



2019
ACER CORPORATE
RESPONSIBILITY REPORT



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Acer has issued Corporate Social Responsibility Reports annually since 2008, for 12 years running. We issue the report in both Chinese and English, and for the convenience of readers, we also publish 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 Responsibility Reports and the latest information on sustainable development are available at the [Acer Group's CSR website](#).

REPORT BOUNDARIES AND SCOPE

This report is based on the principles of consolidated financial statements with regard to organizational boundaries. In scope, this report includes the Acer Group's subsidiaries, the Acer Foundation and the Gateway Foundation, but does not include reinvestment matters, and some performance information is not yet fully incorporated; where there are issues of data adjustment or estimation, they will be stated in the report text. For more detailed finance and organizational information, please refer to the [Acer Group's Investor Relations page](#).

REPORT ISSUING DATES AND FREQUENCY

This report, released in June 2020, discloses the company's performance in key issues of sustainable development during 2019 (January 1, 2019–December 31, 2019); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2018 or forward into 2020. Acer issues Corporate Responsibility Reports each year, with the previous report issued in June 2019.

REPORT COMPILATION PRINCIPLES

The content of our reports follows the Global Reporting Initiative's Sustainability Reporting Standards Core Option. The GRI indicators are appended to this report.

REPORT QUALITY MANAGEMENT

Internal Verification

The integrity and accuracy of the data are verified by the management of Acer's internal departments and the members of the Company's CSR Committee, with ESG performance and strategic goals reviewed by the Chief Sustainability Officer.

External Assurance

Sustainable Data and Information: This report commissioned the accounting firm KPMG Certified Public Accountants in accordance with the limited assurance standards of ISAE 3000. During the assurance process, management-level staff, including the CSO, take part in procedures and interviews.

Financial Data: All financial data in this report has been verified by KPMG Certified Public Accountants.

Data Relating to Greenhouse Gases: GHG-related data has undergone verification by SGS and is in accordance with ISO 14064.

Responses and Feedback

If you have any questions or suggestions regarding the Acer 2019 Corporate Social Responsibility Report or sustainability issues, you are welcome to contact us. Our contact details are:

Acer Corporate Sustainability Office

Address: 10F., No. 88, Xintaiwu Rd. Sec. 1, Xizhi Dist., New Taipei City
Telephone: +886-2-8691-3137
CSR Email: cr@acer.com



Report Download

Cover Story

Faced with global social and environmental issues, Acer must assume greater responsibility and serve as a positive influence. We encourage our staff to work together to create change. In 2019, Acer staff around the world participated in our in-house [Project Humanity project](#). Through a series of activities, we aimed to have everyone gradually cultivate their awareness of environmental issues and new habits starting with their everyday lives. Our hope is that through such efforts, we can realize the vision represented by this year's cover design and visual theme: keeping the Earth smiling and creating a positive impact that we can all be proud of.





MESSAGE FROM THE CHAIRMAN AND CEO



A company’s pursuit of making the world a better place must start with its employees’ conviction and willingness to participate. At Acer, we have been raising awareness of climate change and educating employees on how they can each contribute to make a significant impact to a greener environment. Our ongoing research and development also includes new technologies for people’s wellbeing. This involves collaborating with biotech and medical institutions to focus on applying artificial intelligence in enhancing the accuracy and speed of disease detection.

In 2019 Acer launched Project Humanity, an initiative involving our worldwide employees to make the world a better place. Throughout the year we focused on reducing single-use cups and bottles at work, collecting electronic products and batteries for

closed-loop recycling, and providing education tools for the underprivileged. As we continue to consolidate our data, to date we have saved a self-estimated equivalent of 60 tons of CO₂ emissions.

Acer’s responsibility efforts have continued being recognized by global sustainability indices that benchmark environmental, social and governance (ESG) performance of organizations. For the sixth consecutive year we have been listed in the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index. We were included on the FTSE4Good Emerging Index for the fourth year, listed on the subcategory FTSE4Good TIP Taiwan ESG Index, and awarded AA rating by the MSCI indexes.

We are committed to innovating in all aspects of our technology, management, and operations. By closely engaging with our partners and suppliers to act responsibly, we will continue making positive impacts to the society and environment, while responding to the Sustainable Development Goals 17 on “strengthen the means of implementation and revitalize the global partnership for sustainable development.”

Note: GRI Standard: <https://www.globalreporting.org/standards>
SASB: <https://www.sasb.org/>

Beyond our efforts that include bridging the digital divide and supporting ecological farming, I am glad to see our employees actively propose new and creative ideas for the environment and humanity, reflecting Acer’s “people-centric” mindset. In 2020, we will be initiating more activities for employees to conserve the Earth’s natural resources, and that apply directly to our business operations. Only by integrating these efforts into our business models in the long term, will we become a sustainable company of the future.

In light of the coronavirus pandemic, we are mindful of how it has changed many aspects of everyday life and how people, businesses, and establishments worldwide remain concerned. During this time, we want to ensure that our customers have access to our services and the products they need to carry on with their work, study, or keep in touch with their loved ones. Business continuity and the health of our customers, employees and partners are our primary concerns. Our worldwide operations have been working closely with public health authorities, taking actions to ensure the safety and wellness of our employees. Our executive team also continues to monitor the COVID-19 developments, indeed the velocity of our decisions and actions has been critical to weather the storm during this period of uncertainty, such as by securing essential component supplies for production, and staying abreast of the recovery rate at our manufacturers’ facilities. The close collaboration between Acer and our partners has always been our competitive advantage. Through the concerted efforts of our management team, employees, and stakeholders, we are demonstrating the highest resilience to power through these times of high volatility.

This report adheres to the GRI Standards for sustainability reporting, and refers to the SASB reporting standards that focus on topics that matter to financial investors. We aim to communicate transparently and consistently, and work together with our stakeholders toward a sustainable future.

Chairman and CEO

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★ IMPORTANT ACHIEVEMENTS AND RECOGNITION IN 2019

SUSTAINABILITY

 <p>2019 Constituent MSCI ESG Leaders Indexes</p> <p>MSCI ESG Leaders Indexes</p> <p>Chosen for the sixth consecutive year to join the MSCI Global Sustainability Indexes</p>	<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> <p>Dow Jones Sustainability Emerging Markets Index</p> <p>Chosen for the sixth consecutive year to join the Dow Jones Sustainability Emerging Markets Index as a component stock</p>	 <p>Customer Service</p> <p>Received fifth French customer service award</p>	 <p>Customer Service</p> <p>Received third Spanish customer service award</p>
 <p>MSCI ESG Rating</p> <p>AA</p>	 <p>Ecovadis CSR Rating</p> <p>Gold</p>	 <p>Consumer Electronics Customer Products Survey</p> <p>Received first place among computer brands in German Consumer Electronic Customer Products Survey</p>	 <p>German Customer Trust Survey</p> <p>Received second place in the consumer electronics category of German Customer Trust Survey</p>
 <p>Responsible Sourcing Network Evaluation</p> <p>Ranked Strong</p>	 <p>Taiwan Corporate Sustainability Awards (TCSA)</p> <p>Received Platinum Award at the Taiwan Corporate Sustainability Awards</p>	 <p>Popular Computing Weekly</p> <p>Received Best Service Brand award for 14th consecutive year from China's Popular Computing Weekly</p>	 <p>Top 100 Customer Satisfaction Companies</p> <p>Acer Brazil was recognized for the second year in a row as one of the Top 100 Customer Satisfaction Companies. The company was in 16th place among corporations in the electronics sector.</p>
  <p>RobecoSAM Corporate Sustainability Assessment</p> <p>Won Silver Sustainability Award and Industry Mover Award</p>	  <p>FTSE4Good Emerging Index</p> <p>Chosen for inclusion in the FTSE4Good Emerging Index for the fourth consecutive year</p> <p>FTSE4Good TIP Taiwan ESG Index</p> <p>Chosen for the Taiwan ESG Index</p>		





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SOCIAL INCLUSION



Buying Power Social Innovation Product and Service Procurement Award

Received Second Prize in Ministry of Economic Affairs' "Buying Power Social Innovation Product and Service Procurement Award" 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.



Commonhealth Magazine—2019 Corporate Health Responsibility Corporate Citizenship Evaluations

Received first prize in the "Knowledge—Health Consciousness" category



CORPORATE GOVERNANCE



TWSE Corporate Governance Evaluations

Honored in 5th TWSE Corporate Governance Evaluations Top 6%–20% of listed companies



MARKET RECOGNITION



iF Design Award

Five Acer products won 2019 iF Product Design Awards: the Predator X gaming desktop, Predator Triton 900 gaming notebook, Predator Thronos gaming cockpit, Acer Swift 7 ultra-thin notebook, and Acer Smart Speaker.



reddot award 2019 brand

Red Dot Award: Brand & Communication Design

Acer believes that a brand is a commitment to consumers. The Predator gaming brand focuses on high-end players and differentiated itself from some 8,697 entries worldwide to become the first gaming brand to win the German Red Dot Award in Brand & Communication Design.



reddot award 2019 winner

Red Dot Award: Product Design

Several of Acer's products have won Red Dot Brand & Communication Design Awards, including the Acer Swift 5 and Acer Swift 7 lightweight notebooks, Acer Chromebook 715 and Acer Chromebook 11 notebooks, aiSage edge computing device, Predator XB3 series gaming display.



CES Innovation Awards

Acer announced the new ultra-thin Swift 7 (SF714-52T) with a super-narrow bezel design and a screen-to-body ratio of 92%, breaking down screen space limitations and winning the CES 2019 Innovation Award. At only 890 grams, the featherweight Swift 7 can easily be carried in a briefcase or bag.



GOOD DESIGN AWARD 2019

Good Design Award

The Good Design Award focuses on products that can benefit lives, industries, and societies to make them more prosperous. Acer's ConceptD7 and ConceptD9 notebooks take a subtractive approach to design to help creators work free of distractions; meanwhile, the Acer TravelMate P6 series of notebooks is built for business professionals, with strong durability and high battery life, and the Acer Swift 7 ultra-thin notebook offers easy portability. All of these were recognized at the Good Design Awards 2019 for their product design concepts.



Computex Taipei 2019

The Predator Thronos gaming cockpit won the highest honor at the 2019 Computex Taipei Design and Innovation Awards, the Gold Award; Acer ITS also won the Special Award for their Smart Parking Meter Management System. Other award-winning products include the ConceptD500 high-end desktop, Predator Triton 900 gaming laptop, Acer Swift 7 ultralight laptop, Acer OJO 500 Microsoft mixed reality headset, and aiSage edge computing device.





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CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE HIGHLIGHTS



CORPORATE GOVERNANCE/ECONOMIC

Amend Corporate Governance Code of Practice

Continue to strengthen corporate governance

ISO 27001

Obtained ISO 27001 Information Security Management Systems and ISO 27017/ ISO 27018 cloud security standards certification

97.7 %

Percentage of staff who have completed information security education and training

691

Patents obtained globally



ENVIRONMENT

60 %

Renewable energy usage by information products business operations

3 million kWh

Annual solar power generation globally

Comprehensive Product Life Cycle Assessment

Desktop Computer VX4660G

>5 million

Shipped product units using post-consumer recycled plastics accounts for 17.9% of hardware revenue

>3.7 million

Units of phthalate-free products across product lines shipped, valued at over US\$1.6 billion



SOCIAL

2.2 %

Global community engagement investments as percentage of profits

>25,570 man-hours

Acer's global investment in regional social projects

>2.01 million

Beneficiaries of Acer social projects

56.43 million

Total investment in global social philanthropy and community engagement



SUPPLY CHAIN MANAGEMENT

819

Second-tier suppliers to whom supplier management has been expanded

40 %

Critical suppliers that have set science-based targets (SBTs) for carbon reduction set

101

First-tier suppliers subjected to on-site audits

99 %

Percentage of smelters that meet third-party OECD Due Diligence Guidance



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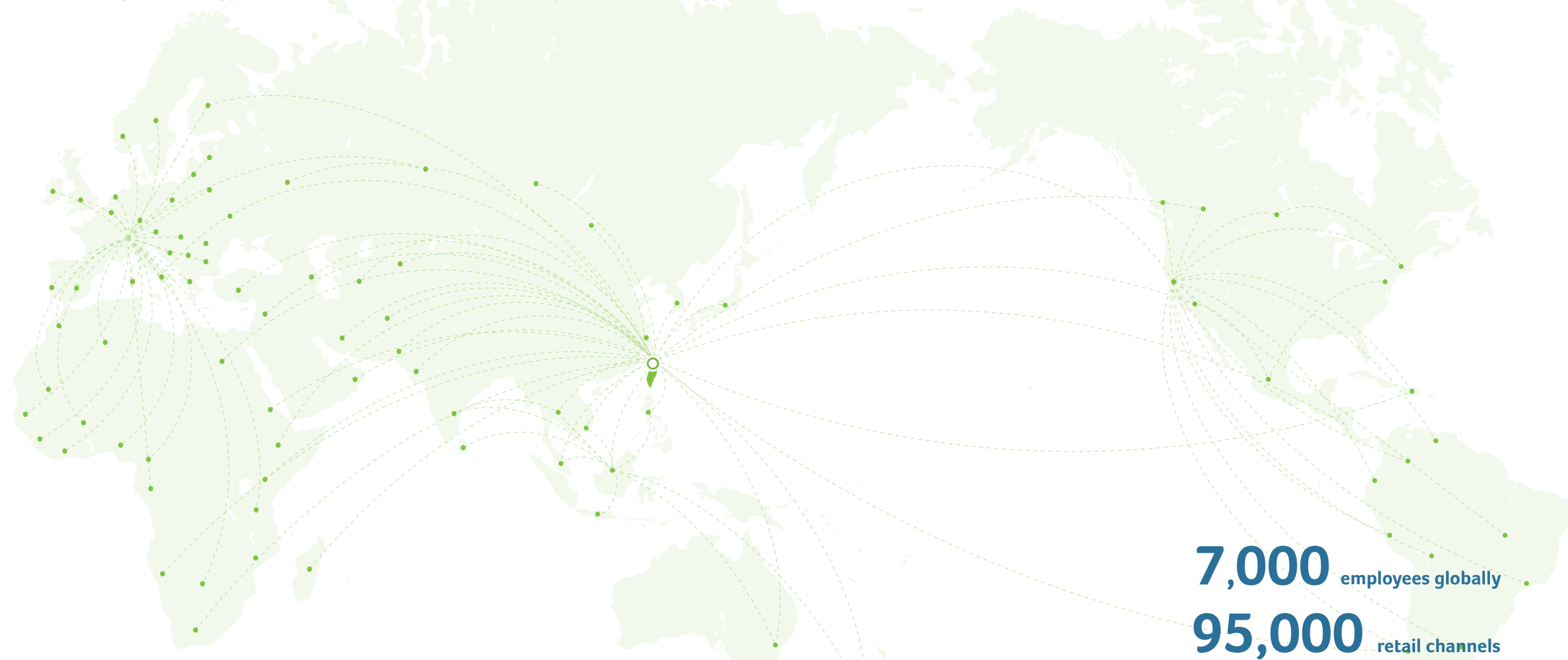
BUSINESS OPERATION

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ABOUT THE COMPANY

Founded in 1976, today Acer is one of the world's top ICT companies and has a presence in over 160 countries. As Acer looks into the future, it is focused on enabling a world where hardware, software and services will fuse with one another to open up new possibilities for consumers and businesses alike. From PC and gaming hardware to esports events and a social platform, Acer's 7000 employees are dedicated to the research, design, marketing, sale, and support of solutions that break barriers between people and technology.




Research


Design


Marketing


Sale


Support of Products

7,000 employees globally
95,000 retail channels
Presence in **160+** countries

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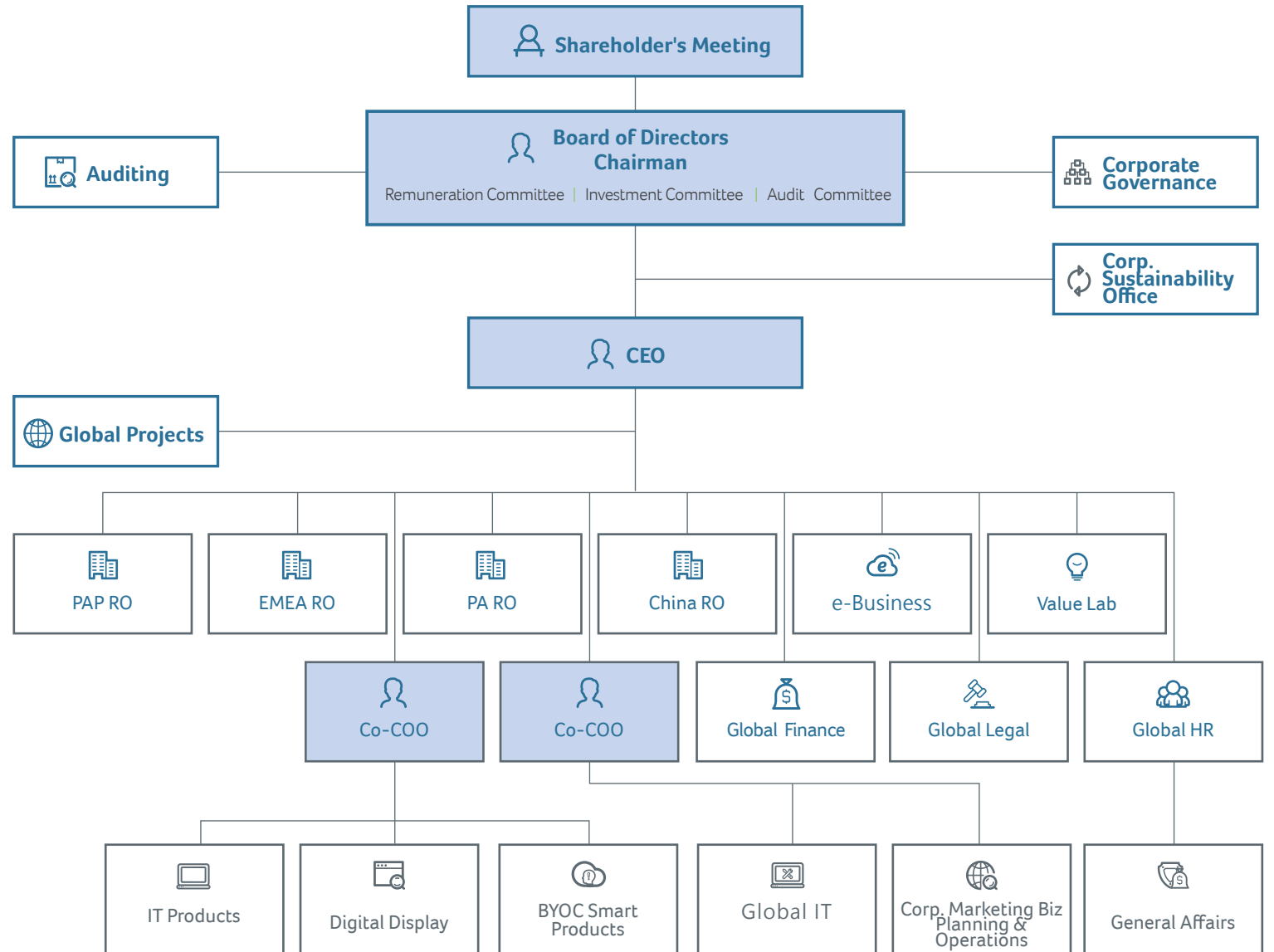
Acer's Main Focuses (IT Products & New Businesses)

Acer continues to evolve in both the PC space and in new businesses. In PCs, the focus is in areas with high growth opportunities such as ultra-slim notebooks for travelling professionals, a gaming line for both hardcore and casual gamers, a creator line for designers, Chromebooks for education, projectors, in addition to digital signage for the commercial markets.

For the gaming market, Acer has expanded beyond a focus on PCs to a plethora of gadgets and from hosting regional-scale esports events to its new Planet9 esports social platform. Planet9 is an open community that allows gamers to build their team, train for excellence and challenge for victory.

For new businesses, Acer is creating multiple growth engines for the company's long-term sustainability. As its strategy of listing subsidiaries has been progressing according to plan, Acer is also pursuing AI-enabled solutions, including high-performance computing, smart cities (conferencing, car parking, utilities), devices for religious groups, and more.

Organization Chart



BRAND VALUES

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Acer has been guided by its mission of breaking barriers between people and technology since day one, and today that mission is as relevant as ever. Acer believes everyone can reach their potential and that technology can help them to do so, such as by making education accessible for disadvantaged groups and rural areas through technology. Acer's brand values of "human," "progressive" and "curious" translate into a determination to change the world for the better.

"Making the world a better place" is the driving aspiration behind Project Humanity, an initiative involving Acer's global employees to take part and make a positive impact to society and the environment. The initiative kicked-off in 2019 and its focuses are aligned with Acer's business direction and important topics around the world, starting with education and environment. Workshops and seminars have been hosted to educate employees on the importance of reducing, reusing and recycling. Through Project Humanity, led by Acer's executive team, 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 hope of our future and, through technology, Acer aims to empower them by providing access to learning and tools that enable them 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.

Environment

We are at a critical moment concerning 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.



Chief Executive Officer (CEO)



Co-Chief Operating Officer (Co-COO)



Co-Chief Operating Officer (Co-COO)



Chief Human Officer (CHO)



Chief Sustainability Officer (CSO)





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MARKETING COMMUNICATIONS

Acer adheres to the pertinent legal frameworks of each region it operates in to communicate with stakeholders. Through Acer, its various brands and subsidiaries’ presence on social media and websites, advertisements and events, we communicate our products and services’ value proposition, beliefs and other messages. We use these mediums to announce or livestream press conferences, attendance at industry fairs and shows, and sponsor activities such as regional esports competitions and international informatics contests for young scientists. In addition, through social media and collaboration with social influencers, Acer interacts with users or new customers. Internally, Acer has brought to employees’ attention the intensifying environmental emergency and called on global participation to take part in Project Humanity.

MAJOR EVENTS ACER HELD OR PARTICIPATED IN 2019

Making the World Greener

Project Humanity, Acer’s initiative for employees worldwide to make the world a better place, kicked off in January. Throughout 2019, Acer focused on cutting down on single-use items, recycling electronic products and batteries, saving a self-estimated equivalent of 60 tons in CO₂ emissions. At the same time, another focus was on providing education tools for the underprivileged and educating employees more about environmental protection.

Engaging in Esports Events

Acer hosted the grand finals of the second Asia Pacific Predator League in February with three days of intense competition. The top 26 esports teams out of 3,530 in the region gathered in Bangkok for the finals, witnessed by over 10,000 fans in person, garnered over 4.3 million online views, and achieved a peak concurrent viewership of over 60,000. By hosting such tournaments, Acer hopes to provide a stage for young talents: not only by providing hardware but also by nurturing the esports ecosystem and industry. The athletes from Predator League 2019 are expected to continue with their great work as a member of the esports community.

Announcements via Global Press Conferences

Acer held its biannual global press conferences in New York in April and in Berlin in September. At both events, a plethora of new devices were unveiled in front of an audience of more than 400 international media and partners, achieving a peak concurrent viewership of over 8,000 over livestream. Acer chose to announce its brand new ConceptD creator brand of monitors, desktops and notebooks in New York, while its next-generation esports platform, Planet9, made its debut in Berlin. With the ConceptD and Planet9 brands, the Acer group is developing devices for a wider variety of professionals, and building a complete gaming eco-system.

Engagements to Reach Target Audiences

Acer aligned its product announcements with major tradeshows, including the Consumer Electronics Show (CES) in Las Vegas, the BETT Show in London (biggest event for education technology), as well as Computex Taipei (the leading ICT and IoT show). For the second year during Computex, Acer created experience rooms located in the city’s busy shopping district, opening them to the public so passersby could also experience the latest devices for gamers and creators. For the first time, Acer delivered a speech at C2 in Montreal, an immersive event aimed to transform the way business is done by bringing together commerce and creativity to explore trends, opportunities, disruptions and major shifts among 6,500 decision makers and creative minds.

Making Positive Differences to Society

The aspiration to make a positive difference to society has been the foundation of Acer’s long-term mission of “Breaking Barriers between People and Technology.”

As the Official Sponsor for IOI 2019 in Baku, Azerbaijan, Acer was the sole supplier of 450 Aspire notebooks for contestants and staff, in addition to servers, to run contest management systems for the event held in August. After the contest, the notebooks were donated to ADA University and the Ministry of Education to support computer science programs for young scientists in Azerbaijan.

For the fifth straight year, Acer sponsored Taiwan’s only IAAF-certified marathon, the 2019 New Taipei City Wan Jin Shih Marathon. Acer developed a marathon app to enhance the overall experience for runners, enabling them to register conveniently and get real time information. AI-enabled image recognition labelled each runner’s photos so that post event, they can easily find, download and share photos. Furthermore, data from each runner’s chip and track mats provided personalized analytics of their performance.



Grigory Nizovsky, Vice President for Russia, Eastern Europe and Turkey, Acer gave a speech at the opening ceremony of International Olympiad in Informatics

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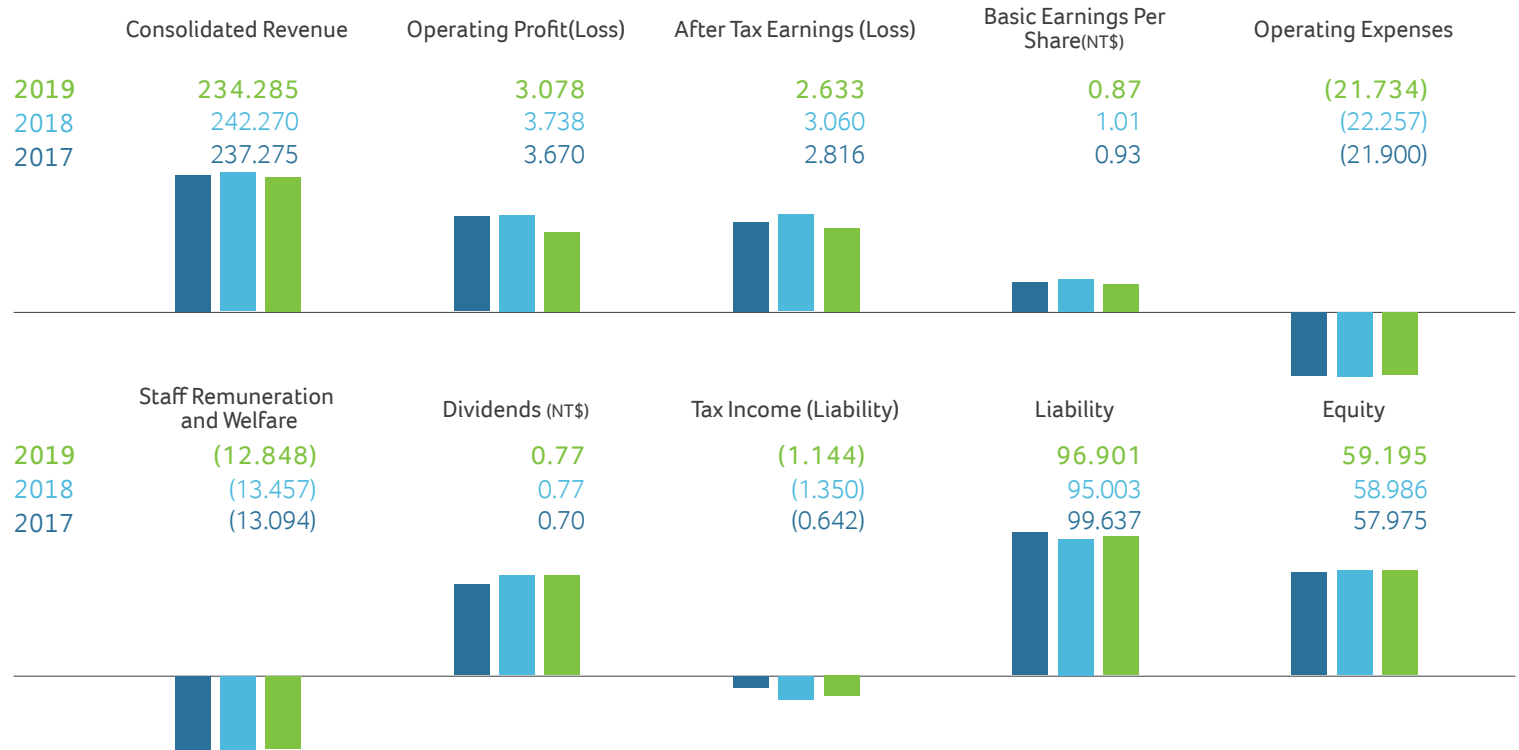
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OPERATIONAL OVERVIEW

Acer has made significant progress with the dual transformation of our core business and new initiatives in 2019, and we are pleased to share with you key developments that demonstrate the forward-looking mindset of a sustainable company. Opportunities as well as challenges have arisen, in fact, the industry's CPU supply issue that began in late 2018 persisted throughout 2019, and has been reflected in our consolidated revenues, which was down slightly year-over-year. In 2019, the company reported consolidated revenues of NT 234.29 billion, net income of NT 2.63 billion, earnings per share (EPS) NT\$0.87. For more details on the Company's operating performance and financial information, please refer to the Acer incorporated 2019 Annual Financial report.

Operational Overview for Acer for the Past Three Years



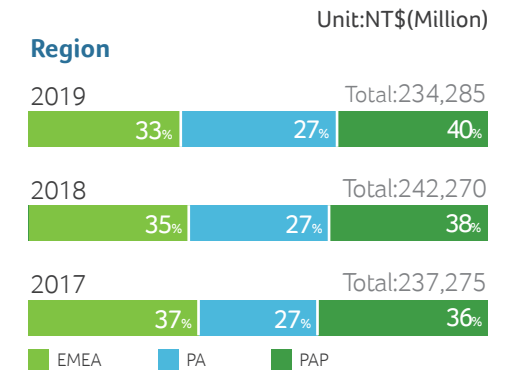
Note: All currency amounts mentioned in this report, unless otherwise specified, are in New Taiwan Dollars(NT\$).

234.285 billion
Consolidated revenues

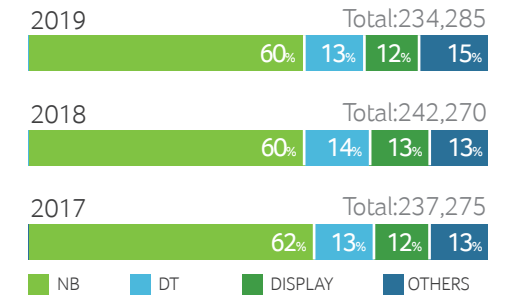
3.078 billion
Operating profit

0.87
Earning per share (NT\$)

IT PRODUCTS 2019



Product Category





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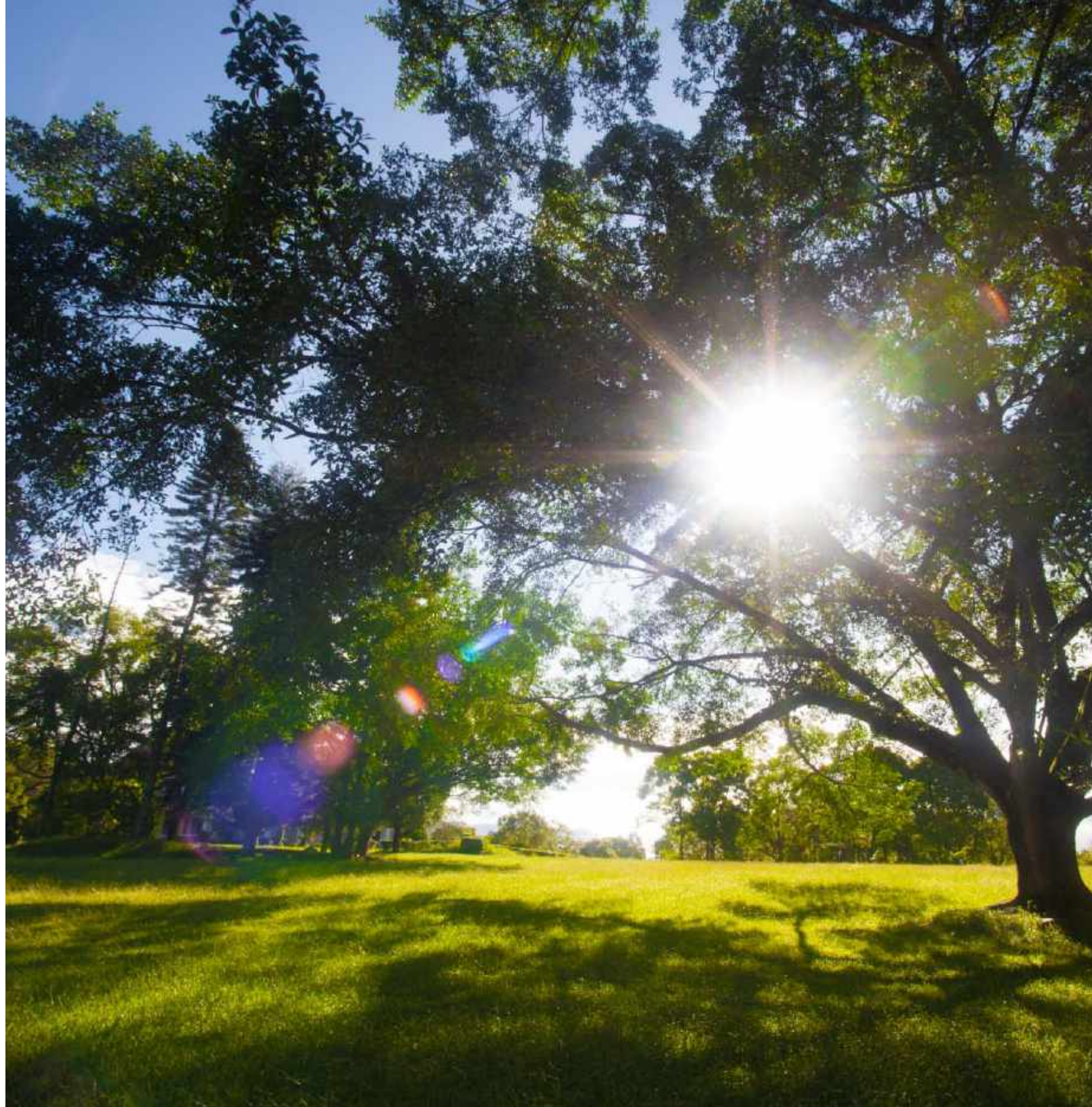
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MATERIAL TOPICS AND MANAGEMENT APPROACHES

TRANSPARENCY AND DISCLOSURE



Implications for Management

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

Strengthening disclosure of non-financial performance.

