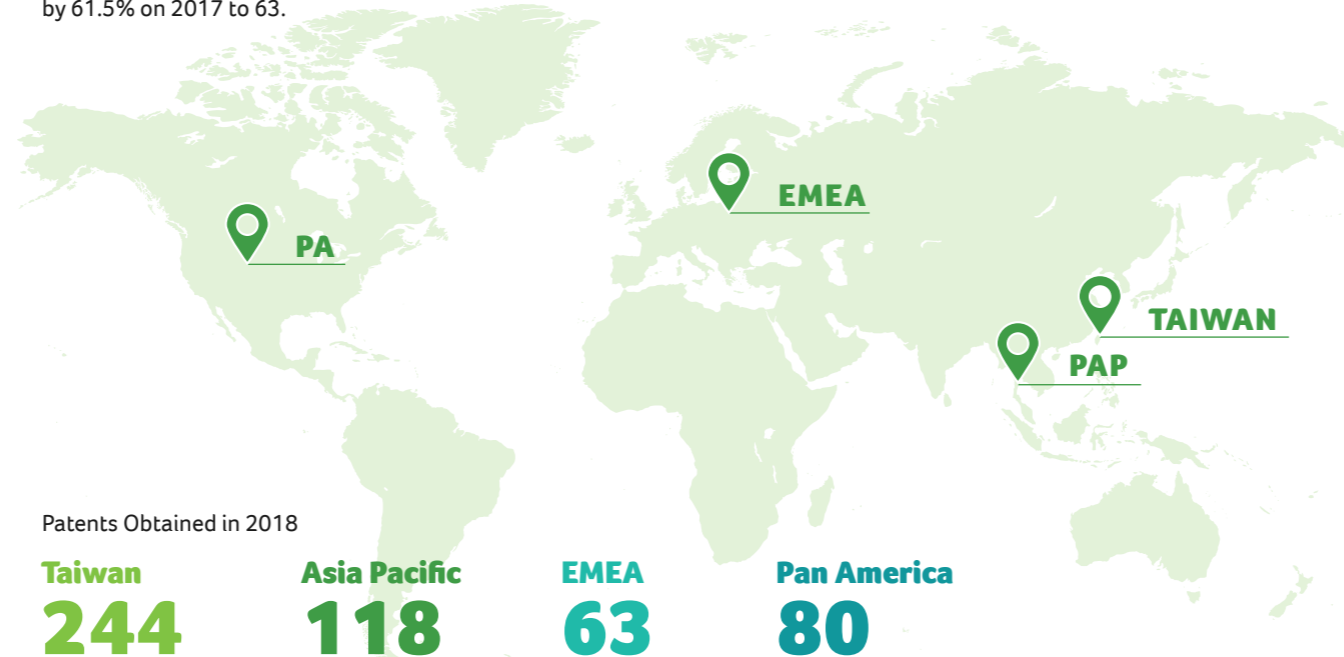
Innovative Design Thinking

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, while at the same time taking 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.

In 2018 Acer continued to innovate, obtaining 505 patents around the world and seeing patents obtained for the year in EMEA grow by 61.5% on 2017 to 63.



Innovative Products and Services that Respond to the SDGs

In 2018, Acer developed a number of software applications and technologies across all product levels, with all products and services launched continuing to respond to the UN SDGs.



Acer ensures human health through technology.



Acer provides access to vocational training to the underprivileged through technology.



Acer provides more efficient, more sustainable usage of energy.



Acer promotes the development of innovative enterprises through technology.



Acer provides people with safer, more tolerant, more sustainable urban spaces.



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E-Health

CDC Flu Forecasting Station

Seasonal flu has become a major focal point of global epidemic prevention, mainly because influenza viruses mutate easily and are susceptible to changes in climate and transmission via transportation. Through the use of artificial intelligence (AI) and big data analysis, though, we can make our efforts to stay on top of such epidemics more precise.

Acer has collaborated with Taiwan's Centers for Disease Control to create the "Flu Forecasting Station" early warning information platform. Using data from the CDC's influenza monitoring system, the National Health Insurance's database, and Government Open Data's meteorological data and administrative district population distribution datasets, coupled with AI and machine learning technologies, we have established a timely, visual epidemiological prediction tool.

This tool can successfully predict trends in influenza outbreaks within a four-week period in all of Taiwan's cities and counties, along with numbers of people seeking treatment at outpatient and emergency clinics. It provides local health agencies and medical institutions with a reference for on-site epidemic prevention decision-making, epidemic response, and treatment allocation, helping ensure epidemic prevention work is even more accurate and medical resources are better allocated, as well as providing a reference for the public to prepare their own protective measures.



Acer aBeing Cloud Health Management Platform—aBeing Wellness

Workers today spend more than a third of their time in the workplace. [The World Health Organization](#) says the workplace is a "priority setting for health promotion". When renowned medical journal The Lancet published the 2017 Healthcare Access and Quality Index, Taiwan ranked 45th out of 195 countries, with chronic diseases being among the lower ranked elements.

Focusing on the prospects of remote medicine and workplace health promotion, Acer has actively worked to create a remote, cloud-based healthcare system. In early 2017, Acer cooperated with Changhua Christian Hospital to provide long-term follow-up management through cloud-based services for chronically ill patients. In 2018, the Company expanded its cooperation to Taipei Medical University Hospital and Kaohsiung Medical University Hospital, bringing together professional technology and medical care resources both online and offline to create a comprehensive health care service for smart cities and expand remote, cloud-based remote health management services across northern, central, and southern Taiwan. Acer has created a remote, cloud-based smart healthcare platform, aBeing Wellness. This platform can be comprehensively applied to the prevention of metabolic syndrome in the workplace, chronic disease management, and health promotion among staff.

The primary use of the aBeing Wellness Health Management Platform is assisting employees with daily management of their own health, with a particular application to metabolic syndrome and chronic disease management in the workplace; assisting employees who do not suffer from chronic diseases but whose metabolism has begun to show abnormalities; and reducing the risk of chronic diseases, thus accomplishing the goal of promoting workplace health.

In addition, employees can check, record, and observe physiological data through blood-pressure monitors, blood glucose meters, and smart wearable devices. The data can then be collected and analyzed via the aBeing Wellness platform and delivered to medical service organizations through the cloud, facilitating year-round provision of health services. Not only that, the Company can also provide employees with nutrition education and advice, as well as personalized healthcare recommendations, providing a healthy workplace and comprehensively protecting their physical and mental health.



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E-Learning

E-books on traditional Chinese medicine

Technology can be fully integrated into the preservation and promotion of classical books and art, additionally facilitating reproduction of said books and art. Acer has created new value through the digitalization of the National Palace Museum's collection of national treasures of medicine-related art, converting this invaluable collection into e-books that can be accessed through the cloud. Individual users can directly take notes and make edits on the electronic pages and exchange ideas with one another through starting their own study groups or joining those of others. The cloud-based version also has an online comment function, allowing multiple people to ask questions, exchange ideas, and share information instantly on the same book, enabling all those studying Chinese medicine to communicate with each other. In the future, they will be able to study together with professionals in various fields and help form a more complete big-data database of traditional Chinese medicine.



The social value of e-books on traditional Chinese medicine includes:

-  Enabling those too far away to visit exhibitions
-  Assisting with the preservation and collection of ancient books
-  Serve as promotion materials of school courses
-  Can enable reading anytime, anywhere, unrestrained by physical space through computers, cellphones, and tablets connected to the Internet

VR skill training system

Acer is committed to improving people's lives through technology. To improve the job skills of people with disabilities, the Acer Foundation has partnered with the Syin-Lu Social Welfare Foundation to donate computers and virtual reality equipment, and to develop VR job skills training together with the Institute for Research Excellence in Learning Sciences at National Taiwan Normal University. Through these, people with disabilities can work on basic training in areas like cutting fruit and vegetables or detailing vehicles in a safe environment, able to practice repeatedly in a learning environment not restrained by physical space.

The VR skill training system has benefits below:

-  Allow those with physical or mental disabilities to use virtual objects in place of physical ones in immersive VR learning systems, enabling them to practice repeatedly without consuming physical resources while also reducing training costs.
-  At the same time, the system helps hone their ability to work safely and with spatial accuracy through training such as cutting vegetables as a kitchen assistant.

The equipment is highly portable and easy to use, making it convenient for people with physical or mental disabilities to train themselves anytime, anywhere, solving the problem of trying to find a place that offers personalized skills training.

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E-energy

Batteries for electric bicycles: more efficient energy usage

According to research, recent years have seen double-digit growth in sales volume of electric bicycles in many countries^{Note 1}, indicating that prospects for global electric bicycle demand are good. With outdoor activities and environmental awareness on the rise, more and more people are choosing to ride bicycles, and so Acer subsidiary MPS Energy Inc. has combined its own battery management technology with Acer's strength in smart devices to introduce safer, smarter electric bicycle battery modules. To meet the highest safety standards, these modules not only conform to international safety regulations, but also incorporate several safety systems, including mechanisms for protection against abnormalities in voltage, current, and temperature. They are also designed for improved water- and dustproofing. Produced and assembled in Taiwan, MPS Energy's modules were the first in Taiwan to obtain ISO 13849 and CNS 15387 certification; In Europe, where electric bicycle growth is particularly high, MPS Energy proactively sought to pass the EU's EN 15194:2017 electric bicycle safety standard^{Note 2} in addition to having received the aforementioned ISO certification.



These battery modules, of which there are three models, are specially designed for electric bicycles and be installed on the rear of the frame, the down tube, or the inclined tube depending on the needs of the customer or manufacturer. The unique smart communication device in the modules enables the user to stay on top of battery status through a smartphone app, as well as lock the battery or display corresponding malfunction codes in the event of a malfunction so that the user can pinpoint its cause. In addition, it can also function as a bike computer, recording speed, position, ride time, and more. The app can also provide multiple integrated services to meet different customers' needs, including leasing and sharing.

Note 1: Navigant Research (June 2018), "E-Bike Sales Climbing in Major European Markets, US Lags Behind":<https://goo.gl/pCxPVX>

Note 2: The EN 15194:2017 electric bicycle safety standard, which comes into full effect in April 2019, differs from the old version (EN 15194:2009+A1 2011) in covering a more comprehensive and rigorous range of specifications and safety standards.

IceTunnel

Acer's efficient Ice Tunnel eSports product cooling system is integrated into the Predator Orion 9000 series. The machine boasts several intakes on the front and left sides, flanking the front panel are steel-gray air intakes, while below it is a honeycomb mesh cover, enabling the two 12-cm fans inside to take in cold air more efficiently; Inside, in the lower right corner a deflector hood is specially equipped to ensure that some of the cold air channeled in by the front two fans can be smoothly guided to the hard drive space at the other end of the case; several exhaust outlets are positioned on the top and rear to efficiently expel the hot air from case through strong airflow, ensuring the hard disks enjoy strong heat dissipation during operation.



Bionic Innovation: AeroBlade 3D Technology

With the world's thinnest metal fan blades (just 0.1 mm), AeroBlade™ delivers advanced aerodynamics and superior airflow to keep systems cool, clean, and quiet. The fourth-generation AeroBlade 3D cooling system is inspired by owl flight, using serrated edges on the blades that mimic the wingtips of owls which enable them to fly so efficiently and quietly, increasing airflow by 45% while operating quietly at high speeds. This technology powers our high-performance, convertible gaming notebook, the Predator Triton 900, offering users a new function-oriented design with computing power on par with a desktop computer.



AeroBlade 3D Fan



E-Business

Cloudgoda Cloud Portal

Faced with the growth of available cloud options, choosing the right cloud service provider and how to deploy and manage cloud services are frequent questions for enterprises wanting to use cloud technologies. Acer subsidiary Cloudgoda has launched the eDC Cloudgoda cloud portal, capable of linking AWS, GCP, eDC, and IBM Cloud platforms, enabling faster, better design, deployment, and management of cloud services than other existing methods. From service price comparison, LAN latency, visualized architecture, and architecture templates to automated deployment, Cloudgoda provides a one-stop cloud services portal.



Cloudgoda portal



Cloudgoda eliminates the technical barriers to cloud usage for startups and SMEs, enabling them to benefit from the technology while also reducing costs.



Customers do not need to go through consultants and or cloud agents, but rather can directly use Cloudgoda to deploy cloud services. In the future,

Cloudgoda will continue to link with more cloud service providers, such as Microsoft Azure and Fujitsu NIFCLOUD, as well as developing cross-cloud migration and account-linked services, enabling Cloudgoda to integrate more closely with cloud providers.



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Smart Cities, Smart Mobility, and Logistics

Smart and Autonomous Driving Systems

Acer is focused on promoting the development of smart cities. In the field of autonomous and self-driving vehicles, Acer and Yulon Group have teamed up to showcase Taiwan's first domestically developed smart electric concept car. This vehicle, using the Luxgen S3 electric vehicle platform combined with Acer's autonomous driving system, is equipped ADAS, Internet of Vehicles, and autonomous driving technology, with Level 4-ready self-driving technology and systems^{Note 1}, equipping it to realize the vision of Mobility as a Service (MaaS) for the smart cities of the future.



Acer's autonomous driving software system sensing technology includes real-time kinematic (RTK) positioning, lidar, MMW radar, and ultrasonic sensing, feeding these to sensor fusion algorithms and AI technology. It also uses AI deep learning technology for object recognition and then implements dynamic vehicle control through inertial measurement units (IMU) to realize autonomous driving.

Acer's autonomous driving software system receives important sensing data while driving, including image recognition, 3D lidar obstacle detection, high-precision maps, and real-time positioning technology, using this to make control decisions through AI models for smart driving in terms of steering, braking, cruising, maneuvering, and parking.

It also has a cloud management system for car sharing services so that a control center can dispatch vehicles when users make transportation requests through their mobile device. The cloud management system can manage scheduling, monitoring, notification, personnel management, and statistical analysis; as well as providing functions like safety monitoring and timely intervention. Vehicles can also plan paths and report vehicle status or traffic environment status, while users can track transportation demand and receive vehicle status notifications at any time.

In the future, Acer's autonomous driving software system will provide different levels of services through the cloud management system based on the needs of different operators. Future plans include the establishment of an open platform, including opening data and an API to developers, for the joint development innovative autonomous vehicle services.

Note 1: The Society of Automotive Engineers (SAE) has defined five levels of driving automation. Level 4 is "High Driving Automation," using an autonomous driving system that monitors the driving environment to accomplish driving operations, responding to particular circumstances with requests to the driver for intervention.

Combine electronic stored-value cards with social welfare

The average card-holding rate of electronic stored-value cards in Taiwan is constantly growing, with such cards having become one of the main payment methods in daily life. In planning for smart cities, the expansion of electronic stored-value card services is an important consideration for the creation of a future paperless payment society. Acer subsidiary Acer ITS plans to expand electronic stored-value card services and plan innovative applications such cards in line with trends in smart transportation and expectations in society. Considering the potential of these cards for public transportation services (e.g., taxis) and the impact of an aging society, the expansion of these services should take into account increased use and integration with social welfare. Electronic stored-value cards can serve as ID and determine whether the user is eligible for social welfare benefits provided by local governments. The "Senior Citizen Love Card," a cooperative project with the Taichung City Government, plans for expansion of card usage to reduce taxi fares and health center/partner hospital clinic fees, helping lighten loads and registration fees. This service is expected to launch in Q2 2019.

Benefits: Promote and implementation of welfare and services by local governments using electronic stored-value cards as ID



Expand electronic stored-value card usage for public transportation related services



Help local governments proactively manage budget usage and observe records of activities for particular targets as a reference regarding governance performance



Can be used as an effective tool for implementing social welfare



Spur related economic activity and diversity of payment market



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abSignage aBeing Cloud-based digital signage

Another solution for smart city planning is abSignage aBeing Cloud-based digital signage, which offers a one-stop service for digital marketing, with precise marketing strategies to help boost sales momentum. Our proprietary Being Audience Rating (BAR) platform uses behavior tracking sensors to instantly capture a variety of metrics, including number of views, attention time, and customer demographics. The content management system can assist merchants in remotely managing digital signage content scheduling from all over the world, improving management efficiency and reducing personnel costs. In addition to being in use in Taiwan, abSignage solutions have also been implemented in France, Germany, and Japan.



Acer subsidiary AOpen uses digital billboard and visual identity technology, integrating AI with them to create a smart scale. This integrated product identification system, organic optoelectronic/identification software is highly complex and completely designed and manufactured in Taiwan. Through the use of digital cameras on shelves, the smart scale employs object recognition technology with an accuracy of over 90% together with shelving design that reinforces the identification effectiveness; During the testing phase in Australia, retail customers saw a clear reduction in business losses along with improved business performance.

Smart roadside parking and paperless fees

Acer subsidiary Acer ITS is the largest supplier of smart e-ticketing for buses in Taiwan, providing a comprehensive, stable, and secure e-ticket service platform supporting multiple stored-value cards and diverse ticketing cashflows. The platform is widely used for both exhibitions and all forms of mass transit, including buses and railways. Consumers can easily pay their transportation expenses through a variety of e-ticketing options. With the partnership between Parking Lot App and Line Pay, a particularly popular electronic payment option in Taiwan, users no longer need to even take their phones out to scan QR codes to pay, providing people with a barrier-free, mobile life.



Smart Parking Meter Management System



The Smart Parking Meter Management System enables road users search Smart Parking Meter Management System, enabling road users search for real-time roadside parking information with just an app, greatly reducing the time required to find parking spaces. Through big data collection and analysis, the relevant units 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, providing fully paperless, environmentally friendly operation.

Cloud-based overall smart parking services solution



The cloud-based overall smart parking services solution is an e-ticketing cloud-based overall smart parking services solution that integrates e-ticketing, license plate recognition, image recognition, and a parking app for roadside for roadside and off-street parking for private vehicles, providing owners, parking operators, and local governments with smart cloud-based parking services that can be more effectively managed.

A parking app that works with charity—Parking Lot App

Acer subsidiary Acer ITS is also committed to doing good, and through Taiwan's largest parking services app, it also aims to help address the pressing problem of blood shortages that confronts Taiwanese medicine during the winters. This is the first time that the Taipei Blood Center has cooperated with a third-party app to promote blood drives, combining information on these drives along with parking information to give more people access to the latest such information on their smartphones.

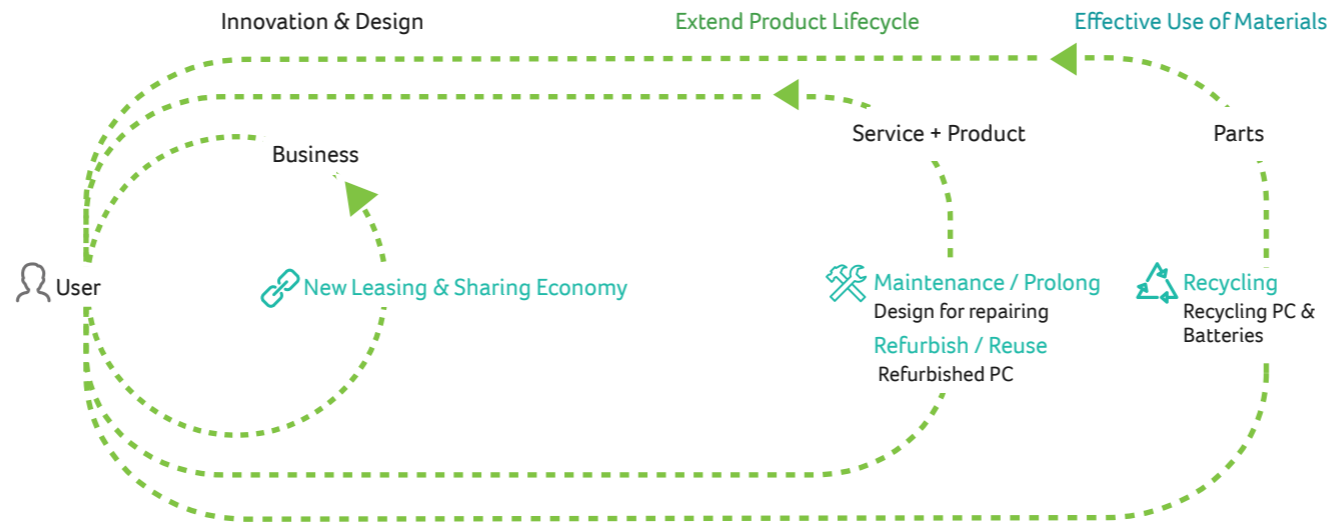
Parking Lot App is linked with the Taipei Blood Center database, with blood donation points displayed on a map. On weekdays when blood stocks are sufficient, the app will not display information from the blood donation center. As soon as the blood bank is facing a shortage, though, Parking Lot App members within a 3 km radius of a donation point or who have searched for a location within 3 km of a fixed donation station will, upon opening the app, be presented with a parking icon that has turned into a red blood drop symbol. At the same time, a message about the shortage will appear at the top of the app, showing the blood type concerned. Should people want to donate blood, they can just click on the message to see the nearest blood donation location.

Blood donation locations in Taipei, New Taipei, Keelung, Yilan, and Hualien are available through the parking app, with addresses, phone numbers, and operating hours shown to help those who want to donate quickly get to a location.

CIRCULAR ECONOMIES AND PRODUCT LIFE CYCLE

Circular economies differ from the traditional linear economic model in shifting to a cradle-to-cradle circular model that produces no waste. We can accomplish the goals of circular economies through several possible business models, including product sharing, products-as-services, repair and refurbishment, remanufacturing, by-products and industrial symbiosis, replacement of raw materials with renewable materials, and resource regeneration and recovery.

Acer's Model of Circular Economies



Acer employs the concept of circular economies and strives to reduce the impact of our products on the environment throughout their life cycles. We also actively seek out business models that decouple raw materials from profits. For example: In 2018, Acer promoted the "Earth Project," a global recycling program, working with distributors and recyclers to establish a cyclical production model; In addition, to assess the circularity of our notebook packaging materials, we have worked with a research organization to implement Material Circularity Indicator assessment. Through product design, we also strive to make products easier to repair and give them a longer usable life, as we have with the Acer Predator 17.3". Or, for example, with our electric bicycle battery products, the smart communication module allows users to get up-to-the-moment information on battery condition through an app, [improving battery use efficiency](#). In addition, we also use post-consumer recycled plastics on some models, supporting the reuse of materials through concrete actions in product manufacturing.

Examples of Acer's Circular Economies Practices in 2018:

Material Circularity Indicators: A Case Study of Notebook Computer Packaging

In order to evaluate the actual effects of products in circular economies, Acer and the Taiwan Industrial Technology Research Institute worked together in 2018 to introduce the Material Circularity Indicator (MCI) developed by the Ellen MacArthur Foundation.

The MCI is primarily used to measure the performance of products or companies in the context of circular economies, assessing circularity at various levels (e.g., country, industry, company), analyzing the gaps between linear and circular economies, and then presenting the respective resource efficiencies. If a product is made using virgin materials and goes to landfill at the end of its useful life, the product is considered a fully linear one; conversely, if no virgin materials are used, but instead fully recycled raw materials or reused parts are used, the recovery rate is 100% and the product is considered a fully circular one. In reality, most products are situated in between these two extremes, so MCI can be regarded as indicating a quantified range between 0 and 1, 0 is a linear economy and 1 a complete cycle.

Due to the complexity of our main computer products, their components, and the materials involved, the recovery rates of the materials and the regions involved vary. As such, for our 2018 annual project, we focused our research on the materials used in notebook computer packaging. The results show that three different designs and materials—corrugated paper, air bags, and polyethylene foam—have MCI's between 0.79 and 0.71. This research will help with the evaluation of circularity in future product design work.