Evaluation Mechanism

Sustainability performance undergoes independent assurance by external third parties in accordance with the ISAE 3000 standard.

Medium- and Long-Term Goals

Integrated Reporting

2019 Accomplishment Status and Highlights & Results

Goal: Continued optimization of True Value assessment.

Status: The most suitable method for assessing and measuring the company's sustainability impact.

The 2019 CR report refers to the SASB standards and disclose the topics that matter to financial investors.

2020 Goals

- Through, for example, circular economies, we can estimate True Value and determine the directions in which the circular economy model can be refined.
- Conducting Task Force on Climate-related Financial Disclosures (TCFD) status gap analysis and climate risk identification in preparation for integrated reporting.

Achieved Not Accomplished In Progress Highlights and Results



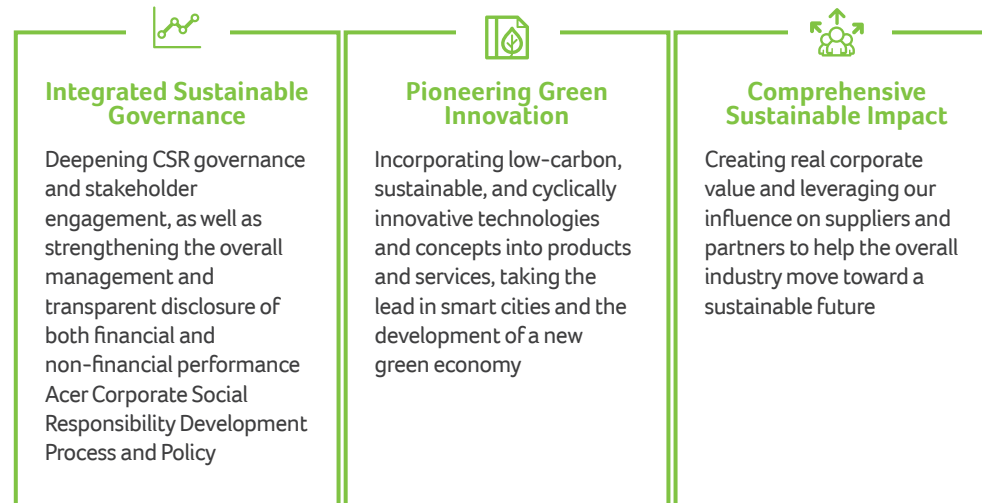
CORPORATE SOCIAL RESPONSIBILITY POLICY, STRATEGY, AND GOVERNANCE

SUSTAINABLE ACER

Acer's corporate social responsibility mission aligns our CSR strategy with our new development direction and the core spirit of the brand.

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

ACER CORPORATE SOCIAL RESPONSIBILITY POLICY



ACER CORPORATE SOCIAL RESPONSIBILITY DEVELOPMENT PROCESS AND STRATEGIES

The foundations of Acer's CSR were laid out between 2008 and 2010 as we began building our corporate social responsibility management mechanisms; 2011 through 2014 was our strategic promotion period, during which sustainability concepts were incorporated into all of our operating mechanisms and compliance with international trends in sustainability became a focus. This is now 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 the implementation of Acer CSR policy. We hope this will further reinforce its integration into the organization and value chain, gradually building toward strong governance and innovation development goals that serve as a model for the industry.

Timeline of Acer's Corporate Social Responsibility Efforts



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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

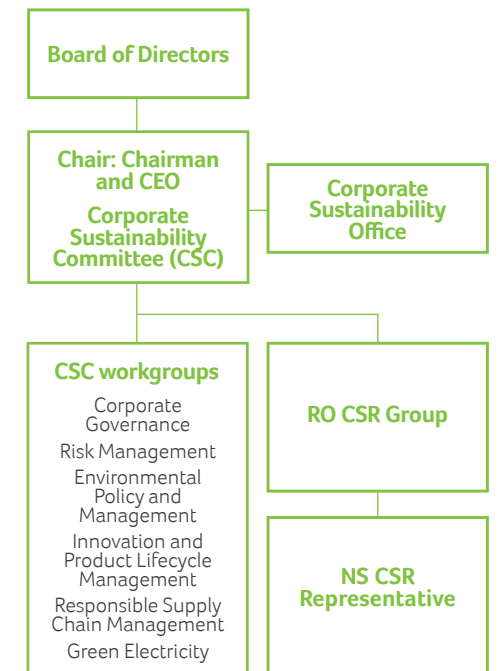
Acer takes a proactive attitude to reviewing and promoting important sustainability issues and strives to incorporate sustainable development policies into daily operations. We have established a CSR governance pipeline for the communication of relevant issues, fully implementing a variety of resolutions and pursuing stronger governance.

Through the Corporate Sustainability Committee (CSC), we are able to further incorporate CSR strategic thinking into operations, boosting our performance in terms of sustainability. Under the watch of the committee are workgroups on Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Policy and Management, and Supply Chain Management, with members including first-level managers of various units including operations management, legal, finance, and general affairs, with the chairman and CEO serving as chair.

The main purpose of the CSC is reviewing the status of operations with regard to sustainability, determining material issues, setting the direction, goals, and action plans for CSR. The committee convened two meetings in 2019. In addition to reviewing the actions and implementation status of each workgroup, responding to stakeholders' expectations and demands, setting sustainability goals for 2020, and reviewing medium- and long-term goals, the CSC also decided how to incorporate the reevaluation of material topics into the process of identifying said topics, further strengthening Acer's CSR governance. Through the Corporate Sustainability Committee, we have formed a consensus among first-level management regarding Sustainability, being that it should be aimed at "doing good business, creating a new era, and injecting new energy into society." The chairman further elaborated that sustainability should be considered an asset to Acer, and that all functions must reinforce the value of sustainability to the company and extend Acer's influence in terms of sustainability. With issues of climate risk becoming increasingly important, the CSC also decided create a Green Electricity Taskforce to assess global green electricity strategy and action. For the results of identification of material topics, please see the chapter "[Results of Analysis of Material Topics](#)"; the relevant resolutions of the CSC can be found in the section of "Material Topics and Management Approaches" of each chapter.

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, impact, and performance with regard to these issues. The CSO plays an important role as a liaison linking the various workgroups 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.

Acer Sustainability Governance Organization





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Sustainability Value Creation



Corporate Social Responsibility Policy, Strategy, and Governance

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Materiality Analysis and Stakeholder Engagement



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. The United Nations has called on governments, corporations, and individuals to contribute to the sustainable well-being of mankind.

Since 2019, Acer has run training for senior management, CSC members, and other relevant management in the UN SDGs, inviting outside experts to guide them in contemplating the relevance of the SDGs to corporate strategy and how they can further use Acer's core competencies to address societal needs and exert social influence. This plan will continue for another year, with a plan to produce a SDGs blueprint and design action goals with the approval of senior management.

Currently, we are focused on development with an eye toward the UN SDGs, and through 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.

Acer's Value Chain



United Nations Sustainable Development Goals

Acer's Practical Direction

Related Products / Services or Practical Measures, 2019

Innovative Design

Good Health and Well-being	Ensure people's health and promote well-being through our products.	<ul style="list-style-type: none"> Smart AI Medical Ecosystem BrainSphere™ AI Computing Platform
Quality Education	Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning.	<ul style="list-style-type: none"> Launched a project to nurture avant-garde creative talent under the Concept D banner
Affordable and Clean Energy	Provide more efficient, more sustainable, safe energy.	<ul style="list-style-type: none"> Acer Netherlands has installed solar panels
Decent Work and Economic Growth	Provide smart solutions, more effective work platforms, and the information workers need.	<ul style="list-style-type: none"> Cloudgoda cloud portal
Sustainable Cities and Communities	Make cities inclusive, safe, resilient, and sustainable through smart management.	<ul style="list-style-type: none"> A Smart Water City Solution Smart Lighting Solution
Climate Action	Increase the ratio of renewable energy.	<ul style="list-style-type: none"> Acer Netherland sets up the solar power facilities



Supply Chain Management

Responsible Consumption and Production	Through supply chain management systems, we implement sustainable management and effective use of natural resources.	<ul style="list-style-type: none"> Require supply chain to adhere to list of banned or restricted chemical substances
Climate Action	Actively implementing climate change response strategies, including drafting low-carbon, sustainable strategies.	<ul style="list-style-type: none"> 40% of critical suppliers have completed setting of carbon reduction targets in accordance with SBT methodology
Peace, Justice, and Strong Institutions	Implement responsible supervision and management of conflict minerals, end all forms of child exploitation, and promote a peaceful and inclusive society.	<ul style="list-style-type: none"> Ranked Strong by the Responsible Sourcing Network Continue implementing systems for ending child labor and forced labor



Marketing

Quality Education	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 2019 Global CSR Projects Plan IT Sponsorship of 2019 International Olympiad in Informatics in Baku, Azerbaijan
Reduced Inequalities	Ensure equality of opportunity and reduce inequalities due to gender, physical/mental disabilities, or socioeconomic status.	<ul style="list-style-type: none"> Support APEC Mobile Digital Opportunity Center Project to Sponsor Youths in Foster System Charity Partner of Ealing Mencap, UK EMEA Educational Charity Event
Responsible Consumption and Production	Coordinate implementation of responsible consumption/production and recycling/reuse.	<ul style="list-style-type: none"> ConceptD Thermos Creative Idea Development
Partnerships	Create sustainable value with all stakeholders.	<ul style="list-style-type: none"> More than 21 CSR projects between stakeholders and offices around the world



Service

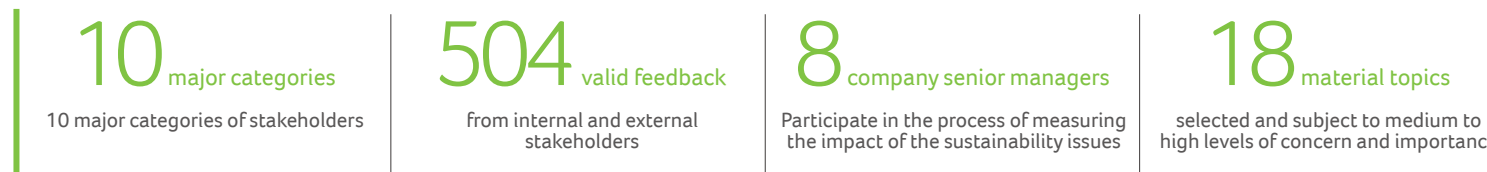
Responsible Consumption and Production	Coordinate implementation of responsible consumption/production and recycling/reuse	<ul style="list-style-type: none"> Continue to promote global reuse and recycling Reuse advertising banners through creative ideas
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MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

IDENTIFICATION OF IMPORTANT ISSUES AND BOUNDARIES

Acer uses the Global Reporting Initiative (GRI) Standards as the framework for 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.



Identifying Stakeholders

In order to best communicate and engage with our stakeholders, we work to fully identify those stakeholders (including staff, advocacy organizations, customers, investors, suppliers, charitable groups/communities, government agencies, industry associations, academic groups, and media) through the five attributes laid out in the AA1000 Stakeholder Engagement Standard: dependency, responsibility, tension, influence, and diverse perspectives. Through this, we are able to deepen our level of communication with stakeholders and gain a more accurate understanding of their respective needs.



Inventorying and Collecting Sustainability Topics

Enumerating sustainable development issues relating to Acer and the ICT industry, drawn from material issues from the GRI Standards, UN Sustainable Development Goals (SDGs), the Dow Jones Sustainability Indices (DJSI), survey items, the Sustainability Accounting Standards Board (SASB), and the Global e-Sustainability Initiative (GeSI), we have grouped issues listed with similar content into three headings: governance/economy, society, and environment. This year, these groupings have resulted in 19 topics, down from 2018's total of 22. This was primarily due to the merger of some related issues, including Corporate Governance and Ethics/Code of Conduct, Innovative Products & Services and Product Responsibility & Customer Safety; and Talent Attraction & Retention and Talent Training and Development.



Material Topics Investigation

In 2019, we collected the opinions of 504 internal and external stakeholders. Through online surveys, we added those of a further eight senior managers, including the chairman and CEO and HR, legal, finance, marketing, general affairs, computer products, digital displays, and e-business managers. Additionally, these surveys asked management to weight the opinions of each category of stakeholder.



Ordering of Material Topics

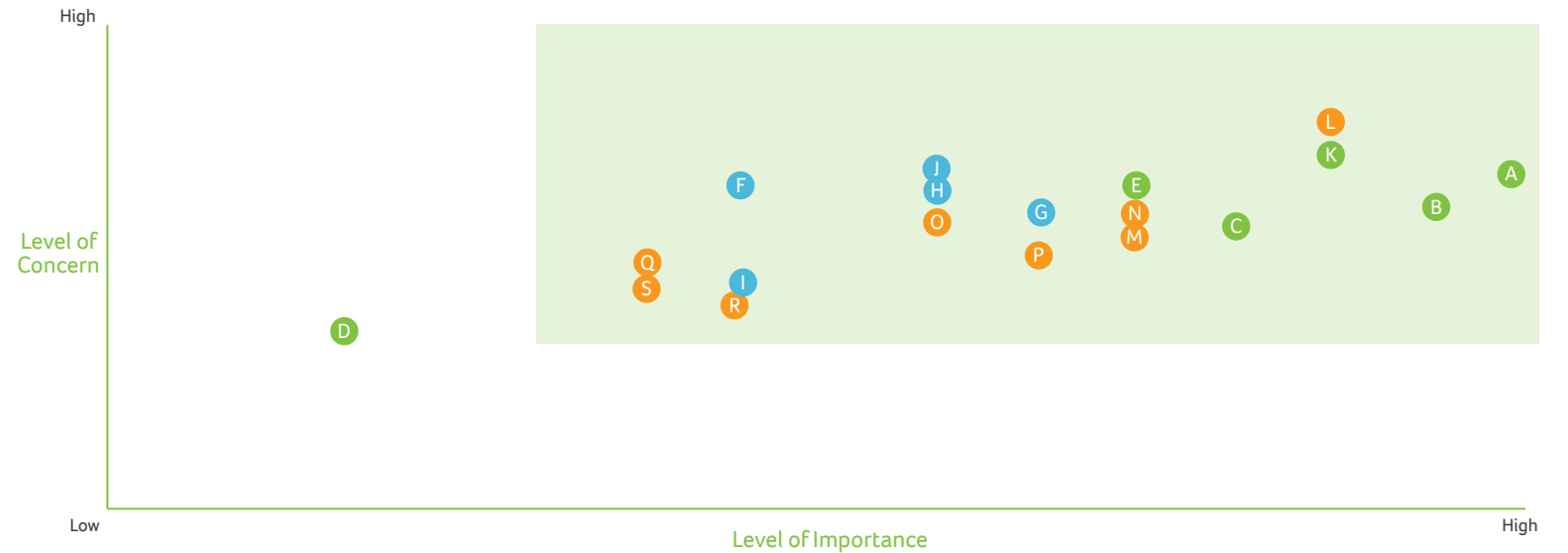
In line with the results, we analyzed the surveys, drawing up a matrix of material topics and submitting this to the corporate sustainability officer for review, with the results audited in line with trends in sustainable development, the industrial environment, and the company's status. In 2019, water resource management, social philanthropy and digital inclusion, supplier social performance, and conflict minerals were among the new material topics selected.



Identification of Material Topics and Boundaries & Review

Confirmed the 18 material topics selected and subject to medium to high levels of concern and importance, then, with reference to the GRI Standards, identified the indicators and boundaries for disclosure. These were then disclosed in the annual CSR report and verified by an external third party.

RESULTS OF ANALYSIS OF MATERIAL TOPICS ^{Note1}



Governance / Economic	Environmental	Social
A Corporate Governance (inclusive of Ethics / Code of Conduct)	F Energy & Climate Change	L Information Security and Customer Privacy
B Risk and Crisis Management	G Environmental Policy and Management	M Labor Management and Relations
C Customer Management	H Circular Economy and Product Stewardship	N Talent Attraction & Retention (inclusive of human capital development)
D Public Policy and Initiative	I Water Resource Management	O Human Right, Diversity and Inclusion
E Transparency Disclosure	J Supplier Environmental Performance	P Occupational Health and Safety
K Innovative Products and Services (inclusive of Product Responsibility and Customer Safety)		Q Community Philanthropy and Digital Inclusion
		R Conflict Mineral
		S Supplier Social Performance

Note1: Level of importance refers to the scale of the impact of a topic on corporate operations as evaluated by senior Acer management; level of concern, meanwhile, refers to the degree of concern among stakeholders (covering 10 categories including staff) regarding Acer's response to each topic.



MATERIAL TOPICS AND BOUNDARY SETTING

Topics	Page	GRI Standards/Acer Topic	GRI Standards/Acer Indicator	Level of Organizational Involvement with Impact	★ Directly Created		★ Through business practices			
					Company-internal Boundaries		Company-external Boundaries			
					Headquarters	Regional Headquarters/ Subsidiaries	Customer	Suppliers	Community	
Corporate Governance										
Code of Ethics/Standards of Conduct	P35	<ul style="list-style-type: none"> Governance Corruption Prevention Anti-Competitive Behavior Management Approach (Complaints Mechanism) 	102-18~108-26 205-2 / 205-3 206-1 103-2	★ ★ ★ ★	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	
Risk and Crisis Management	P36-39	<ul style="list-style-type: none"> Strategy and Analysis 	102-14~102-15	★	●	●				
Customer Management	P62-64	<ul style="list-style-type: none"> Customer Service 	Acer EC2~3	★	●	●	●			
Innovative Research & Development and Product Services	P57-61	<ul style="list-style-type: none"> Obtaining and maintenance of innovative technologies and applications, innovative platforms and cooperation, and IP and patents 	Acer EC4~6	★	●	●				
Transparency and Disclosure	P15	<ul style="list-style-type: none"> Information transparency covers all aspects 	Covers all indicators	★	●	●	●	●	●	●
Environment										
Energy and Climate Change	P79-81	<ul style="list-style-type: none"> Energy Resources Emissions (Greenhouse Gases) 	302-1~302-5 305-1~305-5	★ ★	● ●	● ●	● ●	● ●	● ●	● ●
Environmental Policy and Management Performance	P82-85	<ul style="list-style-type: none"> Emissions (Airborne Pollutants) Waste Water and Waste Products 	305-1~3 306-1~5	★ ★	● ●	● ●	● ●	● ●	● ●	● ●
Circular Economies and Product Life Cycle	P71-78	<ul style="list-style-type: none"> Materials 	301-3	★	●	●	●	●	●	●
Water resource management	P84	<ul style="list-style-type: none"> Water 	303-1	★	●	●				
Supplier Environmental Performance	P49	<ul style="list-style-type: none"> Supplier Environmental Assessment 	308-1~308-2	★	●	●			●	
Social										
Product Responsibility and Customer Safety	P74-76	<ul style="list-style-type: none"> Customer Health and Safety 	416-1 Acer EN1	★	●	●	●	●	●	●
Information Security and Customer Information Protection	P65-67	<ul style="list-style-type: none"> Customer Privacy 	Acer EC1 418-1	★	●	●	●	●	●	●
Labor Relations	P89-91	<ul style="list-style-type: none"> Labor Relations 	401-1~3	★	●	●				
Talent Attraction and Retention	P90-91	<ul style="list-style-type: none"> Overall Compensation and Incentives System / Establishment of and Investment into Talent Database Training and Education 	Acer SO4 / 405-2 404-1~404-3	★ ★	●	●				●
Human Rights, Equality, and Diversity	P89-91	<ul style="list-style-type: none"> Minimum Notice Period for Operational Changes Opportunities for Staff Diversity and Equality No Discrimination Freedom of Association and Collective Bargaining Training and Education 	402-1 405-1 / 405-2 406-1 407-1 404-1~404-3	★ ★ ★ ★ ★	● ● ● ● ●	● ● ● ● ●	● ● ● ● ●	● ● ● ● ●	● ● ● ● ●	
Occupational Health and Safety	P101-104	<ul style="list-style-type: none"> Occupational Health and Safety 	403-1~2	★	●	●			●	
Social Philanthropy and Digital Inclusion	P105-112	<ul style="list-style-type: none"> Social Philanthropy and Digital Inclusion 	Acer-SO1 / Acer-SO2	★	●	●				●
Supplier Social Performance	P50-53	<ul style="list-style-type: none"> Supplier Social Performance 	414-2	★	●				●	
Conflict Mineral	P52-53	<ul style="list-style-type: none"> Conflict Mineral 	Acer-SO5	★	●				●	



STAKEHOLDER ENGAGEMENT

Deepening our corporate responsibility governance and engaging with stakeholders are among aspects of Acer's CSR policy. In addition, balancing interests, overcoming difficulties, working with stakeholders to create shared value, and creating win-win industrial ecologies are parts of the core spirit of Acer's brand. Through communication, consultation, dialog, and cooperation, we create mutual exchange with stakeholders. In order to use the results of this communication to promote ongoing progress, we have also designed a communications evaluation mechanism and procedure for managing issues of concern. These are aimed at properly managing the opinions of different stakeholders as collected and assessed through communication channels, and at helping us achieve the expected level of communicative performance.

Importance to Acer / Issues of Concern	Main Communication Channels and Frequency	2019 Communication Results	Report Section
Staff As the company has undergone its transformation, Acer's internal staff communication channels have helped build consensus and commitment among staff and get everyone on the same page regarding our transformational efforts.	<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 Email bulletins (as needed) 	<ul style="list-style-type: none"> Organized four Employee Representative Meetings to discuss matters relating to operations management, work environment, and employees' rights and draft plans for implementation of major improvement resolution Encouraged staff to get involved with environmental issues through Green On and Game On events Held Acer Earth Recycling Program to help orphans, encouraging staff to take part Implemented information security training and education in all Acer regions worldwide 	<ul style="list-style-type: none"> Innovative Products and Services Circular Economy and Product Life Cycle Human Rights Management Attracting and Developing Talent Information Security and Privacy Protection
<ul style="list-style-type: none"> Innovative Products and Services Customer Management Circular Economies and Product Life Cycle Information Security and Customer Privacy 	Customers 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.	<ul style="list-style-type: none"> Email and Telephone Contacts (as needed) Questionnaires and Surveys (annual) Acer Sustainability Website (as needed) Corporate Social Responsibility Report (annual) Corporate Responsibility 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 96.04%. Received the Best Service Brand Award and the Outstanding Commerce Award in China, along with high customer satisfaction in countries including France, Spain, Germany, and Brazil. Received no complaints regarding infringement of customer privacy or of loss of customer information.
<ul style="list-style-type: none"> Information Security and Customer Privacy Circular Economies and Product Life Cycle Innovative Products and Services 	Suppliers 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.	<ul style="list-style-type: none"> Annual Supplier CSR Communication Meetings (annual) CSR Scorecard (annual) RBA On-site Audit (annual) Launch Second-tier Supply Chain RBA Management (document review, on-site spot-checks) (annual) On-site Education and Training (as needed) Business Review Meetings (quarterly) Supplier Surveys (occasional) Whistleblower Complaint Mailbox (as needed) 	<ul style="list-style-type: none"> Information Security and Privacy Protection Customer Service Corporate Governance Structure Important Achievements and Recognition
<ul style="list-style-type: none"> Innovative Products and Services Climate Change and Energy Product Responsibility and Customer Safety 	<ul style="list-style-type: none"> Annual Supplier CSR Communication Meetings (annual) CSR Scorecard (annual) RBA On-site Audit (annual) Launch Second-tier Supply Chain RBA Management (document review, on-site spot-checks) (annual) On-site Education and Training (as needed) Business Review Meetings (quarterly) Supplier Surveys (occasional) Whistleblower Complaint Mailbox (as needed) 	<ul style="list-style-type: none"> Held 2019 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 101 RBA Site Audits in 2019 	<ul style="list-style-type: none"> Circular Economy and Product Life Cycle Energy and Responding to Climate Change Responsible Supply Chain



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Importance to Acer / Issues of Concern

Main Communication Channels and Frequency

2019 Communication Results

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Investors

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.

- Codes of Conduct
- Customer Management
- Supplier Environmental Performance
- Product Responsibility and Customer Safety

- 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 Report (YouTube/video link)
- Investors Summits

- 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
- Complete Corporate Governance Evaluations with Financial Supervisory Commission
- Collect investment advice and report to Board of Directors and senior team each month

- Corporate Governance
- Legal Compliance and Codes of Conduct/Ethics
- Operational Overview
- Innovative Products and Services

Community

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.

- Ethics/Code of Conduct
- Information Security and Customer Privacy
- Climate Change and Energy

- 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)

- Hold 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.
- Continue to hold the global Corporate Social Responsibility Project Awards, with 2019 awards themed around education and the environment, and organize CSR activities based on the needs of local communities and stakeholders.
- Continue to make charitable purchases of Caitian Rice grown under environmentally friendly conditions and placing an emphasis on the balance between agriculture and the environment.

- Corporate Governance
- Legal Compliance and Codes of Conduct/Ethics
- Attracting and Developing Talent
- Social Philanthropy and Digital Inclusion

Government Agencies

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

- 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
- Social Philanthropy and Digital Inclusion

- Responding to Legal Advice (occasional)
- Policy Advice Meetings (occasional)
- Topic Meetings (occasional)

- Acer ITS has worked with the Taiwanese government on multipay policies and the development of future electronic payment systems, taking the lead in independently developing a QR-code-scanning ticket machine to facilitate the extension of multipay systems into the transportation arena.
- Acer provided notebook computers to the International Olympiad in Informatics, donating all of them to ADA University in Baku and Azerbaijan's Ministry of Education to support young computer scientists.

- Corporate Governance
- Legal Compliance and Codes of Conduct/Ethics
- Innovative Products and Services
- Energy and Responding to Climate Change
- Information Security and Privacy Protection
- Attracting and Developing Talent
- Social Philanthropy and Digital Inclusion

Advocacy Organizations

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

- Transparency and Disclosure
- Supplier Environmental Performance
- Information Security and Customer Privacy

- Acer Sustainability Website (occasional)
- Corporate Social Responsibility Report (annual)
- Questionnaires and Surveys (annual)
- Corporate Responsibility Mailbox (as needed)
- Complaints Mailbox (as needed)

- Acer was invited to participate in the United Nations Environment Programme International Environmental Technology Centre Waste Management Solutions global dialog
- 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 conferences in Taiwan

- Corporate Governance Structure
- Internal Audits
- Stakeholder Engagement
- Sustainable Supply Chain
- Circular Economy and Product Life Cycle
- Energy and Responding to Climate Change



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Main Communication Channels and Frequency

2019 Communication Results

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Media

The media play an important role in information transfer and monitoring, shaping the public's understanding and awareness of Acer's latest R&D. Acer insists on communicating with the media with accuracy and in a timely manner.

- Transparency and Disclosure
- Innovative Products and Services
- Circular Economies and Product Life Cycle
- Information Security and Customer Privacy

- 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)

- Held new global products press conferences in New York and Berlin
- Participated in global trade shows including the Consumer Electronics Show, BETT (world's largest educational technology trade show), and Computex Taipei
- Official sponsor of 2019 International Olympiad in Informatics (IOI) in Baku, Azerbaijan
- Sponsored Taiwan's only silver-label marathon, the 2019 Wanjinshi Marathon

- Brand Values
- Operational Overview
- Stakeholder Engagement
- Legal Compliance and Codes of Conduct/Ethics
- Innovative Products and Services
- Circular Economy and Product Life Cycle
- Information Security and Customer Privacy

Industry Associations

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

- Ethics/Code of Conduct
- Information Security and Customer Privacy
- Product Responsibility and Customer Safety

- Participating in organizational conferences and fulfilling membership obligations (occasional)
- Participating in cooperative events and meetings (occasional)
- Email and telephone (as needed)

- Participating in the Responsible Business Alliance (RBA) and Responsible Labor Initiative (RMI) general assemblies
- Participating in the Taiwan Corporate Sustainability Forum (TCSF) Core Group
- Participating in Center for Corporate Sustainability
- Participating in the US Information Technology Industry Environmental Leadership Council

- Responsible Supply Chain
- Legal Compliance and Codes of Conduct/Ethics
- Innovative Products and Services
- Circular Economy and Product Life Cycle
- Stakeholder Engagement

Educational and Research Institutions

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.

- Ethics/Code of Conduct
- Supplier Environmental Performance
- Product Responsibility and Customer Safety
- Talent Attraction and Retention

- Industry-Academia Exchanges (occasional)
- Surveys and Interviews (annual)
- Conference Activities (occasional)
- Acer Sustainability Website (occasional)
- Corporate Social Responsibility Report (annual)

- In August 2019, teachers and students from Soochow University and Japan's Aichi University visited Acer to learn about our CSR activities and actions & measures employed to boost staff enthusiasm
- In December 2019, teachers and students from National Taipei University of Technology visited to learn about Acer's sustainable operations, supply chain management, green products, and social philanthropy
- Acer Chairman and Chief Executive Officer Jason Chen served as a guest speaker at MIT's 2020 Asia Business Conference, sharing how Acer's operational strategy of "twin transformations" is helping the company reach new heights

- Legal Compliance and Codes of Conduct/Ethics
- Responsible Supply Chain
- Circular Economy and Product Life Cycle
- Attracting and Developing Talent

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INTERACTION WITH STAKEHOLDERS



Engagement with Customers:
Sinopac Supplier CSR Exchange Meeting

Sinopac Financial Holdings held its first Supplier Conference in December 2019, with Acer invited to share our ESG achievements. We shared our experience implementing the Acer Responsible Supply-Chain Management mechanism and encouraging/requiring our suppliers to adhere to the RBA Code of Conduct. On top of this, we discussed how we have worked with our suppliers to build a responsible supply chain and with our customers to advance ESG sustainability and create a sustainable value chain.



Focusing on Social and Environmental Issues around Materials:

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

Acer continues to take part in the Public-Private Alliance for Responsible Minerals Trade (PPA), an initiative that seeks solutions to the issue of conflict minerals in the Democratic Republic of Congo and the African Great Lakes Region. In August 2019, we joined the Artisanal Finance Evaluation Committee to review the artisanal mining pilot plan and determine whether to grant financial assistance. This plan aims to expand participation in the financing of the legal artisanal 3TG mineral trade in the Democratic Republic of Congo. The final assessment and recommendations will be included in the 2020 funding plan. Two months later, Acer participated in the annual multi-stakeholder meeting held in Santa Clara, CA, with discussions covering topics including current membership qualifications, resources, activities, and accomplishments. Members also provided feedback on priority topics and how to achieve future goals, discussing the potential impact and results of the PPA delegation's visit to the Democratic Republic of Congo in December. We also took part in a joint meeting between PPA members and the United States Agency for International Development (USAID) to discuss the PPA's long-term plans, actions, and resource opportunities.



Academic Exchange:
National Taipei University of Technology Visit

To promote in-depth academia-industry communication, we help students understand how businesses like Acer operate and how we approach sustainability. As part of National Taipei University of Technology's Institute of Environmental Engineering and Management course "Corporate Sustainability and Management," the Acer Corporate Sustainability Office worked with Professor Allen Hu's laboratory to organize a company visit. Nearly two dozen students from 10 countries took part, with Acer providing insights into our brand spirit, main products, and important issues in sustainable development. We also organized a new product experience, with the overall activity receiving enthusiastic participation on the part of the students. Bringing with them a diverse and multinational perspective, the student group offered a number of questions and opinions on trends in and implementations of CSR. This visit not only helped students get a real-world insight into sustainable business operations, but also enabled Acer to learn more about what expectations and concerns young students have regarding sustainability, while also injecting new ideas into Acer's future sustainable development direction.





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Participated in the United Nations Environment Programme International Environmental Technology Centre

Waste Management Solutions global dialog

Acer was invited to participate in a “global dialog” held by the United Nations Environment Programme (UNEP) International Environmental Technology Centre (IETC) in Osaka, Japan during May 21 and 22. We attended as an observer, engaging with other participants in a global conversation on the event’s theme, “Technology Solutions for Holistic Waste Management.” This event provided expert advice for the G20 Ministerial Conference, to be held in June. On the sidelines during the event, we also shared specific practices and achievements from the Acer Earth Recycling Project: in 2018, we accomplished a total reduction of about 20 tons of carbon emissions equivalent through recycling of electronic products such as lithium batteries, old smartphones, tablets, and notebook computers by Acer; in addition, we also shared our ongoing Project Humanity environmental sustainability project, starting with our internal plastic reduction challenge, advocating for a better world through reduced use of disposable plastics.