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Earth Project : Circular Production Model

Acer established the "Earth Project" to promote global reuse and recycling in July 2018, starting in Taiwan. Acer reduces resource exploitation through recycling and reuse. At the same time, in order to protect privacy, the risk of data leakage is also reduced via the physical destruction of storage devices; Net income received from recycling in Taiwan is used to support the Taipei Orphan Welfare Foundation with the hope that more children who have lost their parents will be able to enjoy a good education. In this way, we support the sustainable development of society and the environment at the same time.

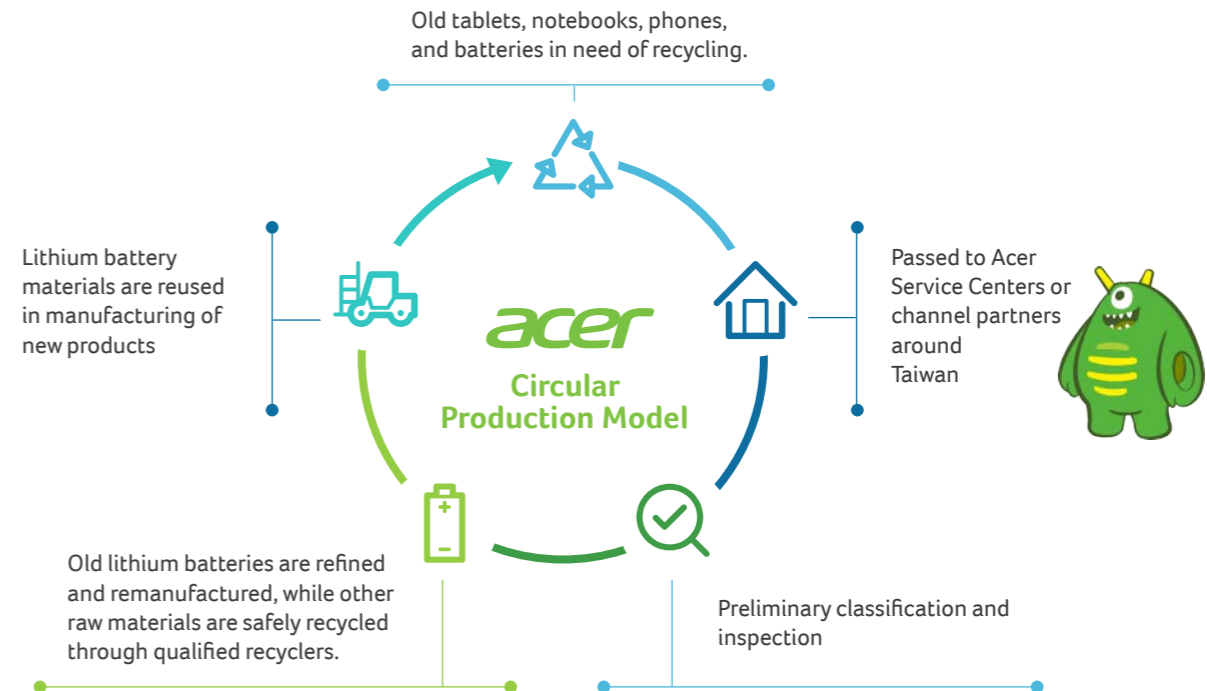
This project, Acer service centers around Taiwan and long-term partners TsannKuen 3C and the Taipei Orphan Welfare Foundation have jointly offered 326 locations nationwide for the recycling of waste batteries and discarded cellphones, tablets, and notebooks of any brand. At the end of the year, through the guidance and support of Taiwan's Environmental Protection Administration, these collection points will be expanded to 5,000 7-Eleven stores across Taiwan. The public will apply for special recycling bags online for the items, then deliver the tablet or notebook to a 7-Eleven store for recycling. This is the first time that a brand has collaborated with such a convenience store channel to give people the chance to recycle their electronic products through this more convenient channel.

To reduce exploitation of and dependence on raw materials and move toward a circular economy, this pioneering Taiwanese recycling activity works with professional recyclers. After the batteries have been sorted, lithium batteries undergo extraction and manufacturing to form raw materials for new products, reducing exploitation of upstream raw materials. The remainder undergoes final processing in line with detailed specifications of technologically outstanding Taiwanese processors to prevent waste from flowing to third world countries and harming their land or people.

The Earth Project also provides environmental education through a vivid, touching story. In the story, the event ambassador "future monster" lands on Earth from outer space because his spaceship is running low on power and he needs to eat waste batteries and electronics to recharge it and go home. "Future monster" also loves to help children and explore the world with them. The event's design was recognized in October with a Bronze Award in the Circular Economy Creative Competition from the Ministry of Economic Affairs' Industrial Development Bureau. In September, at the invitation of the Taiwanese and American EPAs, Acer participated in the 8th International E-waste Management Network Workshop in Quezon City, Philippines. At the workshop, we shared our experiences in industrial cooperation on issues such as circular economies and voluntary recycling. Governments and recycling companies from several countries have expressed their appreciation of the "future monster" story, a vivid and touching tale that helps get children introduced to recycling.

In 2018

Discarded cellphones, notebooks, and tablets of all brands numbered **over 2,000** and waste dry cell batteries surpassed **2 tons**. Annual recycling grew **threefold**, reducing carbon emissions by an estimated **5.76 tons**.





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Acer Product Lifecycle

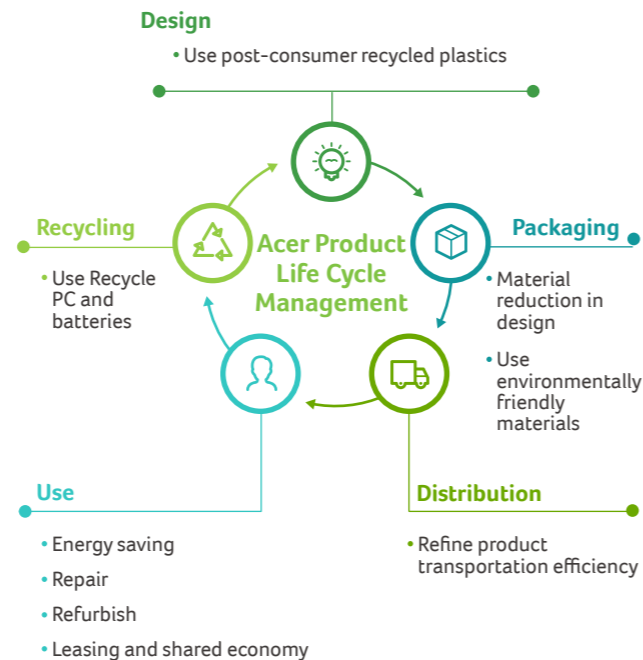
Acer's Green Product Policy



Using an approach based on the whole product life cycle, we provide outstanding products that are low in toxins, low pollution, energy efficient, resource efficient, and easy to recycle.



Through green procurement and communication, we work with our suppliers to go above and beyond global environmental standards and establish a green supply chain.



Sustainable Product Design

Raw Chemical Materials Management

In order to comply with regulatory requirements and customer standards, Acer integrates environmental and safety-related standards into the product R&D stage, and through rigorous review processes, ensures that the production processes of suppliers are also in line with environmental and safety requirements. And to help users fully understand the safe use of Acer products and how to properly recycle them, Acer includes explanations in product manuals and provides them for download on the Company's official website.

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 addition to adhering to regulatory restrictions on the use of chemical substances, we also proactively work to meet the needs and demands of each regional market, including those environmental certifications that focus on the limited use and traceability of listed substances, e.g. Taiwan's Green Mark, China Environmental Labeling, the Electronic Product Environmental Assessment Tool (EPEAT), and TCO Certification.

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 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 2017

we officially announced our list of chemical substances banned or restricted in manufacturing. Stage 1 includes the following substances: benzene, beryllium dust and fumes, chlorinated organic solvents, n-hexane, N-Methyl-2-pyrrolidone, toluene, and substances harmful to the ozone layer. Effective from 2019, these chemicals will be managed, and depending on various internal and external conditions, this list will gradually expand to reduce the toxicity of our product manufacturing processes.

In 2012

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

In 2015

we added two further phthalate limits, along with limits on sulfur and red phosphorous, in our notebook computers.

We have also included Phthalate Usage Disclosure in our supplier CSR scorecard, encouraging suppliers to prioritize the use of phthalate-free materials and further promoting the elimination of phthalates from our products. Other chemical substances, such as beryllium, selenium, and their compounds, have achieved voluntary restrictions on usage in products such as notebook computers and monitors.

At the same time, we have continued to produce products free of BFRs and PVCs, in particular the TMP 648 and TMP 658 lines of notebook computers and the VF6600G desktops.



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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 (PCR) in our products. At the same time, with regard to the materials that are most likely to create problems of pollution or occupational safety in the recycling process, we work with plastics manufacturers and upstream recyclers to conform to international standards of quality, environmental safety, occupational health and safety, and 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 suppliers; 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 stronger tests of strength, reliability, and lifespan to ensure product quality. This means that users can not only enjoy products made of quality recycled plastics, but also join Acer in supporting the use of reused or recycled materials.

In 2018, we continued to use recycled plastics in commercial display units and all-in-one computers, including the B6, V6, B7, and V7 lines of commercial displays and our all-in-one desktop models ^{Note 1}.

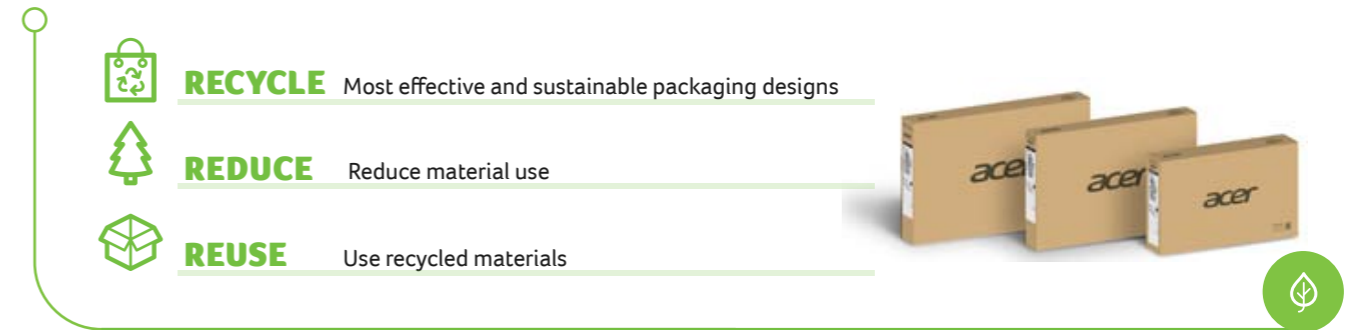
In addition, we have also included PCRs in material considerations in the design phase of our notebook computers, and anticipate that commercial Travel Mate series will be included in this in 2019 to strengthen our implementation of the concept of circular economy ^{Note 2}.

Note 1: Models include VZ4660G, VZ4820G, VZ6820G, VZ4860G, VZ6860G, SQA4660, VA880_71, and VA890_85.
 Note 2: Models include TMX3410, TMX40, TMX314, TMX30, TMX3310, TMB118, TMP214, TMP215, and TMB114.

Towards Sophisticated Packaging Design

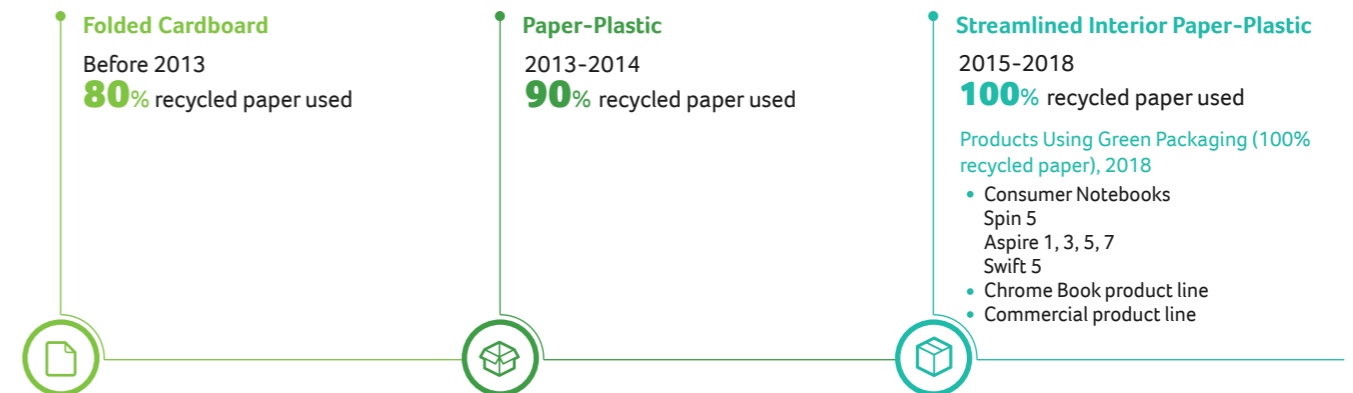
Through the Acer Packaging Design Principles, we are able to examine the life cycle of our packaging and make informed decisions about the environmental impact of our packaging at every stage, from initial R&D into and selection of materials through fabrication and transportation, to use and eventual waste processing. For example: We actively pursue reductions in packaging volume and weight through principles like simplified packaging, unified dimensions, and minimized printing. These principles also help reduce the fuel consumption involved in transportation.

Green Packaging Policy



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 product boxes and scale of packaging. In 2017, we launched all new desktop computer chassis and new interior structure for boxes, making more efficient use of the space and streamlining product appearance and size. These shells effectively reduce the amount of iron, plastic, and cardboard used. They continued to be used in 2018, and shipments of this reduced-weight packaging grew to 21% of total desktop shipments. We expect that the proportion of such shipments will continue to increase, reaching 30% in 2019.





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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 easily recyclable materials a priority. In 2018, some 8% of all desktop computers shipped used molded pulp or folded paper packaging.

Acer's desktop computer models use brown carton inserts and boxes of 100% recycled Core paper.

The notebook computers also use 100% recycled EPE foam and 100% recycled paper for their packaging, minimizing its negative impact 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.

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 by changing our shipping modes and improving our supply chain management.

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;

In 2018 (compared with 2017)

we accomplished a **2%** reduction in global air shipping, an increase of **2%** in maritime shipping, and a **1%** increase in rail shipping.

Shipping of notebook computers by rail from Chongqing to Europe increased by 6%.

We continue to work with logistics partners, changing logistics management for our notebook computers in 2018 by eliminating the need for containers to be picked up at our production base in Chongqing, thus reducing the number of empty containers shipped to Chongqing via any mode of transportation.

At the same time, through this change in model, we additionally optimized truck loading rate, transporting 86% of our 20-foot container shipments to Shenzhen by LTL shipping, saving 492 trips and over 1600 kilometers.

saving a total shipping cost of
US\$13.19 million.

for a saving of approximately
US\$2.47 million.

US\$579,000
 in transportation costs

283.77 tons
 of carbon emissions



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| Communicating and Disclosing Product Environmental Performance

At the product design end, in addition to complying with legal and regulatory requirements for product sales in all regions, Acer continues to improve 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. For example, the Taiwan region has the Taiwan Energy Label and Green Mark; in the China region, government purchasing requires the China Environmental Labeling and Energy Conservation Program mark; and in Sweden, we show our environmental performance through the TCO mark.

As environmental labeling standards are revised, we continue to track and respond early to ensure that we have sufficient time to smoothly introduce changes to our products. For example, for Energy Star 7.0 and EPEAT IEEE 1680.1 we have continued our efforts to follow up and improve, working with ODM to promptly assess and respond to these new standards.

The Energy Star label is the most widely accepted energy efficiency mark.

In 2018

99.75%

of our notebook computers were certified Energy Star compliant ^{Note 2}

38.4%

of desktop computers. We have also continued to introduce high-efficiency platinum- or gold-rated power supplies to reduce energy dissipation and consumption

100%

of commercial displays, have obtained Energy Star certification.

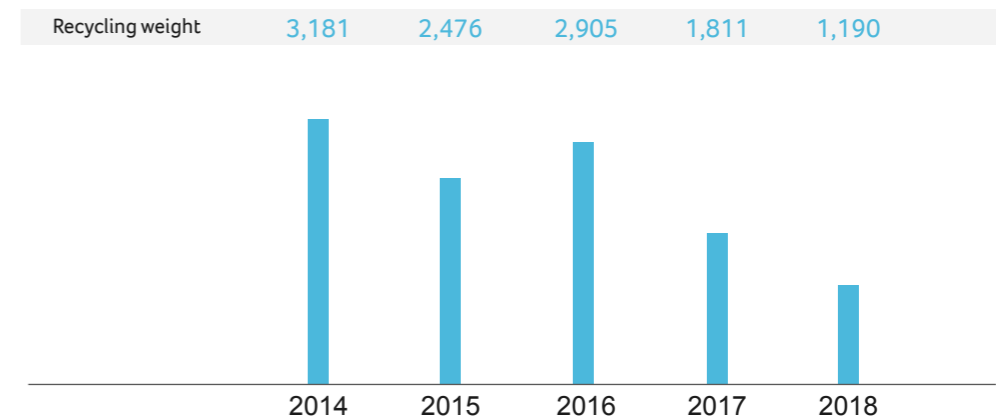
Note 1: (Calculated as a percentage of shipped units)
 Note 2: Obtained certifications include versions 6.1 and 7.0.

| Product Recycling

Recycling of limited resources, creating new value, and good mechanisms for recycling waste can create a better future for humanity and greater environmental sustainability. As a citizen of the global village, Acer actively supports a variety of measures promoting recycling around the world, along with Individual Producer Responsibility (IPR), and are committed to working with the government, consumers, and channels/retailers to shoulder the responsibility for recycling and managing electronic waste.

Around the world, Acer's branch companies follow local government regulations regarding recycling of electronic products, as well as providing consumers with convenient, easy recycling methods; planning different projects; and doing our part for resource sustainability. In Taiwan, for example, Acer has had a long-term participation in the Environmental Protection Administration's recycling program. According to 2018 statistics from the EPA, some 1.05 million desktop computer products were recycled, an estimated recycling rate of 62%; and a total of 120,000 notebook computers were recycled, an estimated rate of 11%. With the trend toward smaller, lighter ICT products and gradually reducing recycling weights, the weight of Acer ICT products recycled has also declined over past years.

Total ICT Product Recycling by Acer in the Taiwan Region (tons)





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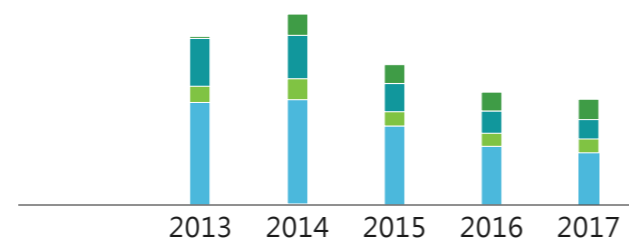
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In addition, Acer also continues to work with the [PC3R Promotion Association](#) computer recycling organization in Japan, letting consumers register items for recycling online or by email and then send the products in by mail. The Association also organizes for the reuse of any products collected that can still produce cyclical value. In Europe, consumers can use the various national Acer websites to learn more about local recycling channels, and we aim to undertake recycling and reduction of products, batteries, and packaging in line with the European Union Waste Electrical and Electronic Equipment Directive (WEEE).

Total ICT Product Recycling by Acer Japan through Participation in PC3R (tons)

Total	58.71	59.76	44.00	35.58	33.81
LCD Displays	6.17	6.66	5.89	5.90	6.38
CRT Displays	15.30	13.81	8.82	6.99	6.35
Notebook Computers	5.08	6.55	4.53	4.26	4.62
Desktop Computers	32.17	32.75	24.77	18.43	16.45

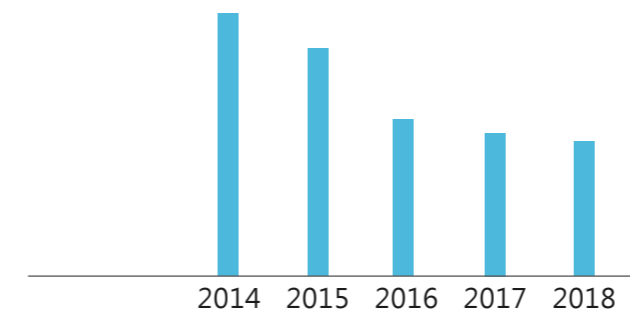


Note: Annual recycling operations in Japan are calculated across the year defined as 04/01/2017–03/31/2018.

With regard to independent recycling of electronic products, Acer has provided consumers in North America with a simple and easy way to recycle products and established a good circulatory mechanism for those local consumers. In addition, in the United States, the Company has set the benchmark with the Acer Tech Trade-up Project, hoping to encourage customers to, through this dedicated program, upgrade from long-used products to newer products still in their usable lives. At the same time, this project will also ensure that customers' information security is protected. We hope that through such dedicated projects, we will be able to design systems of incentives that will see customers use their post-recycling rewards on the purchase of new products. Similarly, the Company can also take the parts of these older products that still have value and reuse them, accomplishing the goal of extended lifecycles while also properly recycling waste, meeting environmental protection standards and realizing the concept of sustainability.

Total ICT Product Recycling by Acer in the North America Region (tons)

Recycling weight	8,223	7,133	4,902	4,478	4,213
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Globally, demand for cobalt for the lithium battery production process has increased, and out of concern with child labor issues related to the cobalt mining, Acer continues to promote the use of a closed-loop process to recover the lithium batteries used in Acer mobile devices. Through this process, Acer collected about 7 tons of used batteries in North America in 2018. This work will continue in 2019 and beyond, in the hope of gradually reducing our dependence on raw cobalt. In the Taiwan region, Acer established a [circular production model](#) through the launch of the future monster project.

Worldwide, Acer is working to strengthen the environmental sustainability aspect of social responsibility through responsible recycling models. All recycling programs in the United States require the proper disposal and management of waste electronic equipment, components, and materials, as well as the destruction of any data on the equipment to ensure customer information security. We require recycling suppliers to comply with Acer's waste disposal standards in managing end-of-life products, as well as requiring these suppliers to obtain Responsible Recycling (R2) or eStewards certification.

Acer continues to conduct audits of suppliers to ensure that their downstream processing methods are responsible and compliant with the standards. We aim to ensure that Acer's recycling projects are able to meet the latest IEEE 1680.1-2018 standards. For more information on Acer's recycling programs in the US, please refer to [Acer America's recycling website](#).