Participating in the Responsible Business Alliance (RBA) and Responsible Labor Initiative (RLI) General Assemblies

Acer continues to participate in the Responsible Business Alliance (RBA), currently the largest cross-industry alliance dedicated to CSR in global supply chains. We actively participate in various RBA initiatives and working groups, including the Responsible Minerals Initiative (RMI), Responsible Labor Initiative (RLI), public procurement working group, and environmental sustainability working group. In October, Acer participated in the annual RBA and RMI general assemblies and conferences held in Santa Clara, CA. In addition to learning about the latest progress of RBA’s plans and working groups, we also engaged in face-to-face discussions with stakeholders and industry peers on current and future supply chain issues.



MAJOR ADVOCACY INITIATIVES AND PARTICIPATION

To facilitate more in-depth discussion of CSR-related issues and work with NGOs around the world on improving ICT industry sustainability, we have been a long-time member of organizations interested in issues of sustainability. We continually strive to make use of Acer’s influence to inspire other businesses to take more proactive measures in this regard.

Comprehensive Sustainable Development Issues

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

Human Rights

- Responsible Business Alliance (RBA)
- 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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MATERIAL TOPICS AND MANAGEMENT APPROACHES

CORPORATE GOVERNANCE



Implications for Management

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

Business Management Strategy

- Strive for 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; 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

- Set out Measures for Performance Evaluation of the Board of Directors and announce results of annual director performance evaluations on company website
- Establish links between 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 Standards of Conduct Compliance declaration as part of company's supplier evaluations

Medium- and Long-Term Goals

- Per our corporate governance blueprint, establish a governance model through directors and management, build 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 boost the profitability of both core and new businesses.

2019 Accomplishment Status and Highlights & Results

- ✔ **Goal:** Continue implementing Corporate Social Responsibility in the Corporate Governance Blueprint to improve Acer's Environmental, Social and Governance (ESG) performance.

Status: Chosen for the sixth consecutive year to join the Dow Jones Sustainability Index Emerging Markets Index as a component stock and chosen for inclusion in the FTSE4Good Emerging Index for the fourth straight year

- ✔ **Goal:** 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

Status: The company's Corporate Governance Code of Practice was revised in March 2019

- ✔ **Goal:** Continue to promote the Acer Group's transformation plan to enable appropriate subsidiaries to be listed independently.

Status: Subsidiary Acer Cyber Security (stock symbol: 6690) listed on October 30, 2019; Acer Synergy Tech (stock symbol: 6751) became an emerging listed stock on November 20, 2019; Weblink International submitted its first application to the Taipei Exchange for a public offering at the end of the year to strengthen the functions of the Board of Directors, boost transparency, and continue the deepening of corporate governance.

2020 Goals

- 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 the Board to add at least one additional female director in 2020.



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MATERIAL TOPICS AND MANAGEMENT APPROACHES

ETHICS/STANDARDS OF CONDUCT

Implications for Management

To protect all company relevant stakeholders' benefits, we have to ensure that all Acer Group staff perform integrity management practices and behave in accordance with the ethical standards.

Business Management Strategy

Established a channel through company website for stakeholders to file reports or complaints; should they find Acer staff to be involved in fraud, corruption, breach of Standards of Business Conduct, or any unlawful conduct/violation of corporate governance, stakeholders are encouraged to make use of this channel to file a report or complaint.


Evaluation Mechanism

Audit unit drafts annual audit plans through risk assessment and regularly reports to Audit Committee and Board of Directors.


Medium- and Long-Term Goals

- 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.

2019 Accomplishment Status and Highlights & Results

 **Goal:** Implement the Acer Anti-Bribery and Corruption Policy, with online teaching materials to be produced and education and training to be carried out.

Status: In 2019, anti-bribery and corruption education and training reached 1,792 people.

 **Goal:** Include manufacturers' Code of Ethical Conduct in regular product and service supplier evaluations.

Status: We have requested subcontractors to sign integrity commitments ahead of any cooperation with the group.

2020 Goals

In concert with internal and external environmental factors, we revised our bribery and corruption-related policies and the Standards of Business Conduct to further strengthen education and awareness.

RISK AND CRISIS MANAGEMENT

Implications for Management

Sustainable development and risk management are inextricably linked. Only through ongoing identification and analysis of 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.

Business Management Strategy

Acer regularly carries out overall evaluation, prioritization, and risk appetite boundary definition for potential internal and external strategic, operational, financial, and hazard risks that our operations face. In response, we set out risk management strategies, enforcement mechanisms, and organizational responses to ensure key risks are effectively controlled and responded to appropriately.

Evaluation Mechanism

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

Medium- and Long-Term Goals

Introduce comprehensive enterprise risk management (ERM)

2019 Accomplishment Status and Highlights & Results

- Continuously and comprehensively evaluate the mechanism/methodology and benefits of Enterprise Risk Management (ERM). Determine the feasibility and appropriate schedule based on resources availability and business needs in the future.

2020 Goals

In the medium and long term, we will gradually optimize existing organizational structure and operational processes in a geographic/functional and phase manner with ERM mechanism/methodology.

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CORPORATE GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE BLUEPRINT

To ensure the ongoing improvement of our corporate governance, the company has established the Acer Inc. Corporate Governance Code of Practice, making 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 our Corporate Governance Code of Practice in March 2019.

This revision includes the establishment of a top-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 required annual attendance rate for directors to 75%. Through this, we continue to strengthen corporate governance and maintain a robust, efficient Board of Directors.



Acer Corporate Governance

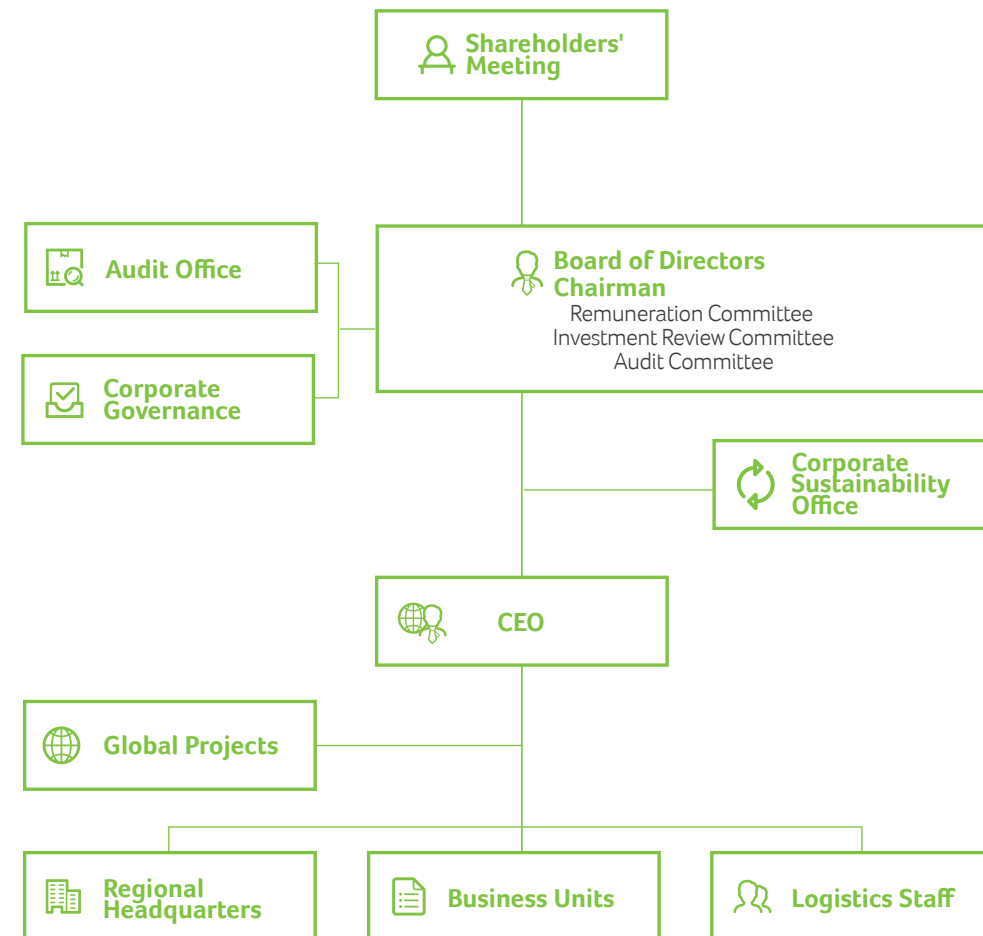
Corporate Governance Blueprint



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

CORPORATE GOVERNANCE STRUCTURE OF ACER INC.



| 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. When the current Board of Directors was up for reelection in 2017, Bruce Ji-Ren Lee, F.C. Tseng, Simon Chang San-cheng, and Charles Ching-Hsiang Hsu were elected as independent directors. Through their world-class experience, professionalism, and intelligence, the company hoped their stronger participation in and supervision of the company's operational decision-making would result in stronger corporate governance and a boost to the quality of operations.

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 nine members, only one director is also a manager); of those Board members, four are independent directors, and one director is female (former Hung Rouan Investment representative Carolyn Yeh was replaced as that company's representative by Maverick Shih on July 26, 2019, who has since that date represented that company on the Acer Board). Independent directors account for 4/9ths of the Board of Directors, almost one half, resulting in the current board being even more independent than previous incarnations. In terms of age brackets, the current board is composed of one director between 40 and 49 years of age, three between 50 and 59, three between 60 and 69, and two 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.

Members of the Board of Directors Note1

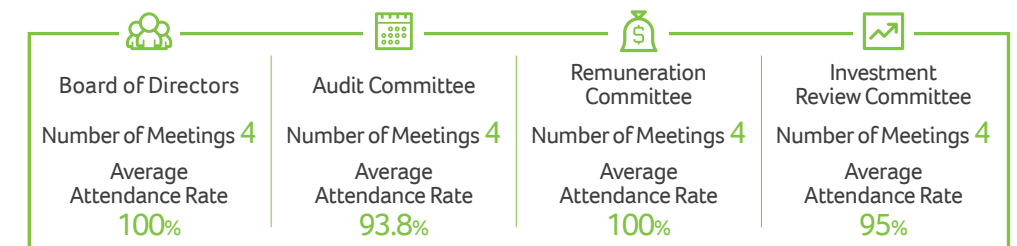
Chairman : Jason Chen	
Director <ul style="list-style-type: none"> • Stan Shih • George Huang • Hung Rouan Investment Corp. Representative: Carolyn Yeh • Hung Rouan Investment Corp. Representative: Maverick Shih • Smart Capital Corp. Representative: Philip Peng 	Independent Director <ul style="list-style-type: none"> • Simon Chang San-cheng • Bruce Ji-Ren Lee • Charles Ching-Hsiang Hsu • F.C. Tseng

Note1: Simon Chang San-cheng resigned as independent director on November 16, 2019.
 Note2: For information on the academic experience and any other concurrent corporate positions, please refer to our annual report.
 Note3: The Hong Rouan Investment Corp. representative position was transferred from Carolyn Yeh to Maverick Shih on July 26, 2019, and thus the latter has since this date held this position on the Acer Inc. Board of Directors.

The company has also formulated Rules for Board Meetings that deal with conflicts of interest. In accordance with these rules, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest 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.

With regard to the everyday business of Acer (including finances, the environment, and social matters), all matters, with particular specified exceptions, are to be handled in accordance with the decision of the board. In order to ensure that actions are consistent with the results of board discussions and that investors are aware of how the board is exercising its authority, attendance of board meetings is disclosed in the company's annual reports. The company shall also set up full- or part-time corporate governance units or personnel to be responsible for relevant matters and designate senior executives to supervise them.

Meeting Attendance by Board of Directors and its Committees in 2019



In November 2019, Acer completed its Board of Directors performance evaluation and report. This evaluation included self-evaluations in areas including the makeup and structure of the board, board participation in corporate operations, improving board decision quality, internal controls, and director elections and ongoing improvement thereof. Each director also gave suggestions regarding which issues should be priorities for the board in the coming year. At the same time, in order to implement the company's sustainable development policy, the company will also review the director's participation in economic, social and environmental issues through the performance evaluation of directors, and regularly communicate with the responsible unit on economic, social and environmental issues, listen to reports, review implementation status and assess risks.



Board of Directors performance evaluation and report





In order to ensure directors are able to maintain their professional edge, all nine current directors participate in a variety of educational courses. In 2019, these courses included “Commercial Real Estate—Current Situation and Future Prospects,” “Corporate Governance and Legal Compliance—Starting with Anti-Corruption and Economic Crime,” “Cyber Insurance and Corporate Governance,” and “Recent Updates to Securities Management and Tax Laws.” Annual attendance for each totaled 7.5 hours.

Under the auspices of Acer’s Board of Directors are three committees: the Audit Committee, the Remuneration Committee, and the Investment Review Committee. Each of these operates under its own set of guidelines and standards: the Audit Committee Charter, the Remuneration Committee Charter, and the Investment Review Committee Charter respectively. It is hoped that these committees will provide mutual supervision and assistance alongside the Board of Directors, further strengthening investment, setup, and M&A decisions while also improving overall corporate governance capability.

Acer Committee Members

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

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

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. Members of this committee serve three-year terms 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

| REMUNERATION COMMITTEE

The responsibilities of the Remuneration Committee include setting and periodically reviewing director and manager performance evaluations, along with remuneration policies, systems, standards, and structure. They also make regular evaluations of the remuneration of the aforementioned personnel. Remuneration of directors is handled in accordance with the Acer Articles of Incorporation, Principles Governing Remuneration for Directors, and Management Principles Governing Remuneration for Senior Officers, with recommendations made by the Remuneration Committee and approved by the Board of Directors before they take effect. The Company’s Articles of Association also specify that, where the company has profits at the end of a fiscal year, after paying all relevant taxes and making up losses from the previous year, the company shall 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.

The 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.

| INVESTMENT REVIEW COMMITTEE

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, through his leadership of the committee, we look forward to making the most of his expertise in management and investment.

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.

Note: 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.



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.

Drafting Plans

Audit methods are based on risk assessments; an annual audit plan is drafted assessing items including financial, legislative change, personnel change, information security, and currency risks.

Reporting Results

Each month, internal audit units report their results to independent directors, and regular reports are made to be reported to each board member on the Audit Committee and Board of Directors, with subsequent improvements then monitored and followed up on.

In terms of controlling corruption risk, in March 2019, the group announced its anti-bribery and corruption policy, providing the group with a unified channel for reporting by those both inside and outside the group. Internal audit units conduct investigations of corruption-related complaints and high-risk subsidiaries, reporting the results to the Audit Committee each quarter. In addition, these units also maintain regular communication with major subsidiaries around the globe to strengthen review of local anti-bribery and corruption policies and any related cases.

In the second half of 2018, Acer began implementing the introduction of ISO 27001 in order to boost information security, commissioning external security consultants to provide ISO 27001 guidance. Internal audit units participated in related meetings, formulating auditing plans and standards, and at the end of 2019, ISO 27001 certification was received.

Carrying Out Audits

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

Strengthening Internal Controls

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

COMPLAINTS MECHANISM

Goal

- Safeguarding the interests of stakeholders, promoting communication with stakeholders, and strengthening corporate governance

Channels for Complaints

- Whistleblower reports system (whistleblower.acer@acer.com)
- Workplace sexual harassment or bullying complaint channels (2645.7085@acer.com; acer.corporate.compliance@acer.com)
- Written reports/complaints

Expected User(s) and Coverage

- Expected User(s): 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, or bullying behavior toward or sexual harassment of Acer staff in the workplace

How Do Users Learn About Complaints Channels?

- Dedicated reporting email
- Internal network (My Acer)
- Occasional announcements 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

Management

- Manager: Internal Auditing Unit
- 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 2019, we received a total of 18 complaints. These included five cases of corruption, four integrity-related cases, four Standards of Conduct cases, two cases of sexual harassment, and three other cases. All complaints were accepted for processing during 2019, with 17 having been resolved and one still being worked on.

	2016	2017	2018	2019
Sexual Harassment	0	2	2	2
Human Resources	0	4	1	0
Integrity	0	1	3	4
Standards of Conduct	5	0	0	4
Corruption Related	0	0	1	5
Other	0	0	0	3
Total	5	7	7	18

In 2019, one of the five corruption-related cases was not substantiated, three were resolved, and one was reported in Q4 2019 and is currently under investigation. Among the resolved cases, all personnel concerned were dismissed for dereliction of duty.

Case 1 A member of outsourced after-sales service staff falsified the number of repair cases to fraudulently obtain payment from Acer

Punishment The staff member concerned has been dismissed and the amount of his improper gains recovered

Case 2 A member of front-line after-sales service staff collected cash payments from customers and personally retained them

Punishment The staff member concerned has been dismissed and the amount of his improper gains recovered

Case 3 A product manager used his position to give particular customers better prices for their product portfolio

Punishment The manager concerned has been dismissed

Note: The cases in the above table are all established and resolved ones.

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ETHICS/STANDARDS OF CONDUCT & 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 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.



Standards of Business Conduct, SBC

LEGAL COMPLIANCE

Acer has always prided itself on being compliant with the law, and as such 2019 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);
	Or receipt of significant fines due to breach of regulations regarding the provision or use of products or services.

CORRUPTION PREVENTION

Acer's Anti-Bribery and Corruption Policy was put in place across the company, and a corruption risk assessment was undertaken. We also send suppliers and clients letters making clear the company's anti-corruption stance and requesting they refrain from presenting Acer staff with any improper gifts, hospitality, or money. Additionally, 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.com) to file a direct report and complaint.

In 2019, Acer Inc. found that a company employee, while working for Acer, established a company in China, serving as its head and using Acer's distribution system to carry out outside commercial activities, damaging the group's interests and trading opportunities. In accordance with regulations, this employee has been laid off and the incident incorporated into anti-corruption education and training materials. The Acer Group regularly provides anti-corruption and anti-bribery education and training courses; in 2019, this education and training reached 1,879 people. In Taiwan, 67.93% of people received anti-corruption education and training.

2019 Acer corruption prevention education and training participants

	female	male	TOTAL
TAIWAN	714	1,078	1,792
CHINA	0	3	3
PAP	12	42	54
EMEA	10	12	22
PA	1	7	8
TOTAL	737	1,142	1,879

ANTI-TRUST

The Acer Group has established the Global Anti-trust and Fair Competition Principles, published on the corporate website. In addition to regular employee education and training every year, we have also produced 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 2019, a total of 760 people received such education and training. In 2019 we were not litigated for any anti-competitive, anti-trust, or monopolistic behaviors.

760 people

In 2019, a total of 760 people received anti-trust and fair competition laws education and training.

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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 investors, 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 short-term changes and long-term 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, risk 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.

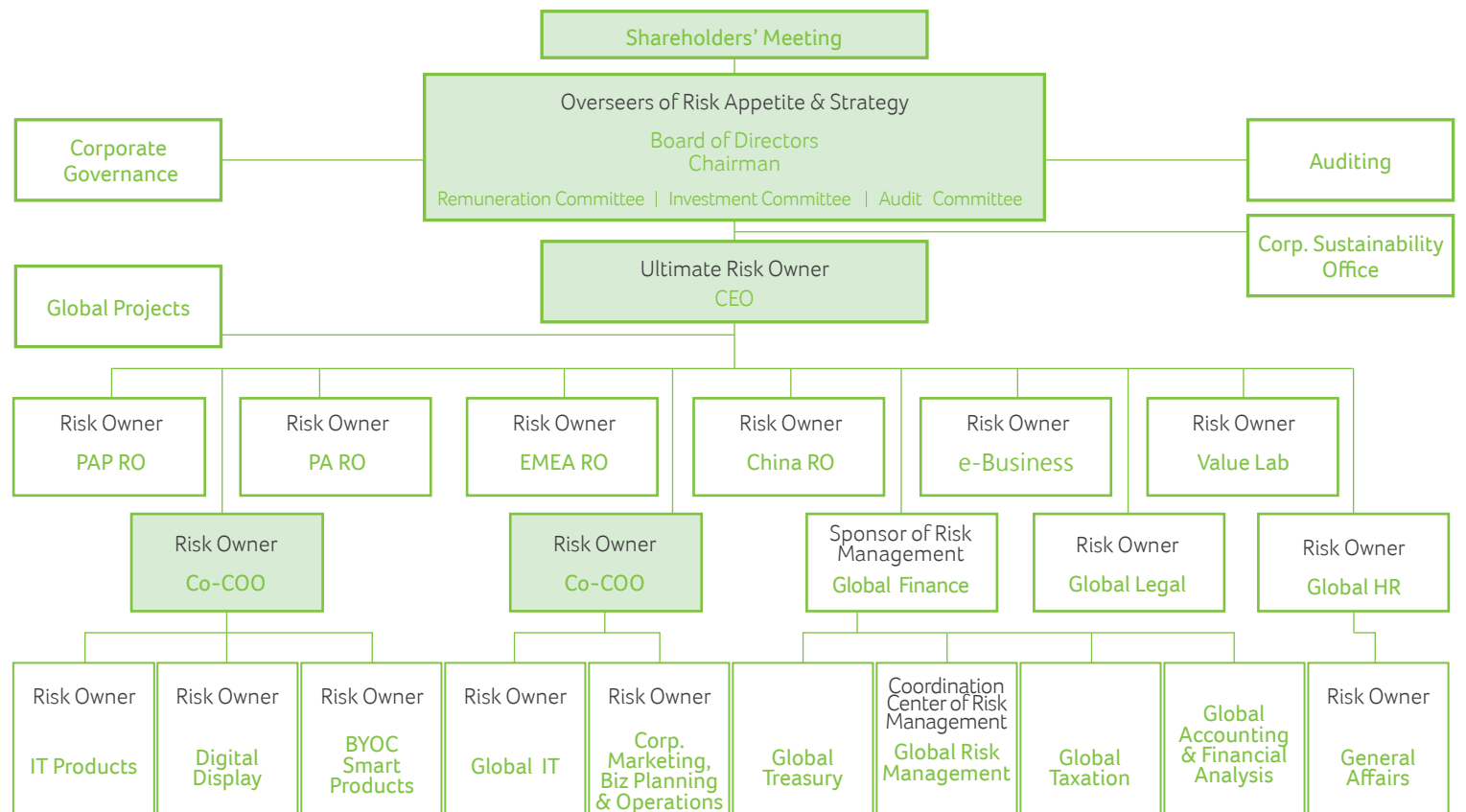


To continuously monitor and strengthen our risk management actions and response measures, the Audit Committee evaluates the inclusion of discussions into meeting agendas based on priority and urgency and clarifies the issues and units responsible. The Audit Committee regularly aggregates risk environment, risk management priorities, risk assessment results, and related 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 gradually building a corporate culture with a strong awareness of risk management through discussion with and participation by top-level management from various departments and business units.





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<p>Board of Directors</p> <p>The Board of Directors determines the strategic direction of risk management in order to improve and strengthen corporate governance; At the same time, in response to various operational risks, relevant measures and designated units of responsibility are set out and progress on the implementation of risk management items reported by the various committees and management levels is monitored, with internal management functions further strengthened to boost the effectiveness of risk management.</p> 	<p>Corporate Sustainability Office</p> <p>The Corporate Sustainability Office is responsible for identification and management of sustainability risks using various analytical methods to identify operational risks, including risk management of forward-looking social and environmental issues, and formulating follow-up management plans to mitigate the impact of these risks on organizational operations.</p> 	<p>Global Brand Marketing and Strategic Operations Center</p> <p>The Global Brand Marketing and Strategic Operations Center is responsible for risk management strategy planning, execution, and follow-up improvement relating to business intelligence and market analysis, supply chain risk management, brand and PR risk management, and quality control.</p> 
<p>Management</p> <p>Management is responsible for supervising and complying with risk management strategies and conducting regular assessments of effectiveness.</p> 	<p>Global Human Resources Headquarters</p> <p>The Global Human Resources Headquarters is responsible for implementing the planning, organization, instruction, control, and coordination of HR policies, including hiring, performance, and compensation, in order to accomplish enterprise development goals and the creation of highly adaptable organizational systems.</p> 	<p>Global Legal Headquarters</p> <p>The Global Legal Headquarters is responsible for legal risk management, reviewing and processing contract disputes, and so on to reduce legal risk.</p> 
<p>Global Information Technology Headquarters</p> <p>The Global Information Technology Headquarters is responsible for the building and planning of overall information systems and information security management.</p> 	<p>General Affairs Head Office</p> <p>The General Affairs Head Office is responsible for environmental health and safety policy and management of potential risks to Group assets.</p> 	<p>Audit Office</p> <p>Audit Office regularly reviews and monitors internal control processes, annual audit plan, etc.</p> 
<p>Global Financial Headquarters</p> <ul style="list-style-type: none"> • The Global Accounting and Business Analysis Head Office is responsible for verifying and checking global transactions, ensuring the validity of transactions and reliability of financial statements. It is also responsible for responding to related risks through business analysis and planning, financial information integration, and investment management. • The Global Funds Head Office is responsible for financial planning, relevant financial risk sharing, and insurance allocation. • The Global Taxation Head Office is responsible for international investment framework planning and tax-related risk planning, management, and response. • The Global Risk Management Head Office is responsible for coordinating the group's global credit risk, operational risk, and other related risk management and insurance allocation services. 		

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.

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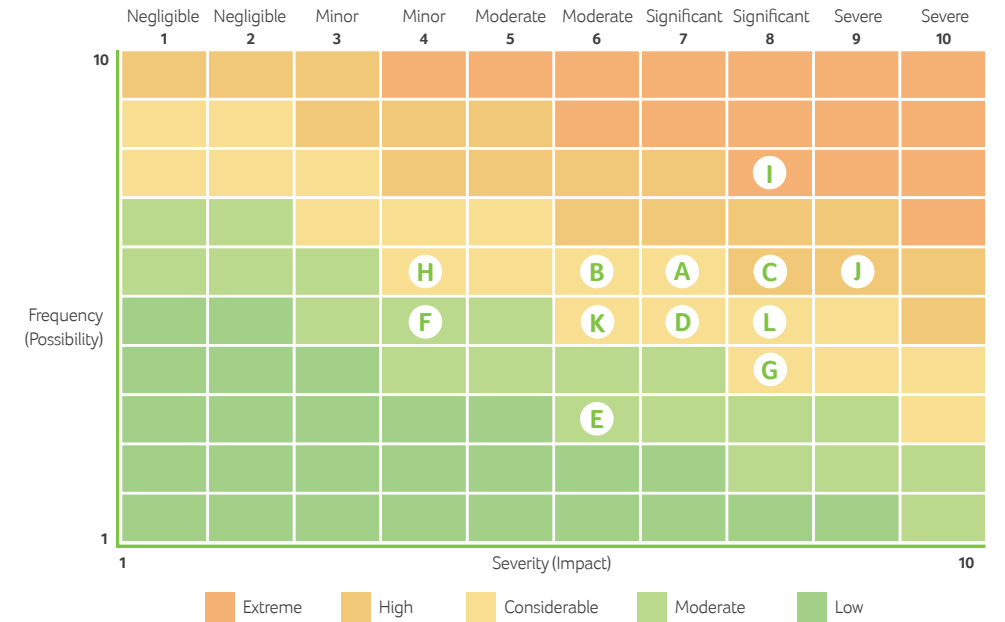
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The Risk Management Working Group aggregates the results of these analyses and tests, then drafting follow-up action plans and reporting to the convener of the group. In 2019, the Risk Management Working Group identified a total of 56 risk items, of which 12, 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. The 2019 Annual Report content includes:



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 aggregates risk environments, risk management priorities, risk assessment results, and corresponding response measures, with the chair reporting to the board.



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 tax reform trends

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 Labor-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 phenomena

L Large-scale infectious disease outbreaks
Risks due to large-scale outbreaks of infectious diseases and subsequent negative impacts

Note1:The risk identification/analysis process begins in Q4 each year and is completed in Q1 the following year.
Note2:The risk map is based on the results of assessment of the risk levels of 2019 risk items.
Note3:Some risk items are presented by category.



EMERGING RISKS

With regard to the many emerging risks identified by the Risk Management Working Group in early 2018–2019, including those relating to trade protectionism, information security, large-scale infectious disease outbreaks, 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 work toward ongoing refinements, helping earn ISO 27001 international information security certification in 2019. Beyond this, since 2018, Acer has continued to implement planning and arrangement of a global cyber insurance policy, not only out of 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.

As information technology continues to develop rapidly with a variety of innovative applications, 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 and risk transfer measures.



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 temperatures 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.



Message from Our Chairman on COVID-19

With the rapid development of the **COVID-19** pandemic in early 2020, Acer Global Headquarters quickly established an Emergency Response Committee and instructed operations around the world to similarly set up local response committees to facilitate prompt risk assessment and internal communications for work relating to epidemic response. In order to ensure the health and safety of company staff during the pandemic, the Emergency Response Committee also set out temporary restrictions and safety regulations for cross-border business travel, requiring company employees to declare daily contact history and travel history on internal systems and instructing them to strengthen access control management measures to minimize the opportunities for contact between company employees and outside personnel.

In addition, Acer has continued to evaluate how to maintain the smooth operations through remote systems via “work from home” measures while ensuring the data and system security should a future pandemic occur; we have also conducted drills to confirm that prior planning and arrangements can be implemented in the event of unforeseen circumstances.

During this pandemic, Acer is also keeping a close eye on the potential impact of COVID-19 on supply chain management staff and partners, monitoring the resumption of work and production along with contingency plans. In this way, we aim to ensure a suitable inventory of key components and finished products, minimizing the subsequent negative impact of COVID-19.



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MATERIAL TOPICS AND MANAGEMENT APPROACHES



Supplier Environmental Performance



Supply Chain Social Performance



Conflict Minerals

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MATERIAL TOPICS AND MANAGEMENT APPROACHES

SUPPLIER ENVIRONMENTAL PERFORMANCE

Implications for Management

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

Business Management Strategy

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

Evaluation Mechanism

Regular review by the Sustainability Committee Responsible Supply Chains Team

Medium- and Long-Term Goals

- Critical suppliers will begin implementing absolute carbon reductions in 2021 having set carbon reduction targets to 100% in line with SBT methodology
- Gradually implement bans/restrictions on chemical substances
- Provide suppliers with RBA Code of Conduct on-site conformance audit percentages

2019 Accomplishment Status and Highlights & Results

- Goal:** 40% of critical suppliers having completed SBTs in 2019
Status: Achieved
- Goal:** List of banned/restricted chemical substances will begin formal implementation in 2019
Status: Achieved
- Goal:** Target for RBA Code of Conduct on-site conformance audit set at 92%
Status: Achieved

2020 Goals

- 45% of critical suppliers have completed SBTs
- Supplier RBA Code of Conduct on-site conformance audit percentage target

SUPPLY CHAIN SOCIAL PERFORMANCE

Implications for Management

We are focused on working diligently toward a sustainable supply chain built on a foundation of respect for human rights. 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.

Business Management Strategy

To this end, we have adopted the RBA Code of Conduct and set out environmental and social management practices and guidelines for our suppliers, making use of our various communications channels to provide assistance to those suppliers in boosting their capabilities.

Evaluation Mechanism

Carrying out supplier CSR scorecard evaluations, reviewing the implementation of CSR among our suppliers and performance therein.

Medium- and Long-Term Goals

- Anticipate the scope of supply chain responsibility management to have expanded to third-tier suppliers by 2021.

2019 Accomplishment Status and Highlights & Results

- Conduct on-site audits of 101 supplier manufacturing plants, covering 200,000 direct employees and 3,744 other employees.
- RBA Code of Conduct On-site Audit Conformance: Labor: 86%, health and safety: 87%, ethics: 98%

2020 Goals

- Approximately 70 suppliers invited third parties to undertake on-site audits, covering 140,000 direct employees and 2,500 employee interviews.
- RBA Code of Conduct On-site Audit Conformance: Labor: 85%, health and safety: 87%, ethics: 95%

CONFLICT MINERALS

Implications for Management

Acer respects human rights and actively works to resolve any adverse effects on human rights that occur within the scope of our business.

Business Management Strategy

Acer's responsible mineral procurement began with tantalum, tin, tungsten, and gold (3TG) from the Democratic Republic of Congo, and has been strategically expanded to responsible mineral management based on social and environmental risks.

Evaluation Mechanism

We expect smelters to be conformant to or participating in a third-party mechanism that is in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including the RMI Responsible Minerals Assurance Process (RMAP), the London Bullion Market Association (LBMA), and the Responsible Jewellery Council (RJC) certification.

Medium- and Long-Term Goals

- 100% of smelters are conformant to an OECD-aligned third-party mechanism.

2019 Accomplishment Status and Highlights & Results

- Goal:** 95% of smelters are conformant to an OECD-aligned third-party mechanism, while 100% are conformant to or participating in an OECD-aligned third-party mechanism.

Status: Percentage of smelters in the overall supply chain that were conformant to or participating in an OECD-aligned third-party mechanism reached 99%

2020 Goals

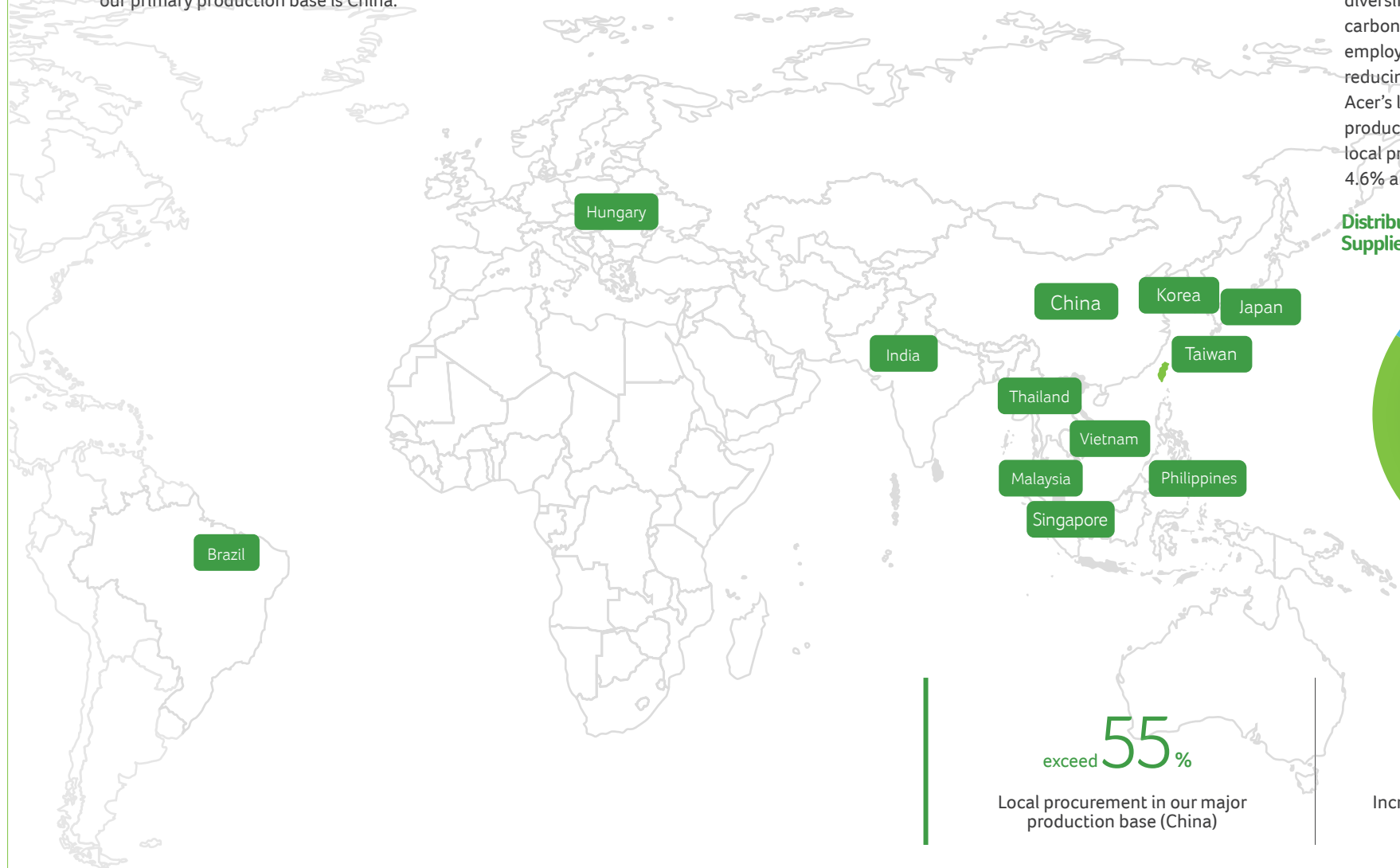
- 98% of smelters are conformant to an OECD-aligned third-party mechanism, while 100% are conformant to or participating in an OECD-aligned third-party mechanism



ACER'S SUPPLY CHAIN

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.

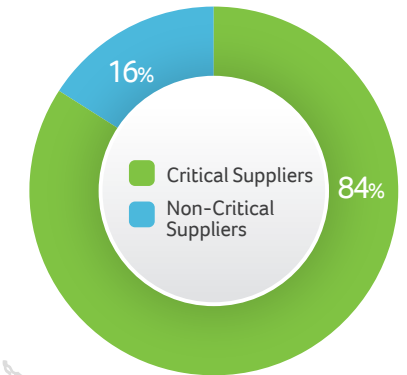
Acer's first-tier suppliers include ODM/OEMs, key components, assigned suppliers, logistics, and services. Manufacturing suppliers are distributed around the globe, including Taiwan, China, Malaysia, Thailand, the Philippines, Vietnam, Singapore, Japan, Korea, India, Brazil, and Hungary, although our primary production base is China.



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, reducing overall supply chain carbon emissions and creating local employment opportunities, while also reducing overall supply chain risk. In 2019, Acer's local procurement in our major production base (China) exceeded 55%, while local procurement in Taiwan has increased by 4.6% annually.

Distribution of Critical and Non-Critical Suppliers



exceed **55%**
Local procurement in our major production base (China)

4.6%
Increasing of local procurement in Taiwan annually



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ACER RESPONSIBLE SUPPLY CHAIN MANAGEMENT (ARSM) MECHANISM

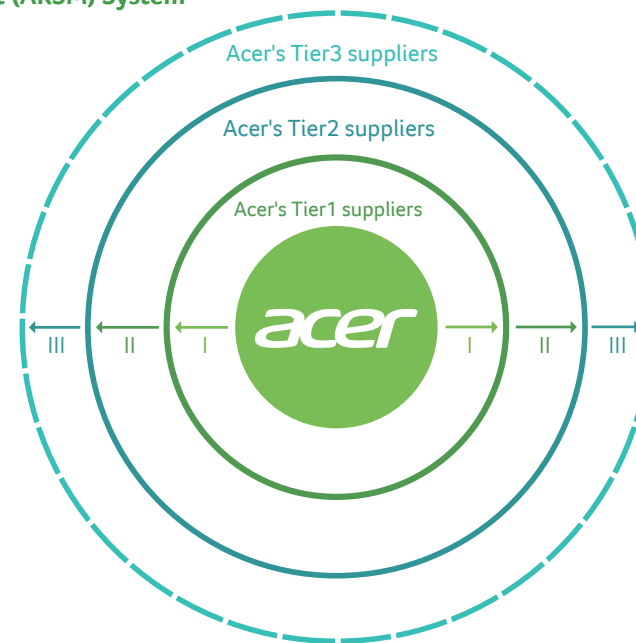
Acer has been a member of the Responsible Business Alliance (RBA) since 2008, and actively participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in CSR and share in the practical experience of its members. With Acer's adoption of the RBA Code of Conduct, all Acer manufacturers and service providers are required to comply with both the RBA Code and local regulations, regardless of any regional variation. We also 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 they 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.

We have also established the Acer Responsible Supply-Chain Management (ARSM) system, not only setting in place the social and environmental responsibilities of our first-tier suppliers, but also rolling it out to second- and third-tier suppliers in phases. The goal of this is to further expand the reach of our social responsibility and influence. Acer requires 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, in 2019, we incorporate performance in this regard into our vendor CSR scorecard assessments. We anticipate the scope of supply chain responsibility management to have expanded to third-tier suppliers by 2021.

We carry out supplier CSR scorecard evaluations, reviewing the implementation of CSR among our suppliers and their performance. Such assessments are part of proper CSR practice and performance, and in quarterly business review meetings since 2014, the results have been provided to senior management of Acer and our suppliers, driving our bilateral business relationships forward. In 2019, 85% of critical suppliers had CSR scores included in these quarterly business review meetings.

We continue to communicate with vendors and enhance their ability to respond to sustainability issues, as well as encouraging vendors to incorporate sustainable development matters into their management agendas. In line with Acer's sustainable development strategy, we hold a variety of vendor sustainability conferences, and in our annual vendor 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 vendors, strengthening the supply chain's environmental and social responsibility and deepening our CSR-related cooperative relationships.

Acer Responsible Supply-Chain Management (ARSM) System



I: 2008- II:2016- III:2021-





SUPPLIER SOCIAL AND ENVIRONMENTAL MANAGEMENT PROCESSES

We have adopted the [RBA Code of Conduct](#) and, with reference to the RBA Supplier Engagement Process, make use of a range of supplier social and environmental management approaches, engaging with vendors through multiple channels and working with them to improve their capabilities. The implementation of such management approaches also entails assessment, validation, and ongoing improvement thereof, and through management measures at every stage, Acer and our suppliers are able to work together effectively to establish a sustainable supply chain with a focus on environmental and social issues. New vendors pass a social and environmental responsibility risk assessment and sign an RBA Code of Conduct compliance declaration before they become official vendors.

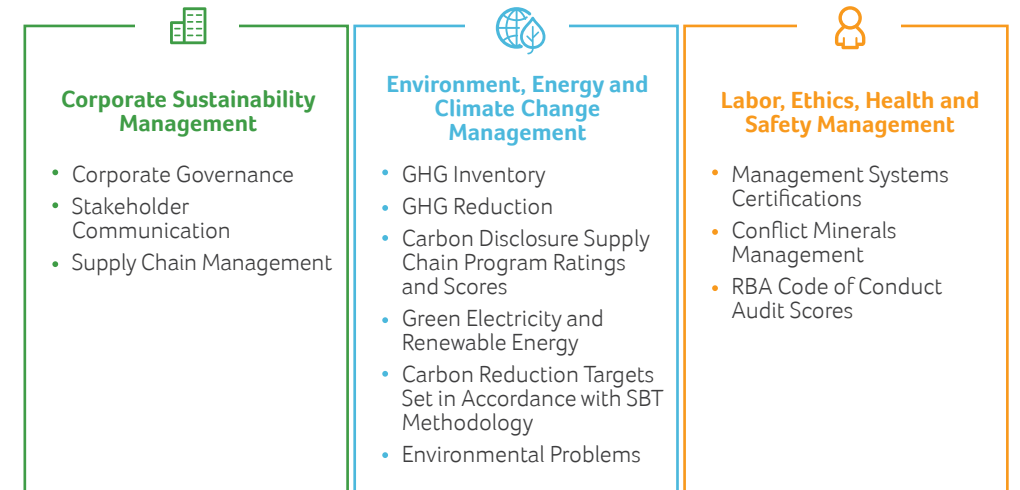
Supply Chain Social and Environmental Management Processes



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:



Overall, the average performance of suppliers on the CSR scorecard in 2019 again improved compared to the previous year; nearly 48.6% of suppliers achieved an “excellent” standard, and nearly 51.4% of suppliers were at the “medium” level. 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.



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 to 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 Audit - On-site Document Review and Technical Exchange



Knowledge Building - Regular RBA-related Education and Training, Including On-the-Job Training Where Necessary, and Ad-Hoc Briefings on Issues Needing Attention

2019 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 the results of previous audits, as well as taking into account the concerns of stakeholders when setting out our annual audit plan.

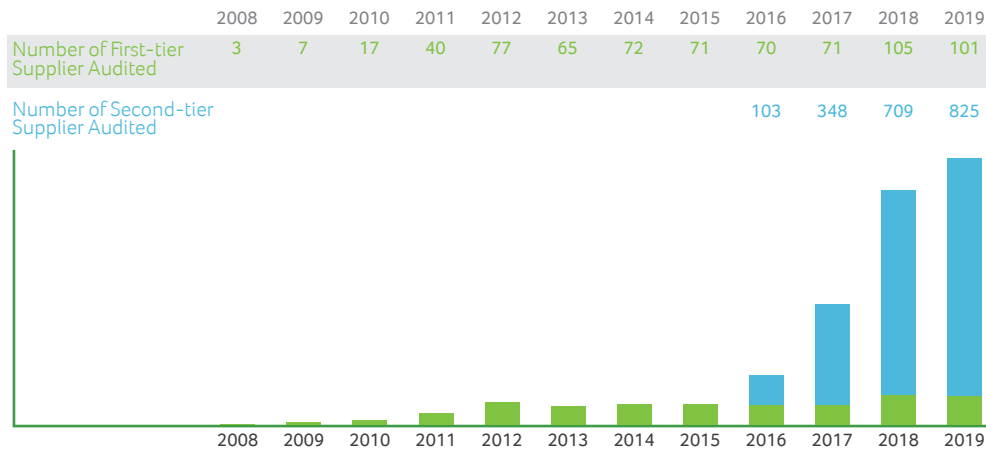
In 2019, we conducted on-site audits of 101 supplier plants, including three new suppliers and one supplier that migrated to a new plant, resulting in on-site audits of 100% of new suppliers. Methods include: Audits by Acer supplier management, audits by third parties, RBA Validated Audit Process (VAP) 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 2019, the audited suppliers had more than 210,000 direct employees, 3,744 of whom were interviewed. More than 60% of audits employed the RBA VAP.

Between 2008 and 2019, a cumulative total of 699 supplier audits have been carried out. In addition, Acer's first-tier suppliers also conduct risk assessments of the next tier of materials suppliers ahead of audits. After the results were summarized, high-risk suppliers accounted for 11% of the total, and medium-low risk the remaining 89%. In adherence to this policy, a total of 819 audits were conducted in 2019. In 2020, we expect that approximately 70 suppliers invited third parties to undertake on-site audits, covering 140,000 direct employees and 2,500 employee interviews.

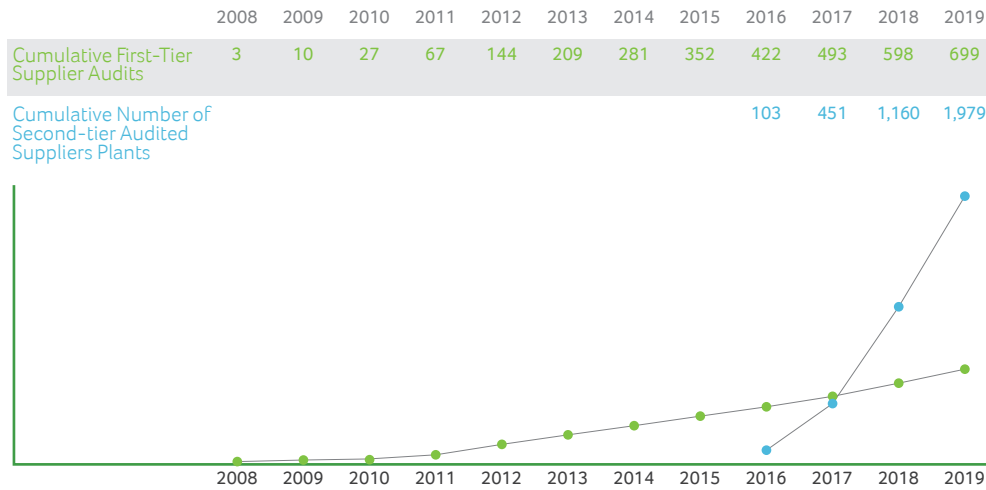


Supplier Audit Categories and Incidences, 2008-2019

Number of Supplier Audited



Cumulative Total Audits



Note1: First-Tier Supplier Audits = VAP (or SA8000) + Full Audit + Surveillance Audit

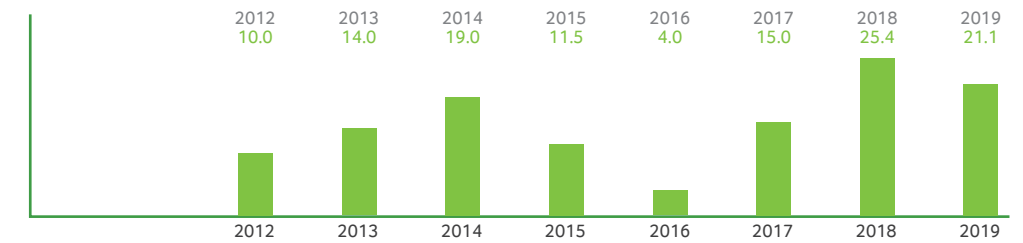
Note2: Cumulative First-Tier Supplier Audits = Cumulative First-Tier Supplier Audits (Previous Year) + First-Tier Supplier Audits (Current Year)

Note3: Cumulative Total Audits = First-Tier Supplier Audits + Second-Tier Supplier Audits + Cumulative Total Audits (Previous Year)

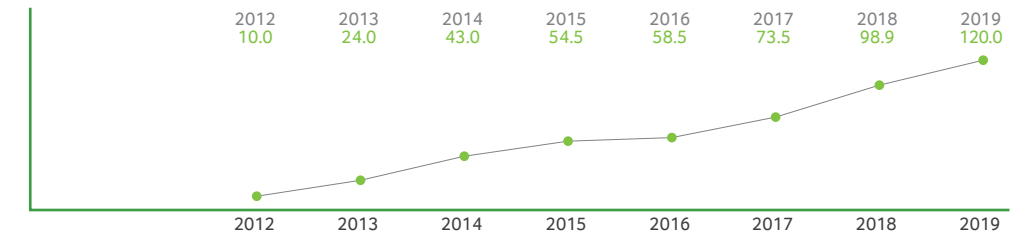
Note4: Reporting period is from October 1, 2018, to September 30, 2019, a total of 12 months.

Manufacturing supplier direct employees and progressive direct employees audited, 2012-2019

Direct Employees (10 thousand employees)

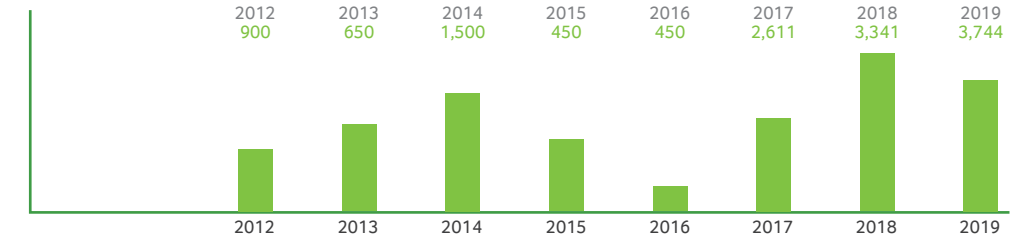


Cumulative Direct Employees (10 thousand employees)

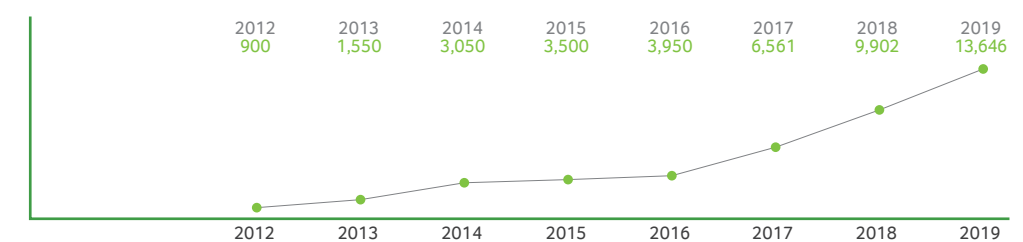


Manufacturing supplier employees and direct employees interviewed and audited, 2012-2019

Employees Interviewed



Cumulative Employees Interviewed

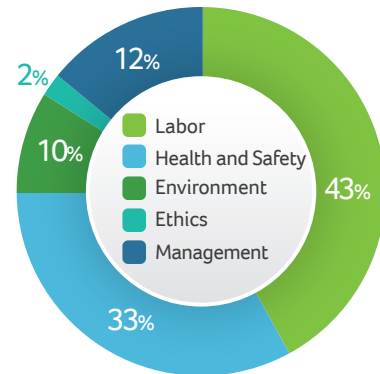




2019 Audit Results Analysis

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

Distribution of Non-Compliance Found in 2019 Audits



RBA Code of Conduct Conformance

	Conformance	Priority Non-Conformance	Major Non-Conformance	Minor Non-Conformance
Labor	86%	2%	10%	2%
Health and Safety	87%	0%	10%	3%
Environment	92%	0%	6%	2%
Ethics	98%	0%	1%	1%
Management	92%	0%	6%	2%

Note: Data covers all suppliers subject to audits by Acer management, third parties, and VAP, a total of 101

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 2019, one supplier with a lower audit score and higher risk in the previous year was 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 addition to unannounced audits, Acer also consults inspection results and conducts on-site technical seminars for suppliers that are struggling, sharing with them industry trends and offering guidance on improvements. Through continual monitoring of improvement progress over more than two years, the results have shone through.

IMPORTANT ISSUES AND TRACKING OF IMPROVEMENTS IN 2019

The main lapses in terms of labor rights were some problems around working hours and pay, along with a few others relating to supplier management, occupational safety, and loopholes in controls on potential hazards.

The working hours issues were mainly focused on overtime, with a few people working long shifts. In addition to ongoing bi-monthly monitoring of work attendance at key suppliers, we are also inspecting the supplier attendance management system for effectiveness, supplemented by the implementation of several suggestions for improvements. Through the joint efforts of Acer and the majority of our suppliers, these have already begun to result in some improvements.

As for the management of upstream manufacturers by our own first-tier suppliers, we have found that some suppliers have yet to fully evaluate the risks of service-industry manufacturers, e.g., those involved in the provision of temporary workers, outsourcing, and safety management. As such, we have made pressing for suppliers to strengthen their management procedures a key audit item and requirement for 2019, as well as incorporating them into audits. Additionally, in 2019, a total of 819 audits of second-tier suppliers were carried out. These ongoing efforts have had a deep and profound impact on our entire supply chain, and we expect to continue promoting improvements to labor and operating environment matters. In 2020, our goals for ongoing RBA on-site audit compliance improvement are: labor: 85%, health and safety: 87%, environment: 95%, ethics: 95%, management systems: 95%.



The main lapses in terms of environmental health and safety were in the areas of workplace injury prevention, emergency response, and potential hazards. Regarding emergency response and potential hazards, some manufacturers have proven unfamiliar with detailed regulations on fire exits, confined spaces, and elevated platforms, resulting in a lack of signage or failure to comply with standards on exit width. Due to the high level of operational risk associated with these, we have required these manufacturers to take immediate corrective action. 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 we have required suppliers to bring in third-party consultants to conduct an investigation into occupational disease conditions and accordingly ensure that personal protective equipment is in compliance for the relevant work positions, ensuring that the health and safety of workers on site are protected.

Acer issues Corrective Action Reports (CAR) to audited suppliers in response to any issues of non-compliance identified. 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 followed up on each month and verified against the on-site audit the following year. With regard to high-risk suppliers, as found in the audits, Acer will make the necessary adjustments to our purchasing strategy to manage the issue. In 2019, Acer found a total of 521 lapses during on-site audits. As of December 31, 2019, all suppliers have responded 100% and formulated CARs. At present, corrective action has been completed on some 316 items, with the remainder still in the process of being addressed.

Main Issue

Corrective Action Verification



Labor

RBA Code of Conduct: A3.1 & A3.2 Working Hours

Workweek exceeded 60 hours; workers were not allowed at least one day off in every seven

- Introduce attendance management system, supplemented by pre-declared review operations. Strengthen the promptness and effectiveness of controls on overtime and attendance
- The student-employee ratio has decreased significantly, and we will continue to work on this in the future, with temporary workers the next focus of management controls
- Expand recruitment channels to address manpower shortages
- Multi-skill training to enhance the flexibility of each operating station's ability to complement others



Health and Safety

RBA Code of Conduct: B1.2 Control of Potential Hazards

Incomplete hazard identification and protection

- Insufficient coverage of risk and hazard identification, requiring comprehensive review and evaluation
- Health and safety personnel have had lapses in identification of hazards, and have been given supplementary training emphasizing these
- Added items relating to confined spaces and elevated operating platforms to the operations control category

RBA Code of Conduct: B1.3 Occupational Safety

Lapses in exposure to safety hazards and safety protection

- Set out guidelines and provide relevant training to staff working in positions with occupational safety risks before, during, and after their employment
- Hire third-party consultants to conduct reviews and introduce compliant personal protective equipment as recommended
- Post warning signs and control measures on relevant equipment and areas
- Add appropriate protective equipment

RBA Code of Conduct: B2.4 Emergency Preparedness

Emergency exits and corridors not in compliance with standards

- In management procedures, when changing site spacing and layout, regulations regarding evacuation routes, signage, and lighting must be reviewed
- Emergency exit and corridor design not in compliance with standards Require manufacturers to include the firesafety regulations and requirements in training materials

RBA Code of Conduct: B3.2 Work-related Injuries and Illnesses

Minor workplace injuries and false alarms not included in management procedures

- Minor workplace injuries and false alarms added to management procedures
- Issues relating to minor workplace injuries and false alarms included in education and training materials
- Data collected and analyzed regularly to facilitate prevention



Management Systems

RBA Code of Conduct: E12.2 Supplier Responsibility

Service suppliers are not included in audits and management controls

- Inventory and include service suppliers, such as those involved in provision of temporary workers, outsourcing, and safety management.
- Supplemental signing of the Code of Conduct compliance declaration
- Convene all relevant suppliers and, after education and training, carry out regular inspections

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ENVIRONMENTAL MANAGEMENT

SUPPLY CHAIN GREENHOUSE GAS MANAGEMENT

Acer has been a member of the Carbon Disclosure Project (CDP) Supply Chain Program since 2008, and we have encouraged our suppliers to respond to 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 2019. The response rate to CDP Supply Chain Program questionnaires among Acer suppliers decreased from 91% to 70%, with overall supply chain performance at C level. This decrease in response rate is attributable primarily to our inviting of second-tier suppliers to also take part. 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 45% of suppliers who have responded have adopted green electricity.

Acer Supplier CDP Response Rates

	2016	2017	2018	2019	2019 Average Participant Supplier Performance (125 CDP Supply Chain members; number invited = 13,111, actual responses to climate questionnaire = 6,892)
Overall Average Performance Grade	C	C	C	C	D
Ratio of Reported Scope 1 to Scope 2 Emissions	86%	94%	91%	83%	74%
Climate Risk Analysis	83%	89%	87%	83%	78%
Incorporation of Climate-Related Business Opportunities into Business Strategy	83%	90%	87%	84%	81%
Carbon Reduction Goal Setting	75%	85%	85%	85%	67%

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 have 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 2019 Supplier CSR Communication Meeting we reiterated our list of Banned or Restricted Chemical Substances, including 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 additionally incorporated this into our on-site audits for 2020 and 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 multilateral communication with Acer senior management or relevant industry experts. We invite major suppliers to take part in annual CSR Communication Meetings, where we share the latest global trends in corporate sustainability, human rights issues, and mitigation measures, along with Acer's requirements of and goals for supply chain CSR management performance.

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SOCIAL MANAGEMENT

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 of 2010, the UK Modern Slavery Act 2015.

[more information](#)

Supply Chain Labor Rights Management Processes

<p>Supplier Risk Assessments</p>	<p>Acer’s risk assessment of its suppliers include the following items: results of supplier self-assessment, level of risk regarding plant location, supplier business relationship with Acer, and past audit results. We also strive to take into consideration the concerns of stakeholders.</p>
<p>Supplier Audits</p>	<p>After the risk assessment – based on the above criteria – has been conducted, Acer then draws up a list of suppliers that require an on-site social and environmental responsibilities audit to be undertaken by an accredited 3rd party verification agency. We also take part in RBA’s Validated Audit Process (VAP). Adopting a variety of audit models allows us to see the strengths and weaknesses of each model and more accurately uncover discrepancies in our suppliers’ implementation of their social and environmental responsibilities. We continue to improve the social and environmental responsibility in Acer supply chain.</p>
<p>Supplier Declaration</p>	<p>Acer requires all manufacturing suppliers to sign our Declaration of Compliance with RBA Code of Conduct. Suppliers must not only provide us with relevant information on social and environmental responsibilities, but must also verify that their own and their suppliers’ operations conform to Acer’s human rights standards, meaning that their workers are treated with respect and dignity.</p>
<p>Internal Professional Training</p>	<p>Acer requires all employees to comply with the Acer Group Standards of Business Conduct (SBC). The SBC includes provisions relating to supply chain issues, including the use of child and forced labor. Any offense or violation against the articles in the SBC will result in corrective action proceedings according to the gravity of the offenses committed. Serious offenders will face disciplinary action or be asked to leave the company accordingly. This set of standards is the highest-level behavioral criteria for all Acer employees engaged in corporate activities and is incorporated in our employee performance assessment. Further more, all new employees are enrolled in orientation training and asked to honor these behavioral requirements when they first join the company. Procurement staff has to take environmental requirements training when they first join the company.</p>
<p>Supplier Training</p>	<p>In order to uphold our responsibility to educate our suppliers and help them understand international trends, Acer holds annual supplier CSR communication meetings and related training sessions. This not only communicates internal trends to the supplier, but also helps them uphold their own social and environmental responsibilities. Through our communication and cooperation with improvement in all aspects of labor rights.</p>

Child Labor and Forced Labor

With regard to high-risk violations of human rights such as child and forced labor, we have drafted our [Slavery and Human Trafficking Policy](#) and [Measures for Remediating Child Labor and Forced Labor](#). These provide complete definitions and remedial measures. As soon as any violations occur, our supply chain is required to follow these measures and policies to ensure that workers are afforded their basic human rights and appropriate treatment. Our ultimate goal is to ensure that our supply chain is free from slavery or human trafficking.



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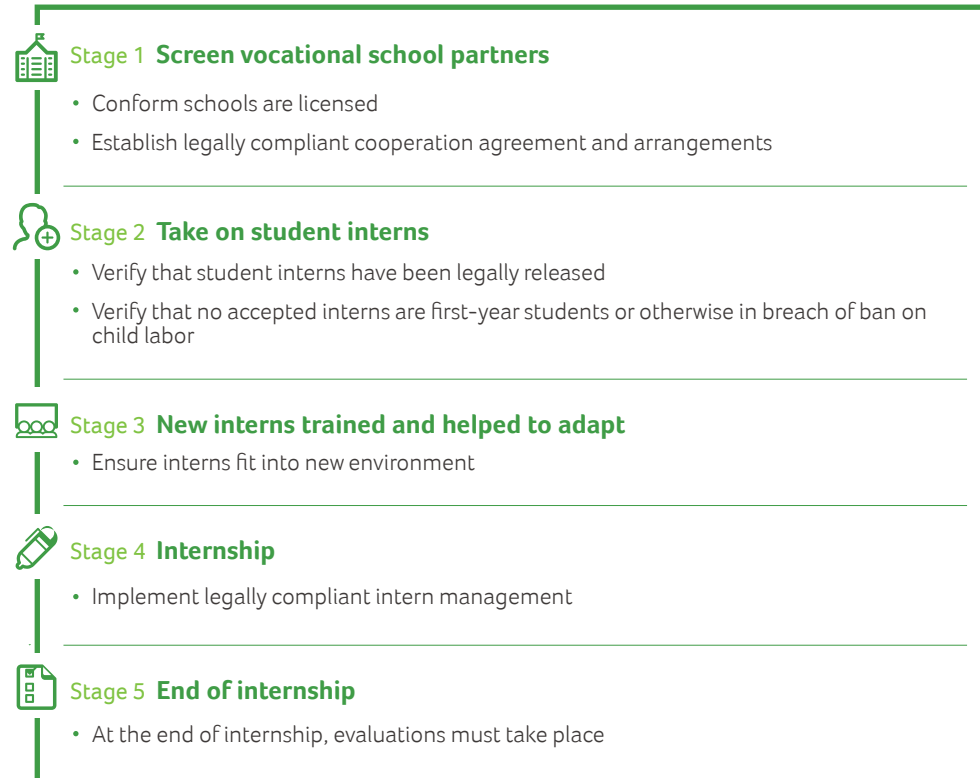
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Student Workers and Interns

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. Student workers may not exceed 20% of total direct employees.



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 suppliers to comply with the RBA Code of Conduct and the [Acer Supply Chain 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 providing a living wage is important to 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.

- Supply Chain Management Mechanisms
- On-site Audits
- Environmental Management
- Social Management**



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 tantalum, tin, tungsten and gold (3TG) 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 2019, Acer's responsible minerals sourcing program continued to include Conflict Minerals (3TG) from the DRC and its adjoining countries, cobalt from the DRC and tin from Indonesia as prioritized minerals in its responsible sourcing strategy. These determinations are based on the prevalence in our products and the sourcing from Conflict-Affected and High-Risk Areas (CAHRs). Acer will continue to reassess its priority minerals as well as be involved in the refining of the procedures to identify CAHRs. In 2019, [Acer issued its second consolidated responsible minerals report](#), outlining the steps taken to conduct due diligence on all of its priority minerals.



Acer's Policy on Responsible Minerals Sourcing



Our actions on responsible sourcing of minerals



Responsible mineral report download

As a result of our conflict minerals due diligence measures and the collection of supply chain information for the current 2019 data cycle, we were able to identify 242 unique smelters in our supply chain. The number was a decrease of 20 smelters over the previous year and was mostly due to a new regulation in Indonesia restricting the export of Indonesian tin ingots. This situation affected the entire Indonesian tin market and many smelters did not received the necessary permissions to export tin and temporarily ceased operations. The quantity of conformant and participating (RMAP-Active) smelters was 240, which is equivalent to 99% of the identified smelters in our supply chain. And the exceptional work of Acer's supply chain enabled Acer to achieve the goal that 95% of SORs are conformant to an OECD-aligned 3rd party mechanism and one percentage point lower than 100% are either conformant to or participating in an OECD-aligned 3rd party mechanism.

	2014	2015	2016	2017	2018	2019
Conformant	152	213	244	248	252	235
Participating Smelters	48	34	18	12	4	5
Smelters Requiring Outreach	57	52	33	38	6	2
Total	257	299	295	298	262	242
Percentage of Conformant Smelters	59%	71%	83%	83%	96%	97%
Percentage of Conformant or Participating Smelters	78%	83%	89%	87%	98%	99%

To continue our desire for continuous improvement, we revised our target for 2020 to be 98% of SORs are conformant to an OECD-aligned 3rdparty mechanism and 100% are either conformant to or participating in an OECD-aligned 3rd party mechanism.