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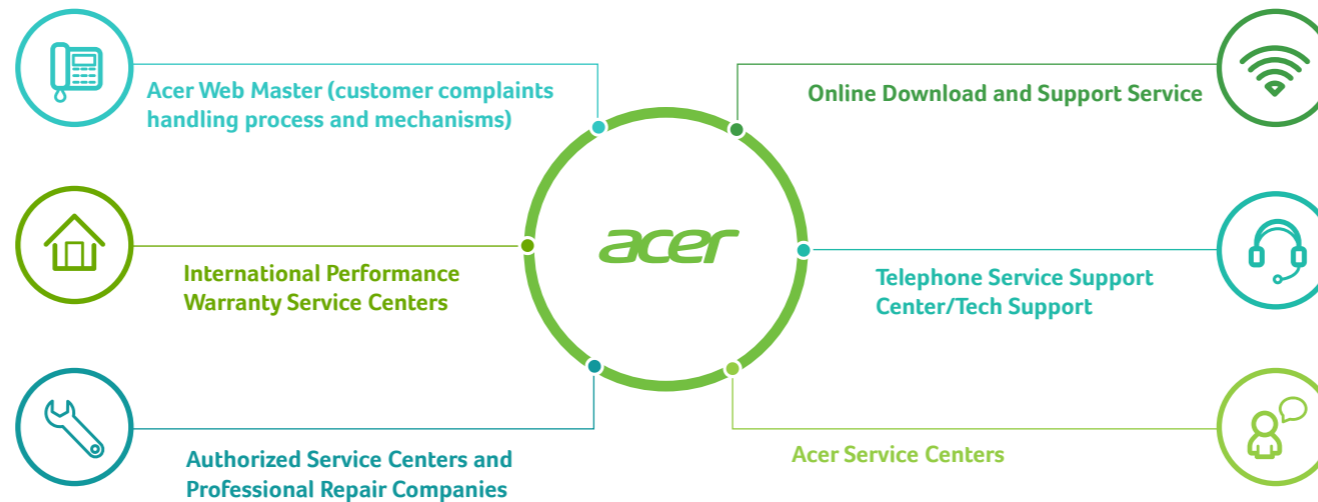
CUSTOMER SERVICE

Acer's success depends on the trust our customers have in us. We demand of ourselves the highest quality in all of our operations. 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:



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. In 2018, the e-Service app was upgraded to version 3.0, enabling customers can easily get service information on their smartphones.



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Computer Health Checks

Through computer health checks, run with Acer product fans, we establish good relationships with companies, schools, and other institutions. In China, Acer has hosted campus services for eight years running, providing free computer health checks, cleaning, and troubleshooting services for faculty and students. In 2018, Acer China held 40 events in 35 schools across ten major cities. In Taiwan, we also hold spring cleaning health checks with no limitations on brand. Our technicians assist with troubleshooting for consumer machines, increasing brand goodwill and help sales. Through purchases of machines, consumers can also get related special offers. For more information, please see the page at

For more information:

<https://acerland.acer.com.tw/activity/page/37>

VIP Service for High-end Products

Acer provides exclusive VIP member service for high-end products, including



- On-site installation and education for new items
- At-home/on-site maintenance service during the warranty period
- Regular computer health checks and maintenance (every six months)
- A dedicated service team to provide consumers with a year-round hotline
- The Predator online discussion forum where consumers can share opinions and assist with troubleshooting
- Full-machine warranty
- Custom name-plate laser etching



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 are able to 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 2018, Acer China implemented a recall of some notebook computer batteries.



2018 Recall Program



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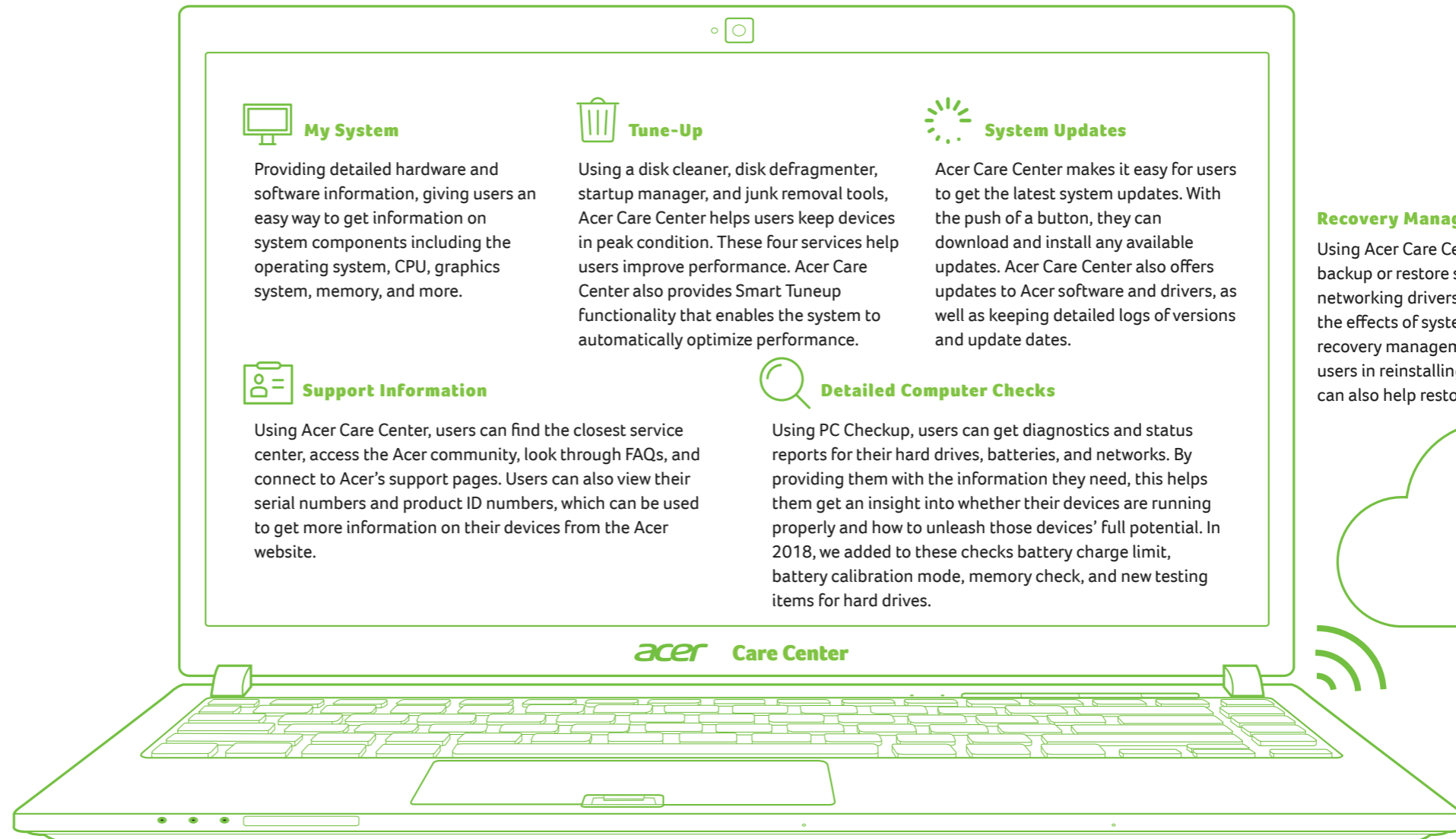
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Enhancing Service Quality

Self-Testing System

The Acer Care Center 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

Providing 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.

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 Tuneup functionality that enables the system to automatically optimize performance.

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.

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.

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. In 2018, we added to these checks battery charge limit, battery calibration mode, memory check, and new testing items for hard drives.

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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Acer Community: Online Communications, Prompt Responses

The Acer Community website provides customers with an online communications channel that enables them to post their problems at any time and receive prompt, accurate responses from other Acer Community members. In 2018, the Acer Community saw some 47,980 new user registrations. Currently the community has a total of 288,379 members, over 440,084 posts, and over 14,754 solutions provided by Acer. In 2018, a total of 7,629,289 visitors viewed the site over 17,980,332 times. In the Predator discussion forum, we added a new board, Predators Den, to enable users to share game equipment settings and discuss games they are playing or waiting for. We have also established the ACE team, consisting of 18 super fans, including four new members added in 2018. The website provides channels that span borders by supporting multiple languages, including English, Spanish, German, and Portuguese, with French expected to be added in 2019.

Acer Idea, meanwhile, is 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. As of the end of 2018, a total of 254 innovative ideas had 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.

Acer Answers: Troubleshooting Articles

On our official website, Acer has set up the Acer Answer section, which currently supports 13 languages and provides customers with the ability to search for information, ask questions, and engage in real-time chat. We also show the latest questions and answers on the page to help consumers find hot topics faster. In addition, we have improved the website's search functionality, enabling customers to search for products by model name and get relevant articles.




Acer Answers

 In 2018, we published **2,400** troubleshooting articles.

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. In order to improve maintenance quality and reduce maintenance time, all regional service centers also make use of the Acer Diagnostics Suite (ADS). With the introduction of the ADS into maintenance centers, the system returns test results to the CSS to provide the basis for repair work, thereby improving diagnostic accuracy and improving the rate of second repairs.

 In 2018, we reduced the second repair rate to **4.5%**.

We also updated the Global Customer Relationship Management System to Version 8, using the latest technology to strengthen and integrate processes across regions. This has thus far been extended to some maintenance centers in EMEA and Pan America. This system can also support a variety of service needs across product combinations and brands. CSS Lite is a sub-product of Global Customer Relationship Management System v. 8 which supports B2B, B2C, and CRM functions, helping consumers, distributors, and service providers manage and apply for services themselves. Additional features are being added to the stocking process for repair parts, facilitating more effective operation.

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Acer e-Academy: Helping Service Staff Solve Problems Better

To facilitate our worldwide customer service staff's provision of the best customer advice and assistance, for 10 years we have used our online learning system (Acer E-Academy) in 2009 to provide professional knowledge training in new products, resolution of common product queries, customer skills, and standard processes to front-line customer service employees and operating unit employees, including an online evaluation after the course has finished. Currently, Acer E-Academy 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 2018, Acer EMEA offered 4 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

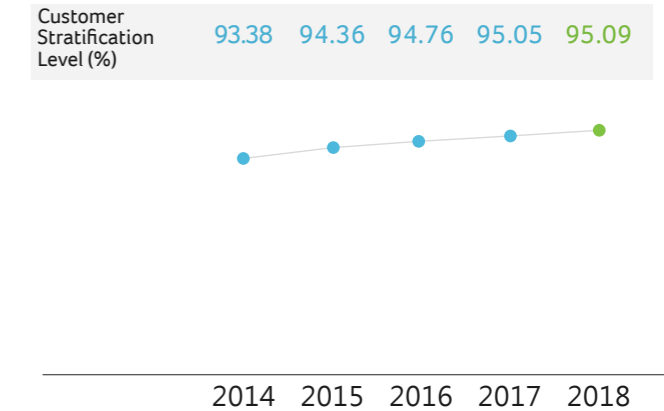
We carry out Acer Customer Satisfaction Surveys in each country individually. As such, methods can vary. However, head office still regularly collects the results of our surveys and reviews them for trends and insights. Current survey methods include telephone, online, face-to-face interviews, and telephone interviews with corporate customers. In addition, in 2018, we began to ask customers' about their purchasing experience on the Acer Store website, as well as adding new survey channels to enhance our services.

To improve customer satisfaction, we conduct regular (weekly/monthly) review of authorized service centers. If a problem is found or an incident occurs, the center will also provide a corresponding corrective plan. Additionally, on-site training was held for all staff at authorized centers each quarter, increasing knowledge base content and resulting in a marked reduction in response time. In 2018, this was reduced from four weeks to one week or less after repairs were completed. Currently, the majority of both internal maintenance centers and partner authorized service centers, have successfully obtained ISO 9001/ISO 14001 relevant certifications. In aggregate, our 2018 survey results show high global satisfaction, with positive customer evaluations accounting for 95.09% of total evaluations.

We have set the following goals for customer service improvement in 2019:

<p>Maintain average customer satisfaction survey results above 95%.</p>	<p>Implement a bidding system for companies and schools, carrying out computer health clinics and establishing strong customer relationships.</p>	<p>Improve service center information systems so that the customer service staff can better understand customers' records and provide better service.</p>	<p>Continue to observe and reduce customers' second repair rates to boost consumer satisfaction and loyalty.</p>	<p>Reduce the time it takes to distribute surveys to more quickly gather consumer feedback and facilitate proactive improvement.</p>
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Global Customer Satisfaction Level



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CUSTOMER PRIVACY PROTECTION AND INFORMATION SECURITY

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 constantly reviewing the necessity for collecting customer information and strengthening information security protection measures, the Company has established information security protection systems to provide an additional layer of privacy protection by distributing risk.

In 2018, our privacy protection measures included:

Regulatory compliance

Regarding the collection, processing, or use of personal information in Taiwan: In line with the Personal Information Protection Act, on 22 October, 2012, Acer established the "Principles for the Management of Personal Information," in addition to laying out strict guidelines such as the "Guidelines for Management of the Use of Personal Information in Promotional Activities," "Guidelines for Interdepartmental Use of Personal Information," and "Guidelines for Handling of Usage Rights for Personal Information by Relevant Parties."

Regarding the collection, processing, or use of personal information involving the global group in Europe: In response to the EU General Data Protection Regulation (GDPR), which came into effect on 25 May, 2018, Acer began in 2014 the phased implementation of preparatory measures, including the identification and location of personal data of EU residents and the confirmation of regulatory requirements. The impact of the regulation on the Group's products was reviewed, and adjustments made accordingly. In order to continue our GDPR compliance, on 12 December, 2018, Acer took the additional step of putting in place a pan-European Privacy Protection Design Policy and Privacy Protection Impact Assessment Policy in accordance with GDPR Article 25, incorporating information protection concepts into the design and operation of information systems and business practices.

Implementation of internal controls and staff education & training

New hires are given courses relating to confidential information and personal data protection.

The Company also held a total of five GDPR Training Lessons in September and October of 2017, with 150 people participating; In December of the same year, we also organized 1 session on "Understanding the Personal Information Protection Act," with 85 people in attendance.

In March 2018, all units within the Group worldwide were informed that any collection, processing, or use of the personal information of EU residents for business purposes must be in compliance with the GDPR, and that in addition to the protection of personal data being incorporated as a consideration during the design phase of products or services, the provision of said products or services must also strictly adhere to legal requirements. Following legal affairs units, any units that collect, process, or use personal information from EU residents must require any staff involved with the protection of personal information to sign a Personal Information Management Assignment Letter, ensuring all staff are in compliance with relevant legislation.

In 2018, the Company undertook registration and inventory of personal information protection management in the Taiwan Region, along with regular audits thereof.

Improved information security measures

In 2018, we commissioned security experts Acer Cyber Security to implement an Information Security Management System (ISMS) Project, ISO27001 Certification Guidance, and EU GDPR Education and Training for our IT units worldwide. Our global IT department has implemented several information security protection programs, including virus drills, social engineering drills, Global host & HQ web vulnerability scan.

Improved customer problem handling mechanism:

In addition to the aforementioned measures, anyone who has any questions or queries about personal data provided to the Company can directly contact Acer through the dedicated mailbox (privacy_officer@acer.com) and receive thorough service.

Other concrete management measures for the protection of privacy

To ensure that customers' personal data is safe, before accepting equipment for repair, Acer undertakes the following steps ^{note}:

- Inform the customer that the content of this call will be recorded
- Before providing repair service, remind the customer to backup data or take measures to otherwise protect against data loss
- Explain the risk of personal information loss

Request the customer sign a letter of authorization/agreement that lists all items for consideration and our terms of service, as well as Acer's privacy policy



Acer Privacy Statement

Note: Steps outlined may vary by region in accordance with local government regulations and policies



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Complaints Regarding Infringement of Customer Privacy or Loss of Customer Information

Acer follows global privacy-related regulations, and in 2018, we again received no complaints regarding the leaking or loss of customer information. In 2019, Acer will continue to work towards the goal of zero failure in compliance with the Personal Information Protection Act.

Substantiated Complaints Regarding Breaches of Customer Privacy and Losses of Customer Data^{Note}

	2016	2017	2018
Substantiated Complaints - From External Units	0	0	0
Substantiated Complaints - From Regulatory Units	0	0	0

Note: In June 2016, Acer US identified an unauthorized third party accessing transaction data of some consumers on its e-commerce platform. (For more information, please refer to page 50 of the 2016 Acer Corporate Social Responsibility Report.) Having been discovered and properly handled by Acer with no complaints filed, the 2016 complaint figure is zero.

Information Security

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

Acer continues to work to improve global information security organization and security policy to ensure that the Group's information assets comply with relevant laws, regulations, and standards, and set out the security control measures necessary to protect the Group's information systems and services. We follow the guiding principles formed by our governance structure, and have set out global information security education and training principles, work to bolster weak points in our systems, plan a global information security monitoring mechanism, and organize appropriate information security management mechanisms. Additionally, we review existing information services and asset inventories, implement related risk assessments, and put in place comprehensive global personal data inventories and protections.

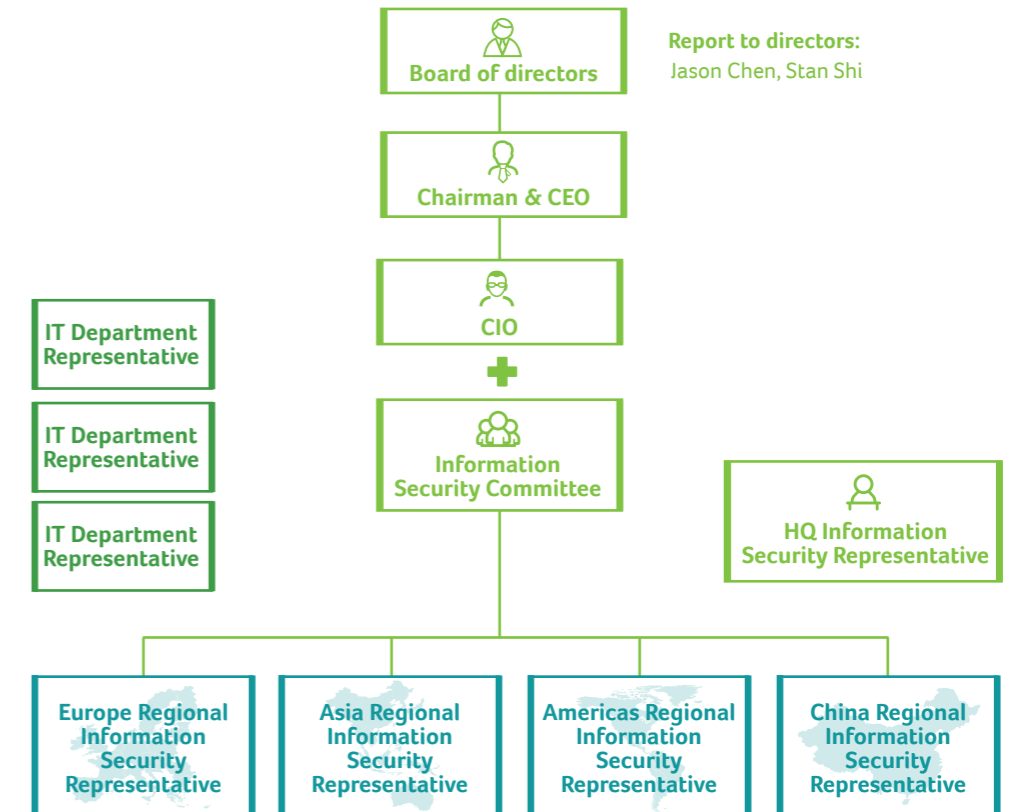
We have also established a global information security and emergency response team and an information security working group made up of the CIO and the Information Security Committee which meets as needed to address matters of information security. In addition, we actively promote a culture of information security, educating staff to with an awareness of information security and an understanding of how to respond to relevant threats, helping ensure the implementation of information security in day-to-day operations.

We also establish best cases and equip management with a full understanding of the value of information security to the Company, thus further expanding the influence of our information security culture. Acer has already rolled out a staged implementation of information security protection systems. In 2018, we continued to work on deepening our culture of information

security, holding training sessions for senior management (1 session, 16 people), global head office management (1 session, 87 people), and IT personnel (2 sessions, 44 people), along with comprehensively implementing social engineering exercises to improve staff awareness of information security and self-protection mechanisms and boost our case response efficiency. Through planning, building, implementing, and monitoring mechanisms, we can protect confidentiality, integrity, and availability of information assets while also completing comprehensive information service risk assessments and global personal information inventories. At the same time, we also ensure that we have set out strong and comprehensive information protection measures in line with GDPR requirements.

With regard to malicious attacks, we have upgraded our information system's early warning and immediate protection mechanisms, as well as establishing an information security response team and related notification process, incident management process, and vital system penetration testing exercises.

Chart of Acer Global Information Security Organizational Structures





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05 MISSION GREEN: PROTECT THE ENVIRONMENT

Material Topics of Concern to Stakeholders :

 Energy and Climate Change	 Environmental Policy and Management Performance
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**Responding to Energy and Climate Change
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Material Topics and Management Approaches

Energy and Climate Change

Implications for Management 103-1

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

Business Management Strategy 103-2

Developing group carbon reduction targets and strategies

Evaluation Mechanism 103-3

Passing ISO 14064-1 greenhouse gas verification

Environmental Policy and Management Performance

Implications for Management 103-1

Worldwide, Acer has no manufacturing facilities, but we are nonetheless committed to fulfilling our corporate social responsibility and protecting the planet. As such, we continue to pay attention to electricity usage, water usage, waste management, and other such issues, as well as working to mitigate environmental impact through various management measures.

Business Management Strategy 103-2

- Require all staff to understand their roles and responsibilities; continue to communicate and collaborate with partners and suppliers to achieve our commitments to the environment, health, and safety.
- Meet or exceed relevant laws, industry regulations, and voluntary commitments.

Evaluation Mechanism 103-3

Pass ISO 14001 verification in adherence to legislation

RESPONDING TO ENERGY AND CLIMATE CHANGE

According to World Meteorological Organization research, 2018 was one of the four years with the highest average temperature since meteorological records began. Average temperature has already risen by 1.1°C compared with pre-Industrial Revolution levels, and atmospheric carbon dioxide levels continue to rise. When the World Economic Forum published their report on global risk in January 2019, three of the top five risks in terms of probability of occurrence were related to climate change, as were four of the top five in terms of impact. Such results show clearly that the impacts of climate change on business, both internally and externally, cannot be overlooked.

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 prior to 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.

Risks and Opportunities of Climate Change

Through our Working Group on Risk Management, established under the Corporate Sustainability Committee, we continued to consider the potential impacts of climate change in 2018, forecasting the probability and potential impact of these risks, drafting contingencies and risk mitigation measures, and developing crisis management and early warning mechanisms to mitigate the impact of risks on operations.

In terms of major climate risks, natural disaster impacts, various national energy efficiency and product labeling regulations, consumer preferences, and investor concerns are expected to have a more significant impact than in previous years. In the short term, the most direct will be the new IEEE 1680.1:2018 standard for the US Electronic Product Environmental Assessment Tool (EPEAT), which is to formally take effect in 2019. This will encompass several new energy and carbon emissions-related compliance standards, including enterprise carbon footprint, product carbon footprint, carbon emissions from product transportation, renewable energy use levels, fluorinated GHG emissions from semiconductors and panels, and energy management systems. The primary affected product categories include commercial desktop, notebook computer, and display tenders. Since the introduction of this new version of the standard is still in its early stages, we must continue observing commercial customers' tender requirements to properly grasp its impact on revenues.

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. Overall, the direct financial impacts on the Company that climate change will bring will be relatively limited. 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 ITS Inc. subsidiary which focuses on smart transport solutions. 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.