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Acer also continued using the Standards Comparison and Risk Readiness Assessment (RRA) tools offered through the Responsible Business Alliance (RBA). The tool allows Acer to compare smelters' performance across many different standards, initiatives and certifications, improving our ability to assess and manage risk in our minerals supply chain. At the same time, it allows the smelter to connect with and have visibility of the downstream companies that use the materials that they place on the market. This helps to emphasize the value of the RMAP certification. At the time of the writing of this report, Acer has connections with 105 smelters and has received 92 RRAs.

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

We continue to hold meetings with suppliers to assess progress on the issue of conflict minerals, to explain Acer's commitments and supplier requirements, and to ensure they have a 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 support the use of legal, conflict-free minerals.

Cobalt

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 and attend the cobalt sub-working group as part of its RMI membership. In 2019, Acer reported the results of its first full cycle supply chain survey using the finalized cobalt reporting template (CRT), which was used to gather information on cobalt policies, due diligence procedures and to identify the cobalt refiners in the battery supply chain in 2018. For our cobalt due diligence measures and the collection of supply chain information for the current 2019 data cycle, Acer added suppliers of hard drives and original design manufacturers (ODMs) to its program. To review the results of those activities, please refer to Acer's most recent 2019 Responsible Minerals Report.

Indonesia Tin

In 2019, 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 2019, included the completion of phase II, which included the development of two practical guides on sustainable land reclamation and OHS capacity building. The practical guide on sustainable land reclamation was the deliverable that resulted from the completion of the 2018 pilot project that 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 practical guide on OHS capacity building was the deliverable resulting from the other 2018 pilot project that targeted improving the OHS performance at mines sites by identifying four artisanal and small scale (ASM) mine sites with three tin producing companies to detect major hazards and mitigation measures as well as to conduct behavioural analysis. Also, the TWG roadmap was updated based on the group activities and deliverables. Finally, in October of 2019, the membership held a phase II exit meeting to discuss the current format and the path forward within the RMI in 2020.

We continue 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 on 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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INNOVATION AND SERVICE

Innovative Products and Services

Customer Service

Information Security and Privacy Protection

MATERIAL TOPICS AND MANAGEMENT APPROACHES



Innovative Research & Development and Product Services



Product Responsibility and Customer Safety



Customer Management



Information Security



Protecting Privacy

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MATERIAL TOPICS AND MANAGEMENT APPROACHES

INNOVATIVE RESEARCH & DEVELOPMENT AND PRODUCT SERVICES

Implications for Management

Innovation is one of Acer's core values. Through innovative research and development, we differentiate ourselves, gain an edge in the market, and create comprehensive innovation with value.

Business Management Strategy

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

Evaluation Mechanism

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

Medium- and Long-Term Goals

- 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

2019 Accomplishment Status and Highlights & Results

- Strengthen TrueHarmony through adding Omni-surround and Bassback functionality
- Delta E <2 color technology introduced into ConceptD series products
- Enhance user keyboard experience (linear switch keyboard Linear acceleration axis keyboard)
- Enhance lighting effect on desktops and allow for easy management by user.
- Boost storage security and privacy by using/erasing user's biometric typing.
- Fourth-generation Aeroblade effectively improves heat dissipation and reduces noise. In comparison with the previous generation, noise is down 10% and efficiency up 15%

2020 Goals

- Be committed to creating greater profits through innovation with value
- More sophisticated audiovisual experience (extreme stereo sound, specified sound lock)
- Cooler, quieter cooling management system (cutting-edge cooling materials, second-generation liquid circulation cooling, fifth-generation Aeroblade)

INFORMATION SECURITY

Implications for Management

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.

Business Management Strategy

In addition to establishing information security management systems (ISMS), we have also set in place a personal information management system (PIMS) and have obtained ISO27001 certification for core internal operations systems. Strengthen ISMS through information asset inventory, risk assessment, and operational impact analysis.

Evaluation Mechanism

Regularly carry out information security drills and tests in accordance with relevant information systems to ensure system effectiveness; cooperate with internal and external ISMS audits to ensure full implementation of relevant systems.

Medium- and Long-Term Goals

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.

2019 Accomplishment Status and Highlights & Results

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

Status:

- Implementation of information security management systems and information security testing measures complete
- Information security education and training in place, with a total of 6,126 people taking part
- ISO 27001:2013 certification obtained
- Cloud security management system procedure manual drafted with a focus on trends in cloud development

2020 Goals

Strengthen system implementation, strictly implementing information security management to maintain the company's internal control while also ensuring external customer information security

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MATERIAL TOPICS AND MANAGEMET APPROACHES

PRODUCT RESPONSIBILITY AND CUSTOMER SAFETY



Implications for Management

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

Business Management Strategy

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

Evaluation Mechanism

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

Medium- and Long-Term Goals

- 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.

2019 Accomplishment Status and Highlights & Results

- ✓ Computers and screens comply with Acer's Banned or Restricted Substances Controls Specification
- Business models (TMP-648, TMP-658) are assembled without PVC, BFRs, or phthalates, in compliance with international regulations (EPEAT)

2020 Goals

- Work with others in the industry to monitor and reduce the use of hazardous substances in products and toxic chemical substances in production, reducing environmental harm and protecting staff from the risk of injury while also making greater use of environmentally friendly materials.
- Computers and screens must comply with Acer's Banned or Restricted Substances Controls Specification
- Computers and screens will be set up without PVC, BFRs and phthalates in compliance with international regulations (EPEAT)
- Use of plastics recycled offshore for notebook computer products

CUSTOMER MANAGEMENT



Implications for Management

Being user-oriented is core to the Acer spirit. With a foundation on a global scale and end-to-end holistic thinking, we have established a customer management system that helps us elevate both the brand and our customers' experience.

Business Management Strategy

We listen carefully to user feedback and strive to stay on top of what the market demands. Through our systems management mechanism, along with regular follow-up on customer needs and user experience, we are able to continually improve the quality of our service, while putting new technologies to use in customer service creates greater customer satisfaction.

Evaluation Mechanism

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

Medium- and Long-Term Goals

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

2019 Accomplishment Status and Highlights & Results

- ✓ **Goals:** Maintain average customer satisfaction survey results above 95%

Status: In 2019, the percentage of positive customer evaluations reached 96.04%.

2020 Goals

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

PROTECTING PRIVACY



Implications for Management

Personal information and privacy protection are considered fundamental human rights according to laws in countries around the world, as well as being a key part of consumer rights. With Acer being a name brand, customer data protection measures and appeals handling mechanisms are essential to the responsible management of the company and to keeping the brand strong.

Business Management Strategy

Implementing the Acer Group Personal Data Protection Management Policy Around the World

Evaluation Mechanism

Carrying out regular personal data inventories and risk assessments

Medium- and Long-Term Goals

In implementing the global Acer Group personal data protection management policy, headquarters and regional headquarters (Americas, Asia, and Europe) have established personal data protection management organizations, corresponding specifications, and implementation procedures.

2019 Accomplishment Status and Highlights & Results

- ✓ We have already developed and promulgated the Acer Group Personal Data Protection Management Policy
- We have already established a personal information protection executive organization structure at headquarters.

2020 Goals

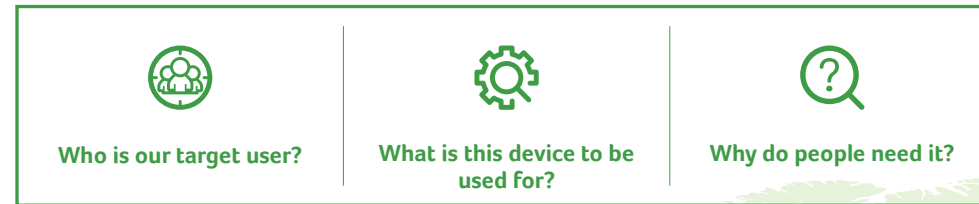
We will obtain BSI 10012 PIMS certification by 2023 in our ongoing efforts to bolster our protection of personal information



INNOVATIVE PRODUCTS AND SERVICES

INNOVATIVE DESIGN THINKING

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

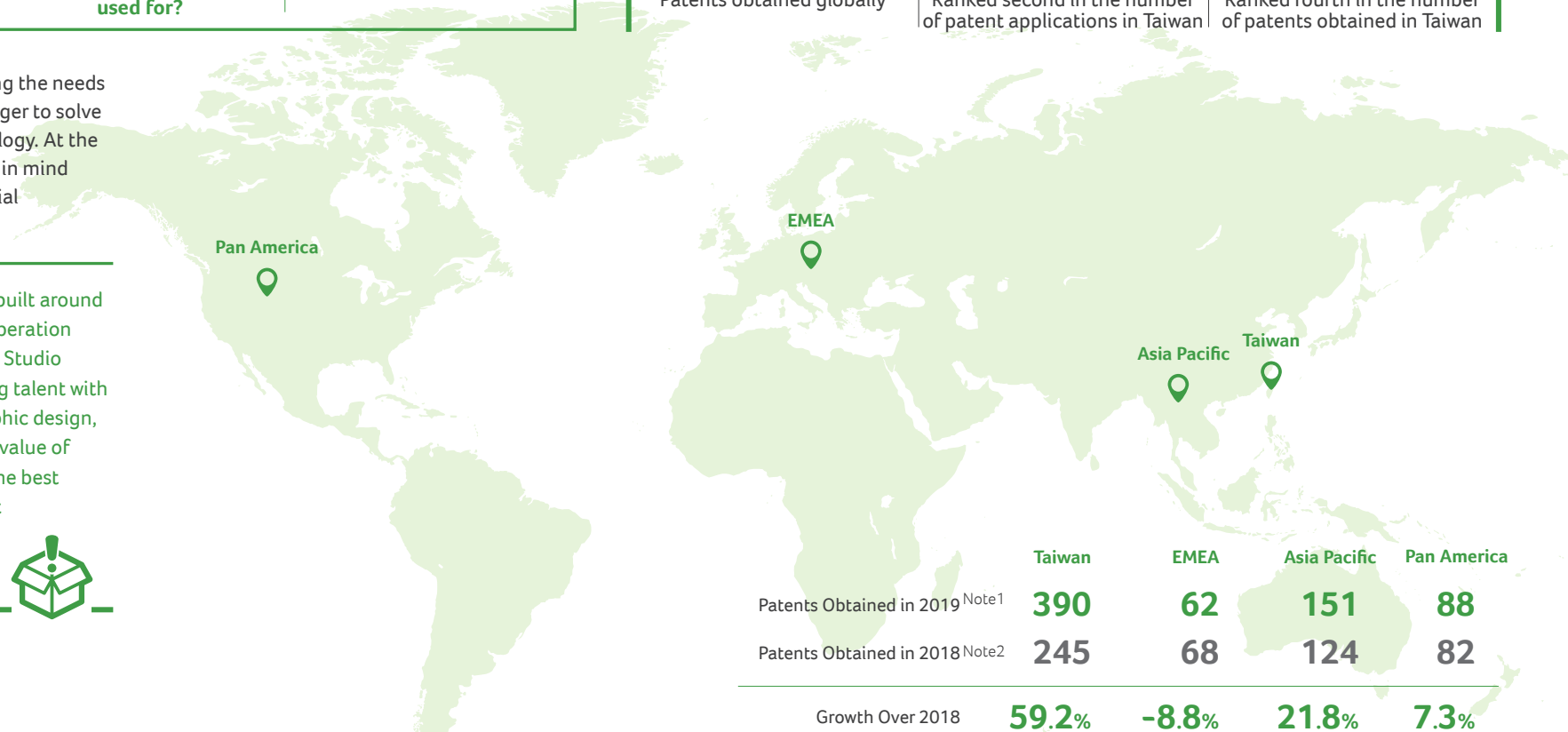


We are dedicated to understanding the needs and behaviors of users and are eager to solve human problems through technology. At the same time, though, we must bear in mind both technological and commercial feasibility.

Acer's innovative R&D process is built around learning through testing and cooperation across fields, and the Acer Design Studio (ADS) brings together outstanding talent with backgrounds in products, UI, graphic design, and engineering to maximize the value of Acer's products and bring users the best possible experience from concept development and prototyping through to final testing.



In 2019 Acer continued to innovate, obtaining 691 patents around the world and seeing patents obtained for the year in the China, Taiwan, Asia Pacific, and Pan America regions grow over 2018. Acer Taiwan applied for the second largest number of patents in Taiwan, ranking fourth in the nation by patents received.



Note 1: Official figure for Taiwan is 388, with two StarVR-Acer patents where StarVR is the first applicant, totaling 390 with these included.
 Note 2: Due to application time, this figure is slightly different from the previous edition.



INNOVATIVE PRODUCTS AND SERVICES

In 2019, Acer developed a number of software applications and technologies across all product levels,

Our products and Services launched continues to respond to the UN SDGs.



E-Health

Relevant SDG(s): GOOD HEALTH AND WELL-BEING

BrainSphere™ AI Computing Platform: A New Accelerated Genome Sequencing Solution

Altos Computing, a subsidiary of Acer, announced a new accelerated genome solution in close collaboration with WASAI Technology, a big-data acceleration expert focusing on human genome sequencing as a global launch at BIO-IT World Conference & Expo 2019. This joint development effort utilizes high-performance Altos BrainSphere™ AI computing platform combined with WASAI's proprietary software to create a solution that is faster for genome sequencing without sacrificing accuracy, while also bringing cost savings to make this crucial technology accessible to more hospitals and research institutions.

Smart AI Medical Ecosystem

Acer has joined forces with Novartis Taiwan to form a strategic alliance for smart medical treatment, applying artificial intelligence (AI) technology to the design of clinical trials, registration, disease detection, and integrated patient care. In addition, both sides will also work to further apply this to a global operating platform, promoting Taiwan's smart medical products internationally.



This cooperative effort is focused on using Acer's advanced AI technology and experience in the ICT industry together with Novartis Taiwan's knowledge of the pharmaceutical industry, including diseases and treatments, clinical trials, and inspection and registration experience, to jointly build a legally compliant Taiwanese smart medical ecosystem on a platform of information security that will accelerate the industrialization, commercialization, and internationalization of smart medical technology.

This is a pioneering cooperation across fields between a cutting-edge technology company and a pharmaceutical company. We expect that the implementation of experimental AI medical treatments will help medical professionals make more accurate, more efficient early diagnoses by facilitating the large-scale collection of disease data and processing it with AI technology. This will, in turn, help patients get early treatment and enjoy improved quality of life. The early stage of this cooperative effort has initially targeted macular degeneration, diabetic retinopathy, and cardiovascular disease.

Acer Leap Beads and eRosary

Acer subsidiary GadgeTek has joined together with the Pope's Worldwide Prayer Network under the supervision of the Holy See to develop an all-new wearable device for the Catholic faithful, eRosary beads.

Praying through the "Click to Pray eRosary" app, the faithful can choose a topic for their prayers for the month or choose an appropriate mystery from the Holy Rosary in line with their feelings at the time. The next mystery can then with a shake, and rotating the beads will keep track of the number of readings. The system can also track completed rosaries and remind the faithful to pray daily through a vibrating alarm function.

The Click to Pray eRosary also includes must-have health-tracking functions like tracking distance, steps, and calories; there are also reminders for incoming calls, reaching goals, and more, helping users intelligently manage their life and health data. The eRosary additionally boasts wireless charging and excellent good battery life, while being IP67 waterproof and dustproof means users can wear it with confidence in a variety of situations, bringing the convenience of modern innovation to the faithful.

In Taiwan, it also incorporates electronic stored-value card payment functionality, successfully integrating religious thinking and technological life and providing people with greater convenience.



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E-Learning

Relevant SDG(s): QUALITY EDUCATION

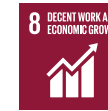
ConceptD: Cultivating Avant-Garde Creative Talent

ConceptD was born from Acer's belief that designers can be at their most efficient when they can define perfect performance for themselves. In response to the needs of such creators, we have launched this new brand. The ConceptD series of products includes high-end desktop computers, notebooks, displays, and peripherals designed with graphic designers, video workers, engineers, architects, developers, and other creators in mind. The design focus of this series of products includes specifications for high computing performance, low noise (less than 40 dB), and high color accuracy ($\Delta E < 1$) (Note). These provide visual or image creators and various types of developers, high-level computing tools that can satisfy their needs, whether professional or personal.

Working with Taiwan's National Chiao Tung University, Acer has also launched a project to nurture avant-garde creative talent under the ConceptD banner. Under this plan, the ConceptD Infinite Creative Energy Center hosts ConceptD avant-garde creative courses with the aim of boosting interdisciplinary creative education and laying the foundation for the cultivation of cutting-edge creative talent. The center is equipped with the latest 2019 ConceptD computers, notebooks, and displays to provide a powerful backing for these creators to hone their skills. Through a variety of short-term, practically focused courses, students can easily master a range of skills from embedded systems, drones, and the Internet of Things to 3D printing or virtual creation in AR/VR. Supported by hardware designed specifically to cater to creative work, students need not worry about whether their equipment can keep up with their demands, letting them learn and create free of concerns.



Note: ΔE (Delta E): This is a measurement used to ensure that the displayed color is close to that as perceived by the human eye; the higher the ΔE value, the lower the color accuracy.



E-Business

Relevant SDG(s): DECENT WORK AND ECONOMIC GROWTH

Cloudgoda Cloud Portal

Acer subsidiary Cloudgoda has launched the eDC Cloudgoda Cloud Portal, linking AWS, GCP, eDC, and IBM Cloud platforms for 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.

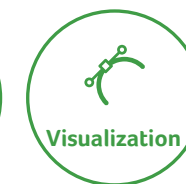


Cloudgoda Cloud Portal

Cloudgoda eliminates the technical barriers to cloud usage for startups and SMEs, enabling them to benefit from the technology while also reducing costs. Customers can easily deploy the cloud directly using Cloudgoda without the need for consultancy or deployment services.



Cloudgoda Cloud Portal is an Azure MSP (Managed Service Provider) Portal which provides a value-added cloud hosting service platform for eDC Azure users. Through Cloud Insight technology, it analyzes the Azure Cloud Activity Log and checks Azure Cloud best practices in the three areas of cloud bookkeeping, maintenance management, and information security to provide Azure users with the best cloud environment recommendations and optimize the Azure cloud environment for cost, performance, security, and availability. This MSP Portal makes it easier for Azure users to use the cloud safely; users can focus on business development and leave the rest to Cloudgoda. Cloudgoda adds a visual element to cloud architecture, providing a faster, better way to design and manage cloud architecture. After deployment, users can view infrastructure resource usage and optimize architecture through a CSP cloud management platform.



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Smart Cities

Relevant SDG(s): SUSTAINABLE CITIES AND COMMUNITIES

A Smart Water City Solution

Acer subsidiary Acer Being Communication has proposed a “smart water city solution” based on “Smart Connection” architecture, not only reducing operating costs and improving communications quality, but also enhancing data security. The “smart rainwater network” concept integrates city rainwater retention facilities from landscaped lakes to underground retention ponds, rainwater channels, and building raft foundations to accomplish effective runoff sharing through connection and planned adjustments. In the wake of heavy rains, this will not only reduce flooding, but also allow the city to recover quickly, realizing the goal of a “resilient city.”

In addition, the “Smart Meter” solution can quickly upgrade existing water meters to smart meters, boosting communication quality and data security while keeping costs down. These Smart Meters have built-in camera modules that can capture and read the water meter, calculate water consumption through edge computing, and then send the data to a water usage platform without the need for cutting into pipes and impacting citizens’ daily water needs. There are many manufacturers of mechanical water meters and various types of water pipes, and so the Smart Meter is designed to adapt flexibly to a variety of situations, greatly improving ease of installation.



Smart Meter

Smart Lighting Solution

Acer Being Communication is committed to the development and construction of smart city solutions. With an eye to the Business IoT field, the company launched its Smart Lighting solution, with the first wave focused on smart street lights and smart LED indoor lighting. With their unique, environmentally friendly smart dimming design and a focus on energy savings, these lighting solutions enjoy greatly extended useful lives and aim to create a new, green smart-city vision.

The smart street lights are built around solar power, which can greatly reduce the cost of power generation in countries that enjoy substantial sunlight hours and could replace a portion of electricity consumption in those with short daylight hours, creating benefits in times when electricity is tight.



In addition to saving energy, smart street lamps can further integrate a range of other applications like air quality monitoring, emergency call solutions, and current leakage detection.

In addition, the distinctive “0-100% smart lamp” of smart LED indoor lighting enables users to define a level of brightness optimal for their surroundings. Each smart lamp can be connected wirelessly to a virtually endless network of lamps, so when the brightness of one lamp changes, that can also have an effect on adjacent lamps. The all-in-one design of the smart lamps makes them easy to install, and they can be directly installed into commercially available LED lighting fixtures without any need for modifications.

Compared with existing fluorescent lamps, smart LED lamps show up to 95% power savings, while the unique smart dimming design extends their lives several times over. Acer Being Communication’s smart lamps have been tested through physical deployment in parking lots, and in the future, they will be expanded to more areas to create new smart city solutions.





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Other Major Innovative Products

Better Heat Dissipation: Predator Helios 700 Sliding HyperDrift keyboard

The Predator Helios 700 gaming notebook is equipped with the unique sliding HyperDrift keyboard. This keyboard is built into the cooling structure of the laptop, maximizing the airflow to let air be directly taken in from the top of the laptop and ensure the system operates quietly and coolly. There are a variety of functions available for gamers to take full advantage of, including: with a slide of the HyperDrift keyboard, two additional air intakes are exposed just beneath the screen, providing additional airflow to the efficient heat sinks, maximizing cooling and allowing for extraordinary overclocking; and through a glass panel, gamers can check on the condition of the notebook's heat pipes at any time.

The HyperDrift keyboard is specially designed with the user in mind, letting gamers maintain a healthy distance from the 17-inch screen without having to stretch their arms. It thus provides the comfort of a desktop with the specs of a notebook, along with a more ergonomic design. The HyperDrift keyboard also has a per-key RGB lighting, anti-ghosting, and MagForce WASD keys. MagForce keys use near-analog linear control with adjustable actuation sensitivity from immediate to 100%, providing enhanced control for gamers and enabling them to move more accurately in-game. These functions provide more customized, more precise use to competitive gamers.



HyperDrift keyboard improves cooling performance

More Flexibility: Acer C250i Portable Wireless LED Projector

The Acer C250i portable wireless LED projector does not require a base, supports multi-angle projection, and boasts the world's first automatic portrait projection mode, enabling users to easily share smartphone content anytime and anywhere. The unique rotating design can support multi-angle projection without the need for a base. This stylish design enables users to make effective use of space by projecting on any wall, ceiling, or other flat surface with a flexible projection angle. When placed sideways, users can "roll" the projector to find the best angle and watch their content on the wall or ceiling, and when the projector is turned on its side, the screen automatically changes from the original landscape projection to portrait projection mode. This innovative mode not only lets users enjoy full-screen projection without black bars, but can also be used for wireless mirroring of video chat or livestreams from, for example, Facebook or Instagram. This projector was also honored with the Innovation Award at CES 2020 in the categories of Computer Hardware and Components as well as Computer Peripherals and Accessories.



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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:

- [Online Downloads and Support](#)
- [Telephone Service Support Center/Tech Support](#)
- [Acer Service Centers](#)
- [Authorized Service Centers and Professional Repair Companies](#)
- [International Travelers Warranty Service Center](#)
- [Acer Web Master \(customer complaints handling process and mechanisms\)](#)

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 to easily get service information on their smartphones.

COMPUTER HEALTH CHECKS AND RECYCLING

In 2019, Acer Taiwan organized a charity recycling event and summer computer health check. Our engineers assisted consumers with troubleshooting their machines, as well as providing inspection, cleaning, and upgrade services to boost brand approval and help with sales. The Acer Earth Recycling Program additionally recycled some 1,474 kg in batteries.



In addition, in China, we used computer health checks, run with Acer product fans, to also establish good relationships with companies, schools, and other institutions. Acer China has hosted campus services for nine years running, providing free computer health checks, cleaning, and troubleshooting services for faculty and students. In 2019, Acer China helped clean and test over 100 machines in events at eight schools across ten major cities.



1,474 kg

The Acer Earth Recycling Program recycled 1,474 kg in batteries

HIGH-END CONCEPTD SERVICE+

Acer provides exclusive VIP service for members with high-end products, including registration plus one-year warranty extension service, true color (Delta E) warranty, and one-year battery warranty. We also provide to-your-door service and on-call repair at service centers, along with a special professional consulting hotline.



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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 use 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 2019, Acer did not require the execution any product recall activities.

SELF-TESTING SYSTEM: ENHANCING SERVICE QUALITY

Acer Care Center (ACC) is a software suite for optimizing Acer notebooks and desktops, helping users keep their devices in top condition. ACC can also link users to Acer's support team to get them the assistance they need. It provides comprehensive service, including checks and updates, ensuring users can keep their devices up-to-date and running smoothly. In 2019, we expanded the product support page's functionality, offering a dedicated page for each product by model and country. Customers can go to the appropriate page to download the product manuals and drivers, reducing the need to waste time searching for product support services.

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 2019, Acer Community saw 50,142 new registered users. Currently, the community has a total of 338,521 members, over 601,698 posts, and over 25,453 solutions provided by Acer. In 2019, a total of 8,405,647 visitors viewed the site some 19,905,163 times. We also established the ACE team, composed of 18 super-fans, including six members newly added in 2019. The website provides channels that span borders by supporting multiple languages, including English, Spanish, German, and Portuguese, with French added this year.



Acer Community website

In the Acer Idea section, meanwhile, superusers can put forward their ideas for products, accessories, and services, including product hardware or software improvements, more customer-friendly web pages, and so forth. A total of 279 innovative ideas have been shared through this channel. These ideas help Acer understand what our customers need, knowledge that can be applied in later product development and service improvements. Through members' ideas, we can get a better understanding of what customers need, and thus our future product design and company development can be oriented toward better services and products.

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.

over **25,453**
solutions provided by Acer

8.41 million visitors
viewed the site in 2019



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 2019, the second repair rate in Europe dropped to 4.07%.

The new Global Customer Relationship Management System (Version 8) makes use of the latest technology to strengthen and integrate processes across regions. In 2019, this was extended to maintenance centers in the Americas and Canada. This system also supports a variety of service needs across product combinations and brands. In addition, Europe uses the new Version 8 system for corporate customers, improving the service and support provided to them and providing service for products beyond just computers. To improve security, all Global CRM System applications have been upgraded to OS/SQL 2012 to support Acer’s regional and service business needs in 2020.

ACER E-ACADEMY: HELPING SERVICE STAFF SOLVE PROBLEMS BETTER

To help our worldwide customer service staff offer the best customer advice and assistance, over the past ten years, we have used our online learning system (Acer E-Academy) to equip front-line service staff and operating unit staff with specialist knowledge and training in new products, resolution of common product queries, customer response skills, and standard processes. This also includes an online evaluation at the end. 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. The goal of each course is 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 actually seeing the product at hand. In the Taiwan region, we also held in-house training in 2019 to teach service center staff how to use maintenance tools and new technologies, helping them provide more efficient service and better solve customer problems.

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. We also began to ask customers about their purchasing experience on the Acer Store website and 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. 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 2019 survey results show high global satisfaction, with positive customer evaluations accounting for 96.04% of total evaluations.



We have set the following goals for customer service improvement in 2020.

- Maintain average customer satisfaction survey results above 95%, with continued growth year by year.
- Implement a fan management system integrating sales and computer health clinics. Implement a bidding system for companies and schools, carrying out computer health clinics and establishing strong customer relationships.
- Improve service center information systems so that the customer service staff can better understand customers’ records and reduce the time needed for service, boosting customer satisfaction. In 2019, Acer Europe began using the new Unified Agent Desktop tool, making it easier for staff in the service center to get information on client machines and provide thorough service. The service center in the Dominican Republic also plans to introduce this tool in 2020.
- Continue to observe and reduce customers’ second repair rates to boost consumer satisfaction and loyalty.
- To further increase academic customer satisfaction, in Europe, we plan to develop a tool to enable partners and schools to clearly understand the basic information about each machine, its warranty period, and its maintenance history.

4.07%

In 2019, the second repair rate in Europe

7,700

7,700 employees and partners around the world access to the latest product information via Acer e-Academy.

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INFORMATION SECURITY AND CUSTOMER PRIVACY

INFORMATION SECURITY

As a global brand, Acer considers maintaining information security to immensely important, especially with regard to earning and keeping the trust of those invested in the brand, customers, and other interested stakeholders.

We continue to work to improve global information security organization and policy, and to coordinate work on the various aspects of information security management systems, to ensure that the Group's information assets comply with relevant laws, regulations, and standards. We also strive to set out the security control measures necessary to protect the Group's information systems and services.



In 2019, we continued to reinforce our information security management organization, and in accordance with the organizational structure, powers, and responsibilities, jointly worked to maintain the system's sound operation, achieving our goal of stronger information security management.

This organization consists of the CIO, who serves as chief information security officer and appoints the co-convenor. The heads of the Global Information Technology Headquarters serve as the information security management systems Information Security Management Systems (ISMS) Committee and appoint representatives to the information security management team, information security establishment team, and information security incident response team. The information security internal audit team is staffed by the audit office, and the support team draws from Human Resources, General Affairs, Marketing, Legal Affairs, and Finance Departments. Acer obtained ISO 27001 Information Security Management Systems certification in 2019 and regularly carried out internal and external audits and meetings on management review and ISMS establishment to supervise system implementation.

We actively promote a culture of information security, educating staff with an awareness of information security and an understanding of how to respond to relevant threats, helping ensure information security in day-to-day operations. At the same time, we 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 information security culture. In 2019, information security education and training was implemented around the world, covering a total of 6,126 participants, with 97.7% of staff completing education and training. In addition, in Q2 2019, we completed a global test on social engineering by mail.

6,126

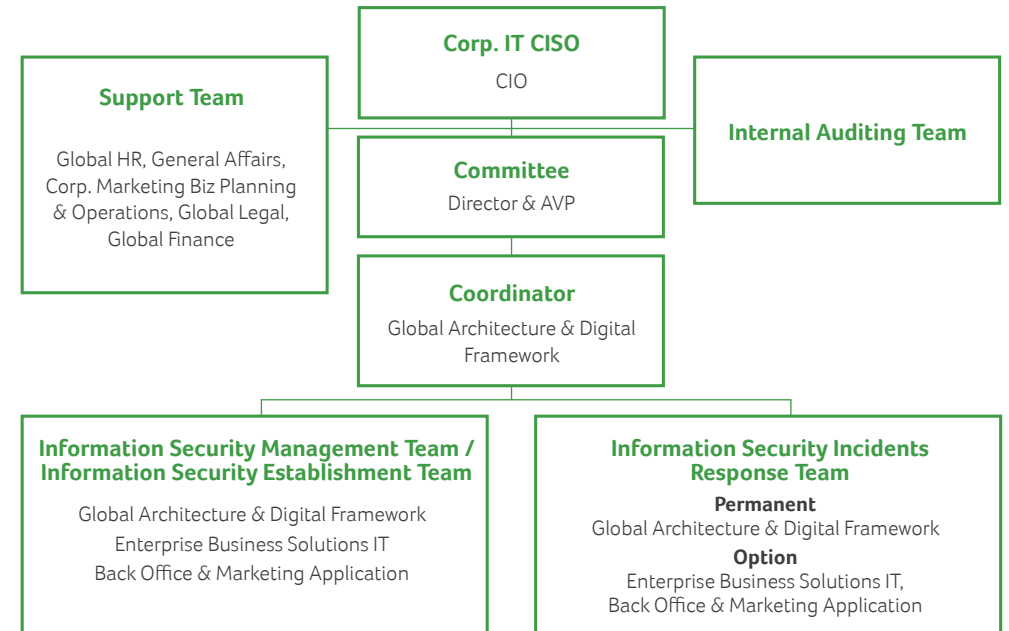
participants

97.7%

of staff completing education and training

Global Information security education and training

Information Security Management Organizational Structure



To boost our case response efficiency, through planning, building, implementing, and monitoring mechanisms, we 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. We have thoroughly introduced advanced threat protection (ATP) and security operation center (SOC) mechanisms. While implementing ISMS information security incident reporting and management processes, we have clearly set out the incident reporting process and relevant rights and responsibilities, classifying related information security incidents in a graded manner and formulate corresponding principles for handling.

Note: Advanced Threat Protection (ATP): Focused on complex, multi-faceted cyber attacks against specific organizations; Security Operation Center (SOC): Integrates and manages organizational security information in various situations, with emergency responses to security incidents based on the established management and control mechanism, while also integrating and analyzing such incidents.



CUSTOMER PRIVACY PROTECTION

Acer understands the importance of the protection of personal information and privacy to our customers. 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. In response, while constantly reviewing the necessity for collecting customer information and strengthening information security protection measures, we have also established information security protection systems to provide an additional layer of privacy protection through distributed risk.

In 2019, Acer worked with KPMG Law Firm to ensure that the use and protection of personal data within the Acer Group properly complies the law and with company policies. In expanding our business, we also require that subcontractors abide by the Acer Group's personal information protection policies and cooperate with accountants in regular audits. The Acer Group has formulated Acer Group Personal Data Protection Management Policy, along with management and internal audit mechanisms. Acer obtained ISO 27001 Information Security Management Systems and ISO 27017/ISO 27018 cloud security standards certification on December 17, 2019. We plan to obtain BS 10012 PIMS certification by 2023 in our ongoing efforts to bolster our protection of personal information.

ACER'S PRIVACY PROTECTION MEASURES

	Information security protection
	Customer problem handling
	Regulatory compliance
	Other measures for protection of privacy
	Implementation controls and education

Information security protection measures

Acer obtained ISO 27001 Information Security Management Systems certification in 2019 to implement internal staff controls and education & training. In addition, we introduced related information security systems in stages as we have continued to deepen information security culture.

Improved customer problem handling mechanism

privacy_officer@acer.com

We have established a protection mechanism for personal data relating to customers. If there are suspicions of a customer data security problem, the notification mechanism is activated immediately to protect against risk.

Regulatory compliance

Regarding the collection, processing, or use of personal information in Taiwan, Acer has formulated the Principles for the Management of Personal Information, setting out high-confidentiality measures and 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. Additionally, in response to the EU General Data Protection Regulation (GDPR), Acer began in 2014 a phased implementation of preparatory measures, including the identification and location of the 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, 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.

Other concrete management measures for protection of privacy

Cooperations between subcontractors and customers must also comply with laws on the handling of personal data, with processing and use carried out in accordance with the law and clearly laid out in the contract. In addition, to ensure that customers' personal data is safe, before accepting equipment for repair, Acer undertakes steps to protect customers' privacy.

Substantiated Complaints Regarding Breaches of Customer Privacy and Losses of Customer Data

Acer follows global privacy-related regulations, and in 2019, we again received no complaints regarding the leaking or loss of customer information.

	2016	2017	2018	2019
Substantiated Complaints - From External Units	0	0	0	0
Substantiated Complaints - From Regulatory Units	0	0	0	0



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PRODUCT SECURITY

In designing our products and services, Acer strives to comply with the highest safety standards. To protect our customers and their data more thoroughly, we welcome security researchers, academic staff, and others from the security community to provide any information about potential security vulnerabilities that they may have. We work with those who raise major security vulnerabilities and confirm all relevant reports. Acer would like to express its sincere thanks to all those who submit relevant opinions, with the following URL (<https://www.acer.com/ac/zh/TW/content/support>) available for the provision of the latest software versions for verification of vulnerability reproducibility.

We work with partners, industry, and the security community to resolve vulnerabilities. When we receive notification of a potential vulnerability, we conduct a thorough investigation and work with the submitter to remedy it, while also arranging for public announcement of the issue. For example, Acer and Intel cooperated to announce a vulnerability and the status of its resolution. Vulnerabilities related to the Acer Care Center were also disclosed and addressed, with an announcement made on the website. In 2019, Acer received a notification of a security vulnerability in Acer Quick Access, which we further verified and provided a solution for on our official website.

Acer is committed to ensuring that our products are protected against attacks throughout the supply chain life cycle, from parts procurement and manufacturing to transportation, service, and recycling. We require all suppliers to comply with the requirements to reduce the risk of counterfeiting, malware, and tampering.



Announce a vulnerability and the status of its resolution



Vulnerabilities related to the Acer Care Center were also disclosed and addressed

Acer strives to create the safest designs for users, including but not limited to the following measures:



Hardware Design

We employ the Trusted Platform Module (TPM) 2.0 standard, an international standard for a secure cryptoprocessor which can reduce the risk of hackers trying to seize passwords and encryption keys for sensitive data; Kensington locks, which can physically protect data by making machines difficult to steal; a selection of security screws for desktop computers, preventing users from easily opening cases and stealing internal parts; and System Health Indicators for desktop computers, which will flash a red indicator on the power button immediately upon the detection of an abnormality to alert the user and remind them to carry out proper inspections of the system. If the user cannot access the system, they can also enter the system indicator status in the Acer Control Center and BIOS.



Software

Acer Control Center and Acer Care Center enable users to connect to the Acer support infrastructure, accommodating all their support needs including a full range of services, inspections, and updates to ensure equipment is up-to-date and running smoothly; Acer Office Manager (AOM) enables offices without dedicated IT staff to effectively directly control and maintain the computers of various users across the company, as well as to monitor devices and platforms throughout the enterprise ecosystem; Proshield provides a secure personal storage area and file encryption and destruction; Norton Antivirus can detect potential threats and remove them; and, for desktop computers, there is a USB Device Filter that can set USB restrictions applied to company staff based on the needs of the particular company: read-only, only permitting mice/keyboards, or no restrictions at all.



Firmware

Hard drives can be password-protected, preventing unauthorized access to user drives, while OPAL provides even stricter protection.



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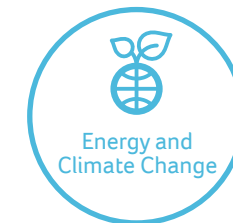


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MATERIAL TOPICS AND MANAGEMENT APPROACHES



Energy and Climate Change



Environmental Policy and Management Performance



Circular Economy and Product Life Cycle



Water Resource Management

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MATERIAL TOPICS AND MANAGEMENT APPROACHES

ENERGY AND CLIMATE CHANGE

Implications for Management

According to the World Economic Forum's most recent global risk report, climate change is now the most important risk facing business operations. As a leading brand in the ICT industry, Acer has sales and operating locations all over the world, and so responding to climate change is an unshirkable responsibility for us, as well as being both also a risk and an opportunity.

Business Management Strategy

Developing group carbon reduction goals & strategies and working with suppliers

Evaluation Mechanism

- Continuing to implement carbon reduction goals
- Passing ISO 14064-1 greenhouse gas assurance

Medium- and Long-Term Goals

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

2019 Accomplishment Status and Highlights & Results

- ✓ **Goal:** 54% carbon reduction compared with baseline year of 2009
Status: Total emissions in 2019 were reduced by 57.18 % compared with the baseline year (2009).

2020 Goals

60% carbon reduction compared with baseline year of 2009

ENVIRONMENTAL POLICY AND MANAGEMENT PERFORMANCE

Implications for Management

While Acer has no manufacturing facilities around the world, we are nonetheless committed to upholding 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

- 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

Pass ISO 14001 verification in adherence to legislation

Medium- and Long-Term Goals

Increase global environmental management system coverage to 95%

2019 Accomplishment Status and Highlights & Results

- ✓ **Goal:** Establish an environmental performance tracking and monitoring mechanism
Status: A water usage tracking mechanism has been put in place
- ✓ **Goal:** Investigate company's global waste collection statistics and establish uniform standards
Status: A survey of the company's global waste disposal methods has been carried out
- ✓ **Goal:** Global environmental management system coverage up to 72%
Status: 93.35%

2020 Goals

- Complete Environmental Impact Assessment Questionnaires for each country and major territory
- Global ESM coverage up to 90%
- Completed ISO 14001 review and passed three-year certificate validation

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MATERIAL TOPICS AND MANAGEMENT APPROACHES

CIRCULAR ECONOMY AND PRODUCT LIFE CYCLE

Implications for Management

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.

Business Management Strategy

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.

Evaluation Mechanism

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

Medium- and Long-Term Goals

- 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.
- All commercial products receive EPEAT (IEEE 1680.1 2018) silver certification

2019 Accomplishment Status and Highlights & Results

- ✓ **Goal:** All products take product life cycle into account during the design and development stages; product sustainability is assessed for the reduction of environmental impacts
Status: All products take product life cycle based on account during the design and development stages, with design and evaluation undertaken with reference to ISO 14040 principles.
- ✓ **Goal:** Conduct assessment of product life cycle for high-end commercial products
Status: In cooperation with the Industrial Technology Research Institute, we have selected high-end commercial products (P6 notebook, BV7 display, AIO commercial desktop) for thorough life cycle and carbon footprint assessment, with subsequent plans for third-party specialist validation.
- ✓ **Goal:** Use post-consumer recycled plastics in commercial products (P6) and meet regulatory requirements
Status: In 2019, newly developed commercial products and Chrome notebooks, displays, and desktops incorporated post-consumer recycled plastics (PCRs).

2020 Goals

- All products take product life cycle into account during the design and development stages. Assess product sustainability and reduce environmental impacts
- Conduct thorough assessment of product life cycle for high-end commercial products

WATER RESOURCE MANAGEMENT

Implications for Management

In view of the continuing shortage of water resources in the world, although Acer's offices don't use a lot of water, we continue to list water resources management as environmental management goals, strengthen colleagues' water management awareness, and establish a culture of cherishing environmental resources.

Business Management Strategy

Reducing water consumption and improve management performance through measures such as water recycling and reuse, improving water equipment, and strengthening water management.

Evaluation Mechanism

Establishing IT system management to track and monitor water-saving performance, setting up the task force and regularly holding the meeting to discuss improvement practices.

Medium- and Long-Term Goals

Reduce water consumption in 2025 to 7% lower than in 2018

2019 Accomplishment Status and Highlights & Results

- ✓ **Goal:** Reduce global water consumption by 1% on baseline year
Status: Compared to 2018, the figure was down approximately 1%.

2020 Goals

Global water consumption was reduced by 2% on baseline year



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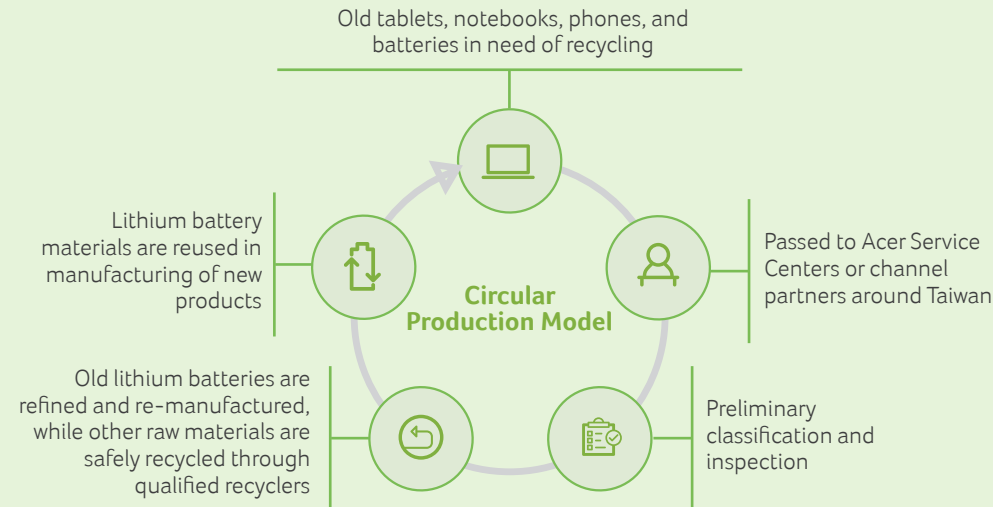
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In May 2019, Acer was also invited to participate in a “global dialog” held at the United Nations Environment Programme (UNEP) International Environmental Technology Centre (IETC) in Osaka, Japan. We attended as an observer, engaging with other participants in a global conversation on the event’s theme, “Technology Solutions for Holistic Waste Management.” This event provided expert advice for the G20 ministerial meeting and summit held in June. Participants in the global talks included CEOs, business representatives, government decision-makers, and representatives of society and academia. In addition, partners from the European Commission, Basel Convention Secretariat, and International Solid Waste Association (ISWA) World Congress also attended. All participants are committed to implementing the UN’s 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs), and to working together for an environmentally sustainable future.



2 tons

Weight of waste dry cell batteries

over 2,000 items

Total number of recycled consumer electronics of all brands

16 tons

Carbon emissions reduced

PRODUCT LIFECYCLE

Acer’s Green Product Policies



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.

Acer Product Life Cycle Management

To make a product sustainable, we must examine its impact on the environment and performance at various stages of development, using this as a basis for enhancing the sustainability of future products. As well as emphasizing product life cycle thinking in our green product policy, Acer has also since 2018 introduced a life cycle assessment analysis into the development of hardware products across product lines in line with the revised ISO 14001 system. Through this, we gain an insight into the environmental impact of these products. Since 2019, we have also enacted quantitative life cycle assessment for indicator products. The first product for which this was completed was the Desktop PC VX4660G (or Veriton X4660G). In cooperation with the Industrial Technology Research Institute, we carried out a full cradle-to-grave life cycle inventory and analysis of this product in line with ISO 14040:2006 and ISO 14044:2006 standards. Through the DoITPro database (v2019.0003), we undertook second-level data conversion, finding the following main overall environmental impacts: carbon emissions of 461.3 kgCO₂e; 0.39 m³ equivalent of water; And mineral, metal, and fossil resource consumption of 0.0131kg antimony (Sb) equivalent.



VX4660G



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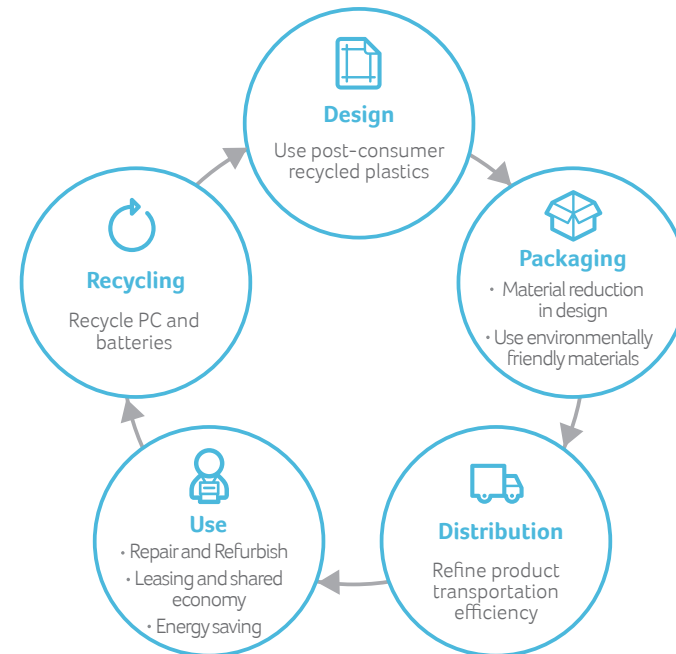
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The following table shows the detailed quantitative emission/consumption data of each stage of the product's life cycle. We further find that the raw material acquisition stage has the most significant impact on resource consumption, and the usage stage produces the most carbon emissions, followed by the raw material stage. This is similar to the results obtained in our past product carbon footprint projects.

Impact \ Product Life	Raw Material Acquisition and Component Manufacturing	Product Assembly	Product Shipping	Usage	End of Life
Impact on Global Warming	37.1%	0.1%	0.5%	62.1%	0.3%
Water Resources Consumed	76.4%	< 0.1%	< 0.1%	23.5%	< 0.1%
Resource Consumption	99.9%	< 0.1%	< 0.1%	< 0.1%	< 0.1%

Acer Product Life Cycle Management



In addition, completed life cycle assessment, including carbon footprint, is also verified by third-party assurance to ensure the accuracy and reliability of both the process and the data, providing an important reference for subsequent improvements to product environmental impact.



[Certificate Download](#)



[Certificate Download](#)

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 the 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 Version 7.0/7.1 and EPEAT IEEE 1680.1 products, we have continued our efforts to follow up and improve, working with ODM to promptly assess and respond to these new standards.



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The US Energy Star label is the most widely accepted energy efficiency mark. In 2019, 94.05% of our notebook computers and 40.14% of desktop computers were certified Energy Star 7.0 or 7.1 compliant. We have also continued to introduce high-efficiency platinum- or gold-rated power supplies to reduce energy dissipation and consumption. All notebook computers, desktop computers, all-in-ones, and displays have obtained the latest Energy Star certification, accounting for 76.28% of revenues from our main hardware products. Among them, 100% of commercial displays have also obtained Energy Star certification.



Environmental Labels and IEC 62474 as Percentage of Hardware Revenues

	EPEAT/TCO and Green Mark (Taiwan)	ENERGY STAR® 7.0/7.1	IEC 62474
Notebook Computers	10.4%	94.05%	88.9%
Displays	27.90%	27.90%	74.7%
Desktop Computers	26.69%	40.14%	29.9%
All in one	17.23%	50.53%	95.7%
Total	15.19%	76.28%	80.6%

Note 1: "Hardware products" refers to notebooks, displays, desktops, and all-in-one PCs
Note 2: "Environmental labels" refers to EPEAT, TCO, Green Mark (Taiwan), and Energy Star®

SUSTAINABLE PRODUCT DESIGN

MANAGEMENT OF CHEMICALS IN RAW MATERIALS

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 prudent management of chemicals in raw materials.



To protect the health and safety of users and reduce potential environmental risks, Acer strives for prudent 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.

In 2018, 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 included in management, and depending on various internal and external conditions, this list will gradually expand to improve the non-toxicity of our product manufacturing processes. We have also included Phthalate Usage Disclosure in our supplier CSR scorecard, encouraging vendors to prioritize the use of phthalate-free materials and further promoting the elimination of phthalates from our products. 2019 also saw us continue to produce product models free of BFRs and PVCs, in particular portions of our commercial notebooks and desktop computers.





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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.

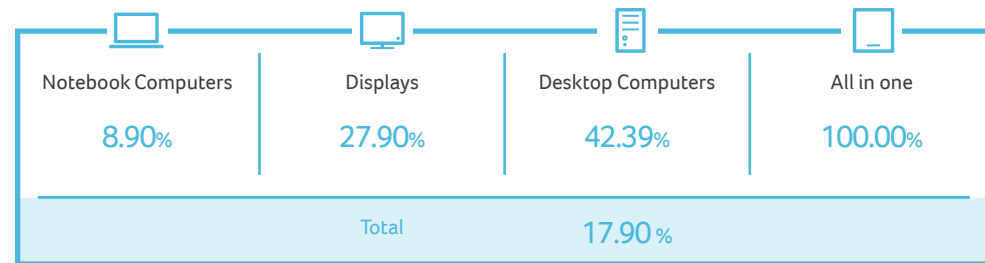
When deciding on machinery and proportion of PCR during the planning of products, we are careful in our selection of plastics suppliers; for new products using PCR, we strive to stay as close as possible to the physical properties of our materials during formulation; in the design process, we focus on 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 2019, we continued to use recycled plastics in commercial display units and all-in-one computers, including the B and V series of commercial displays and all series of all-in-one desktops. Beginning in 2019, we will also be using PCR in our notebook computer products, including the Chromebook C733 and models in the TravelMate line such as the TMB118 and TMX314; together with desktop computers, displays, and all-in-ones, more than 5 million devices were shipped in 2019 using PCR, accounting for 17.9% of hardware revenues and strengthening our realization of the concept of circular economy.

We also place importance on the issue of marine plastic waste pollution. To this end, we continue to evaluate the use of offshore-recycled plastics in our notebook computer products to raise consumer awareness of this issue.



Product Use of Post-Consumer Recycled Plastics



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

REDUCE

Reduce material use

REUSE

Make use of reusable materials

RECYCLE

Most effective and recyclable packaging designs



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Reduction in Design

Out of a desire to cherish the resources we have available, Acer has since 2016 been planning reductions in the size of product boxes and scale of packaging. We continue to reduce the amount of iron, plastic, and paper materials used in our packaging.

In 2019, our Concept D series (CT500 & CT900) used over 90% recycled cardboard in its packaging materials, with the second generation of Concept D notebooks also using more environmentally friendly packaging with less plastic than its predecessor, including outer boxes made up of over 90% recycled cardboard, cardboard boxes, and paper jackets, along with the elimination of plastic bags from all accessories. In addition, the shipping of the ChromeBook 11" uses 5-in-1 packing in place of 1-in-1 packing, not only increasing volume per pallet, but also reducing the amount of material used by 22%.

In 2020, we will be eliminating plastic bags for manuals and cables for a portion of our desktop computers. Concept D (CM100) will also use more than 90% molded-pulp packaging materials and replace EPE with molded pulp, achieving an overall reduction of 25% in plastic packaging.

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 2019, Acer continued to make use of environmentally friendly packaging for our notebook computers



 <p>Cardboard Boxes 90% recycled cardboard</p>	 <p>Moulded Pulp 100% recycled kraft paper boxes</p>	 <p>EPE 100% recycled low-density polyethylene (LDPE)</p>
 <p>Posters Forest Stewardship Council (FSC) certified paper, with all printing using environmentally friendly water-based and soy inks. (Note)</p>	 <p>Printed Matter 40% recycled paper</p>	 <p>Non-woven Fabric Bags Made from 100% recycled PET; new projects in 2020 are expected to entirely use bags made from 100% recycled PET.</p>

Note: In 2019, the ConceptD desktop computer line used 100% soybean ink for all related printed materials.

Acer is also continuing to look into more environmentally friendly packaging materials to replace plastic bags (e.g., oyster-shell powder plastic bags) to further do our part for the planet.



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IMPROVING PRODUCT SHIPPING EFFICIENCY

Every day, tens of thousands of Acer products make their way to consumers' hands. Acer strives to reduce the volume and weight of our packaging, thus improving transportation efficiency and reducing the fuel consumed in the course of transport. This helps further reduce the carbon emissions generated during transport, while also reducing the overall cost of that transport.

We have reduced CO₂ emissions through Changing Shipping Modes and Improving Supply Chain Management



Compared with 2018, in 2019 we accomplished a 0.2% increase in rail shipping globally. Shipping of notebook computers by rail from Chongqing to Europe saved some US\$11.73 million in shipping costs.

In 2019, our shipping of notebook computers from Chongqing employed 4% fewer 20-foot containers while increasing container loading rate. At the same time, we additionally optimized our trucking model, transporting 86% of our 20-foot container shipments to Shenzhen by LTL shipping. From September onward, we have expanded this model to include shipping of 40-foot containers, with LTL shipping accounting for 71% of the total container shipping from Chongqing, saving US\$2.12 million in transportation costs and 993.19 tons in carbon emissions (a reduction of 483 trips and over 1,600 kilometers).

993.19 ^{Note} tons

Total carbon emission reduction of our notebook computers shipping from Chongqing

Note : Carbon emissions calculated using the Smart Freight Centre's first-edition GLEC Framework, 2016

PRODUCT RECYCLING

The Acer Group continues to be committed to working for sustainable lifestyles and a sustainable environment. To this end, we pursue the recycling of limited resources and good mechanisms for recycling waste in hopes of creating new value for our products. We actively support a variety of measures promoting recycling around the world, along with Individual Producer Responsibility (IPR), and are committed to working with stakeholders including governments, consumers, and channels/retailers to shoulder the responsibility for recycling and managing electronic waste.

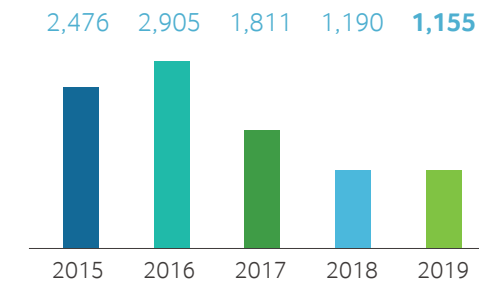
Around the world, Acer follows local government standards and carries out various projects for the recycling of electronics, as well as providing consumers with convenient, easy recycling methods; planing different projects; and doing our part for resource sustainability.

Note: Acer recycling rate = Acer recycling volume / Acer waste volume

In Taiwan, for example, Acer is a long-time participant in the Environmental Protection Administration's recycling program. According to 2019 statistics from the EPA, ICT products have been trending toward the lighter and smaller, and recycling weight has been correspondingly on a downward trend, with some 8,984 tons of desktop computer products recycled around Taiwan, a recycling rate of 65%, while 238 tons of notebook computers were recycled, an estimated recycling rate of 11%; with regard to Acer products in particular, a total of 1,102 tons of desktop computer products were recycled, a recycling rate of 51%, and approximately 52 tons of notebook computers for a recycling rate of 11%.

Total ICT Product Recycling by Acer in the Taiwan Region

Unit: tons



Note: Acer recycling rate = Acer recycling volume / Acer waste volume

In addition, Acer also continues to work with Japan's PC3R Promotion Association computer recycling organization, enabling consumers to register items for recycling online or by email and then send them in by mail. The Association also organizes for the reuse of any products collected that can still produce cyclical value. Through Japanese PC Recycling Centers, we hope to encourage customers to recycle long-used products and upgrade to newer products still in their usable lives. At the same time, this project also ensures that customers' information security is protected.

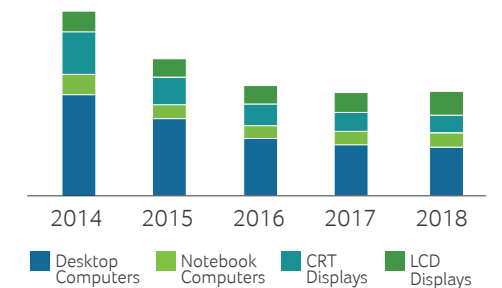


PC3R promotion Association

Total ICT Product Recycling by Acer Japan through Participation in PC3R

Unit: tons

6.6563	5.8853	5.9048	6.3830	7.6226
13.8076	8.8180	6.985	6.3504	5.6791
6.5480	4.5277	4.2579	4.6227	4.5695
32.7483	24.7689	18.4275	16.4525	15.5617
Total				
59.7602	43.9999	35.5752	33.8086	33.4329



Note: Annual recycling operations in Japan are calculated across the year defined as April 1, 2018–March 31, 2019.





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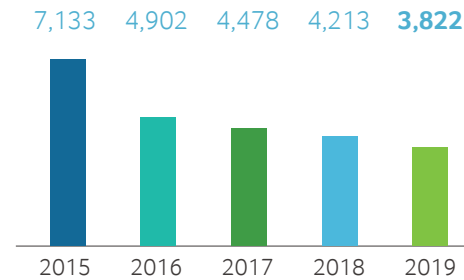
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In North America, Acer has adopted an in-house recycling model, providing consumers with a simple and easy way to recycle products. Compared with 2018 records, the weight recycled in 2019 decreased slightly due to the trend toward thinner and lighter products. In 2019, we recycled a total of approximately 3,822 tons of electronic products in North America. We also continued to promote the Acer Tech Trade-up Project, setting out a strong recycling mechanism for local consumers in the North American region. In 2019, we collected a total of 196,655 pounds (approx. 88,494 kg) of product, all of which were sent into reuse, providing the best evidence for the value of reusing old ICT products. We hope that through such projects, we will continue to 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, prolonging lifecycles while also properly recycling waste, meeting environmental protection standards and achieving a level of sustainability.

Total ICT Product Recycling by Acer in the North America Region

Unit: tons



It is worth mentioning that Acer continued to hold a position on the board of the Washington Materials Management and Financing Authority (WMMFA) in 2019, one of a total of 11 directors responsible for managing the WMMFA's business operations and affairs. The WMMFA provides responsible recycling to citizens of Washington State in the most economical and cost-effective manner in line with state laws and the requirements of the state Department of Ecology. The board also works with more than 250 member manufacturers in the United States to implement state-level recycling programs.

Globally, demand for cobalt for lithium battery production has grown, and out of concern with child labor issues related to cobalt mining, Acer continues to promote the use of a closed-loop process for the recycling of the lithium batteries used in Acer mobile devices. In 2019, Acer collected about four tons of waste batteries in North America through this process, with the total amount of recycled batteries in 2018–2019 reaching almost 11 tons. Given this success, we plan to continue with this program. In this way, Acer hopes to reduce its dependence on raw cobalt, and we plan to donate additional revenue generated through this in 2020 to organizations that promote responsible cobalt procurement.

Worldwide, Acer Group 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 all first- and second-tier suppliers to comply with Acer's waste disposal standards for the management of end-of-life products, as well as requiring these suppliers to obtain Responsible Recycling (R2) or eStewards certification. Acer also continues to conduct audits of suppliers to ensure that their downstream processing operations are responsible and compliant with the standards laid out. We aim to ensure that Acer's recycling projects are able to meet the recycling requirements of the latest EPEAT and IEEE 1680.1-2018 standards. For more recycling programs in the region, please refer to Acer America's recycling website. Acer also carefully follows the European Union Waste Electrical and Electronic Equipment (WEEE) Directive with regard to products, batteries, and packaging, aiming to pursue recycling and reduction and providing consumers with information on local recycling channels through their respective national Acer websites.

Acer in the North America Region

88,494 kg

Total amount of ICT products recycled

almost 11 tons

Total amount of recycled batteries in 2018–2019



Acer America's recycling website

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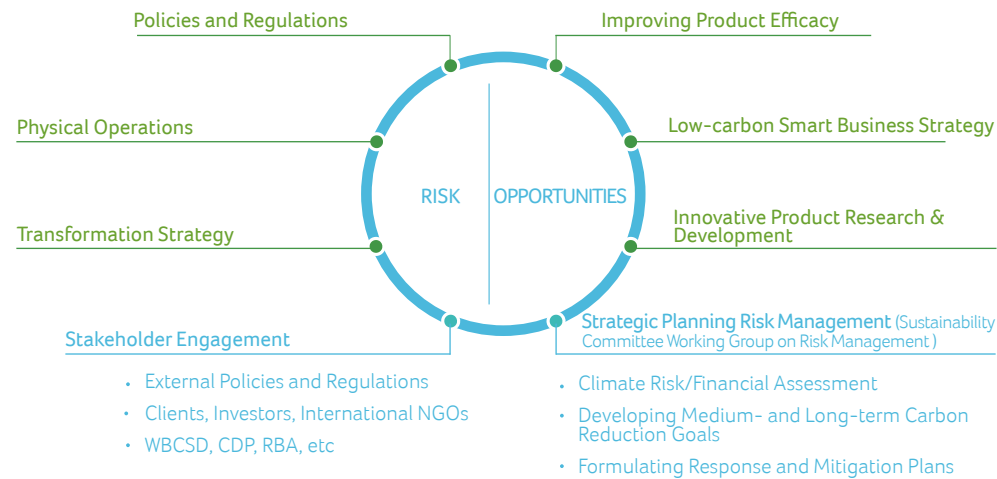
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ENERGY AND RESPONDING TO CLIMATE CHANGE

RISKS AND OPPORTUNITIES OF CLIMATE CHANGE



Analysis and research from the WMO



Carbon dioxide in the atmosphere continued to rise

According to analysis and research from the World Meteorological Organization (WMO), 2019 was on average the second warmest year on record, reaching an average of 1.1°C higher than the average value during the Industrial Revolution between 1850 and 1900, while the concentration of carbon dioxide in the atmosphere continued to rise. The Global Risk Report released by the World Economic Forum in January 2020 showed that the top five risks in terms of likelihood are all tied to the environment and climate change, with four such risks also ranking highly in terms of impact. Such research and investigations have shown that the internal and external impacts on business that climate change creates cannot be ignored.

On top of this, the Emissions Gap Report 2019 released by the United Nations Environment Programme (UNEP) ahead of COP 25, noted that even if the existing climate commitments of all countries—nationally determined contributions (NDCs)—are fully realized, the 1.5°C goal of the Paris Agreement will “slip out of reach.”



Emissions Gap Report 2019

Although there was still a lack of consensus among the parties at COP25 on how to resolve the issue of climate change, international organizations concerned with global sustainable development have continued to work on the matter. By continuing to take an active leadership role in international enterprise organizations like the WBCSD and CDP, Acer continues to respond to directions in development with our supply chain partners.

With regard to risk management, through our Working Group on Risk Management—under the auspices of the Sustainability Committee and led by the chairman of the board—we continue to consider the potential impacts of climate change, forecast their likelihood and potential impact, draft contingencies and mitigation measures, and develop crisis management and early warning mechanisms to mitigate their impact on operations.

In terms of major climate risks, natural disasters, along with regulations and both consumer and investor preferences for energy efficiency and product labeling in various countries, will have a more significant impact than in the past. Among them, in the short term, in addition to the direct impact of the Electronic Product Environmental Assessment Tool (EPEAT) IEEE 1680.1:2018 standard on the commercial hardware tenders market, major international corporate investors and listed company authorities like BlackRock and the Taiwan Stock Exchange, where Acer is listed, have continued to express concerns about the response to corporate climate risks. We expect that this will also bring additional related information disclosure requirements.

The European Green Deal announced by the European Commission in December 2019 is expected to have an impact on business and operations in our major international markets. The medium-term 2030 carbon reduction target and goal of carbon neutrality by 2050, along with the consequent national policies and laws and their implementation, are matters to which we will continue to pay attention.

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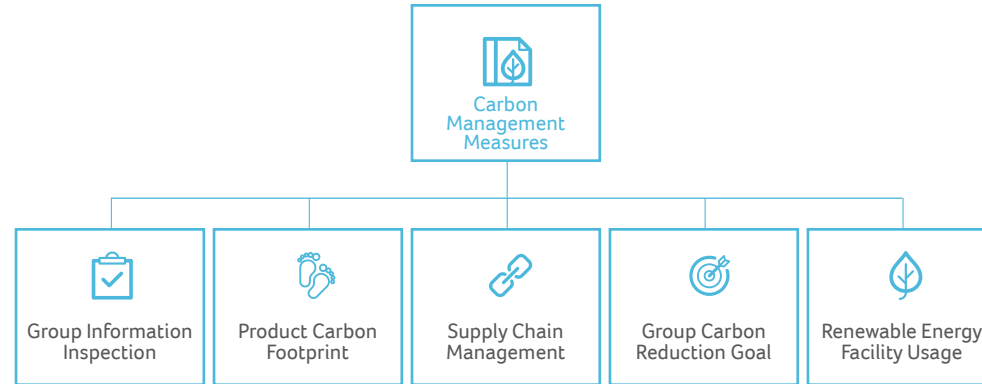


Regarding the risks above, we regularly analyze and develop countermeasures for the various risk factors according to their likelihood and potential impact, and we anticipate a reduction in the impact of climate change risks. With regard to opportunities brought about by climate change, we not only continue 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. In 2019 our Dutch subsidiary set up its own solar power facilities, further boosting the percentage of power coming from renewable sources. In the course of expanding the Group’s business, we are also making use of smart transportation subsidiaries to leverage the efficiency of the ICT industry to help society and various departments accomplish carbon reduction and corresponding adjustments.