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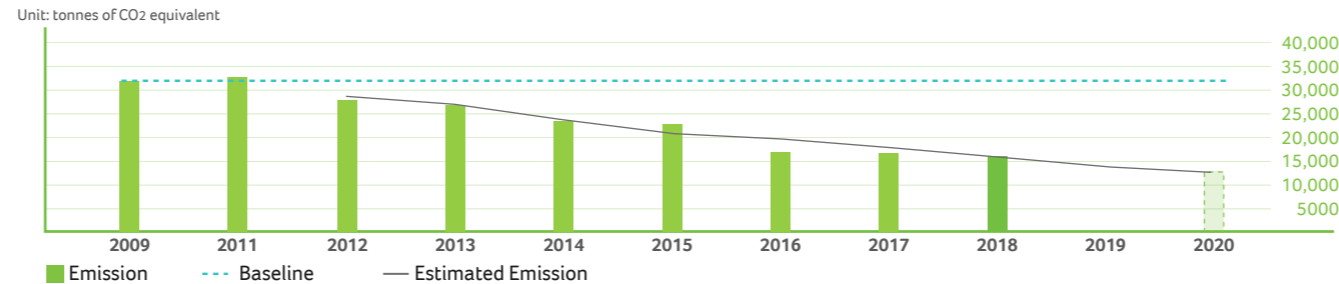
In addition, through internal assessment and scenario analysis, we see that the financial impacts of entities, policies, regulations, and market changes brought about by climate change will be relatively limited. Through various innovations, product R&D, and strengthening our own capabilities, we also anticipate a greater ability to seize the related business opportunities in areas such as smart parking systems, improvement of the energy efficiency of information products, and the development of renewable energy.

Greenhouse Gas Inventory and Verification

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. In January 2018, US subsidiary Gateway Inc. completed the sale of its North Sioux City plant, which accounted for more than 5% of the Group's emissions, exceeding the significance threshold set by the Group. We also follow the principles of the GHG Protocol, recalculating baseline-year emissions levels with regard to structural changes, with the resulting recalculated baseline year emissions 32,144.42 tons.

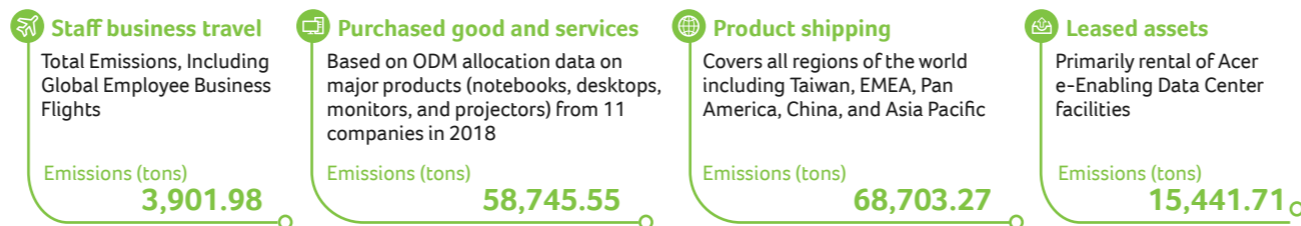
Through verification, Acer Group found that our total Scope 1 emissions were 3,413.95 tons, with Scope 2 emissions 12,646.41 tons by the market-based method and 18,777.30 tons by the location-based method. Together, our Scope 1 and 2 emissions totaled 16,060.35 tons (market-based) or 22,191.25 tons (location-based), with Scope 1 emissions primarily from North American and European natural gas usage and global combustion activity, and Scope 2 electricity usage down to approximately 78.7%. Total emissions in 2018 were reduced by approximately 50.04% compared with the baseline year and a 4.48% reduction on 2017; per capita emissions were approximately 2 tons, about 7.83% lower than adjusted 2017 figures.

Annual Group Greenhouse Gas Emissions and Reduction Targets



In addition, in accordance with GHG Protocol Scope 3 Standard, we inspect the emissions produced by staff business travel purchased good and services, 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 ^{Note 1}



Note1: Number of full-time staff at the end of 2018 is 7,338, with 699 contracted staff, for a total of 8,037.

Note2: ICT product operations include power used by Acer Inc. headquarters, EMEA/Asia Pacific/Pan America, and data centers; non-ICT product operations or subsidiaries include Aspire Park, Acer Property Development, E-Ten Information Systems, Aopen, Acer Third Wave Software, and Cloud Technologies.

Greenhouse Gas Reductions and Policies

2050 Target: 80% reduction in Scope 1 and Scope 2 carbon emissions from the baseline year of 2009.
 The carbon reduction target is in line with the methodology proposed by Science-Based Targeting Initiative.

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

In terms of green electricity, in 2018 Acer's use of renewable energy at its operating locations expanded to Poland, Turkey, and Sweden. Usage methods differ by region, with Taiwan setting up its own renewable energy generators, such as solar and wind generators; the US and Canada going through local Green-e certified 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, Thailand, Brazil, India and China 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. They have also continued to receive Green Power Partnership certification. The above-mentioned RECs total 14,314,034.98 kWh, while green electricity generated by company-owned green generators and sold back to the local grid totaled 3,258,622 kWh. In total, Acer Group used as much as 17,572,656.98 kWh of green electricity, which if taken only with REC usage figures accounts for 55.89% of ICT product-related operations and 42.5% of the Group's entire Scope 2 electricity usage ^{Note 2}.

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.



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OPERATIONS AND ENVIRONMENT

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

Robust Environmental Health and Safety Management

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," in 2018 Acer fully implemented a plan for hazard identification and risk assessment, not only gaining the support of internal staff, but also showing significant effectiveness as we have completed the identification process for 40 departments.

In the past, Acer's environmental and safety and health management coverage was mainly based on Taiwanese office areas and business units. Since 2018, we have continued the introduction of our Acer Environmental Safety Management System in major global regional branches. 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 2018, all of Acer's Taiwan business units (with the exception of Nanpiao, Kaohsiung) passed new ISO 14001:2015 environmental management system review and have continued to receive third-party certification. Some subsidiaries that have introduced ISO environmental management systems have similarly passed ISO 14001:2015 review.

In order to comply with the Acer Group's global strategy, we have made 2019 a year of training and education in occupational health and safety management systems and ISO 45001 in our Taiwanese headquarters. The Group will also replace the existing OHSAS 18001 occupational health and safety management system with ISO 45001.

Energy Saving Measures

Acer's energy consumption primarily comes from office electricity usage. Each year we collect data on electricity usage from our offices around the world to facilitate prompt adaptations. We also aim to reduce electricity usage through the use of green electricity, improved office equipment, and stronger power management, coupled with ongoing assessment and planning of energy conservation measures.



Green electricity

Acer Taiwan's total solar power generation reached **3.258 million kWh in 2018**, enough to supply about 930 households for one year. The Acer eDC Longtan office, meanwhile, deactivated the power transformers for some floors after an electricity demand assessment, resulting in an annual saving of approximately **348,000 kWh**.



Improved office equipment

In view of the fact that the main source of electricity consumption in our offices is air conditioning and lighting, in 2018 we changed out air conditioning equipment in two office areas, including the Zhizun Building at Acer Taiwan Aspire Park, and high-consumption lighting in six office areas including our Xizhi headquarters, in addition to undertaking renovations at four office areas, including Xizhi, to make use of energy-saving lighting.



Stronger power management

Our office areas continue to pursue stronger power management, including the use of monitoring systems to adjust the hours air conditioners are active, adjusting the temperature of water emitted by air conditioner chiller on a seasonal basis, and using lighting systems that automatically shut off during lunch breaks and after hours to control energy consumption.



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Acer Taiwan's 2018 Main Water Saving Measures

Target	Category	Energy Saving Measures	Office Area Implemented	New Measure Ongoing	Benefits (annual)
Green Electricity Usage	Production of Green Electricity	Solar Power Generation	Acer Taiwan Longxian Solar Power Station	●	☀️ 3,067 million kWh of power
			Acer Taiwan Aspire Park Aspire Resort	●	☀️ 22,000 kWh of power
			Acer Taiwan Aspire Park Aspire Research Complex	●	☀️ 119,000 kWh of power
			Acer eDC Longtan Offices	●	☀️ 50,000 kWh of power
Optimized Electrical Equipment	Air Conditioning System	Updated Air Conditioning Equipment	Acer Taiwan Aspire Park Zhizun Building WebLink Taipei Headquarters	●	
		Reduced Leakage of Cold Air from Data Center Air Conditioning	Acer eDC Longtan Offices	●	⚡️ 126,000 kWh of power
		Improved Cooling Tower Air Flow	Acer eDC Longtan Offices	●	⚡️ 180,000 kWh of power
	Lighting Fixtures	Changed to energy-saving lamps	Acer Taiwan Xizhi HQ	●	⚡️ 6,700 kWh of power
			Acer Taiwan Xizhi HQ Rooftop Basketball Court	●	⚡️ 8,200 kWh of power
			Acer Taiwan Service Office	●	⚡️ 3,000 kWh of power
			Acer Taiwan Kaohsiung Service Center	●	⚡️ 13,000 kWh of power
			Acer Taiwan Aspire Park Zhizun Building	●	⚡️ 29,000 kWh of power
			WebLink Qingpu Warehouse	●	⚡️ 178,000 kWh of power
			Changed to energy-saving lamps during new office renovation	Acer ITS Xizhi Offices AOpen Xizhi Offices Zhipin Technology Longtan Offices AEB Taichung Offices	● ● ● ●
Strengthened power usage management	Employed electricity monitoring	Using Energy Management Systems	Acer Taiwan Xizhi HQ	●	
			Acer Taiwan Aspire Park Aspire Resort	●	
			Acer Taiwan Aspire Park Dormitories	●	
			Acer eDC Longtan Offices	●	
	Air-conditioning usage	Raised Water Cooler Temperature	Acer eDC Longtan Offices	●	⚡️ 27,500 kWh of power
		Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ	●	
	Using UPSes	Shutdown Settings	Acer eDC Longtan Offices	●	⚡️ 2.102 million kWh of power
	Using high voltage transformer	Shutdown settings	Acer eDC Longtan Offices	●	⚡️ 348,000 kWh of power
Lighting	Using automated shut-off system	Acer Taiwan Xizhi HQ	●		

☀️ Electricity Generated ⚡️ Electricity Saved

Water Resource Management

With Acer's global business model primarily focused on product sales and customer service, with no involvement in production, there are no large-scale water uses. The main need for water in office spaces comes from regular personal uses, with said water drawn from municipal sources and thus having no significant impact on water resources. Sewage is one of the main sources of wastewater globally. 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.

Every year, we collect statistics on water use in our offices around the world to observe trends and set benchmarks. In 2018, Acer Taiwan continued to

rank collection and reuse of water resources	improve water using facilities	strengthen water usage management
--	--------------------------------	-----------------------------------

as our three major goals.

While Aspire Resort at Longtan has received a Gold Level Green Hotel certification from the Environmental Protection Administration, we continue to explore other measures to reduce water usages, such as diverting wastewater from pools into collection for filtration and reuse, along with collecting and reusing air conditioning condensate and dehumidifier runoff. In 2018, we took this a step further by applying for Water Footprint Labeling to demonstrate how much we value our water resources.

Acer Taiwan's 2018 Main Water Saving Measures

Target	Water Saving Measures	Office Area Implemented	Benefits (annual)
Collection and Reuse of Water Resources	Using Reclaimed Water for Irrigation of Greenery	Acer Taiwan Aspire Park	Recovery of approximately 51 million liters of water
	Waste Water from Swimming and Paddling Pools Collected, Passing Through Filtration and Ozone Sterilization, and Reused	Acer Taiwan Aspire Park Aspire Resort	Replenishing of approximately 2.193 million liters of dissipated water
	Recycling and Reusing Air Conditioner Condensate and Dehumidifier Drainage Water	Acer Taiwan Aspire Park Aspire Resort	Recovery of approximately 573,000 liters
	Rainwater reuse and recycling	Acer eDC Longtan Offices	Recovery of approximately 5,600 liters of water
	Using Wells to Provide Water for Air Conditioner Cooling	Acer eDC Longtan Offices	Recovery of approximately 13,500 liters of water
	Improving Water Using Facilities	Using Water Pre-tank Filtration System to Reduce Water Consumption from Frequent Cleaning	Acer Taiwan Aspire Park Aspire Resort
Reducing faucet water pressure		Acer Taiwan Xizhi HQ	—
Strengthened water usage management	Regularly inspecting water-using facilities	Acer Taiwan Offices	—
	Promotion of water conservation	Acer Taiwan Offices	—
	Reducing frequency of floor cleaning/waxing	Acer eDC Longtan Offices	—



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Waste Management

Acer has no manufacturing plants. Our main sources of waste are general waste, resource recovery, and business waste, and as such, the environmental impact is comparatively much lower than that of manufacturing. In order to uphold our corporate social responsibility, we continue to collect statistics on waste products from our various offices around the world in order to stay on top of changing trends, while also studying the management of various industries to explore further opportunities for waste reduction.

In 2018, Acer Taiwan launched a series of plastic reduction activities to reduce waste and facilitate sorting. We encouraged our staff to bring their own green cutlery, cups, straws, and bags to work and stopped providing personal trash cans in the office. Recycling bins were set up in the lobbies and break rooms, while trash sorting and food waste recycling bags were set up in the lobbies during lunchtime. Additionally, bottled water is no longer provided in conference areas. Through such management practices, we were able to achieve our recovery and recycling targets. Compared with 2017, we were able to reduce total trash by some 5,900 kilograms and increase recycling by approximately 870 kilograms.

In compliance with our corporate environmental policy, we are committed to adherence with waste product management legislation, industrial guidelines, and our own commitments. Acer Taiwan, for example, had its General Waste Disposal Committee organize for trash to be transported to local incinerators by manufacturers or local cleaning teams, and recyclables to be dispatched after sorting to recycling plants or local recycling vehicles. Business waste is primarily waste batteries, light bulbs, cases, and scrap metal, which are disposed of by qualified contractors after collection to ensure that transportation and processing do not harm the environment.

Paper Reduction and Recycling

Given the severe impact on the ecosystem of forest destruction and the loss of biodiversity, Acer Taiwan's offices continue to use only copier paper with the PEFC mark to ensure that paper is sourced from sustainably managed forests. We also promote the use of digital documents over hard copy, and 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. In terms of disposable paper items, we provide ceramic mugs for visitors in conference areas and invite employees to bring their own green cups to meetings to reduce the number of paper cups used. We also encourage employees to use an appropriate quantity of paper towels after washing their hands.

Employees Transport and Commuting

In order to reduce the impact of our staff's travel on the environment, we advocate for the usage of communications software and online meetings over business travel, and encourage staff to prioritize public transportation for commuting.



In 2018

overall fuel consumption for business travel and overseas business flight mileage were approximately **9.8%** and **15.6%** lower respectively than in 2017.



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Material Topics of Concern to Stakeholders :

 Labor Relations	 Talent Attraction and Retention	 Human Rights, Equality, and Diversity
 Talent Development and Training	 Occupational Health and Safety	

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Labor Relations

A harmonious relationship between labor and management is a cornerstone of the success of the Company's operations. Acer promotes positive communication between employers and employees through Employee Representative Meetings (labor meetings) held on a quarterly basis.

Through these, we are able to promptly and proactively respond to issues around labor conditions put forward by staff. Labor and management jointly discuss issues and determine directions for resolution, which are then delivered the relevant departments so that they can solve the problem and track progress. Each quarter, that progress is reported back at the [Employee Representative Meeting](#) until both employer and employees agree the problem has been resolved and close the case.

Any feedback staff may have issues and solutions can be given to labor representatives, who will then bring it up at the quarterly meeting. Through the opinions of our staff, Acer is able to regularly review the appropriateness of our management direction.

Talent Attraction and Retention

Talent is key to the continuous improvement of our market competitiveness, and so we work to create an occupational and educational environment in which staff can dare to dream, thus attracting and retaining outstanding talent.

Wherever we are in the world, we strive to adhere to labor laws when hiring staff, and 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](#), while also providing competitive pay and benefits, humane management, and a robust path for promotion and career development.

Through the Global Performance System (GPS) we set Key Performance Indicators (KPIs), and at the end of each year, we carry out performance interviews and assessments. We also regularly undertake comparisons of our standards with the industry, checking the validity of our management mechanisms.

Human Rights, Equality, and Diversity

The Acer Group is an equal opportunity employer, and no company within the Group may discriminate on the basis of gender, ethnicity, disability, family, or any other reason.

Acer has implemented an equal opportunity policy, applying it to HR-related advertising, including recruitment, appointment, training, employee conditions and content, promotion, handling of employee communication, and general employment.

We have also confirmed that employee handbooks in each region and country have the provisions of our "principles of equality" laid out, and regularly review the validity and effectiveness of our handling mechanisms.

Talent Development and Training

Our talent are Acer's greatest asset, and through systematic training, we aim to create the power to change the world.

In line with the Company's strategic development direction, we work to optimize the organizational capability of both core and new business units in order to fully leverage the synergies of the Acer Group. We provide a diverse educational and developmental environment in order to attract and retain outstanding talent.

We also regularly assess the effectiveness of our training programs each year.

Occupational Health and Safety

Acer has always considered our staff to be important assets for the Company. We believe that providing a safe and healthy working environment and strengthening staff health management are important factors in maintaining our competitiveness.

We adhere to occupational health and safety legislation, [promote OHSAS 18001 certification](#), and continually work to improve our health and safety performance.

We have passed OHSAS 18001 certification in line with regulations.



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HUMAN RIGHTS MANAGEMENT

Acer believes that every employee deserves to be treated fairly and with dignity. We strive to protect the human rights and basic freedoms of our staff, providing equality of opportunity, protection of personal privacy, channels for the free and safe communication of opinions, and a safe, healthy working environment. In our Standards of Business Conduct, we have set down related human rights policies including respect of diversity, fair hiring, fair treatment, and the strict forbidding of discrimination and harassment.

Human Rights Policy

In 2018, we established the Acer Group Human Rights Policy, extending the scope of human rights protections to suppliers, customers and partners. This policy recognizes and follows the UN Universal Declaration of Human Rights, the UN Global Compact, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and local laws and regulations.

Acer's other human rights-related measures include:

- 
Free of Sexual Harassment
 In order to protect gender equality and human dignity and provide a work environment free of sexual harassment and gender discrimination, the Taiwan region has specifically drawn up the Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Actions, clarifying complaints channels, operating procedures, and disciplinary regulations.
- 
Right to Privacy
 In the EMEA region, Acer has set out a Privacy Protection Design Policy and Information Protection Impact Assessment Policy; in Taiwan, we have put in place our Guidelines for Management of the Use of Personal Information in Promotional Activities, Guidelines for Interdepartmental Use of Personal Information, and Guidelines for Handling of Usage Rights for Personal Information by Relevant Parties.
- 
Anti-Bribery and Corruption Policy
 Acer is committed to good corporate practices, adopting a zero tolerance attitude toward bribery and corruption. In support of and response to international organizations and the anti-bribery and anti-corruption policies of the various nations, we have set out our own Anti-Bribery and Corruption Policy for Group members to follow.



Human Rights Policy

Respecting human rights is a fundamental value that Acer stresses persistently. Acer supports and complies with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), UN Guiding Principles on Business and Human Rights, the labor standards of the fundamental conventions of the International Labor Organization (ILO), and local laws. As a result, Acer has formulated this company policy and follows the principle of protect, respect, and remedy to strictly enforce human rights protection.

Scope

This human rights policy is applicable to Acer Group. We take into account human rights at every step in the value chain, including employees, customers, suppliers and partners. We also demand our suppliers and partners to take actions along with Acer to ensure that the Policy is implemented.

- Provide equal opportunities, and ensure anti-discrimination, anti-harassment, and anti-bullying working environments are strictly implemented
- Provide appropriate compensation and working conditions
- Prohibit forced labor and child labor
- Provide a safe and healthy work environment
- Maintain free and safe channels for expressing opinions
- Respect freedom of association
- Respect privacy and ensure the confidential collection and use of personal information
- Prevent corruption and prohibit the accepting or offering of bribes from or to any parties

Chairman & CEO

With regard to our suppliers, we comply with the California Transparency in Supply Chains Act and British Modern Slavery Act, while also requiring our suppliers and their tier one suppliers adhere to the Responsible Business Alliance's Code of Conduct, respecting the labor rights and dignity of their workers. Our supplier human rights standards include:

-  Slavery and Human Trafficking Policy
-  Remediation Measures for Child and Forced Labor
-  Supply Chain Working Hours Policy
-  Responsible Sourcing of Minerals Policy

Assessment of Potential Human Rights Issues

Assessing potential human rights issues is part of Acer's risk management, with such issues identified, assessed, and discussed by members of the Risk Management Working Group. The responsible units then formulate, implement, and manage mitigation actions for issues so identified. Those who may primarily be impacted by human rights issues are our staff, suppliers, and customers. In 2018, identified issues encompassed areas including health & safety, gender equality, sexual harassment, child labor, privacy & information security, freedom of association, conflict minerals, and student/intern workers.



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Potential Impacts and Risks Relating to Human Rights with Mitigation Actions

 Employees	Impact Assessment	Management and Mitigation Action(s)
Employee Workplace Health and Safety	<ul style="list-style-type: none"> Health Checks OHSAS 18001 Audits 	<ul style="list-style-type: none"> Organizing Health Seminars Establishing Nursing Hotline Provision of Staff Assistance Program and Psychological Counseling Services Establishment of OHSAS 18001 Occupational Health and Safety Management Syst
Gender Equality	<ul style="list-style-type: none"> Surveying of Male : Female Staff Ratio 	<ul style="list-style-type: none"> Continuing Improvement of Percentage of Female Managers and Senior Managers (29% and 25% respectively in 2018)
Sexual Harassment	<ul style="list-style-type: none"> Evaluation of Issue through Dedicated Sexual Harassment Reporting Line and Grievance Mechanism 	<ul style="list-style-type: none"> Drawing up of Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Actions Clarifying complaints channels, operating procedures, and disciplinary regulations. Provision of Sexual Harassment Prevention Training Courses
Labor Relations	<ul style="list-style-type: none"> Labor-Management Meetings Grievance Mechanism 	<ul style="list-style-type: none"> Holding Employee Representative Meetings to Effectively Solve Problems through Full Communication Carrying out Employee Engagement Surveys
Privacy	<ul style="list-style-type: none"> Personal Information Inventories and Risk Assessments 	<ul style="list-style-type: none"> Implementing Security Exercises and Tests to Get a Clearer Picture of the Effectiveness of Information Protection Mechanisms. Introducing ISO 27001 Information Security Management System Audit Operations. Implementing Staff Information Security Education Courses
Freedom of Association	<ul style="list-style-type: none"> Smooth Staff Communication Channels Staff Responses and Feedback 	<ul style="list-style-type: none"> Implementing Human Rights Protection Education and Training Organizing Quarterly Labor-Management Meetings to Establish Smooth Communication between Employer and Employees Provision of a Variety of Staff Communication Channels <p>For more information, please refer to the "Freedom of Association and Communication of Human Rights Issues" sections</p>
 Suppliers	Impact Assessment	Management and Mitigation Action(s)
Conflict Minerals	<ul style="list-style-type: none"> CMRT Survey On-Site Audits Corrective Action Reports 	<ul style="list-style-type: none"> Carrying out Conflict Minerals Due Diligence Completing and Publishing Annual Responsible Minerals Report Participating in Responsible Minerals Initiative (RMI) and Public-Private Alliance for Responsible Minerals (PPA) <p>For more information, please refer to the "Responsible Sourcing of Minerals" section</p>
Child Labor	<ul style="list-style-type: none"> Vendor Risk Assessment On-Site Audits Corrective Action Reports 	<ul style="list-style-type: none"> On-site Audit Corrective Action Verification Training of Suppliers Participating in Responsible Business Alliance (RBA) <p>For more information, please refer to the "Responsible Supply Chains" section</p>
Forced Labor		
Student Workers and Interns		
Health and Safety		
Other (Overtime, Wages, etc.)		
 Customers	Impact Assessment	Management and Mitigation Action(s)
Privacy and Information Security	<ul style="list-style-type: none"> Regularly Carrying Out Inventories and Risk Assessments of Information 	<ul style="list-style-type: none"> Implementing Security Exercises and Tests to Get a Clearer Picture of the Effectiveness of Employees and Protection Mechanisms. Introducing ISO 27001 Information Security Management System Audit Operations.