Through internal assessment and situational 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 REDUCTIONS AND STRATEGIES

Acer’s Carbon Management Measures

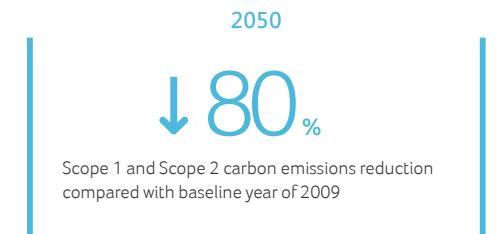


According to Acer’s energy and climate strategy, we continue to prioritize energy efficiency at all of our operating locations, with the use of green energy the next priority. Where appropriate, we use renewable energy power generation facilities alongside measures such as Renewable Energy Certificates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

With regard to green electricity, Acer again expanded the use of renewable energy in operating locations, like Singapore and Scandinavia, with methods adopted varying from region to region. For example, in Taiwan, the focus was on the use of in-house renewable energy generation, mainly solar; in the United States and Canada, it was on local Green-e certified renewable energy certificates, with wind power foremost; in Europe, particularly Germany and Spain, renewable energy Guarantees of Origin (GOs) were adopted; while in Thailand, Malaysia, Philippine, India, Indonesia, Brazil, Mexico and elsewhere, locally acquired International Renewable Energy Certificates (I-RECs) were used. 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 14,425,614.18 kWh, while green electricity generated by company-owned green generators and sold back to the local grid totaled 3,010,936.39 kWh. In total, Acer Group used as much as 17,436,550.58 kWh of green electricity, which, if taken only with REC usage figures, accounts for 59.65% of ICT product-related operations and 43.69% of the Group’s entire Scope 2 electricity usage.

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

In addition, we have also formulated the long-term carbon reduction targets in accordance with the methodology recommended by Science-Based Targeting (SBT) methodology. It is expected to reach a reduction of carbon emissions by 80% in scope 1 and scope 2 by 2050 compared to the base year 2009.



Note: Formulated long-term carbon reduction targets as recommended by Science-Based Targeting (SBT) methodology



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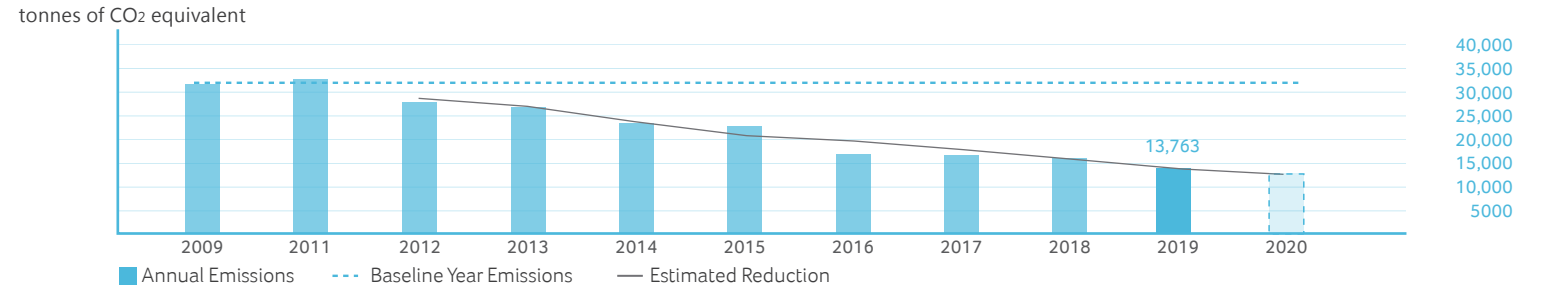


GHG Inventory and Assurance

Since 2011, Acer has contracted a third-party verification agency with Taiwan EPA accreditation to undertake external GHG Protocol Scope 1, 2, and 3 emissions inventory and assurance.

In 2019, we found that the Acer Group was responsible for 3,540.22 tons of Scope 1 and 10,223.617 tons of Scope 2 (market-based) carbon emissions. Our Scope 1 and scope 2 emissions totaled 13,763.83 tons (market-based), with Scope 1 emissions primarily from North American and European natural gas usage and global combustion activity, and Scope 2 electricity usage accounting for approximately 74.28% of the combined emissions of the two. Total emissions in 2019 were reduced 57.18 % on the baseline year and 14.30% less than 2018; per capita emissions were approximately 1.901 tons, about 4.95% lower than adjusted 2018 figures.

Annual Group Greenhouse Gas Emissions and Reduction Targets



In addition, in accordance with GHG Protocol Scope 3 principles, we carry out inventory of emissions produced by staff business flights, product and service purchases, product shipping, leased assets, product energy consumption, waste products, and power & fuel. Through inspections, we better understand how to control the carbon risks and opportunities in the value chain, which will further help in reduction strategies. In addition, per GHG Protocol Scope 3 principles, we undertake an inventory of items including staff business flights; product and service procurement; product shipping, energy consumption, and end-of-life; operational waste; electricity and fuel; and leased assets. Among these, product energy consumption creates the most significant amount of emissions, with our four main hardware categories (notebooks, desktops, all-in-ones, and displays) accounting for a total of approximately 1.08 billion kWh of power consumption in 2019. Through more thorough Scope 3 inventories, we can better understand how to control carbon risks and opportunities in the value chain, which will further help with reduction strategies.

Scope 3 Greenhouse Gas Emissions Sources and Levels

Source of Emissions	Emissions (tons)	Notes
Staff business flights	5,936.80	Total Emissions, Including Global Employee Business Flights
Product and service purchases	57,711.83	Based on ODM allocation data on major products (notebooks, desktops, monitors, and projectors) from 10 companies in 2019
Product shipping	85,475.45	Covers all regions of the world including Taiwan, Europe-Africa-Middle East Region, the Americas, China, and Asia Pacific
Product Energy Consumption	1,785,738.68	Takes the annual shipping volume of major products (notebooks, desktops, all-in-one, and displays) and multiplies that by annual TEC
Waste Products	36.31	Mainly general waste produced in the Taiwan region
Power and Fuel	2,846.44	Mainly consumption of natural gas, gasoline, diesel, and electricity in the Taiwan region
Leased Assets	661.36	Mainly desktop and notebook computers in the Taiwan region

Note : Number of full-time staff at the end of 2019 is 6,709, with 531 contracted staff, for a total of 7,240.



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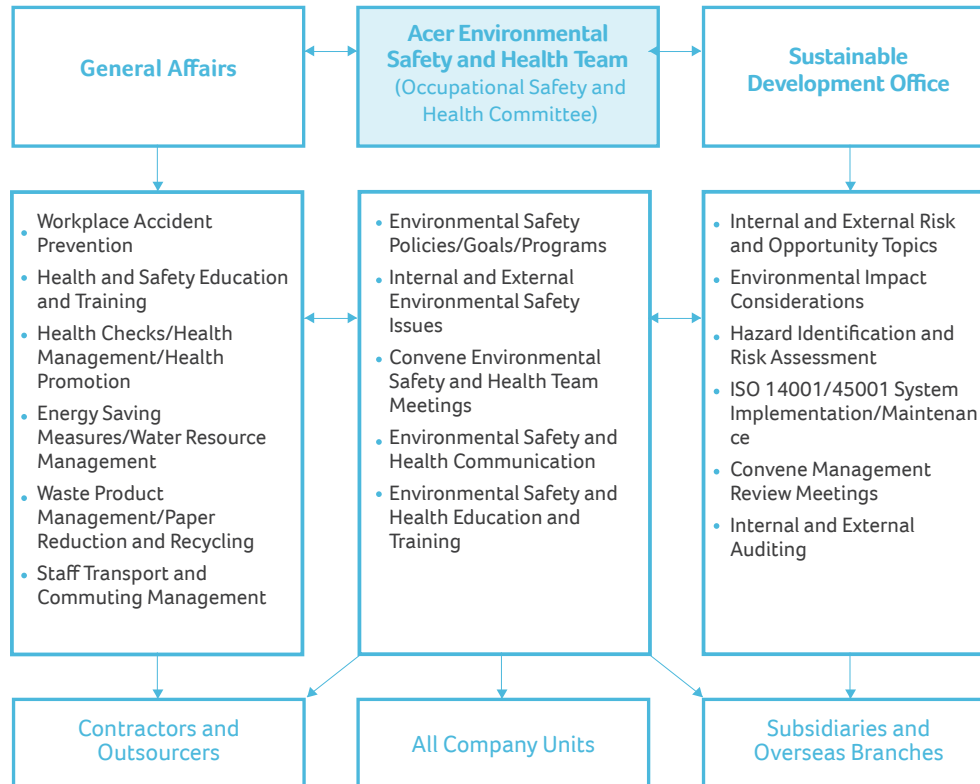
ENVIRONMENTAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The scope of our corporate social responsibility includes environmental health and safety management systems, and as a global citizen, Acer remains in pursuit of maximal corporate social responsibility, with a focus on treating our environment well. This includes regular monitoring of adherence to and applicability of Acer standards to manage potential risks to people and the environment and reduce the environmental impact of our products and business operations. A range of measures has been put in place to help ensure staff have a comfortable working environment that values health and safety.

In the past, Acer's environmental and safety and health management coverage was mainly based on Taiwanese office areas and business units. In 2019, we undertook environmental aspect identification in major countries and regions worldwide to better understand the status of environmental management in each area. In addition, other subsidiaries that have introduced ISO environmental management systems have also passed ISO 14001:2015 review.

In order to comply with the Acer Group's global strategy, we made 2019 a year of training and education in occupational health and safety management systems and ISO 45001 in our Taiwanese headquarters. In 2020, the Group will work with consultants to introduce an ISO 45001 occupational health and safety management systems project, which is expected to pass verification in October. At the same time, we will also work with subsidiaries to help them to also obtain ISO 45001 certification.

2020 is an important year for the Acer Group in terms of introducing environmental, health, and safety measures to internal subsidiaries and business groups. We believe that the entire group must be able to comply with both domestic and foreign regulations, adjust and optimize our environmental, health, and safety policy, and thoroughly implement our environmental health and safety management systems to meet our commitments and goals for the environment, health, and safety.



Acer Environment, Health, and Safety Policy





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ENERGY SAVING MEASURES

Acer's energy consumption is primarily office-based, and so to get on top of the power consumption data for our office locations around the world, we use systematic management to collect data for an insight into the usage situation and trends therein. According to analysis and statistics, the main sources of office power consumption are, in order from highest to lowest, the use of air conditioning, lighting, and computer equipment. Although Acer engages in no production activities, we continue to pursue the use of green electricity, optimizing electrical equipment, and strengthening power management as major management goals. As well as evaluating the benefits of existing energy-saving measures each year, we also continue to explore the feasibility of various other options.

In terms of green electricity, at the recommendation of external specialists, we have explored a variety of possible options. Statistics show that in 2019, Acer Taiwan's total solar power generation reached about 3 million kWh in 2019, enough to supply about 870 households for one year; meanwhile, in terms of optimizing equipment power consumption, as well as replacing old air-conditioning equipment and moving to energy-saving lamps, Acer eDC Longtan also replaced a total of seven cooling tower fins in 2019, which is expected to save around 42,000 kWh of electricity each year; And to further reinforce our power usage management, Aspire Park will put to use an energy management system to gain an insight into the condition of each building's electrical and mechanical equipment to facilitate appropriate adjustments, while our Xizhi office will make changes to the hours in which air conditioning and put in place an automated system to turn off lighting during afternoon breaks and after working hours.

3 million kWh

Acer Taiwan's total solar power generation in 2019

870 households

The amount of households which the solar power generated is enough to supply for one year

Acer Taiwan's 2019 Main Energy-Saving Measures

Unit: MWh of power

Energy Saving Measures	Office Area Implemented	New Measure(s)	Ongoing	Benefits (annual)
Green Electricity Usage				
Production of Green Electricity				
Solar Power Generation	Acer Taiwan Longxian Solar Power Station	●		☀️ 2,840.0
	Acer Taiwan Aspire Park Aspire Resort	●		☀️ 23.0
	Acer Taiwan Aspire Park Aspire Research Complex	●		☀️ 110.0
	Acer eDC Longtan Offices	●		☀️ 48.0
Optimized Electrical Equipment				
Air Conditioning System				
Updated Air Conditioning Equipment	WebLink Taipei Headquarters	●		
	WebLink Qingpu Warehouse	●		
Reduced Leakage of Cold Air from Data Center Air Conditioning	Acer eDC Longtan Offices		●	⚡️ 126.0
Improved Cooling Tower Air Flow	Acer eDC Longtan Offices		●	⚡️ 0.2
Replacing cooling tower fins	Acer eDC Longtan Offices	●		⚡️ 42.0
Lighting Equipment				
Changed to energy-saving lamps	Acer Taiwan Xizhi HQ	●		⚡️ 15.0
	WebLink Taipei Headquarters	●		⚡️ 0.3
	WebLink Kaohsiung Warehouse	●		⚡️ 6.9
Changed to energy-saving lamps during new office renovation	Aker Offices	●		
	WebLink Taipei Headquarters	●		
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 Taiwan Aspire Park Aspire Research Complex		●	
	Acer Taiwan Aspire Park Zhizun Building		●	
	Acer eDC Longtan Offices		●	
Air-conditioning usage				
Raised Water Cooler Temperature	Acer eDC Longtan Offices		●	⚡️ 27.0
Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ		●	
Using UPSes				
Shutdown settings	Acer eDC Longtan Offices		●	⚡️ 2,102 million
Using high voltage transformer				
Shutdown settings	Acer eDC Longtan Offices		●	⚡️ 348.0
Lighting				
Using automated shut-off system	Acer Taiwan Xizhi HQ		●	
Adjust cooling tower lighting controls	Acer eDC Longtan Offices	●		⚡️ 2.0

Note: Disclosure of electricity consumption optimization and the benefits of stronger electricity consumption management employs estimations to calculate savings before and after improvements.

☀️ Electricity Generated ⚡️ Electricity Saved

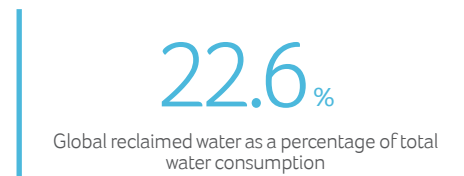


WATER RESOURCE MANAGEMENT

With Acer's global business model primarily focused on product sales and customer service, with no involvement in production activities, there is not really any large-scale water use. The main source water demand is the everyday water needs of office staff, with the main water source municipal water, having no significant impact on water resources; our primary source of wastewater also regular sewage, which 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.

Although we do not use water resources in large amounts, management thereof is nonetheless listed among our environmental management goals for 2019. In addition to the ongoing collection of water usage statistics from our offices around the world, we have also established a mechanism for environmental performance tracking. After comprehensive analysis and evaluation, we set a short-term goal of reducing our water consumption in 2019 by 1% over 2018, and medium- to long-term goal of consumption by 7% in 2025 over 2018. We will continue to observe trends in changes in water consumption in offices through systematic management and carry out improvement checks and tracking. In 2019, Acer's global water consumption was 184,295,000 liters, with reclaimed water accounting for 22.6% of total consumption.

In view of our accumulated experience with previous water-saving efforts, in 2019, Acer Taiwan continued to rank collection and reuse of water resources, improvement of water-using facilities, and strengthening of water usage management as our main water-saving management objectives. For the third time, Aspire Resort at Longtan has received a Gold Level Green Hotel certification from the Environmental Protection Administration, and we continue to explore other measures for saving water. Among these are the diversion and collection of pool water for filtration and reuse, along with ongoing water-quality monitoring. In 2019, the Taoyuan Department of Public Health awarded the resort the Gold Medal for Water Quality.



Acer Taiwan's 2019 Main Water-Saving Measures

Water-Saving Measures	Office Area Implemented	Benefits (annual)	unit: kWh
Collection and Reuse of Water Resources			
Using Reclaimed Water for Irrigation of Greenery	Acer Taiwan Aspire Park		48.0
Waste Water from Swimming and Paddling Pools Collected, Passing Through Filtration and Ozone Sterilization, and Reused	Acer Taiwan Aspire Park Aspire Resort	(Replenishing of dissipated water)	3.5
Recycling and Reusing Air Conditioner Condensate and Dehumidifier Drainage Water	Acer Taiwan Aspire Park Aspire Resort		0.7
Rainwater reuse and recycling	Acer eDC Longtan Offices		9.3
Using Wells to Provide Water for Air Conditioner Cooling	Acer eDC Longtan Offices		5.8
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's working environments worldwide are primarily offices. We have no manufacturing plants, and as such, our largest sources of waste are general waste, followed by resource recovery and a small amount of business waste. As such, the environmental impact of such waste comparatively much lower than that of manufacturing and traditional industries. To get a more accurate picture of the statistical data on waste from our office locations around the world, in 2019 we re-evaluated global waste data collection methods in an effort to establish a unified standard and understand changing trends, facilitating the exploration of waste reduction opportunities and the setting of reduction targets.

To protect the global environment, in 2019, Acer Taiwan launched a series of plastic reduction activities. Among these were 30 specially organized "Reduce Plastic and Save Energy" green action solutions projects from the Employee Benefits Committee, along with the development of a collection of app icons. Staff are invited to work together to become an influential force spurring action through learning, practice, and sharing, becoming a force to change the world and shape Acer's culture of caring for the environment.

To properly understand the amount of actual trash produced and thus implement trash reduction and sorting measures, from 2019, we have asked cleaning companies to take daily measurements of actual trash weight. Staff are also encouraged to bring their own cups, bags, cutlery, and straws and to refuse single-use plastic bags and bamboo chopsticks to reduce plastic usage. We have also put in place externally oriented activities to encourage customers and manufacturers to get involved. We have also 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 for meetings. Through such management practices, we were able to achieve our recovery and recycling targets.

In compliance with our corporate environmental policy, we are committed to adherence to waste product management legislation, industrial guidelines, and our own commitments. Acer Taiwan, for example, handles ordinary garbage through companies contracted by the building or having local cleaning teams transport trash to incinerators; recyclable resources are collected and transferred to recycling classification centers or transported by local recycling vehicles; Business waste, which is primarily waste batteries, light bulbs, cases, and scrap metal, is limited in quantity and disposed of by qualified contractors after collection to ensure that transportation and processing do not harm the environment.

Aspire Resort, located in Longtan, launched the "Green on" project in 2019, starting with holding a meeting of all staff and having everyone commit to waste reduction and refuse straws, paper cups, and disposable cutlery, moving toward the goal of a "leave no trace office." Next, they worked to encourage consumers to reduce their usage of single-use cutlery and containers to show their commitment to protecting the environment.

PAPER REDUCTION AND RECYCLING

In 2019, we launched "Project Humanity" to reduce the impact on the ecosystem of deforestation and loss of biodiversity while encouraging the valuing of our planet's resources and fulfilling our corporate social responsibility. This project is a full demonstration of our commitment to cherishing our paper resources.

In terms of everyday paper usage, we have ceased the provision of paper cups and subconsciously encouraged staff to get into the habit of bringing their own cups for meetings. At the same time, visitors are encouraged to bring their own environmentally-friendly cups, and there are porcelain mugs available for visitors in the conference area. Through such efforts, we expect a reduction per year of 12,000 paper cups. As for office paper, Acer Taiwan's offices continue to use only copier paper with the PEFC mark to ensure that it is sourced from sustainably managed forests. To reduce the number of sheets of paper used, we also promote the use of digital documents over hard copy, and encourage staff to use double-sided or multiple-pages-per-sheet printing functions, as well as promoting paper recycling. Statistics for 2019 show that the amount of printing and photocopying paper used for the year was down about 4.8% compared with 2018, while the amount of paper recycled was up by about 12% compared with that same year.

12,000

The amount of paper cups reduced per year

up by 12%

The amount of paper recycled compared with the year of 2018

STAFF TRANSPORT AND COMMUTING

In view of the increasing popularity and development of mass transportation networks and communication technologies, to effectively reduce the impact of staff transportation on the environment, priority is given to hybrid vehicles when older business vehicles are replaced; in 2019, a total of three vehicles were replaced. We also encourage staff to prioritize public transportation for commuting and business trips and advocate the use of communication software and online meetings to replace non-essential business trips. Statistics show that fuel consumption by Acer vehicles in Taiwan and the number of overseas travels have both decreased significantly over the past two years.

	2017	2018	2019
Fuel Used by Business Vehicles	-4.9%	-9.8%	-14.5%
Number of Overseas Business Travelers	+10.8%	-10.9%	-22.6%
Overseas Business Travel Mileage	+8.7%	-15.6%	-14.1%



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Attracting Talent



Developing Talent



Human Rights, Diversity, and Inclusiveness



Occupational Health and Safety



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MATERIAL TOPICS AND MANAGEMENT APPROACHES

LABOR RELATIONS

Implications for Management

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 held on a quarterly basis.

Business Management Strategy

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 to the relevant departments so that they can solve the problem and track progress. Each quarter, that progress is reported back at the Employee Representative Meetings until both employer and employees agree the problem has been resolved and close the case.

Evaluation Mechanism

Any feedback staff may have 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.

Medium- and Long-Term Goals

Carry out annual Employee Engagement Survey, reaching an overall satisfaction score of 3.95.

2019 Accomplishment Status and Highlights & Results

- ✔ **Goal:** Response rate of over 60% to Employee Satisfaction/Commitment Surveys.
Status: Response rate over 74%.

2020 Goals

Overall Employee Engagement Survey score reached 3.92.

ATTRACTING TALENT

Implications for Management

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.

Business Management Strategy

Wherever we are in the world, we strive to adhere to labor laws when hiring staff. We insist on equal opportunity employment, hiring through an open selection process that does not discriminate on the basis of factors that have no bearing on work capability, including ethnicity, skin color, age, religious belief, nationality, ancestry, marital status, gender, sexual orientation, gender identity, military service, or political beliefs. With our focus on hiring the best people for the job, we have been able to assemble a diverse array of outstanding talent. We also provide competitive pay and benefits, humane management, and a robust path for promotion and career development.

Evaluation Mechanism

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.

Medium- and Long-Term Goals

- Provide competitive salaries and recruit talent suitable for the company
- Maintain turnover rate which is low by market standards.
- Strengthen brand image as best employer so as to attract outstanding talent and retain outstanding staff.

2019 Accomplishment Status and Highlights & Results

- ✔ **Goal:** Reduce turnover rate to 10% lower than 2018.
Status: Turnover rate 18.7%, up on 2018.

2020 Goals

- Expand recruitment channels
- Increase digital recruitment
- Employer brand management: Shoot brand image building video, continue participation in industry/government associations and cooperative activities
- Maintain turnover rate of below 17%

DEVELOPING TALENT

Implications for Management

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

Business Management Strategy

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.

Evaluation Mechanism

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

Medium- and Long-Term Goals

- 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: Average of 15 hours of training per person

2019 Accomplishment Status and Highlights & Results

- ✔ **Goal:** Increase investment in resources for staff training and development, as well as increase training funds and hours
Status: Average of 13.23 hours of training per person in 2019, training satisfaction reached 91%

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

Status: Please refer to the Continuing Learning and Growth Section.

2020 Goals

- Boost leadership and management abilities at all levels of management throughout the group and expand management training at HQ to all regional operational headquarters
- Average of 13.3 hours of training per person

HUMAN RIGHTS, DIVERSITY, AND INCLUSIVENESS

Implications for Management

The Acer Group is a company with a global presence, and we place a special emphasis on equal opportunity. All units or companies under the group must not engage in discrimination or harassment.

Business Management Strategy

The group has formulated a variety of standards regarding equal opportunity and implemented them in HR work, including internal appointments, training, and promotions. In addition, on the outward-facing side, we actively seek out fresh blood and strive to uphold our social responsibility.

Evaluation Mechanism

We also ensure that employee handbooks in each country and region have our "Human Rights, Diversity, and Equality of Opportunity" principles set out clearly and frequently review the validity and effectiveness of our handling mechanisms.

Medium- and Long-Term Goals

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

2019 Accomplishment Status and Highlights & Results

- ✔ **Goal:** 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.
Status: Achieved

- ✔ **Goal:** Overall participation in Employee Engagement Surveys increased by 5% over then previous year
Status: Global response rate reached 84%, compared with 74% in 2018

- ✔ **Goal:** Continue to hold education and training relating to human rights, diversity, and inclusiveness. Completion rate of each course should be at least 80%, and reminders should be given to those who have not completed training
Status: All goals achieved, including 97% completion rate of training on information security issues

2020 Goals

Employee Engagement Surveys:
Overall satisfaction score increased by 1% on previous year

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OCCUPATIONAL HEALTH AND SAFETY



Implications for Management

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.

Business Management Strategy

We adhere to occupational health and safety legislation, promote ISO 45001 certification, and continually work to improve our health and safety performance.

Evaluation Mechanism

Pass ISO 45001 verification in adherence to legislation

Medium- and Long-Term Goals

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

2019 Accomplishment Status and Highlights & Results

- ✓ **Goal:** No major occupational injuries or deaths (excluding commuting accidents)

Status: Compared with 2018, there were 14 fewer occupational injury cases. (*21 in 2018, *7 in 2019)

- ✓ **Goal:** Improve health check rate

Status: Health check rate in 2019 of 92.7%, compared with 80.1% in 2018.

2020 Goals

- Pass ISO 45001 Verification
- Received Ministry of Education Sports Administration Taiwan iSports Label certification (triennial)
- Received Healthy Workplaces Certification for health promotion (triennial)

COMMUNITY PHILANTHROPY AND DIGITAL INCLUSION



Implications for Management

Acer understands that technology can make life better and open up new opportunities for different groups. To this end, we put our core capabilities to use to respond to and solve social and environmental issues facing humanity through concrete action, not only reducing costs to society, but also indirectly reducing the business risks faced by the company. At the same time, such actions help promote the coexistence of business, society, and the environment.

Business Management Strategy

- Through the three main areas of technical education, the environment, and philanthropy, we engage in community work and charitable efforts by providing resources like products, technologies, and capital. We also coordinate with an array of stakeholders with a focus on the value of local experience in order to put our resources to the most effective use.
- Through the Project Humanity global project, we lead employees to participate, experience, and share through practical action to give back to society and protect the environment. This also enables our partners and customers to better understand Acer's concepts and values, creating a greater positive influence.

Evaluation Mechanism

Each region's charitable activities and targets are set in line with the organization's annual strategy. The company has also set out an evaluation and awards mechanism, including our global CSR Project Award, assessing and rewarding the efforts of each RO. The results of our charitable efforts in each region are reviewed every six months.

Medium- and Long-Term Goals

Shape Acer's company culture into one that values sustainability and action; boost staff's identification with Acer and pride in being part of the company; share success stories with global partners, suppliers, and investors, and expand social influence.

Friendly to the Environment

- Improve product materials and implement recycling mechanisms.
- Organize environmentally friendly activities and increase employee participation each year.

IT Education

- Increase staff participation in IT seminars and volunteer training each year.
- Continue investing in IT education sponsorships and competitions related to IT education

Charity and Philanthropy

- Continue implementing care for elderly and children, responding to the needs of society.

2019 Accomplishment Status and Highlights & Results

- ★ Colleagues from Acer offices in more than 30 countries worldwide have taken part in Project Humanity
- ★ More than 4,900 colleagues around the world have been involved in environmentally friendly action
- ★ Driven by Project Humanity, we have saved 60 tons of carbon emissions
- ★ In Taiwan, over 2,000 staff have taken part in environmentally friendly activities.
- ★ First Prize, "Knowledge—Health Consciousness" Category, Commonhealth Magazine Corporate Citizen Awards
- ★ Second Prize, Ministry of Economic Affairs Small and Medium Enterprise Administration Buying Power Social Innovation Corporate Product and Service Procurement Award 2019

2020 Goals

Continue to work with staff around the world to take concrete action on issues such as environmental protection, IT education, and charity; actively respond to the needs of society and continue to play the role of social influencer with a spirit of sustainability and altruism.

Friendly to the Environment

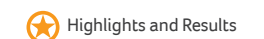
- Organize environmentally friendly activities, with at least 2,000 corporate volunteers from around the world participating
- Adopt at least 8,000 kg of environmentally friendly Caitian Rice from Jinshan, New Taipei City
- Global 3C Recycling Project: 5000 computers, 20 tons of batteries
- Support CSR in procurement to the tune of at least US\$40,000

IT Education

- Organize talks on IT education topics and train a total of 200 IT education volunteers
- Hold at least four children's digital literacy education activities
- Sponsor International Olympiad in Informatics through provision of at least 400 computers, worth a total of \$5.2 million

Charity and Philanthropy

- Organize a rice-collecting campaign for underprivileged children, collecting at least 1,000 kg of rice
- Providing care for at least 200 underprivileged children
- Providing care for at least 60 elderly people through Chinese New Year's meals
- Holding blood drive, collecting at least 2,000 bags of blood
- Sponsoring Wanjinshi Marathon with tech equipment





HUMAN RIGHTS MANAGEMENT

HUMAN RIGHTS POLICY

Acer believes that every member of our staff 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 for diversity, fair hiring, fair treatment, and the strict forbidding of discrimination and harassment. The Acer Group Human Rights Policy extends the scope of human rights protections to suppliers and customers. 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 in its implementation human rights guarantees.



Acer Group Human Rights 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 2019, identified risks encompassed areas including health & safety, gender equality, sexual harassment, child labor, forced labor, privacy & information security, freedom of association, conflict minerals, and student/intern workers.

POTENTIAL IMPACTS AND RISKS RELATING TO HUMAN RIGHTS WITH MITIGATION ACTIONS

Issue	Impact Assessment	Management and Mitigation Action(s)
Staff		
Staff 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 ISO 45001 Occupational Health and Safety Management Systems
Gender Equality	Surveying of Male:Female Staff Ratio	Continuing Improvement of Percentage of Female Managers and Senior Managers
Sexual Harassment	Evaluation of Issue through Dedicated Sexual Harassment Reporting Line and Complaints Mechanism	<ul style="list-style-type: none"> Implementation 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	Through Labor-Management Meetings with Staff Assessing Complaints Mechanism	<ul style="list-style-type: none"> Holding Employee Representative Meetings to Effectively Solve Problems through Full Communication Conducting global Employee Engagement Surveys
Privacy Rights	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 In the EMEA region, Acer has put in place 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	System, process, and behavior audits	<ul style="list-style-type: none"> Implement Anti-Bribery and Corruption Policy The audit unit will regularly audit the company's control systems and processes to improve overall awareness and spot potential misconduct Set up a dedicated mailbox (whistleblower.acer@acer.com) for reports or complaints Provide Anti-Bribery and Corruption training 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 For more information, please refer to the "Human Rights Protection Education and Training" and "Diverse Communications Channels" sections
Suppliers		
Conflict Minerals	<ul style="list-style-type: none"> Conflict Minerals Due Diligence Surveys Reasonable Country of Origin Inquiry On-Site Audits Audit Improvement Reports 	<ul style="list-style-type: none"> Carrying out Conflict Minerals Due Diligence and Management Completing and Publishing Annual Responsible Minerals Report Participating in Responsible Minerals Initiative (RMI) and Public-Private Alliance for Responsible Minerals (PPA) Complying with OECD due diligence guidelines and building supply chain due diligence capabilities Seeking out due diligence opportunities and best practices For more information, please refer to the "Responsible Sourcing of Minerals" section
Child Labor Freedom of Association Anti-discrimination Forced Labor Student Workers and Interns Health and Safety Other (Overtime Hours, Wages, etc.)	<ul style="list-style-type: none"> Supplier Risk Assessment On-Site Audits Corrective Reports 	<ul style="list-style-type: none"> On-Site Audits Corrective Action Verification Human rights training for suppliers and procurement staff Participating in Responsible Business Alliance (RBA) to gain insight into trends among international companies and practical experience of members In Supplier Communication Meetings, we promote and communicate our requirements regarding human rights issues like child labor, forced labor, and conflict minerals. Implementing Slavery and Human Trafficking Policy, Measures for Remediating Child Labor and Forced Labor, and Supply Chain Working Hours Policy Complying with, UK Modern Slavery Act, and California Transparency in Supply Chains Act Promoting to suppliers the Slavery and Human Trafficking Policy, Measures for Remediating Child Labor and Forced Labor, and Supply Chain Working Hours Policy For more information, please see Chapter 4, Responsible Supply Chains
Customers		
Privacy and Information Security	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. Implementing ISO 27001 Information Security Management System Audit Operations.

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HUMAN RIGHTS TRAINING

We actively carry out human rights education and training, providing 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 2019, Acer's global employees received training in human rights protection issues.

2019 Acer Human Rights Education and Training



Headquarters - Human Rights Policy

In training new staff, we promote Acer's human rights policy and emphasize respect for differences, inclusivity, and diversity. We strive to provide a workplace free from any form of discrimination or harassment, including on the basis of ethnicity, skin color, age, religious belief, nationality, physical/mental disability, marital status, gender, sexual orientation, gender identity.