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Freedom of Association and Communication of Human Rights Issues

We provide a variety of [communication channels](#) for staff. For example, in Taiwan, we hold quarterly Employee Representative Meetings aimed at communicating with staff on their rights and benefits, while all our locations around the world are unionized. The percentage of employees currently covered by collective agreements in countries or regions with unions is 12.88% mainly in Italy, France, Germany, the Netherlands, Finland, Vietnam, and China (Shanghai region). For suppliers, we also hold [annual Supplier Communication Meetings](#) to promote and communicate our requirements regarding human rights issues like child labor, forced labor, and [conflict minerals](#).

Human Rights Protection Education and Training

We conduct human rights education and training, and provide training courses on our Standards of Business Conduct, privacy, safe & healthy working environments, and sexual harassment prevention in order to create a friendly working environment of tolerance and respect. In 2018, Acer's global employees received training in human rights protection issues. The main training included:

<p>Headquarters</p> <p>Management and staff participate in education and training in the Occupational Health and Safety Act (encountering of wrongful actions in the course of performing one's duties), General Health and Safety Education and Training, Anti-Bribery and Corruption Policy, and Staff Information Security.</p>	<p>EMEA Operations Headquarters</p> <p>Organizes General Data Protection Regulation (GDPR) training, emphasizing the GDPR's foundations in human rights concepts and ensuring that staff use of personal data complies with regulatory requirements.</p>
<p>Asia Pacific Operations Headquarters</p> <p>To improve staff awareness of workplace environmental safety, conducts security and safety awareness training, as well as accident/disaster drills.</p>	<p>Pan American Operations Headquarters</p> <p>Holds briefings on laws pertaining to human rights and respect for privacy in the United States for senior management, ensuring they understand the meaning and scope of privacy rights in the law.</p>

Human Rights Protection Education and Training Participation and Hours

Number of Trainees	Course Hours	Man-Hours	Average Hours of Training Per Person
Headquarters			
5,853	506	11,650	2.0
EMEA Headquarters			
5,893	298	6,560	1.1
Asia Pacific Headquarters			
976	204	3,761	3.9
Pan American Headquarters			
180	159	324	1.8
Total			
12,902	1,167	22,295	1.7



EMPLOYEE CARE AND DEVELOPMENT

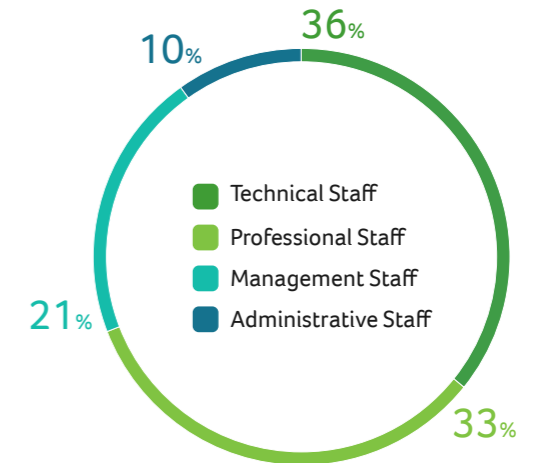
Acer has strived to create a working environment that creates staff who are passionate, positive, and dare to dream, and this entails consideration and communication that supports and encourages the team. Through a competitive compensation package, we have been able to attract and retain outstanding talent; By promoting work-life balance, we show we care about our staff health, both mental and physical; And through systematic training, we create the power to change the world.

Workforce Structure

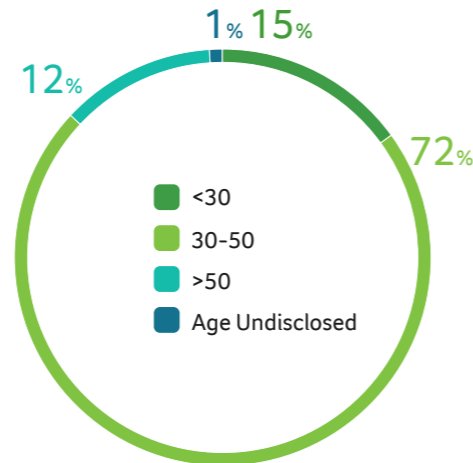
Staff Structure

As of the end of December 2018, Acer had 7,338 employees worldwide, including 6,895 full-time and 443 contracted employees. They are distributed across 40 countries/territories. Of these, by job category, 1,515 were management staff, 2,393 professional staff, 780 administrative staff, and 2,650 technical staff. 2,886 are working in the Taiwan region, 1,596 in EMEA, 2,222 in Asia Pacific, and 634 in the Pan America region. Their average age is 39.7, and their average length of employment with the Company is 8.4 years. Temporary staff number 699, of which 505 are male and 194 female.

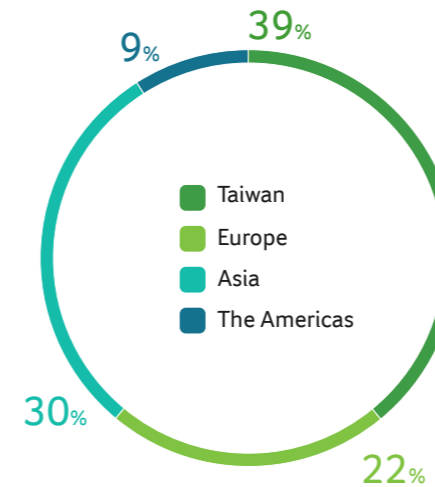
Staff Category



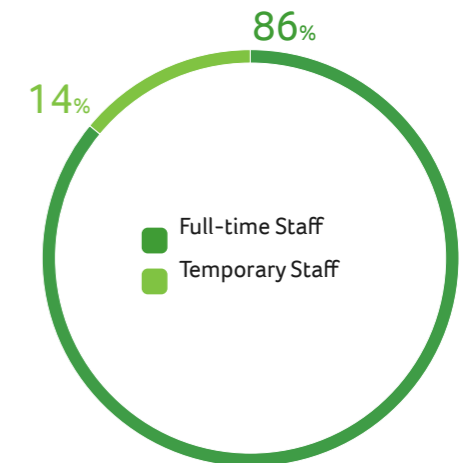
Age Group



Location



Employment Type



Note: In accordance with limitations imposed by local information law, a total of 100 staff members did not disclose their ages and were thus not included in the average age statistics

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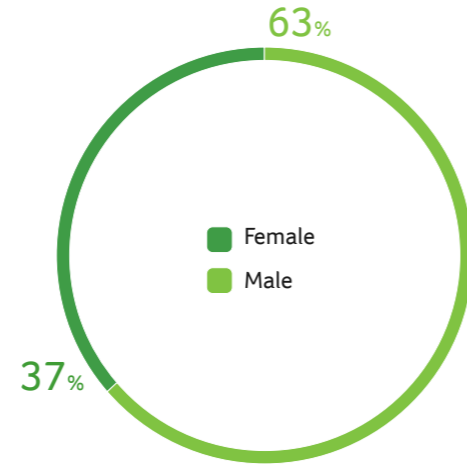
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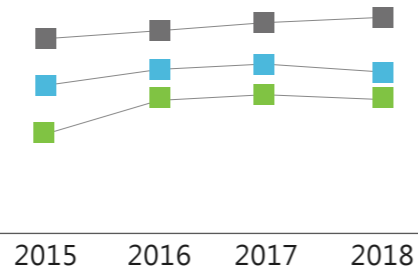
Gender



Acer attaches importance to human rights and gender equality among its workers. The proportion of female employees has increased year by year. In 2018, female staff accounted for 37% of total staff, up 1% on 2017. Female managers were 29% of management and 25% of senior management.

Ratio of Female Staffs

Female share of total workforce	34%	35%	36%	37%
Females in management positions	27%	29%	30%	29%
Female in top management	20%	25%	25%	25%



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 2018, the global average percentage of staff who were new hires (a total of 1,227 people) was 16.61%. 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 2018, average turnover rate was 18.22%.

2018 Hiring Rate: By Location, Age Group, and Gender

	Under 30			30-50			50 and Over			Age Undisclosed			Total New Staff	
	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Total	Hiring Rate
Taiwan	136	132	62.59%	100	198	13.68%	5	9	5.09%	0	0	0.00%	580	20.13%
EMEA	28	42	29.35%	23	34	5.10%	4	4	3.57%	3	4	91.3%	142	8.95%
Asia Pacific	76	81	46.20%	60	137	11.74%	2	2	2.48%	15	25	55.36%	398	17.68%
Pan America	13	37	55.61%	17	25	12.00%	2	4	3.16%	2	7	54.00%	107	16.55%

2018 Turnover Rate: By Location, Age Group, and Gender

	Under 30			30-50			50 and Over			Age Undisclosed			Total	
	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Total	Turnover Rate
Taiwan	72	94	38.77%	99	205	13.96%	11	14	9.09%	0	1	0.00%	496	17.22%
EMEA	23	52	31.45%	48	100	13.25%	2	21	10.26%	0	1	13.04%	247	15.56%
Asia Pacific	68	80	43.55%	89	187	16.44%	4	8	7.45%	9	22	42.91%	467	20.74%
Pan America	13	31	48.93%	19	44	18.00%	4	15	10.00%	1	5	36.00%	132	20.41%

Note: Hiring Rate: (A) Annual hiring rate= Sum of 12 periods' hiring rates ; (B) Hiring rate per period= (new hires in the month)/ (number of staff in at the end of the previous month + number of current staff that month)/ 2
Turnover Rate: (A) Annual turnover rate= Sum of 12 periods' turnover rates ; (B) Turnover rate per period= (departures in the month)/ (number of departures by the end of the previous month + number of departures that month)/ 2
Note: Voluntary departure rate for Acer Group in 2018 was 14.36%. (A) Annual voluntary departure rate = Sum of 12 periods' voluntary departurerates; (B) Voluntary departure rate per period = (voluntary departures in the month)/(number of departures by the end of the previous month+number of departures that month)/2

Recruitment Platform

We continue to harness the advantages of Acer's cloud-based talent recruitment system, deepening the global talent market, maintaining the competitive edge of our talent, and supporting the Company's global competitive advantage. In 2018, Acer went further by incorporating the global professional social media platform LinkedIn. Through our platform, we share the global work status of Acer staff and their thoughts about their work, as well as publicizing job openings in Acer worldwide to attract the talent from around the globe to the Company. We have already successfully brought in a number of talented people from across the major global job markets, and continue to do so to this day. Through various means, our activities collect various sources of recruitment and performance information 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.



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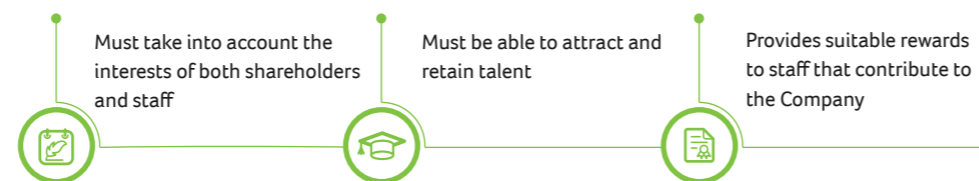
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Competitive Compensation

Competition is fierce in the technology market, and competition for talent is much the same. In order to attract and retain outstanding employees, we provide competitive comprehensive salary packages. When developing salary policies, we comply with 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. In the Taiwan Region, Acer Inc.'s total full-time non-management staff numbered 1,501 and 1,537 in 2017 and 2018 respectively, with average salary in each of those respective years NT\$1.565 million and NT\$1.604 million. ^{Note}

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. Salaries for both men and women at Acer depend entirely on the results of market research that does not differentiate by gender. Compared with 2017, both the proportion of female staff and their level of pay have increased.

2018 Basic Salary and Remuneration (Female:Male)

Location	Management Staff	Technical Staff	Specialist Staff	Administrative Staff
Taiwan	Female:Male 0.90	0.82	0.83	0.93
EMEA	Female:Male 0.67	0.86	0.98	0.86
Asia Pacific	Female:Male 0.74	0.71	0.87	1.07
Pan America	Female:Male 0.78	0.80	0.75	0.84

Note: 1. In line with the Taiwan Stock Exchange's Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, our 2018 disclosures have been checked by KPMG Certified Public Accountants.
2. Article 4 of the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies states: "A listed company under Article 2 shall disclose the number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year." The requirement to disclose the "medium of the salaries" will apply from 2020.

Unpaid Parental Leave

When Acer staff are faced with the needs of parenthood, they can apply to take unpaid parental leave and, upon the completion of the leave period, return to their position. In this way, they are able to take care of their personal and familial needs. Parental leave applications at Acer in 2018 were as laid out below:

Parental Leave Applications in 2018 (Acer Taiwan)

	Female	Male	Total
Number of Employees Entitled to Parental Leave in 2018	87	159	246
Number of Employees Who Took Parental Leave in 2018	22	11	33
Applicants for Parental Leave (%)	25.29%	6.92%	13.41%
Number of Employees Expected to Return to Work After Parental Leave in 2018	17	8	25
Number of Employees Who Returned to Work After Parental Leave in 2018	9	5	14
Return to Work Rate (%)	52.94%	62.50%	56.00%
Number of Employees that Returned to Work After Parental Leave in 2017	12	1	13
Number of Employees Still Employed in 2017 12 Months After Return	9	1	10
Retention Rate (%)	75%	100%	76.92%

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. As of the end of 2018, the Company's deposits with the Bank of Taiwan under the old system totaled approximately NT\$248 million. As for the new system, the Company currently contributes 6% of employee pay, while the employees may contribute anything between 0% and 6%. In the Taiwan region, Acer also provides occasional retirement plan benefits; our retirement system exceeds legal requirements, and at least 50 years of age with 15 years service, and with management's agreement, staff can retire early. The Company also provides pension or severance pay to employees who terminate their employment relationship due to retirement or layoffs. In this way, we help support their post-retirement lifestyles or aid in their weathering the period in which they need to seek new employment.



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Employee Benefits

Taiwan Region

In addition to the benefits as stipulated by law, Acer also provides group medical insurance and a range of outstanding employee benefits. For example, the Taiwan Employee Welfare Committee - Acer Welfare Committee continued to provide employee benefits in the following three categories in 2018:

Recreation and Entertainment Benefits

Acer's Employee Welfare Committee strives to create a happy workplace with a low-stress environment, high morale, and opportunities that stimulate the creativity and efficiency of our staff. To this end, 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, volunteering activities, mental and physical relaxation activities, and activities promoting good health. In 2018, these activities had a total of over 28,000 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 5,400 times in 2018.

Cash Benefits

We provide bonuses for Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year, and birthdays, as well as cash gifts for weddings and funerals, sponsorships for employees' children, and in 2018 also offered a range of e-vouchers for staff to choose from.

Fellowship Activities

We provide funds for a variety of club activities to help like-minded colleagues learn, grow, and cultivate their interests together. Such clubs currently include a wilderness society, a horticulture club, an ironman club, a dragon boat club, a street dance club, an aerobics club, a yoga club, and a coffee enthusiasts club; we have also set up a number of other shared recreational spaces, including break rooms, dance classrooms, and cafes, helping staff enjoy a low-stress, friendly working environment. By providing funding for activities and trips, we let our staff from each department flexibly focus on planning fellowship activities.



2018 Acer Family Day

Global

Sporting and Exercise Activities

We encourage employees to participate in sporting events like marathons, night runs, soccer, and badminton, as well as offering free or subsidized tickets and T-shirts for staff to get together with friends/family and attend sporting events. The Company has also signed contracts with manufacturers to provide recreational areas where staff can exercise, play ball games, play video games, shower, etc. Additionally, out of consideration of the effects of long sedentary periods and uneven dining habits that tend to be the case in office work, we have invited health professionals to teach staff lessons in back muscle training and nutrition; Some office areas also offer fruit as a healthy snack.

Parent-child Day Activities

We put on a variety of heart-warming activities for festivals and holidays, including organizing flowers and gifts for Women's Day, inciting children to the company for Children's Day to participate in "Future Day," sending chocolates for Valentine's Day, and online social sharing and interaction for Mother's Day. There are also other family activities like barbecues, picnics, dinners, trips, and so on. For example: On International Children's Day, our Swiss office invited children to visit the company where their parents work so that they could learn more about what their parents do.



On International Children's Day 2018, the children of Swiss staff visited the Company

Employees Assistance Program

We provide free psychological counseling services for staff and their dependents. In 2018, almost 10% of staff in Taiwan made use of counseling and support services focused on interpersonal, emotional, career, legal, family, or psychological matters. This counseling is available by telephone, online, or through one-on-one in-person sessions. In 2018, we held activities around six major themes, namely interpersonal relationships, spiritual growth, gender relations, healthy living, weight loss, and parent-child growth, a total of 26 seminars and events for 2,510 attendees.



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Employees Relations

Employees 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:

An Appointment with Jason

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.

"Chairman & CEO's Message"

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.

Acer Daily News

"Acer Daily News" enables colleagues get prompt access to media information relating to the Company.

Acer Good News

"Acer Good News" also reports the awards the company's products have received, along with news on the company's growth.

Employee Communication Channels

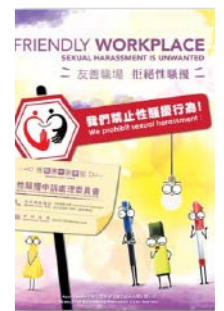
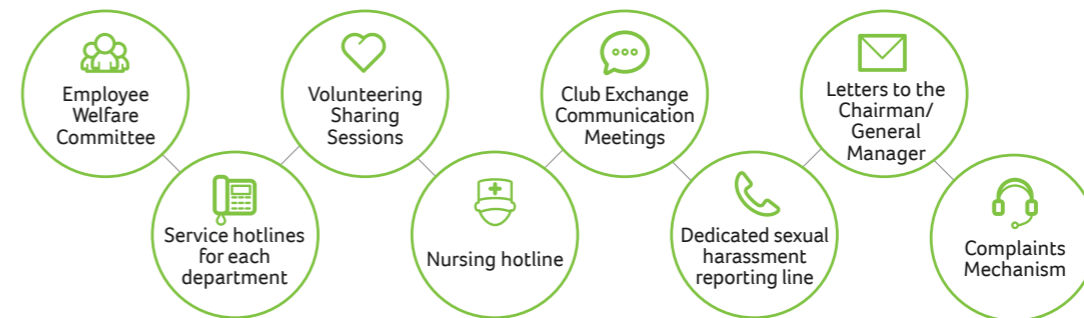
Effective two-way communications can further cement the unity and sense of identity among staff. At the same time, it helps further develop an organizational culture wherein the staff are respected and cared for, thus creating a win-win situation for both the Company and its staff. We convene quarterly 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 implement resolutions regarding operations management, work environment and employees' rights. In 2018, 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.

Fighting for Staff Rights and Welfare

It is recommended that the company subsidizes staff flu vaccinations or arranges special medical units to such vaccinations for free and optimizes the employee health check plan; additionally, the company should optimize breast feeding spaces. It is also recommended that the company provide bonuses for staff who pass relevant work licenses or certifications.

<div style="background-color: #00a651; color: white; padding: 5px; text-align: center;">Strengthening of Company Systems Communications</div> <p>Recommending a finer delineation between "job grade" and "position" and strengthening the performance management and promotion system.</p>	<div style="background-color: #00a651; color: white; padding: 5px; text-align: center;">Optimizing work processes and strengthening interdepartmental communication</div> <p>It is recommended that the Company green its internal financial approvals process by moving to paperless operations, optimize internal invoicing through electronic invoices, unify the procurement software to reduce costs, and establish a software asset management system.</p>
<div style="background-color: #00a651; color: white; padding: 5px; text-align: center;">Improvement of working environment in Acer Building</div> <p>Improve air quality around the office environment and reduce the impact of smoke on the office building; Set up sensor-based automatic sliding doors for men's and women's bathrooms.</p>	<div style="background-color: #00a651; color: white; padding: 5px; text-align: center;">Recommendations for improvement of neighboring traffic safety around Acer Building</div> <p>Increase exit signals in parking lot, beef up traffic guidance system, and increase overpasses across roadway 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:



Sexual Harassment Hot-line Poster



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Compliance with Labor Laws

In 2017 and 2018, Acer Inc. saw no cases regarding penalties for violation of labor laws. In order 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 allowed by Taiwanese law of 46 hours per month. 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.

Employee Engagement Survey

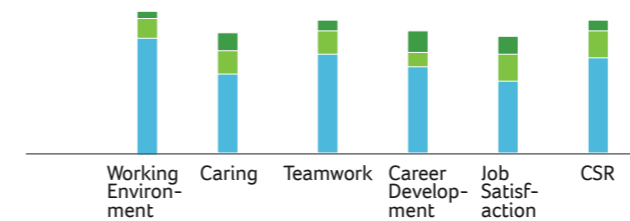
In 2018, Acer began planning and conducting Employee Engagement Survey over a four-week period, covering more than 7,000 employees worldwide, with a response rate of 74%. The surveys covered 18 aspects over six major areas, namely “Working Environment,” “Caring,” “Teamwork,” “Career Development,” “Job Satisfaction,” and “CSR.” Through the feedback gained from staff, we may gain better understanding of their feelings and thoughts regarding the organization’s operations and their work environment. The survey helps us realize the organizational climate and determine the optimal strategies to attract, retain, and develop talent as we drive the Company onward.

Response Rate of Employee Survey

	EMEA	Pan America	Asia Pacific	Headquarters
Response Rate	79%	78%	78%	68%

Employee Engagement Survey: Status of Six Main Aspects of Satisfaction (%)

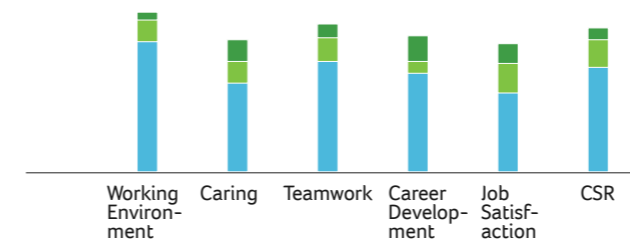
Disagree	4	10	6	12	10	6
Neutral	15	23	19	20	25	21
Agree	80	67	74	68	65	74



Employee Engagement Survey: Analysis of Satisfaction from the Gender Perspective

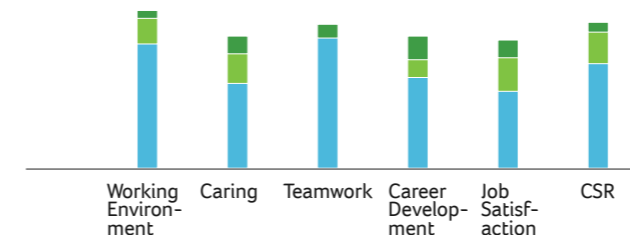
Male

Disagree	4	11	7	13	10	6
Neutral	15	22	19	19	25	20
Agree	81	67	75	69	65	73



Female

Disagree	4	9	7	12	9	5
Neutral	17	24	6	21	26	21
Agree	80	67	73	67	65	74



Continuing Learning and Growth

Personnel Training and Career Development

Acer continues to be committed to boosting our market competitiveness, helping new business units work toward IPO and injecting into the Group the motive power that drives growth. In line with the our “Titan Project,” in 2018 we continued to organize Titan Private Training, aiming to cultivate outstanding talent for important leadership positions within the Group by boosting their corporate governance, operational judgment, and business management skills, as well as their industrial knowledge, international market perspective, leadership skills, and decision-making abilities.

In line with the Company’s strategic development direction, in 2018 we continued to work to optimize the organizational capability of both core and new business units in order to fully leverage the synergies of the Group. The focus of training and development is to assist our staff in staying on top of industry trends, exploring technological and business opportunities, and improving their digital marketing capabilities to continuously strengthen our hardware, software, and service capabilities, create value, increase profitability, and then leverage the value of our brand. In addition, Acer continues to explore new trends in end-user demand-oriented services. In 2018, we actively worked with our staff to develop their skills in areas related to such services, including the application of VR to e-sports products, AI technologies, effective social media operations, innovative service applications of smart technologies, and information security technologies.



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To ensure the quality implementation of such training, all training is done in accordance with the Internal and External Training Management Guidelines. In 2018, for example, a global total of 22,542 attendees participated in such training, accounting for 96,108 man-hours. The total number of trainees was 7,338, with an average number of training hours per employee of 13.1; All training organized on the principles of work demand, gender equality, and equality of opportunity.

Average Hours of Training Employees have Undertaken by Gender and Employee Category

Item	Senior Management		Middle/Base-level Management		General Staff	
	Female	Male	Female	Male	Female	Male
Headquarters						
Number of Trainees	15	144	346	731	2,934	3,619
Course Hours	26	397	834	1,994	8,247	12,364
Participants	15	53	173	242	946	1,129
Average Hours of Training Per Person	6.2		6.8		9.9	
EMEA						
Number of Trainees	17	142	386	802	3,257	4,474
Course Hours	17	679	1,893	3,779	17,072	24,460
Participants	17	53	110	297	1,321	1,462
Average Hours of Training Per Person	9.9		13.9		14.9	
Asia Pacific						
Number of Trainees	6	78	228	487	1,940	2,704
Course Hours	21	322	1,026	2,076	8,424	11,939
Participants	6	21	73	187	930	1,123
Average Hours of Training Per Person	12.7		11.9		9.9	
Pan America						
Number of Trainees	10	19	8	20	63	112
Course Hours	10	19	17	34	135	323
Participants	10	19	10	15	37	55
Average Hours of Training Per Person	1.0		2.0		5.0	



Management Training Camp—Case Discussions Management Training Camp—Closing Photo Narrative Marketing—Role Playing Exercise

Diversified Educational Development

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.

As for senior management, we strive to go beyond the bounds of traditional management education, employing a highly interactive approach that includes inviting back Acer leaders to share their experience in areas such as multinational M&A. Through this, Acer can effectively pass on that operating philosophy and culture and inspire discussion, avoiding many potential mistakes and improving operational capabilities and decision-making.

Training System



Management Training

With regard to senior management training, in 2018 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. In addition, in order to strengthen corporate governance, we have invited professional lawyers to preside over our corporate governance and securities trading law courses, as well as having Bruce Ji-Ren Lee, a professor from National Taiwan University's College of Management, give lectures on the operations of the Remuneration Committee.

In boosting the management capabilities of our middle- and base-level management staff, we have continued to focus on both their management methods and how they make use of their personnel. Their training camp courses were broadly split into two stages. The first emphasized good management communication, performance guidance, and performance management, aiming to improve both team and individual performance as well as facilitating the joint creation of value; the second stage concentrated on honing goal selection, goal setting, incentives and retention, and performance appraisal.



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EMEA Operations Headquarters

To improve the capabilities of our top-level leadership, we assigned portions of senior management to a five-day leadership course at the London Business School and management lessons at the International Institute for Management Development in Lausanne. These helped senior managers understand the latest developments in management, the advantages and development opportunities they face in a changing environment, how to respond promptly to pressing situations, effectively improving their leadership and business efficiency.

Pan American Operations Headquarters

To strengthen the ideas of free trade and fair competition, we held a training program entitled Anti-Trust for Executives & PM/ BM; In addition, to strengthen understanding of and compliance with privacy among management, including the collection, use, protection, disclosure, and related responsibilities, we organized lessons in the privacy laws promulgated by the California State Legislature; to improve the leadership ability of Service Quality Department management, we held an experience-sharing course entitled Supporting Difficult Callers—Don't Say That, Say This Instead; additionally, to boost warehouse safety, we held Machine Guarding OSHA and Forklift Training courses.

Asia-Pacific Operations Headquarters

We organized a two-day Top Sales training camp to boost the sales and marketing skills of our team in the India region, with a total of 264 staff taking part. In Malaysia, in order to boost customer marketing skills and familiarity with products, we held Retail Salesperson Training, with a total of 576 people participating. In Thailand, to boost customer service quality and increase customer satisfaction, we held Enhancing Superior Customer Service training for customer service staff, with a total of 71 marketing managers taking part. Any manager who took part is eligible to serve as a seed lecturer, carrying out follow-up training and seminars with staff under their leadership. In Australia and New Zealand, to strengthen the leadership of the marketing team, we held a Sales Leadership Workshop in which a total of 9 senior managers participated.



Asia Pacific: Japan—Various office accident and disaster prevention drills

Management Training Camps in 2018

To strengthen the people management skills of Acer's new managers and in line with the development needs of management, in 2018 we held Acer Management Training Camps which were focused on general management core competencies, including assisting managers in cultivating the correct mindset, behaviors, and methods. For this training, we invited instructors from well-known foreign management companies, using explanations of management principles, case studies, role-playing, video case comparisons, and so on in their lessons, as well as follow-up after-class guidance.

The training was carried out in three steps in 2018. Eighty-seven managers participated in the training, returning to the workplace and becoming seed staff who continued to share what they had learned with other managers, driving gradual improvement in the standard of management knowledge and capabilities in the organization. This training was held in Q3 2018, and from reviews of staff turnover rate as a metric for training results, we see that in Q3 Acer's operational headquarters (HQ) staff turnover rate was still 4.72% and in Q4 it fell to 2.54%, indicating that the training has had a substantial effect.

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. With regard to the Trend Lecture Series in 2018, each month we invited a senior research analysis team from the Institute for Information Industry to hold lectures in IoT consumer trend analysis and insights for our product line staff. The topics covered included: VR business opportunities—how virtual avatars are taking over social/video/e-sports/e-commerce, innovative applications of AI in the medical industry, smart car industry development trends, low-power wide-range IoT development trend analysis, and trends in the development and application of brain information analysis technology. Each department also held its own experience sharing sessions and trend seminars, with many focusing on implementing consumer insights in product concepts or discussing how to make business opportunities through product innovation.

Strengthening Skills and Creating Value

Case: Benefits of the "Innovative Applications of AI in the Medical Industry" Seminar

Training Benefits (Kirkpatrick Model Level 3: Behavior)

We have invited senior industry analysts from the Institute for Information Industry to give talks on "Innovative Applications of AI in the Medical Industry" with product management and R&D staff, analyzing how AI can be used in remote care and medical risk management platforms.

There, the III analysts mentioned the Acer Leap Beads wearable device. In addition to its functions as a pedometer, sleep tracker, and counting of the turning of the beads, we may consider adding other health-related functions due to the main user base being elderly. These functions could include blood pressure monitoring, height and weight tracking, waist circumference tracking, and more, uploading records to the cloud as a data reference for future doctor's visits.

Quantitative Economic Benefits (Kirkpatrick Model Level 4: Results)

With the inclusion of such ideas and more into the product by the R&D team, the product has received a warmer reception among the wider market. Thus far, it has sold tens of thousands of units and won some NT\$40 million in revenues for Acer.

Participants

A total of 33 people directly participated in "Innovative Applications of AI in the Medical Industry," later holding sessions to share their training experiences.





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General Education Courses

These courses focused on strengthening English-language communication, including business English listening strategies and techniques, common English sentence patterns and idioms, and English expression and intonation practice. In terms of using technology to boost business performance, they focused on areas such as the rapid production of business intelligence analysis reports and Excel database functions.

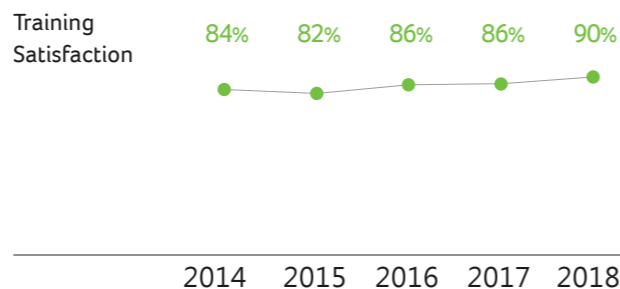
We also continue to promote stronger core competencies and basic professional skills through courses covering areas like improving workplace communication, conflict management, and patent protection and use. As for marketing, we held courses like “Secrets of Success in Digital Marketing—Internet x Retail 4.0 x Community Operations x Fan Management,” lessons in narrative marketing, and a course focusing on developments in consumer applications from the 2018 Consumer Electronics Show. In addition, in order to strengthen concepts of personal information protection, we continued to hold special training around the EU’s General Data Protection Regulations (GDPR).

New Staff Training

On their first day of work, new staff are given orientation training to help them quickly come to grips with the Company’s basic operating processes. Within their first month, new staff are put through training to better understand the Company’s mechanisms, regulations, systems, corporate core values, brand spirit, corporate culture, and staff rules of 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, and greenhouse gases). We also listed actively encourage staff to take training in CPR and automated external defibrillator use.

Training Satisfaction over Time



Assessment of Training Effectiveness (%)

Indicator	2016	2017	2018
Level 1: Response Course Satisfaction	86	86	90
Level 2: Learning Pass Rate	100	100	100
Level 3: Behavior Post-course Telephone Interviews of Sample re: Satisfaction in Management Training	86	93	90
Level 4: Results Talent Retention Rate	82	83	82

Note: Post-course written exams in areas including CSR, Health & Safety Training, GDPR, and Electrostatic Discharge (ESD), failures must retake.

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 2018, the proportion of employees worldwide involved in performance evaluations reached almost 93.65%.

Percentage of Performance Evaluation

	Staff Receiving Performance Evaluations (A)		Total Staff in Need of Appraisal (B)	(A)/(B) %
	Female	Male		
Technical Staff	535	1,478	2,103	95.72%
Specialist Staff	797	951	1,905	91.76%
Management Staff	372	864	1,334	92.65%
Administrative Staff	355	248	638	94.51%
				93.65%

Note:

1. The statistics until May 2019
2. Exclusions from performance evaluations: Short-term (one year or less) hires and those with short working hours can be difficult to track the effectiveness of, and therefore are not included in the evaluations. Newly hired staff still in their probationary period at the start of the performance evaluations will not be included in the routine evaluations, but rather have the assessment received at the conclusion of that probation stand in its stead.
3. Aside from short-term hires and new staff in their probationary period, a goal-oriented performance management approach will be adopted for all staff, that is, management shall systematically set specific, measurable, and acceptable goals at the start of each year, and at the end of that year, the accomplishment status of those goals shall be evaluated.
4. Aside from short-term hires and new staff in their probationary period, a multifaceted performance management approach will be adopted for all staff, that is, management shall invite other management staff with past contacts with staff through the online evaluations system to give recommendations and feedback.
5. Aside from short-term hires and new staff in their probationary period, all staff will be ranked in relation to others in the same job category by work type, and this will serve as a formal record of assessed performance.



HEALTH AND SAFETY IN THE WORKPLACE

In order to provide a healthy and safe working environment, Acer Taiwan has established a Safety and Health Management Department staffed with professional health and safety management and nursing personnel. The department has also specially contracted occupational medicine physicians to plan and promote occupational health and safety services. Each office area also has its own workplace health and safety manager, emergency staff, and fire safety manager, working together to ensure safe and healthy operations.

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Health and Safety Communication

To continuously improve environmental, health, and safety performance, we have launched an environmental safety and health management system and carry out ISO 14001 and OHSAS 18001 verification every year. The system is managed by the Corporate Sustainability Office, who work with representatives from all units to form an Environmental Safety and Health Team. In accordance with our annual plan, they carry out educational training, officer meetings, internal and external audits, and more to ensure external verification goes smoothly. This team has a total of 44 members, 43 of whom are elected representatives, thus accomplishing 97.7% labor representation. At the same time, in order to make sure internal communications are smooth, the Company has set up Employee Representative Meetings, made up of regional representatives elected by employees. Meetings are held quarterly to discuss topics including health and safety issues and improvement follow-up.

Health and Safety Promotion, Education, and Training

In order to strengthen staff understanding of health and safety, we take advantage of all available channels for communications, as well as holding annual training and education programs tailored to different groups, passing on knowledge, improving focus on health and safety, and further advancing the creation of a culture of health and safety that can adapt to emergency situations.

Health and Safety Promotion



Promotion in Meetings

- Environmental Health and Safety Meetings
- Department Meetings



Printed Promotions

- Bulletin Boards
- Posters in Bathrooms



Online Promotions

- Internal Website
- Internal Mail

Health and Safety Education and Training



Health and Safety Training

- New Employee Health and Safety Education and Training
- General Health and Safety Education and Training
- Scooter Safety Riding Lectures
- Occupational Health and Safety Management Personnel Training



Fire Prevention Training

- Fire Safety Seminar
- Fire Prevention Manager Training



First-aid Training

- Emergency Personnel Training
- General Staff CPR-AED Training
- Labor Health Services Care Personnel Training
- AED Equipment Manager Training

2018 Health and Safety Education and Training

Course Title	Target	Course Type	Statistics		
Health and Safety Training					
New Employee Health and Safety Education and Training	New Colleagues	Internal	9 Stages	●	
General Health and Safety Education and Training	General Staff	Internal	1,785 people	●	
Scooter Safety Riding Lectures	General Staff	Internal	1 lecture, 95 participants		●
Occupational Health and Safety Business Management On-the-Job Training	Occupational Health and Safety Business Management	External	10 people	●	
Occupational Health and Safety Business Management Education and Training	Newly Appointed Occupational Health and Safety Business Managers	External	6 people		●
Fire Prevention Training					
Fire Safety Seminar	Fire Defense Personnel	Internal	2 lecture, 143 participants	●	
First-aid Training					
Emergency Personnel Education and Training	Emergency Personnel	Internal	2 lecture, 60 participants		●
Emergency Personnel On-the-Job Training	Emergency Personnel	External	1 people	●	
Newly Appointed Emergency Personnel Education and Training	Newly Appointed Emergency Personnel	External	6 people	●	
CPR+AED Training	General Staff	Internal	3 lecture, 28 participants		●



Complied with Regulations



Exceeded Regulations



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A Healthy Workplace

Acer has always considers its staff an important asset. To improve their attention to health, we have begun conducting annual health checks above and beyond to regulatory requirements from 2018. After health checks, the resulting reports provide explanations about activities and telephone consultation services that are available to help staff better understand the report content. In addition, the Health Management Center conducts health check report analysis and hierarchical management, as well as holding health interviews and offering regular follow-up with occupational medical specialists where anything unusual is found.

In order to create a healthy workplace atmosphere, the Health Management Center has brought together the HR department and the Employee Benefits Committee to plan and organize a variety of health promotion activities. We believe that exercise is an important factor in maintaining health, and aim to encourage our staff to develop healthy exercise habits through the provision of sporting and exercise and clubs. Acer also received Healthy Workplace Certification from the Ministry of Education's Sports Administration in 2018 for the second time, further demonstrating our commitment to providing healthy workplaces.

A Healthy Workplace

Health Checks

- Health Checks for New Colleagues
- General Staff Health Checks
- Management Health Checks
- Health Promotion Administration Screenings for Colorectal, Oral, Cervical, and Breast Cancer

Health Management

- Health Care
- Health Check Report Graded Management
- Occupational Health Services
- OSHA Four Protections Program
- Infectious Disease Prevention

Health Promotion

- Health Seminars
- Fitness Testing
- Weight Loss Activities
- Smoking Cessation Activities
- Sports Promotion



Health Checks, 2018

Health Checks for New Colleagues	General Staff Health Checks	Management Health Checks	Health Promotion Administration Screenings for Colorectal, Oral, Cervical, and Breast Cancer
New staff health check reports are paid for upon commencement of work	Held each year, covering more than required by regulations	Checks booked by rank and age	Colorectal, oral, cervical, and breast cancer screenings
363 people	1,907 people	345 people	388 people

2018 Health Management

Health Care

• Health Services • Injury Treatment • Health and Well-Being Tracking

Type	Participants	Type	Participants
Common Illnesses	70	Health Tracking	200
Common Injuries	105	Minor Injuries	3
Health Services (Consultations, Measurement)	532	Workplace Disasters	30
		Total	940

Health Check Report Graded Management

• 8 Main Categories • 13 Items • 5 Risk Management Levels

Level	Notes	Number of People	Level	Notes	Number of People
Level 1	Normal	-	Level 4	Severe Abnormality, Medical Examination Recommended	123
Level 2	Slight Abnormality	-	Level 5	Significant Abnormality, Immediate Medical Follow-up Examination Recommended	8
Level 3	Moderate Abnormality, Needs Attention	1,063			

Occupational Health Services

- Health interviews and regular follow-up for abnormal cases
- Once per month, three hours per session Tracking and management: 79 participants

Ergonomic Hazard Prevention Program

- Musculoskeletal pain inspection during health check
- Included in occupational medical tracking management for abnormal cases
- Tracking and management: 6 participants

Cardiovascular Disease Prevention Program

- Fatigue index inspection during health check
- Combine risk assessment with health check report
- Included in occupational medical tracking management for high-risk cases
- Tracking and management: 34 participants

Female Health Protection Program

<ul style="list-style-type: none"> • 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 health lectures, pap smears, and mammograms 	<ul style="list-style-type: none"> • Medical consultations: 26 participants • Lactation room usage: 7,814 participants • Women's health lectures: 1 lecture, 150 participants • Pap smear recipients: 129 people • Mammogram recipients: 12 people
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Encountering Wrongful Actions in the Course of Performing One's Duties Program

<ul style="list-style-type: none"> • Office environment hazard identification • Education and training 	<ul style="list-style-type: none"> • Office environment hazard identification: Annual implementation • Environmental Health and Safety Education and Training: 1 Classes • Management Education and Training: 4 Classes
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Infectious Disease Prevention

- Proactively understand epidemic status of various infectious diseases
- Reminding staff to get vaccinated during flu season
- Using internal website, mail, bulletin boards, and bathrooms to promote occupational health



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2018 Health Promotion

	Target	Statistics Unit
Health Seminars		
Lunch Seminars	All Staff	16 Classes 1,809 Participant
Healthy Weight Loss Class		
Nutrition Seminars Exercise Lessons Incorporating Acer aBeing Cloud health management platform Independent Body Fat Measurement	Staff with BMI>24	88 Participants Total weight loss: 89.4 kg
Stop Smoking Classes		
Smoking Cessation Lectures Oral Health Screening Regular Follow-up	Smoking Staff	7 Participants 2 People quitting successfully
Fitness Testing		
Various Testing Stations Physical Fitness Analysis and Advice	All Staff	2 Classes 300 People
Sporting Competitions, Sports Promotion		
New Taipei City Wan Jin Shi Marathon Hiking Badminton Competitions Dodgeball Competitions Sports Clubs	All Staff	71 Participants 1,277 Participants 70 Participants 102 Participants 12 Clubs
Health Promotion		
Information on/in internal website, mail, bulletin boards, and bathrooms		

Work Environment Health and Safety Monitoring and Management

In order to ensure our workplaces are healthy and safe, we strive to communicate and improve in a prompt fashion regarding any insights or recommendations of staff in this regard. 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-environmental-impact items that are identified are then subject to assessment and improvement. In order to monitor office environment quality, we carry out office environment cleaning, disinfection, waste removal, and shredding of confidential documents in line with our annual plan. We also regularly invite specialist organizations to conduct tests of drinking water quality, interior carbon dioxide levels, cooling tower legionella, interior TVOC and formaldehyde, and other environmental factors.

Work Environment Health and Safety Monitoring and Management 2018

Employee Representative Meeting Health and Safety Proposals

- Quarterly
- Total of 11 Proposals

Hazard Identification and Risk Assessment

- Annual
- Total of 613 Items Assessed
- No significant risk of harm

Environmental Impact Considerations

- Annual
- Total of 772 Aspects Considered
- 1 major environmental impact (office mouse problem)

Operating Environment Monitoring

- Water Dispenser Water Quality Testing: Quarterly
- Interior Carbon Dioxide Testing: Every six months
- Testing Air Conditioning Cooling Towers for Legionella: Annual
- Interior TVOC and Formaldehyde Testing: After large-scale renovation of office



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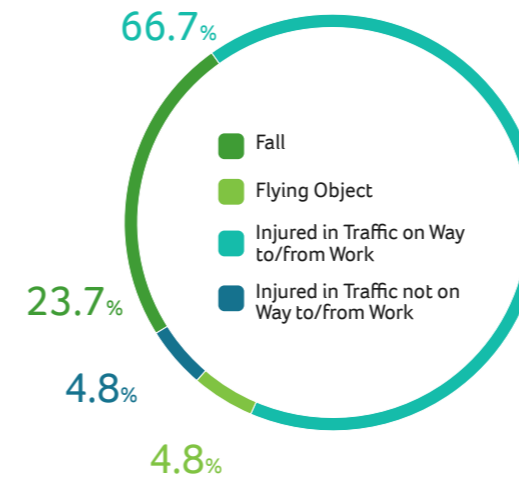
Injury and Lost Day Rates, 2018 (Acer Taiwan)

In 2018, Acer Taiwan saw a total of 21 occupational accidents (19 full-time and 2 temporary staff) for a total of 326 lost working days^{Note}

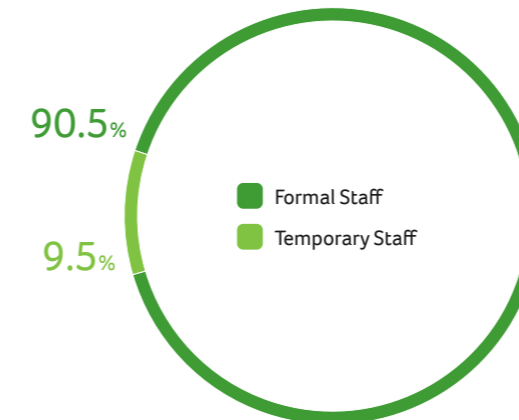
	Male	Female	Total
Injury Rate (IR)			
Formal Staff	0.69	0.97	0.67
Temporary Staff	0.64	1.72	1.24
Lost Day Rate (LDR)			
Formal Staff	14.78	5.67	11.27
Temporary Staff	0.97	8.61	3.72
Absence Rate			
Formal Staff	1.00%	1.49%	1.19%

Note: Injury Rate (IR) : total occurrences of disabling injury×200,000 / total work hours ; Lost Day Rate (LDR) : total days lost to disabling injury rate×200,000 / total work-hours

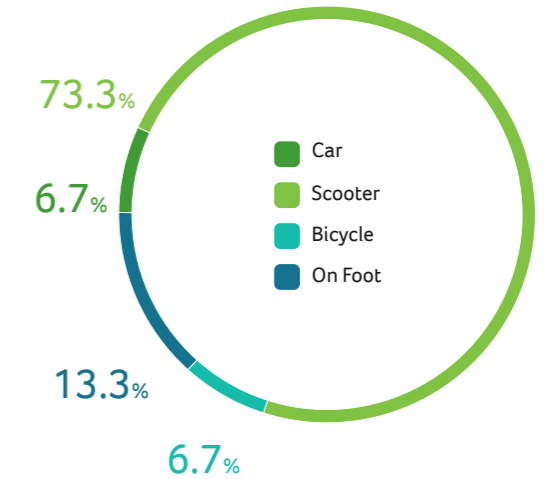
Accident Type



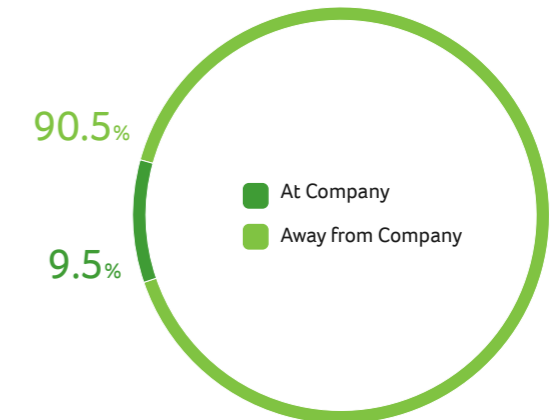
Injured person



Traffic Accident Type



Accident Location



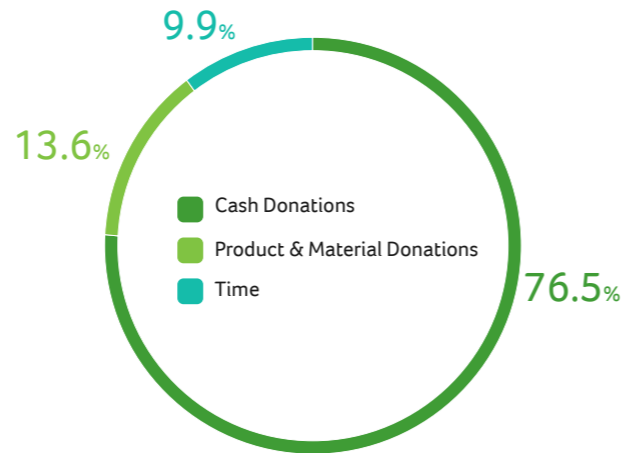


EMPLOYING SKILLS TO IMPACT SOCIETY

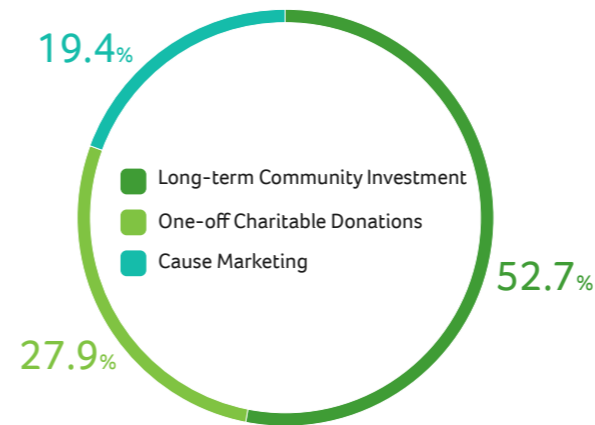
Since our founding, Acer has cultivated a people-first culture and a spirit of philanthropy. We continue to do all we can to use our skills and core competencies to give back to the community. In terms of social action, Acer focuses on the three main areas of education, the environment, and philanthropy, 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 2018 amounted to **over NT\$42.62 million**, or **approximately 1.5% of profits**. In comparison with 2017, in terms of resources invested, the volunteer time investment increased by 5%. In terms of participation, cause marketing increased slightly, by 2%, and one-time charitable donations decreased slightly, by 1%.

Resource Engagement Type



Participation Type



Corporate Social Responsibility Project Awards

In order to encourage our staff to be more proactive in their care for society, exert a greater level of social and environmental influence, and put into practice a spirit of commitment to the belief that people find meaning through the creation of social value, 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. 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. In 2018, the second awards were held with a focus on education, encouraging staff to put forward project plans in response to UN Sustainable Development Goal 4, Quality Education. In the end, 10 projects made it to the finals, covering the topics of digital literacy (cyberbullying), industry-academia cooperation, e-waste recycling, technical apprenticeships, e-sports activities for the elderly, plastic reduction & marine conservation, rural education, poetry creation, and digital art. Awards were won by Taiwan and Acer subsidiaries in Italy, Germany, the Netherlands, Hong Kong, Thailand, and the United States. The targets of these charitable assistance efforts included elementary school children, adolescents, people with physical disabilities, the elderly, people who are blind, indigenous schoolchildren, and refugees.

The selected projects shared the characteristics including capable use of Acer's core competencies to exert social and environmental influence; collaboration with stakeholders to leverage ESG synergies; actively participation by Acer staff, boosting their identification and satisfaction with the company.

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Overall Impacts and Performance of CSR Projects

Man-Hours Invested Globally over 42,700 man-hours	Total Monetary Value of All Contributions Over US\$ 1,718,000
Beneficiaries Reached 180,000 people	Partnered Stakeholders Over 60 <small>Note</small>

CSR Project Awards Top 10

Earth Recycling Project

Region : Taiwan Award : Gold



Project Description and Social Impact

Acer established the "Earth Project" to promote global reuse and recycling in July 2018. Beginning in Taiwan, Acer service centers and long-term partners Tsann Kuen 3C and the Taipei Orphan Welfare Foundation have jointly offers 326 locations nationwide for the recycling of waste batteries and discarded cellphones, tablets, and notebooks of any brand. At the end of the year, through the guidance and support of Taiwan's Environmental Protection Administration, these collection point will be expanded to 5,000 convenience stores across Taiwan. The public will apply for special recycling bags online for the items, then deliver the table or notebook to a convenience store for recycling. This is the first time that a brand has collaborated with such a channel to give people the chance to recycle their electronic products more conveniently. In 2018, discarded cellphones, notebooks, and tablets of all brands numbered over 2,000 and waste dry cell batteries surpassed two tons. Annual recycling grew threefold, reducing carbon emissions by an estimated 5.76 tons. The Earth Project also provides environmental education through a vivid, touching story, using the story of Future Monster to draw readers in and inspire them to take practical action to recycle. This creative project was also awarded the Bronze Award in the Industrial Development Bureau's National Circular Economy Creative Competition.



Note: Performance covers 19 participating projects

Note: Partnered stakeholders include government, clients, non-profit organizations, private enterprises, schools, suppliers, and local staff.

The Adventures of the Cyberkids to Conquer Bullying

Region : Italy Award : Silver



Project Description and Social Impact

Acer Italy launched a project to fight back against cyberbullying. The goal of the project is to help children, parents, and teachers see the Internet and IT devices as important tools in life rather than avoiding and fearing them, and to enable children to use new technologies from an early age so that the Internet becomes a tool with which they can create new life opportunities. The project included two competitions. One was for teachers and students to make videos that show ways to beat cyberbullying, with the students using lively rap songs to convey their ideas. The second saw students and their families fill out surveys, and when finished, they could get discounts at Acer stores and go into the draw for prizes. The project is aimed at primary and secondary school students, with a total of more than 80,000 students, 5,000 teachers, 3,500 classes, and 80,000 families taking part. The results were also presented in Italian education program "Didacta," receiving a considerable response in the media and greatly boosting awareness of the Acer brand among teachers and young people.



For more information:
<http://www.cyberkid.it/>

Recycling for Charity Project

Region : EMEA Award : Bronze



Project Description and Social Impact

In 2018, in response to the Company's "Earth Project," Acer EMEA launched a recycling and reuse program, including the "Recycling for Charity" campaign, to promote environmental awareness among Acer staff. A total of 1,307 e-waste items were collected from 16 Acer EMEA branches. More than 1,700 Acer staff members in Europe, the Middle East, and Africa and their families participated enthusiastically, with the results converted into 36 Chromebooks, which the EMEA president personally awarded to 10 educational and charitable organizations. The project saved a total of four tons of carbon emissions. In addition, for their participation in this year's Corporate Social Responsibility Award, the EMEA team produced a vibrant video introduced by the EMEA President and the Chromebook Operations Manager, running through EMEA environmental efforts and presenting the thanks of the HR department for their staff's participation in CSR-oriented activities.





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Campus Corporate Social Responsibility Events

Region : Thailand Award : Bronze



Project Description and Social Impact

The purpose of the Thai Campus CSR Events was to enable two underprivileged schools in Thailand and their students to have access to more resources and equipment and improve both their learning environment and the quality of education available. Prior to the start of the events, Acer's Thai staff went to the campuses to assess and do interviews with the schools to design activities that best respond to the needs of the schools and their students. At the same time, it also raised funds from Acer employees through interestingly designed games, and the company additionally sponsored some activities. This series of activities included computer donations, helping plant trees, painting fences, and teaching students basic computer repair and maintenance skills. This charitable activity has greatly boosted the psychological satisfaction and wellbeing of Acer's Thai employees.



Acer Education Program—Technical Apprenticeships

Region : Germany Award : Commendation



Project Description and Social Impact

Since 2016, Acer's German branch has partnered with local colleges to help students combine knowledge and practice in preparation for their future entry into the labor market. For their apprenticeships with Acer, the students could select different departments, including sales, finance, HR, order management, and customer service, thus learning a range of business skills. In addition to technical skills, they can also boost their soft skills like teamwork, fairness, reliability, and integrity, laying the foundation for these students to become professionals and to grow as individuals. Acer is an important local company in Germany. Through our cooperation with schools through the German education system, we are committed to upholding our social responsibilities. Students have the opportunity to learn from the company, and the high quality of available training has also made Acer employees more satisfied with the Company. At the same time, Acer's vocational training is an investment in talent. When the company needs technical staff, these apprentices, with their familiarity with Acer's operations, will be able to provide support online without the need for a long period of familiarization and adaptation.



For more information:
<https://www.youtube.com/watch?v=Aw-MmSnRjCI>

Maintenance Certificate Online e-Learning Program

Region : America Award : Bronze



Project Description and Social Impact

The Acer Maintenance Certificate Online e-Learning Program primarily focused in diving senior high school students the basic skills needed to repair Chromebooks. A total of five schools and 152 students registered to participate. Students were able to use online e-learning resources to learn at their own pace. Through online study, exams, and assessments, they earned certificates of competency, and their schools could then use these trained and certified students to assist the school's IT staff while also enabling them to gain work experience and improve their skills. The program brought together staff from multiple Acer departments, including training, maintenance, and digital services, working as a team and investing nearly 1,200 hours in identifying and clarifying the appropriate knowledge and skills to teach and working with educators and students to provide a more comprehensive understanding of the purpose of the program. This program also sparked an interest in Acer products among many people.



Repair Education

Region : The Netherlands Award : Commendation



Project Description and Social Impact

The purpose of Acer Netherlands' repair education program was to educate people who are less able to obtain long-term, stable jobs, helping them become hardware engineers. Acer has enjoyed a long-time cooperation with Weener XL, a government organization that supports the unemployed, refugees, and those with disabilities. For this project, the latter assisted in matching learners with appropriate government subsidies, while Koning Willem I College arranged and composed theory-focused lessons and Acer provided practical education. The length of the courses depended on the knowledge level of the candidates, but was usually between three and six months. Currently 20 staffers have completed education and earned a degree, as well as finding stable jobs as repair engineers. This program enabled those who find it difficult to obtain jobs in the labor market, such as refugees, to enjoy more inclusive, more equal opportunities to learn a skill, while also promoting opportunities for lifelong learning.





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Elderly e-Sports Exchange Competition

Region : Hong Kong Award : Commendation



Project Description and Social Impact

Acer Hong Kong and the Senior Citizen Home Safety Association jointly organized an e-sports competition for the elderly, aiming to help them learn more about the fun of e-sports. This innovative event broke down the barriers between technology (e-sports) and people (the elderly), opening up opportunities to participate in e-sports for a new group. Eighteen elderly competitors and Acer employees teamed up to compete in the game "Heroes of the Storm," with the all-women team Special Mission ultimately coming out on top. This activity also attracted the attention and coverage of the local plane and media.



Acer US x MACLA's DMCStudio Poetry Workshops

Region : America Award : Commendation



Project Description and Social Impact

In order to break down barriers between people and technology, Acer's US employees have served as afterschool tutors and volunteers, helping young people between the ages of 12 and 19 in MacLA's DMCStudio poetry workshops. Over the course of several workshops, they engaged in in-depth dialogue and sharing with young people, with topics covering the influence of social media, mental illness, career choices and truancy, refugees, and more. These conversations further inspired the young people involved to create poetry, using the equipment available at the DMCStudio digital workshops to create movies, music, and photography. These workshops brought together the technology and art communities. The poetry workshops also provided a safe space for the 19 teenagers taking part to discuss and create.



For more information:
<https://www.chicreativeagency.com/aceramericaxdmcstudio/>

Plastic Reduction Environmental Education

Region : Taiwan Award : Commendation



Project Description and Social Impact

Plastics in the oceans not only harm marine organisms, but also affect human health through their consumption by marine organisms which are then eaten by people. Acer's Plastic Reduction Environmental Education project aimed to boost awareness of plastic use through environmental education and to promote staff participation in volunteer activities. The project consisted of a series of activities, including making DIY beverage carriers, talks on actions to reduce usage of plastics, "Less Plastic, Better Life" reduction activity and idea brainstorming sessions; and a beach cleanup. A total of 727 employees and their families participated in the above activities, and the beach cleanup collected 178 kg of garbage and waste. Additionally, the activities also resulted in the production of a video featuring Acer staff and an award-winning campaign that promoted the reduction of plastics through a video that received 1,760 hits on social media.



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:

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 cooperations between our global locations and non-profit organizations, we are able to extend the reach of technology to different groups.

Reading Program for Women and Children in Impoverished Cambodian Villages

In order to promote the development of preschool education in rural and underdeveloped areas, the Acer Foundation and the Children's Smile and Inspiration Association began working on a project entitled the Cambodian Villages Women and Preschool Children's Reading Skills Improvement Program in 2018. The aim of this program is to help mothers in Cambodian villages more capable of improving the cognitive abilities and linguistic development of their preschool children. Through cooperation and research with schools and NGOs, the project is anticipated to become more highly replicable and easily implemented over the long term in villages across Cambodia.



The Acer Foundation donated tablet computers, while two professors from National Chi Nan University's Department of International and Comparative Education worked with local partners from the Khmer Akphiwat Khmer Organization (KAKO) to set up workshops and use recordings to teach participants to use the tablets. Through this, they aimed to train the women and their preschool-age children to use the tablets to read together, helping the children make progress through repeated conceptual stimuli.



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Reading for Hope x Cloud Professor Bookmobiles

In the first semester of the 2017 academic year, the Acer Foundation joined forces with the Global Views Educational Foundation on a full-scale upgrade of our bookmobiles and digital vans in the Reading for Hope x Cloud Professor Bookmobiles project. In this, we took not only traditional books, but also five to eight Acer Cloud Professor IoT smart Cloud Professor + GigoToys sets into campuses to foster a combination of reading habits and programming language knowledge for the new era. Through easy-to-follow methods, the children learned about IoT applications, coding, and how to be “makers,” inspiring a new interest in learning among these rural children. In the 2017 academic year, the project visited 112 elementary and junior high schools, helping out some 6,000 students. In addition, we held four Cloud Professor teacher training sessions, focused on education in programming and IoT, with approximately 210 teachers participating.

During the 2017 academic year (August 2017–July 2018), four bookmobiles traveled a total of 175,199 km, roughly equivalent to 131 laps around Taiwan; they trained over 1,000 Reading Masters, who each read over 100 books each year. A total of 18 teams of college volunteers were invited participate, with 238 going out into these rural villages to tell stories; in addition, nearly 300 volunteers from all walks of life formed reading volunteer teams to head into remote communities as storytellers for the children.

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 Internet of Beings Competition

In addition to this, for several years Acer has organized the Longterm Smile Competition. In October 2017, this competition was restructured to incorporate smart technologies and IoT, relaunching as the Longterm Smile Internet of Beings Competition. With its first holding in this incarnation in 2018, the competition has continued to provide a platform for the promotion of innovative Taiwanese startups, as well as providing resources for them, with winners moving on into the Ministry of Science and Technology’s FITI Startup Competition. These two complementary competitions together form a startup incentivization program offering the highest available financial grant for a single startup team in Taiwan, and we hope that through this we will be able to cultivate the innovative stars of Taiwan’s future.

A total of 132 teams (628 people) took part in the competition, with design and engineering teams occupying the plurality (46%). It is clear to see that the Longterm Smile IoT Competition remains a platform on which students of technology can shine, with aesthetic design playing an increasingly core role in the work of the teams. The pieces showcased covered a fairly wide range of areas, from environmental protection through information management and beyond, but all were centrally focused around the Internet of Beings.

The competition (in its current form) held its first awards ceremony in June 2018, at which the iEAT smart food security keyring developed by National Central University’s Taiwan User Friendly Sensors and Tech team took first place. An IoT-connected allergen sensing device, it linked a smartphone app, extraction and allergen sensing chip kit, and allergen signal reading device, in an easily portable device the size of a key ring that can offer laboratory quality, high sensitivity results in just minutes. With such a device, those with food allergies can eat with peace of mind, using the Internet of Things and cloud-based databases to create an environment of online food security sharing.

Second BeingLife Creativity Competition

The Second BeingLife Creativity Competition, held jointly by the Acer Foundation and the National Taiwan Science Education Center, had its awards ceremony held at the National Taiwan Science Education Center at the end of February. There, Acer Foundation chairman Stan Shih and NTSEC director Chen Hsueh-yu presented the awards in person. To encourage students in their brainstorming and product development, in addition to the written proposal and video options from the first competition, an additional creative work section was added, letting students get physically involved in the creative work in addition to just thinking about it. Through such efforts, they were able to investigate how AI can provide solutions in daily life, so that the next generation of innovative thinker will bring better and more positive social and technological developments.



The competition showcased more than 600 outstanding pieces, and through the selection interviews of the finalists, the judges found that the students showed more acute social observation skills than previously. The finalists chosen covered social issues such as drunk driving, elderly care, air pollution, and workplace safety, along with attempts to help stabilize local agriculture production through the use of smart equipment. The entries come from insights the students have had in their daily lives, combining technology, innovative thinking, and cloud thinking to solve everyday problems and realize the value of an Internet of Beings.



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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 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.

Helping Students to International Competitions with Mobile Workstations

Acer helped the TDIS team from National Chiao Tung University represent Taiwan in Dubai at the November 2018 Solar Decathlon Middle East (SDME) finals, providing Acer TravelMate P8 mobile workstations to the team for their intelligent green building design simulation to be perfectly presented. We also provided ultra-thin all-in-one Aspire S24 desktops and Acer Iconia One 10 ten-inch tablets for the team's work in Dubai's desert climate. Their smart, green Creative Action Base (CAB) is expected to be a stand-out from among the 17 impressive teams in the world finals. The team's CAB project makes full-scale use of recycling and reuse, using recycled glass for brick production and a green solar energy system to create a self-charging power system that can not only supply electricity for daytime use, but also store enough electricity to fully charge an electric car. The concept behind the work coincides with the spirit of Acer's work to create circular economies, which is something that drove this particular industry-academia cooperative project.

Building an e-Sports Base

Acer and the New Taipei City Government worked together to establish New Taipei e-Sports, a center dedicated to supporting the development of the local e-sports industry and cultivating local talent. Located in a venue that had long sat idle in New Taipei City's Sanchong District, the transformed e-sports center is set to be at the core of the city's e-sports industry. The center is equipped with an e-sports game space, broadcast station, hosting room, production/networking room, and more, while the audience area can accommodate 200 people. It is open to students and amateur gamers to use in the name of either a group or an individual. In 2019, it will also serve as the recommended venue for the Acer Predator League of Legends Intercollegiate Cup in preparation for taking the world stage as the venue for the 2018 Asia Pacific Predator League 2018 Campus Cup. In addition, Acer is also working with New Taipei e-Sports to provide e-sports seed training courses, as well as encouraging schools without dedicated e-sports facilities to make use of the center through things such as making it the recommended venue for the two aforementioned school competitions.

Donation of a Supercomputer to the Asian Institute of Management, Philippines

To help boost the AI research and development capabilities of the Philippines, the Acer Foundation has donated a high-speed supercomputer to the Asian Institute of Management in the Philippines. The school has also established a new Analytics, Computing, and Complex Systems Laboratory and research department to assist Master's students in data science in conduct AI-related research and in cultivating a higher level of business and scientific capabilities. The supercomputer is capable of operating at up to 500 teraflops, with a storage capacity of 500 TB, ranking it second in Southeast Asia for computing speed, second only to Singapore.

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 2018, we held our second CSR Project Awards, continuing to contribute to the improvement of rural education through donations of products, study items, and funds. In 2018, the Thai Schools CSR Project that received the award was an excellent example of such efforts.



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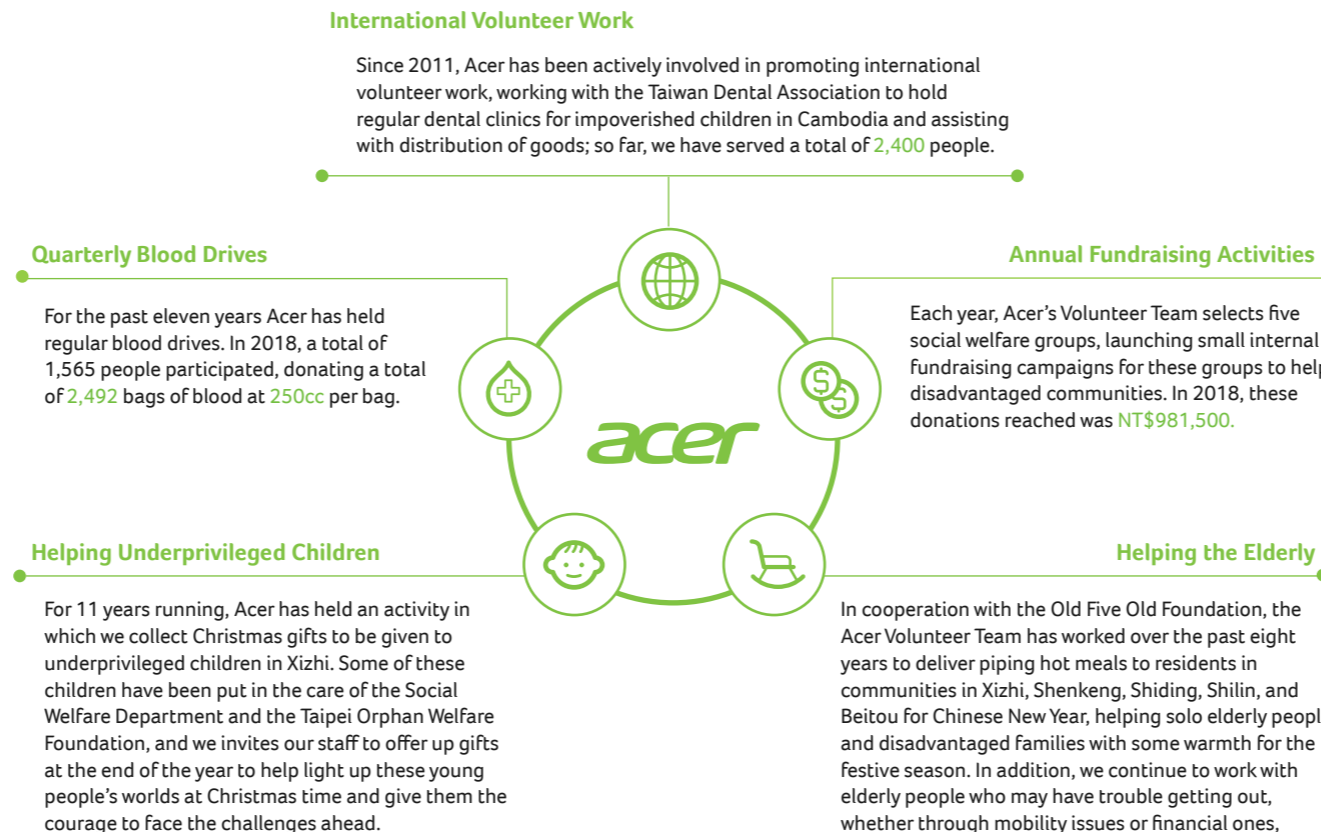
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Volunteer Activities

Locked on to Issues for Long-term Involvement: Acer Volunteer Teams

Acer Volunteer Teams have long encouraged our staff to get involved in charity service outside of work and to contribute their talents. 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. Each year we organize and hold a variety of charitable activities, including:



Extending Core Competencies and Helping Disadvantaged Children

Exploring the Future, I Make My World

In 2018, Acer organized a summer camp for disadvantaged children entitled "Exploring the Future, I Make My World." The aim of the camp was to nurture the primary and secondary school aged children from underprivileged families in the Xizhi area. Using IoT Steam teaching aids, children were able to better understand cloud technology services and quickly assemble easy-to-understand apps. Through practice around coding keywords, the children's interest in the cloud and IoT was stimulated as they also enjoyed a happy and memorable summer vacation!

IT Volunteer Camp

Ahead of the camp, we organized an IT Volunteers Camp, at which staff were taught simple app design, they can more quickly get a grip on AIOT trends and get inspired with an interest in the Internet of Beings and AI. We also encouraged our staff to share the results of their education with the community and give back to society. It is pleasing to note that four of them promptly volunteered to work with disadvantaged children in the aforementioned summer camp.



2018 Summer Camp for Disadvantaged Children



For eight years running, we have delivered Chinese New Year meals to elderly people living alone




For two consecutive years, we have organized internal and external electronics recycling activities



For 10 years running, we have organized themed days for staff in concert with Earth Day



Corporate Social Responsibility Management Overview

 Economic	Unit	2015	2016	2017	2018	GRI Indicators	Page No.
Consolidated Revenue	NTD Billion	263.775	232.724	237.275	242.270	102-7	13
						201-1	13
Operation Profit (Loss)	NTD Billion	0.939	1.193	3.670	3.738	102-7	13
After Tax Earnings (Loss)	NTD Billion	0.604	(4.900)	(2.816)	(3.060)	102-7	13
Basic Earnings Per Share	NTD	0.20	(1.62)	0.93	1.01	-	13
Operation Expenses	NTD Billion	(24.222)	(22.300)	(21.900)	(22.257)	102-7	13
						201-1	13
Staff Remuneration and Welfare	NTD Billion	(14.163)	(12.948)	(13.094)	(13.457)	201-1	13
Dividends	NTD	0.50	0.50	0.70	0.77	201-1	13
Tax Income (Liability)	NTD Billion	(0.243)	(0.176)	(0.642)	(1.350)	-	13
Liabilities	NTD Billion	105.887	107.996	99.637	95.003	102-7	13
Equity	NTD Billion	65.855	57.678	57.975	58.986	102-7	13

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Environmental

	Unit	2015	2016	2017	2018	GRI Indicators	Page No.
Total Input							
Direct Energy Resource Usage							
• Natural Gas	m ³	1,726,991.87	1,318,428.59	1,389,526.08	365,256.82	302-1	82
Energy consumption	GJ	64,330.90	49,111.81	51,760.21	13,605.91	302-1	-
% of total energy consumption	%	22.02	19.11	20.96	7.85	302-1	-
• Gasoline	liters	841,312.06	662,923.94	530,496.61	561,054.43	302-1	-
Energy consumption	GJ	28,352.22	22,340.54	17,877.74	18,907.53	302-1	-
% of total energy consumption	%	9.70	8.69	7.24	10.90	302-1	-
• Diesel	liters	665,059.90	586,970.62	537,550.68	509,244.01	302-1	-
Energy consumption	GJ	225,671.31	22,657.07	20,749.46	19,656.82	302-1	-
% of total energy consumption	%	8.79	8.81	8.40	11.34	302-1	-
• Water ^{Note1}	m ³	215,101.74	169,456.76	189,888.84	185,604.27	302-1	84
Total Output							
Indirect Energy Resource Usage							
• Green Electricity ^{Note2}	kWh	19,802,992.09	21,674,069.20	21,532,095.79	17,572,656.98	302-1	81-82
• Electricity Consumption	kWh	48,276,132.31	45,259,748.98	43,490,527.48	33,679,435.45	302-1	-
Energy consumption	GJ	173,794.08	162,935.09	156,565.90	121,245.97	302-1	-
% of total energy consumption	%	59.49	63.39	63.4	69.92%	302-1	-
Greenhouse Gas Emissions^{Note3}							
• Scope 1	tonnes of CO ₂ equivalent	6,410.82	3,813.30	3,537.82	3,413.95	305-1	81-82
• Scope 2 : market-based	tonnes of CO ₂ equivalent	16,733.89	14,037.17	13,275.69	12,646.41	305-2	81-82
Waste Water							
• Sewage Discharge ^{Note4}	tonnes	172,081.39	135,565.41	152,011.07	148,483.42	306-1	84
Wastes							
• Total Generated	tonnes	4,392.49	4,579.10	4,945.34	1,915.48	306-2	85
• Total Recycled and Reuse	tonnes	3,711.34	3,829.45	4,221.31	1,167.01	306-2	85
Recycled Resources	tonnes	2,267.77	2,058.28	2,344.47	784.30	306-2	85
Electronic Waste	tonnes	1,443.57	1,771.17	1,876.84	382.71	306-2	85
• Non Recycled and Reuse	tonnes	681.15	749.65	724.03	748.47	306-2	85
Municipal Solid Waste							

Note1: The statistical scope of water usage, municipal solid waste and recycled resources: cover 100% of Acer global staff (some regional data uses per-capita estimates); The statistical scope of electronic wastes: 2015-2016 figures cover 93% of Acer global staff; 2017-2018 figures cover 100% of Acer global staff.

Note2: Green electricity includes self-owned generation facilities and renewable energy certificates.

Note3: In line with the GHG Protocol, we are using greenhouse gas emissions levels from post the 2018 sale of our North Sioux City assets with retrospective adjustments.

Note4: 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.

Note5: In 2018, the statistical definition of "Resource Recycling" and Electronic Waste" in EMEA region was changed, so the overall value decreased compared with previous years.

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Social

		Unit	2015	2016	2017	2018	GRI Indicators	Page No.
Staff Employment	• Number of Employees ^{Note1}	people	7,607	7,749	7,812	8,037	102-7	91
	• Average Age	years	37.6	37.4	38.7	39.7	-	91
	• Average Seniority	years	7.1	7.7	8.0	8.4	-	91
	• Turnover Rate	%	20.65	17.88	17.22	18.22	401-1	92
	• Hiring Rate	%	18.41	13.67	14.96	16.61	401-1	92
	• Applicants for Parental Leave ^{Note2}	%	13.5	22.2	11.81	13.41	401-3	93
	• Post Parental Leave Return-to-work Rate	%	66.7	52.9	61.9	56.00	401-3	93
• Post Parental Leave Retention Rate	%	100	90	88.89	76.92	401-3	93	
Continuing Learning and Growth^{Note3}	• Average Number of Training Hours for Staff Members	hours	6.82	5.47	10.5	13.1	404-1	74
Health and Safety in the workplace^{Note4}	• Disabling Injury Rate	-	0.14	0.23	0.36	0.67	403-2	103
	• Lost Day Rate	-	1.7	1.4	3.93	11.27	403-2	103
	• Absence Rate ^{Note5}	%	0.87	1.1	1.1	1.19	403-2	103
Community Engagement and Investment	• Financial Value of Community Engagement and Investment	10 thousand NT\$	3,600	3,300	4,934	4,262	-	
Donation Type	• Cash	%	87	87	60	76	-	104
	• Time, Products, or Other in-kind Donations	%	13	13	40	24	-	104
Participation Type	• Community investment	%	43	43	54	53	-	104
	• Charitable Donations	%	29	39	29	28	-	104
	• Commercial Initiatives	%	28	18	17	19	-	104

Note1: Includes regular and dispatched staff.

Note2: 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.

Note3: The statistical scope covers Global regions staff.

Note4: The statistical scope covers Taiwan region staff.

Note5: 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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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, 2018.

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, a Taiwan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), 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.
- 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, 2018 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.

Taipei, Taiwan (Republic of China)

May 31, 2019

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 TW19/00127GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2018 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
3,413.945 tonnes of CO₂e
Energy indirect emissions
18,777.304 tonnes of CO₂e
Direct emissions and energy indirect emissions
22,191.249 tonnes of CO₂e

Authorized by

David Huang
Director
Date: 22 May 2019
Version 1

TGP 5615A-1 1902
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24603, Taiwan
t (02) 22993279 f (02)22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings available on pages 2 to 26 of this Statement. Page 1 of 26

Statement TW19/00127GG, continued

The emission calculation for Energy indirect Emissions is based on GHG Protocol- Scope 2 Guidance and chosen Market base which is based on the GHG Protocol 2 Guidance (2015)
Unit: tonnes of CO₂e

Region	Direct Emissions	Energy indirect Emissions(Market base)	Direct emissions and Energy indirect emissions
Taiwan	168.542	8,816.555	8,985.097
Pan American	428.268	79.779	508.047
EMEA	1,873.016	432.030	2,305.046
Asia Pacific	936.105	3,079.706	4,015.811
China	8.014	238.336	246.351
Global Total	3,413.945	12,646.406	16,060.351

Green Electricity Usage List

Business Group & Company	Electricity Usage in kWh	RECs, GOs and I-RECs in kWh	Green Electricity Ratio
NB, DT, Monitor related Business Group , including Acer Inc Headquarter, Datacenter, EMEA, PAP, PA, HSN, Servex and etc.	24,918,881.67	13,927,246.97	55.89%
Other Business Group , including ASDI, APDI, EDC, E-TEN, Weblink, Acer Third Wave, ACTCO, ACTI(U.S.), ISU, AOPEN and etc.	8,760,553.78	386,888.01	4.42%
Total	33,679,435.45	14,314,034.98(A)	42.5%

Self-Generation Company & Sites	Green Electricity in kWh
ASDI & APDI	3,208,282.00
EDC	50,340.00
Total Self-Generation (B)	3,258,622.00
Self-Generation & RECs (A+B)	17,572,656.98

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Disclosure	Chapter	Page No. and Description / Omission	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	9-12	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, 13, 91	Assured by KPMG
102-8 Information on employees and other workers	Employee Care and Development	91-92	Assured by KPMG
102-9 Supply chain	Responsible Supply Chains	35-45	Assured by KPMG
102-10 Significant changes to the organization and its supply chain	About the Company Responsible Supply Chains	No significant changes took place during 2018.	Assured by KPMG
102-11 Precautionary Principle or approach	Risk Management	55-57	Assured by KPMG
102-12 External initiatives	Stakeholder Engagement Responsible Supply Chains	21-34 35-45	Assured by KPMG
102-13 Membership of associations	Stakeholder Engagement	34	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, 55-57, 81-82	Assured by KPMG
Ethics and Integrity			
102-16 Values, principles, standards, and norms of behavior	Ethics/Code of Conduct and Legal Compliance	52-53	Assured by KPMG
102-17 Mechanisms for advice and concerns about ethics	Internal Audits	54	Assured by KPMG
Governance			
102-18 Governance structure	Corporate Governance Structure	48-51	Assured by KPMG
102-19 Delegating authority	CSR Policy, Strategy and Governance	16-17	Assured by KPMG
102-20 Executive-level responsibility for economic, environmental, and social topics	CSR Policy, Strategy and Governance	16-17	Assured by KPMG
102-21 Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Structure CSR Policy, Strategy and Governance Employee Care and Development	48-51 17 91-99	Assured by KPMG

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Disclosure	Chapter	Page No. and Description / Omission	External Assurance	
102-22	Composition of the highest governance body and its committees	Corporate Governance Structure	48-51	Assured by KPMG
102-23	Chair of the highest governance body	Corporate Governance Structure	49	Assured by KPMG
102-24	Nominating and selecting the highest governance body	Corporate Governance Structure	48-51	Assured by KPMG
102-25	Conflicts of interest	Corporate Governance Structure	48-51	Assured by KPMG
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Structure Internal Audits Risk Management CSR Policy, Strategy and Governance	48-51 54 55-57 15-17	Assured by KPMG
102-27	Collective knowledge of highest governance body	Corporate Governance Structure CSR Policy, Strategy and Governance	48-51 15-17	Assured by KPMG
102-28	Evaluating the highest governance body's performance	Corporate Governance Structure	50	Assured by KPMG
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance Structure Internal Audits Risk Management CSR Policy, Strategy and Governance	48-51 54 55-57 15-17	Assured by KPMG
102-30	Effectiveness of risk management processes	Internal Audits Risk Management CSR Policy, Strategy and Governance	54 55-57 15-17	Assured by KPMG
102-31	Review of economic, environmental, and social topics	Internal Audits Risk Management CSR Policy, Strategy and Governance	54 55-57 15-17	Assured by KPMG
102-32	Highest governance body's role in sustainability reporting	CSR Policy, Strategy and Governance	15-17	Assured by KPMG
102-33	Communicating critical concerns	Corporate Governance Structure CSR Policy, Strategy and Governance Employee Relations	48-51 15-17 95	Assured by KPMG
102-34	Nature and total number of critical concerns	Corporate Governance Structure CSR Policy, Strategy and Governance Employee Relations	48-51 15-17 95	Assured by KPMG
102-35	Remuneration policies	Corporate Governance Structure	51	Assured by KPMG
102-36	Process for determining remuneration	Corporate Governance Structure	51	Assured by KPMG
Stakeholder Engagement				
102-40	List of stakeholder groups	Stakeholder Engagement	21	Assured by KPMG
102-41	Collective bargaining agreements	Human Rights Management	90	Assured by KPMG
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	21-24	Assured by KPMG
102-43	Approach to stakeholder engagement	Stakeholder Engagement	21-25	Assured by KPMG
102-44	Key topics and concerns raised	Stakeholder Engagement	21-25	Assured by KPMG

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Disclosure	Chapter	Page No. and Description / Omission	External Assurance	
Reporting Practice				
102-45	Entities included in the consolidated financial statements	About this Report	Please refer to Acer's 2018 annual report for details on the Company's related entities	Assured by KPMG
102-46	Defining report content and topic Boundaries	Stakeholder Engagement	27	Assured by KPMG
102-47	List of material topics	Stakeholder Engagement	27-32	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	3 116-123	Assured by KPMG
102-55	GRI content index	GRI Standards Index Comparison Table	116-123	Assured by KPMG
102-56	External assurance	About this Report Independent Limited Assurance Report	3 114-115	Assured by KPMG
GRI 103: Management Approach				
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	21-32	Assured by KPMG
103-2	The management approach and its components	Internal Audits Material topics and management approaches in chapter 2-chapter 6	54 15, 47, 59, 81, 87	Assured by KPMG
103-3	Evaluation of the management approach	2018 Important Achievement and Recognition Material topics and management approaches in chapter 2-chapter 6	5 15, 47, 59, 81, 87	Assured by KPMG
Economic				
GRI 201: Economic Performance				
201-1	Direct economic value generated and distributed	Status of Operations Employing Skills to Impact Society	13 104	Assured by KPMG
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management Responding to Energy and Climate Change	57 81-82	Assured by KPMG
201-3	Defined benefit plan obligations and other retirement plans	Employee Care and Development	93	Assured by KPMG
GRI203: Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	Employing Skills to Impact Society	104-110	Assured by KPMG
203-2	Significant indirect economic impacts	Employing Skills to Impact Society	104-110	Assured by KPMG



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GRI204: Procurement			
204-1 Significant indirect economic impacts	Responsible Supply Chains	35	Assured by KPMG
GRI205: Anti-corruption			
205-2 Communication and training about anti-corruption policies and procedures	Ethics/Code of Conduct and Legal Compliance Continuing Learning and Growth Human Rights Management	52 99 88-90	Assured by KPMG
205-3 Confirmed incidents of corruption and actions taken	Ethics/Code of Conduct and Legal Compliance	52-53	Assured by KPMG
GRI 206: Anti-competitive Behavior			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics/Code of Conduct and Legal Compliance	53	Assured by KPMG
Environmental			
GRI 301: Materials			
301-3 Reclaimed products and their packaging materials	Circular Economies and Product Life Cycle	69	Assured by KPMG
GRI 302: Energy			
302-1 Energy consumption within the organization	Circular Economies and Product Life Cycle	83-85	Assured by KPMG
302-2 Energy consumption outside of the organization	Responsible Supply Chains	42	Assured by KPMG
302-3 Energy intensity	Circular Economies and Product Life Cycle Corporate Social Responsibility Management Overview	71 112	Assured by KPMG
302-4 Reduction of energy consumption	Circular Economies and Product Life Cycle	71	Assured by KPMG
302-5 Reductions in energy requirements of products and services	Circular Economies and Product Life Cycle	71	Assured by KPMG
GRI 303: Water			
303-1 Water withdrawal by source	Operations and Environment Corporate Social Responsibility Management Overview	84 112	Assured by KPMG
303-2 Water sources significantly affected by withdrawal of water	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	Operations and Environment	84	Assured by KPMG
GRI 305: Emissions			
305-1 Direct (Scope 1) GHG emissions	Responding to Energy and Climate Change Corporate Social Responsibility Management Overview	81-82 112	Verified by SGS
305-2 Energy indirect (Scope 2) GHG emissions	Responding to Energy and Climate Change Corporate Social Responsibility Management Overview	81-82 112	Verified by SGS
305-3 Other indirect (Scope 3) GHG emissions	Responding to Energy and Climate Change	81-82	Verified by SGS



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305-4 GHG emissions intensity	Responding to Energy and Climate Change	81-82	Verified by SGS
305-5 Reduction of GHG emissions	Responding to Energy and Climate Change	81-82	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
GRI 306: Effluents and waste			
306-1 Negative environmental impacts in the supply chain and actions taken	Operations and Environment Corporate Social Responsibility Management Overview	84 112	Assured by KPMG
306-2 Waste by type and disposal method	Operations and Environment Corporate Social Responsibility Management Overview	85 112	Assured by KPMG
GRI 307: Non-compliance with environmental laws and regulations			
307-1 Non-compliance with environmental laws and regulations	Ethics/Code of Conduct and Legal Compliance	52	Assured by KPMG
GRI 308: Supplier Environmental Assessment			
308-1 Supplier Environmental Assessment	Responsible Supply Chains	36-37	Assured by KPMG
308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chains	38-42	Assured by KPMG
Social			
GRI 401: Employment			
401-1 New employee hires and employee turnover	Employee Care and Development	92	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	93-94	Assured by KPMG
401-3 Parental leave	Employee Care and Development	93	Assured by KPMG
GRI 402: Labor/Management relations			
402-1 Minimum notice periods regarding operational changes	Employee Care and Development	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.	Assured by KPMG
GRI 403: Occupational Health and Safety			
403-1 Workers representation in formal joint management-worker health and safety committees	Health and Safety in the Workplace	100	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	103	Assured by KPMG
GRI 404: Training and Education			
404-1 Average hours of training per year per employee	Employee Care and Development	32	Assured by KPMG
404-2 Programs for upgrading employee skills and transition assistance programs	Employee Care and Development	96-99	Assured by KPMG
404-3 Percentage of employees receiving regular performance and career development reviews	Employee Care and Development	99	Assured by KPMG



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Disclosure	Chapter	Page No. and Description / Omission	External Assurance	
GRI 405: Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	Corporate Governance Structure Employee Care and Development	49 91-92	Assured by KPMG
405-2	Ratio of basic salary and remuneration of women to men	Employee Care and Development	93	Assured by KPMG
GRI 406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	Responsible Supply Chains Employee Care and Development	37-41 48, 88-90, 95, 99	Assured by KPMG
GRI 407: Freedom Association and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible Supply Chains Human Rights Management	36-41 90	Assured by KPMG
GRI 408: Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Care and Development Responsible Supply Chains Human Rights Management	36-41 88-90	Assured by KPMG
GRI 409: Forced or Compulsory				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Care and Development Responsible Supply Chains Human Rights Management	36-41 88-90	Assured by KPMG
GRI 412: Human Rights Assessment				
412-2	Employee training on human rights policies or procedures	Human Rights Management	88	Assured by KPMG
GRI 414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Responsible Supply Chains	36	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chains Human Rights Management	36-41 88-90	Assured by KPMG
GRI 415: Public Policy				
415-1	Political contributions		Acer made no political contribution in 2018.	Assured by KPMG
GRI 416: Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	Circular Economies and Product Life Cycle	68	Assured by KPMG
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ethics/Code of Conduct and Legal Compliance	52	Assured by KPMG



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GRI 417: Marketing and Labeling			
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	Ethics/Code of Conduct and Legal Compliance	52	Assured by KPMG
417-3 Incidents of non-compliance concerning marketing communications	Ethics/Code of Conduct and Legal Compliance	52	Assured by KPMG
GRI 418: Customer Privacy			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy Protection and Information Security	79	Assured by KPMG
GRI 419: Socioeconomic Compliance			
419-1 Non-compliance with laws and regulations in the social and economic area	Ethics/Code of Conduct and Legal Compliance	52	Assured by KPMG
Other Standard Disclosure			
Customer Service			
Acer-EC1 Information Security Governance	Customer Privacy Protection and Information Security	78-79	Assured by KPMG
Acer-EC2 Multiple service channels	Customer Service	73	Assured by KPMG
Acer-EC3 Enhancing service quality	Customer Service	74-77	Assured by KPMG
Innovative Research & Development			
Acer-EC4 Innovative technology and application	United Nations Sustainable Development Goals Products and Services that Respond to the SDGs	19-20 19-20	Assured by KPMG
Acer-EC5 Open source and collaborative innovation	Products and Services that Respond to the SDGs	19-20	Assured by KPMG
Acer-EC6 Acquisition and protection of intellectual property rights	Products and Services that Respond to the SDGs	19-20	Assured by KPMG
Product Responsibility and Customer Safety			
Acer-EN1 Halogen-free products launched	Circular Economies and Product Life Cycle	52	Assured by KPMG
Corporate Citizenship and Philanthropy			
Acer-SO1 Activities of corporate citizenship and philanthropy	Employing Skills to Impact Society	104-110	Assured by KPMG
Acer-SO2 Digital Inclusion activity	Employing Skills to Impact Society	104-108	Assured by KPMG
Talent Attraction and Retention			
Acer-SO4 Investment in and development of talent pool	Employee Care and Development	96-99	Assured by KPMG
Conflict Minerals			
Acer-SO5 Publish of Smelter List and annual Conflict Minerals Report	Responsible Supply Chains	43-45	Assured by KPMG

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