Headquarters - Anti-Bribery and Corruption Policy

We explain clearly in the work rules that employees should not abuse their power to seek improper benefits and should always protect basic human rights



Global - Information Security Education

We promote information security to protect the right to privacy, especially in terms of the access, processing, transmission, storage, and security of staff, contracted employee, and customer data.



EMEA - General Data Protection Regulation (GDPR)

Explain regulations pertaining to data protection and privacy for all EU individuals as set down in EU law.



Pan-America - Sexual Harassment Prevention

Explain measures for preventing sexual harassment and explain to students the importance of respecting human rights and gender equality.

Human Rights Protection Education and Training Participation and Hours

	Number of Trainees	Course Hours	Number of People	Average Hours of Training Per Person
Headquarters	5,842	7,457	2,376	3.14
EMEA	2,283	16,331	1,644	9.93
Asia-Pacific	1,618	4,237	1,464	2.89
Pan-America	706	1,397	655	2.13
China	710	1,293	578	2.24
Total	11,159	30,715	6,717	4.57

DIVERSE COMMUNICATIONS CHANNELS

We provide a variety of communications channels for staff, ensuring that everyone shares a common belief, vision, and set of core values that drive us jointly toward success: the percentage of employees covered by collective agreements in countries or regions with unions is 16.71%, mainly in Italy, France, Germany, the Netherlands, Finland, Vietnam, Brazil, and China (Shanghai/Beijing).

Internal Communication Structure of Acer Inc.



Face-to-Face Communication

- An Appointment with Jason
- Chairman & CEO's Message
- Employee Representative Meetings and Employee Welfare Committee
- Volunteering Sharing Sessions
- Club Exchange Communication Meetings
- Inter-level Interviews



Employee Engagement Reflections

- Letters to the Chairman/General Manager
- Channels for Stakeholder Complaints
- Workplace Sexual Harassment Prevention Measures and Complaints Mailbox/Hotline
- Dedicated Mailbox/Hotline for Reporting of Wrongful Actions in the Course of Duties
- Nursing Hotline



Announcements

- Acer Daily News
- Acer Good News

Employee Representative Meetings

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. Acer is committed to the principles of human rights, diversity, and equality of opportunity and rigorous in our compliance with legal requirements, including organizing regular labor-management meetings to establish smooth communication between employer and employees. We regularly communicate with labor representatives on business performance and future development goals/strategies; Labor representatives share their opinions and suggestions with the Company's management team, establishing a positive relationship with staff, and thus creating a work environment of high participation.

Employee Representative Meetings, headed by the chairman and CEO, with unit general managers, top management from support units, and staff representatives in attendance focus on discussing and implement resolutions regarding operations management, work environment, and employees' rights.



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In 2019, the following major resolutions were among those raised by Taiwan staff through Employee Representative Meetings. We have formulated and are carrying out improvement plans for each resolution.

Fighting for Employee Rights and Welfare

It was suggested that the company change the current minimum unit of leave from a half-day to a two-hour calculation system. This is expected to be put in place in Q1 2020. It was also suggested that the company provide stress relief massage services. It was ultimately decided to hire professionally certified masseurs with visual impairments to provide these services. It was further suggested that the company provide a quiet space for employees to rest if they need release stress, and that the company consolidate existing resources for planning the construction thereof. In 2018, staff secured an employee fitness center, and after more than a year of planning and construction, and the hiring of a professional team to run it, in Q4 2019, the center was formally opened to staff.

Strengthening of Company Systems Communications

It was suggested that performance evaluation results be more open and transparent. The HR unit's "Supervisor Training Camp" has emphasized that goal setting and assessment results should be part of bilateral communication with staff, and the HR unit will work to strengthen this requirement and ensure that supervisors of all units pay more attention to the communication of these results with their staff.

Improvement of Working Environment in Acer Building

It was suggested that air quality around the office building be improved to reduce negative impacts of cigarette smoke on people, and that cleaning products for staff rooms be more in line with Green Mark certification and thus better for both people and the environment. In addition, in view of the growing trend of staff riding motorcycles, the company plans to provide parking spaces for these vehicles.

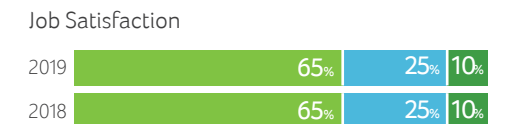
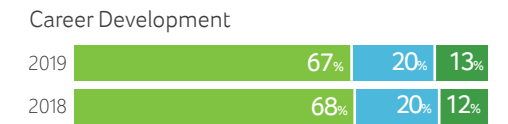
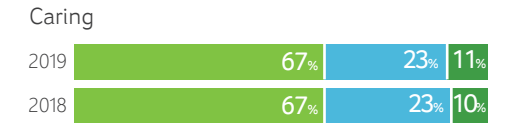
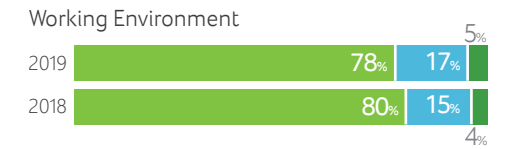
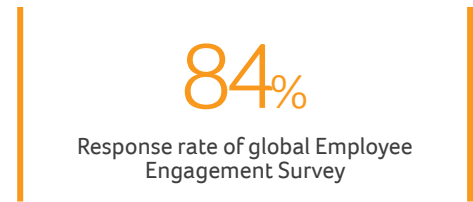
EMPLOYEE ASSISTANCE PROGRAM

In 2019, we held seven lectures and activities focused on women's health, sports and health, illness prevention, weight loss, parenting skills, career development, and stress relief, totaling 40 sessions and 2,033 participants. Over 20% of our staff have made use of counseling and support services focused on interpersonal, emotional, career, legal, family, or psychological matters.

EMPLOYEE ENGAGEMENT SURVEYS

In January and February of 2020, Global Human Resources Headquarters conducted our 2019 global Employee Engagement Survey. This survey covered six areas with 18 questions. We invited 6,364 staff members to provide their feedback, receiving a total of 5,360 responses by the conclusion of submissions. This equates to a response rate of over 84%. For details, please refer to the attached chart.

Response Rate



■ Agree ■ Neutral ■ Disagree

ATTRACTING AND DEVELOPING TALENT

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

STAFF STRUCTURE

STAFF EMPLOYMENT

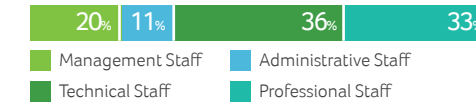
As of the end of December 2019, Acer had 7,240 employees worldwide, including 6,709 full-time staff, of which 4,176 were male and 2,533 female; and 531 contracted staff, of which 347 were male and 184 female. This company's staff are spread across 40 countries/territories. Among these staff, in terms of job category, 1,443 were management staff, 2,367 specialist staff, 780 administrative staff, and 2,650 technical staff. 2,848 are working in the Taiwan region, 1,632 in EMEA, 1,619 in Asia Pacific, 562 people in the Pan-America region, and 579 in China. Their average age is 40.3, and their average length of employment with the company is 8.69 years. Temporary staff number 683, of which 508 are male and 175 female.

The nature of our product development and industry demands a long-term commitment of manpower to operations, research and development, and promotion, so there is no major variability in staff numbers by season. In addition, in terms of the type of personnel employed, the use of temporary manpower accounts for less than 10% (8.62%) of total staff, and these staff grant us the flexibility to provide customers with prompt service and meet market demands.

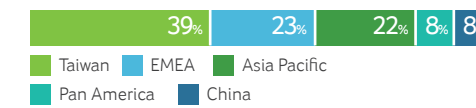
Staff Employment Type (by region and gender)

	Full-time Staff		Contracted Staff		Total	Temporary Staff	
	Female	Male	Female	Male		Female	Male
Taiwan	1,025	1,613	87	123	2,848	43	101
EMEA	420	962	68	182	1,632	56	208
Asia Pacific	643	925	19	32	1,619	3	7
Pan America	220	322	10	10	562	71	192
China	225	354	0	0	579	2	0
Employment Type Subtotal (by gender)	2,533	4,176	184	347	7,240	175	508
Employment Type Subtotal	6,709		531		7,240	683	
Percentage of Each Employee Category	84.68%		6.70%		91.38%	8.62%	

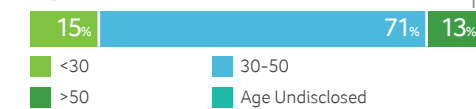
Percentage by Staff Category



Location

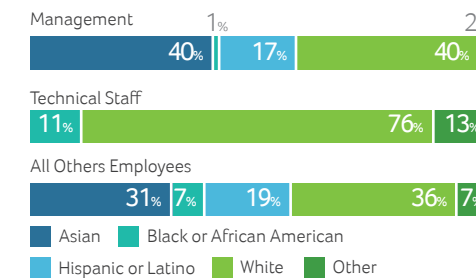


Age Group



Note: In accordance with limitations imposed by local information law, a total of 73 staff members could not disclose their ages

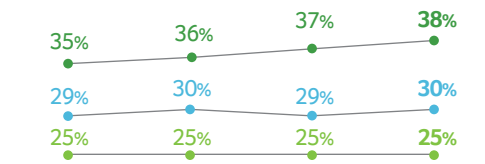
Racial / Ethnic Group Representation of US Employees (%)



Gender Ratio



Proportion of Female Employees



2016 2017 2018 2019

- Female in Top Management
- Females in Management Position
- Female Share of Total Workforce

Acer attaches importance to human rights and gender equality among its workers. The proportion of female employees has increased year by year. Female employees accounted for 38% of staff in 2019; female managers 30% of management; and female senior managers 25% of senior management.





TALENT RECRUITMENT

Wherever we are in the world, Acer is committed to following labor laws when hiring staff. We insist on equal opportunity employment, hiring through an open selection process that does not discriminate on the basis of ethnicity, skin color, age, religious belief, nationality, ancestry, physical/mental disability, medical status, marital status, gender, sexual orientation, gender identity, military service, or political beliefs. With our focus on hiring the best people for the job, we have been able to assemble a diverse array of outstanding talent around the world. We also provide competitive pay and benefits, humane management, and a robust path for promotion and career development.

In 2019, the global average percentage of staff who were new hires (a total of 1,159 people) was 15.71%. The average turnover rate in 2019 was 18.7%, a slight increase from 2018. This is attributable to the turnover rate calculation being adjusted to include all full-time, contracted, and temporary staff, and the level of contract expiration for the latter two categories in short-term locations in 2019 was high, so as a result, we saw an increase in turnover rate.

Because contracted staff and consultants are subject to contract expiration, thus at the fulfillment of their contracts their tenure with the company will naturally end, affecting the company's ability to fully accurately reflect our actual voluntary/involuntary turnover rate; as such, only hiring and turnover rates for full-time staff are incorporated into calculations, as these can be more faithfully presented; if we look at 2019 thus, the turnover rate for full-time staff was 16.5%.

2019 Full-Time, Contracted, and Consultant Staff 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	104	110	52.98%	91	162	11.53%	3	13	5.04%	0	0	0%	483	16.57%
EMEA	34	64	36.54%	34	52	7.80%	1	7	3.33%	0	0	0%	192	11.9%
Asia Pacific	48	77	47.94%	42	56	8.44%	1	2	1.84%	7	8	20%	241	14.52%
Pan America	17	25	59.93%	18	21	12.26%	4	6	5.23%	2	2	29.27%	95	16.02%
China	13	23	43.11%	25	87	22.74%	0	0	0%	0	0	0%	148	24.77%
Total	216	299	47.40%	210	378	11.16%	9	28	3.97%	9	10	20.47%	1,159	15.71%

2019 Full-Time, Contracted, and Consultant Staff Turnover Rate: By Location, Age Group, and Gender

	Under 30			30-50			50 and Over			Age Undisclosed			Total New Staff	
	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Total	Turnover Rate
Taiwan	90	99	46.79%	96	204	13.67%	12	26	11.96%	0	0	0%	527	18.07%
EMEA	27	45	26.85%	39	87	11.43%	5	18	9.57%	0	1	32.43%	222	13.76%
Asia Pacific	31	45	29.15%	59	85	12.40%	1	14	9.19%	8	9	22.67%	252	15.18%
Pan America	39	50	126.99%	40	61	31.75%	9	17	13.61%	2	3	36.59%	221	37.27%
China	12	19	37.13%	30	93	24.97%	1	4	24.49%	0	0	0%	159	26.61%
Total	199	258	42.06%	264	530	15.07%	28	79	11.47%	10	13	24.78%	1,381	18.71%

Note 1: Hiring Rate: 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

Annual hiring rate = Sum of 12 periods' hiring rates

Turnover Rate: Turnover rate per period = (departures in the month)/(number of departures by the end of the previous month+number of departures that month)/2

Annual turnover rate = Sum of 12 periods' turnover rates

Note 2: In 2019, Acer Group's voluntary departure rate was 15.52%; when only voluntary departures by full-time staff are counted, the rate is 14.47%. The voluntary departure rate formula is: Turnover rate per period = (voluntary departures of staff category in the month)/(number of departures of staff category by the end of the previous month+number of departures of staff category that staff month)/2; Annual voluntary departure rate = Sum of 12 periods' voluntary departure rates.

In 2019, Acer actively expanded and diversified our recruitment channels to include job banks, social media, recommendations from internal employees, and more. We also took an active part in industry/government matchmaking activities, reaching talent in different fields. To attract potential talent, we took part in seven matchmaking activities and six company visits in 2019, and our summer internship program attracted more than 1,600 student applications, of whom an excellent 1% were selected for internships across the company. On 1111 Job Bank, Acer held a 2019 Happy Enterprise Awards voting event, being honored with a Top 20 placing by voters among the tech sector candidates.

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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 the 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 target rewards, and both profit-sharing bonuses and rewards.

In the Taiwan Region, Acer Inc.'s total full-time non-management staff numbered 1,536 and 1,513 in 2018 and 2019 respectively, with an average salary in each of those respective years NT\$1.604 million and NT\$1.362 million ^{Note 1}; the median salary for the two years was NT\$1.243 million and NT\$1.122 million respectively. ^{Note 2}

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 2019 disclosures have been checked by KPMG Certified Public Accountants.

Note 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.

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. In 2019, due to changes in internal organization and external market demand in the Pan American region, the pay ratio for female technicians, specialists, and administrative staff compared to their male counterparts was increased. The ratio of female:male salaries among Taiwan administrative staff has also increased.

2019 Basic Salary and Remuneration (Female:Male)

	Management Staff	Technical Staff	Specialist Staff	Administrative Staff
Taiwan	0.86	0.81	0.83	0.95
EMEA	0.61	0.83	0.84	0.75
Asia Pacific	0.68	0.66	0.96	0.96
Pan America	0.75	1.07	0.76	0.86
China	0.74	1.01	0.75	0.89



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 in 2019 (Acer Taiwan)

 Number of Employees Entitled to Parental Leave in 2019			 Number of Employees Expected to Return to Work After Parental Leave in 2019			 Number of Employees that Returned to Work After Parental Leave in 2018		
Female	Male	Total	Female	Male	Total	Female	Male	Total
46	30	76	16	0	16	9	5	14
 Number of Employees Who Took Parental Leave in 2019			 Number of Employees Who Returned to Work After Parental Leave in 2019			 Number of Employees Still Employed in 2018 12 Months After Return		
Female	Male	Total	Female	Male	Total	Female	Male	Total
16	2	18	9	1	10	6	2	8
Applicants for Parental Leave			Return to Work Rate			Retention Rate		
Female	Male	Total	Female	Male	Total	Female	Male	Total
34.78%	6.67%	23.68%	56.25%	100.00%	62.50%	66.67%	40.00%	57.14%

Note 1: Data is mainly based on staff in the Taiwan region.

Note 2: In the above table, the number of males returning to work after parental leave in 2019 was expected to be 0, but due to a colleague choosing early return, the actual number was 1.

Retirement System

Acer's retirement system adheres to the regulations for each of the Company's global locations. In the Taiwan region, 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 in to the new system and enjoy the new benefits. As of the end of 2019, the company's deposits with the Bank of Taiwan under the old system totaled approximately NT\$236 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.

EMPLOYEE BENEFITS (TAIWAN REGION)

In addition to the benefits as stipulated by law, Acer also provides group life insurance, accident insurance, cancer insurance, hospital room and board insurance, and a range of outstanding employee benefits.

For example, the Taiwan Employee Welfare Committee - Acer Employee Benefits Committee has continued to provide employee benefits in the following three categories:

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 2019, 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 5,000 times in 2019.

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 street dance club, an aerobics club, and a coffee enthusiasts club. Through such clubs and their activities, we facilitate the autonomous and flexible planning of fellowship activities within departments. The company has also set up open spaces for staff like recreational areas, dance classrooms, and cafes. Acer's Xizhi headquarters saw the construction of a 660-square-meter fitness center completed in December 2019; the center is set to officially start operations in 2020.



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 2019 also offered a range of e-vouchers for staff to choose from.

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ACER GLOBAL EMPLOYEE ACTIVITIES

In response to local customs and conditions, Acer offices around the world plan out a variety of staff activities, seeking to look after the healthy development of their bodies, minds, and souls. These activities also incorporate environmental protection and social welfare issues, helping our staff do their part for the world while also boosting their unity and identification with the company.



Health Promotion

Organize a number of sporting activities, including running, basketball, table tennis, badminton, and golf; set up fitness and sports areas; hold courses to teach staff proper health and wellness information.



Environmental Conservation

Promote environmental awareness and restoration; organize beach clean-ups and tree planting activities; encourage recycling and reuse of resources.



Caring for the Community

To help those in need, organize activities independently or in cooperation with charity groups, including charity road races and donations of goods, as well as holding regular blood drives.



Team Cohesion

Care and networking activities are held for the various local festivals, such as heart-warming plant gifts for Women's Day, pumpkin carving activities for Halloween, and Christmas dinners, providing chances for staff to share some fun outside the workplace. In addition, staff are also welcome to invite family members to take part. The picnics, barbecues, and hikes can bring them closer together, further strengthening unity among the Acer family.



CONTINUING LEARNING AND GROWTH

In line with the company's strategic development direction and training policy, in 2019, we continued to work to optimize the capabilities of both core and new business units in order to fully leverage synergies within 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 constantly strengthen our hardware, software, and service capabilities, create value, strengthen profitability, and then boost the value of our brand.

On the management training side, we work to strengthen core management abilities around employing and leading people at ground level, as well as assisting middle and senior managers in improving their strategic thinking and leadership.

As for specialist courses, through training the core knowledge of our product managers, we can systematically improve the skills of our product development team. We also offer a series of seminars on trends, helping staff understand these new developments in technology with the end consumer in mind and how these could be applied to new product development and the provision of solutions, thus responding to market demands more accurately and quickly. Finally, looking at general education, we help guide our staff in the use of technology to boost efficiency and integrate their core competencies with the company's sustainable development philosophy, continually optimizing our organizational competitiveness.

To ensure the quality implementation of such training, all training is done in accordance with the Internal and External Training Management Guidelines. In 2019, our worldwide training had 39,911 attendees, with a total number of training hours of 103,436. The total number of unique trainees was 7,818, with an average number of training hours per employee of 13.23. All training organized on the principles of work demand, gender equality, and equality of opportunity.

In 2020, we will continue to boost leadership and management abilities at all levels of management throughout the group and expand management training to strengthen global competitiveness all regional operational headquarters; average training hours per employee is set to grow to at least 13.3 hours.

39,911 attendees
Worldwide training

103,436 hours
Total number of training hours

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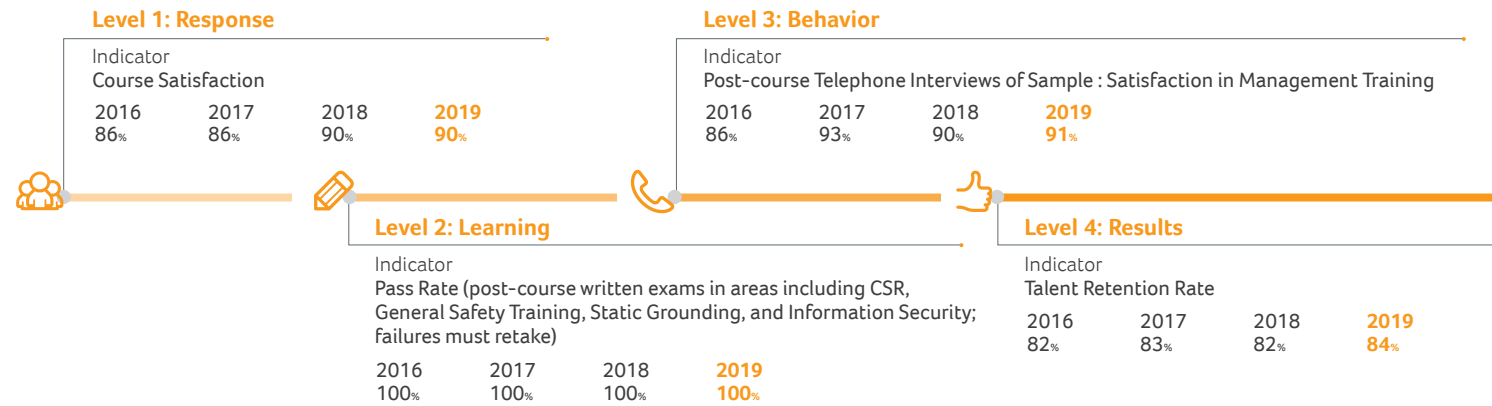
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Assessment of Global Course-based Training Effectiveness



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

		Senior Management		Middle/Base-level Management		General Staff	
		Female	Male	Female	Male	Female	Male
Headquarters	Number of Trainees	80	303	1,053	2,466	5,089	6,421
	Course Hours	183	572	2,022	5,223	4,466	5,373
	Participants	13	43	160	351	828	1,143
	Average Hours of Training Per Person	13.5		14.2		5.0	
EMEA	Number of Trainees	7	136	484	1,481	1,823	3,970
	Course Hours	33	638	3,396	8,128	9,672	22,531
	Participants	2	28	107	268	479	1,044
	Average Hours of Training Per Person	22.4		30.7		21.1	
Asia Pacific	Number of Trainees	1	46	583	1,423	2,830	3,835
	Course Hours	3	94	2,119	4,587	6,666	9,643
	Participants	1	11	121	255	533	820
	Average Hours of Training Per Person	8.1		17.8		12.1	
Pan America	Number of Trainees	9	51	210	410	762	1,320
	Course Hours	18	103	429	900	1,539	2,908
	Participants	3	8	67	112	284	433
	Average Hours of Training Per Person	11.0		7.4		6.2	
China	Number of Trainees	2	12	143	780	1,684	2,497
	Course Hours	3	23	308	2,113	3,686	6,057
	Participants	1	2	26	110	225	340
	Average Hours of Training Per Person	8.7		17.8		17.2	



Management Training Camp—Case Discussions



Management Communications—Role-Playing Exercise



Management Training Camp—Situational Drills

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.

TRAINING SYSTEM

<p>General Staff</p>	<ul style="list-style-type: none"> Core Values Training Series Self-Management Training Series Communication Skills Training Series Office Computer Applications Training
<p>Base-level Management</p>	<p>Management Training Camp (Base-level Management)</p> <p>Stage One</p> <ul style="list-style-type: none"> Management Communication Performance Coaching Performance Management Methods <p>Stage Two</p> <ul style="list-style-type: none"> Targeting Talent Setting Goals Motivating and Retaining
<p>Middle Management</p>	<p>Management Leadership Training (Middle Management)</p> <ul style="list-style-type: none"> Building Vision Inspiring Trust Executing Strategies Tapping Potential
<p>Senior Management</p>	<ul style="list-style-type: none"> Titan Private Training and IPO Series Training Strategy Consensus Camp Spokesperson Training



Management Training

Base-level Management Skills Development

To strengthen the core management skills of our base-level managers, training camps have been held regularly since 2018. By the end of 2019, a total of 8 had been held. This training is broadly split into two stages. The first emphasizes good management communication, performance coaching, and performance management, aiming to improve both team and individual performance as well as facilitating the joint creation of value; the second stage concentrates on honing targeting talent, setting goals, incentives and retention, and performance appraisal.

Middle- and Senior Management Leadership Skills Development

Since 2019, we have worked to help middle- and senior management to improve their leadership capabilities and think about talent development on the strategic level, including how to build vision, inspire trust, execute strategies, and tap potential.

Senior Management Skills Development

Expanding on the spirit of the New Titan Project and its commitment to cultivating leadership for the group, we assist vital leadership talent in boosting corporate governance, business judgment, and management skills. The focus of training in 2019 was on training senior management in taking a military strategy perspective on financial statements (the foundation of Wangdao accounting), how to confront the media and handle PR skillfully, and how to plan and execute on IPO strategies.



Professional Occupational Training

A series of product manager training sessions were held to help relevant staff in product operations understand the core of product management, operating processes for various functions, and up/down/left/right inter-departmental operating methods, aiming to reduce the time needed to learn through practice and experience. This training was divided into 18 units, fully introducing the core processes of product operations, including CPUs, BIOS, design quality, quality control, design, organization, service, hardware/software, supply chains, marketing, and brand management. Through explanations in class, case studies, and simulations, these lessons aimed to ensure that all participants learned effectively.

Specialist lectures were given to help staff understand trends in product development. The lectures given in 2019 saw a team of veteran research analysts from the Institute for Information Industry invited to give our product line staff their analysis of and insights into trends in consumer IoT. Topics included innovative operating models in the world of AIoT, trends in gaming notebook development, forecasts of rising smart technologies from CES 2019 & developments in smart living products, 3D sensing applications & supply chain analysis, trends in smart networking with Edge AI, and a look at the future of gaming products from the perspective of esports competitors.



General Education Courses

General education courses in 2019 covered the following three key points:

- To strengthen staff use of technology to boost business performance, courses were held in the rapid production of business intelligence analysis reports and Excel database functions.
- In order to combine basic core competencies with sustainable business operations, courses were also offered in patent protection/application and antitrust laws.
- “ConceptD” is a new high-end brand launched in 2019 by the company, specially created for creative workers. With its launch, global employee training was conducted through eLearning, introducing the conceptual positioning, design concept, and product features of ConceptD in detail. In addition, senior management was invited to outline the brand vision and mission to get staff more invested in the ConceptD line.

TRAINING FOCUS OF EACH OPERATING HQ

EMEA Headquarters

To improve the capabilities of our top-level leadership, we selected senior management to attend a five-day leadership course at the London Business School entitled “Essentials of Leadership,” giving them an insight into the latest trends in management, the advantages and development opportunities they face in a changing environment, and how to respond promptly to rapidly evolving situations, effectively improving their leadership and business efficiency.

In addition, middle-management was sent to participate in the three-day MCE Successfully Managing People course held by the Management Centre Europe (MCE). This helped managers understand how to build high-performance teams, empower through delegation, establish a responsibility-oriented organizational culture, resolve inter-departmental conflicts, and lead teams in adapting to change.

The Business Growth Workshop was the main training focus of the EMEA HQ this year, providing senior management with guidance in how to think about new business opportunities Acer could develop in the future, craft follow-up action plans, and integrate resources to achieve goals. This workshop brought in veteran professors from the European Centre for Executive Development (CEDEP) to lead management in thinking about the direction development will take in the next five years from an operational growth perspective. After the training, students were required to list out key practical actions, and after confirming their plans with senior management, begin to execute on those plans.



EMEA: Convening Local Management for Management Training



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Pan American Headquarters

The Pan American HQ is committed to strengthening interactions with customers and providing better, more flexible, more expandable customer service. In 2019, Customer Service Department staff took part in training sessions, including Customer Service and Support (CSS)/Customer Relationship Management (CRM) and Maximize Use of Call Center Phone System. In addition, to promote employee understanding of the Standards of Business Conduct, training programs such as Sexual Harassment Training, Box Cutter Safety, and Standards of Business Conduct were also held.

Asia Pacific Headquarters

Countries in the Asia-Pacific region have also actively worked to boost their marketing capabilities in recent years. In Thailand, a Proactive Tele Sales training course was held to help increase sales by adding product consultation into the service process. In India, the management team worked with Mysore Royal Academy, the country's leading business school, to hold a three-week intensive marketing course entitled Metamorph. This training aimed to improve the marketing team's skills through structural improvements, including stronger market analysis, research into consumer behavior, studying the sales process, learning about product positioning and segmentation, and training in time management and interpersonal relationships. After completion and certification, those who took part in the training became Product Consultants for the Indian market, stationed in marketing offices around the country and strengthening customer experience management. At the same time, to make the sales team more aware of newly launched products, Product Knowledge Sessions were held to facilitate effective introductions to and marketing of product features. These covered Swift 3 and Swift 7 notebooks and our esports products. To improve service and maintenance skills, the Philippine region launched Technical Education and Skills Development Authority (TESDA) certifications to enhance staff's technical service skills. Additionally, by participating in "Green On: Environmental Forum," they were reminded to focus on green products and ensure that the products they sell meet low pollution, recyclability, and resource-saving standards.

China Region Headquarters

The focus of skill development for the Chinese HQ in 2019 was on learning how to expand operations and strengthen management's leadership communication skills.

For the former, a Store Expansion and Operational Management Strategy Camp was held, bringing together business experience from around the country and sharing ideas on market expansion actions and strategies. In addition, through the Fall Product Training Workshop, staff from all channels were able to get an insight into the characteristics, specifications, and key points of new product lines being launched by Acer, facilitating downstream cooperation and deploying the most effective marketing activities across China.

In terms of improving management's leadership communication skills, middle- and senior management from across China were invited to take part in a Management Training Camp, the first such training exercise for HQ management to be held in a foreign territory. It was primarily focused on enhancing the hiring and leadership skills of new base-level and middle-management through a firm grasp on key principles/ interactive guidelines, effectively building relationships with others to get the job done. In the course of this training, we took aim at common management and communication issues, using an interactive approach in class to help management reflect on the underlying logic behind them.



Asia Pacific: Product Knowledge Training in India



Asia Pacific: Proactive Tele Sales Training in Thailand

NEW STAFF TRAINING

Within their first month, new staff are put through training to better understand the company's mechanisms, regulations, 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. Additionally, 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.

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TRAINING HIGHLIGHTS: “MANAGEMENT LEADERSHIP TRAINING”

Goals

Faced with an ever-changing and uncertain future business environment, we must optimize management’s strategic thinking and leadership so that they may respond to the challenges of the future, becoming crucial contributors to the company’s growing competitiveness. To this end, we designed Management Leadership Training to accomplish the following:

- Assist management in understanding how to plan their vision, flexibly adapt, transform organizational strategies into meaningful work, and facilitate higher organizational performance through talent coaching.
- Through implementing practical leadership plans, they can continue to learn effectively.

Approach

Stage One: Training Course

Before the course, a 360-degree questionnaire was conducted, with the results used to guide students in reflecting on the challenges and opportunities they currently face in management. During the course, the instructor led students through learning how to build trust, create vision, execute strategies, and use coaching to tap the potential of those working under them.

Stage Two: Follow-up

After the course, student interviews, practical leadership plans, results-sharing workshops, and 360-degree questionnaires helped provide insight into how the training is being applied and how effective it has been.

Training Effectiveness

The following is an application of the Kirkpatrick Model to outlining the results of 2019 middle-management training:

Level 1: Reaction	Level 2: Learning	Level 3: Behavioral Change	Level 4: Results
<p>Post-Course Questionnaires</p>	<p>Pass rate for assessments (assessments include class participation, pre-course assessment, group discussion/posting, and role-playing)</p>	<p>After-class interview satisfaction levels (students and students’ managers)</p>	<p>Impact of training on staff management (HQ voluntary departure rate)</p>
2019 91%	2019 100%	2019 93%	2019 11.10%

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.

91%

the proportion of employees worldwide involved in performance evaluations

Proportion of Employees Worldwide Involved in Performance Evaluations, 2019

Technical Staff		Specialist Staff		Management Staff		Administrative Staff	
Staff Receiving Performance Evaluations (A)							
Female	Male	Female	Male	Female	Male	Female	Male
498	1,497	766	1,058	476	606	253	250
In Need of Evaluation Total Staff (B)							
2,103		2,104		1,171		552	
(A)/(B)%							
94.86%		86.69%		92.40%		91.12%	
91.13%							

Note: 1. 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 evaluation.
 2. Those hired since October and still in their probationary period are examined at the completion of that period, and as such, are not subject to the same performance evaluation.
 3. IPO companies such as Aopen, Weblink, ETEN, ALT, ACSI, ISU, and AST are not included in the assessment.
 4. Overseas staff assessments are expected to be completed by May, 2020.



HEALTH AND SAFETY IN THE WORKPLACE













OCCUPATIONAL SAFETY AND HEALTH

Acer has formulated a safety and health policy and implemented an occupational safety and health management system. This way, we are able to ensure we meet our goals of creating a safe workplace environment and atmosphere while also strengthening safety and health management.

CREATING A CULTURE OF WORKPLACE SAFETY

To ensure ongoing improvement in health and safety performance, we have put in place an occupational safety and health management system, while also bringing together representatives from each unit to form an Occupational Safety and Health Committee and implement related projects based on our annual plan to ensure that the system can operate effectively. At the same time, to maintain smooth internal communications, the company holds Employee Representative Meetings on a quarterly basis to discuss safety and health issues and tracking improvements.

2019 Safety and Health Projects

 <p>Environmental Safety and Health Team (Occupational Safety and Health Committee)</p> <p>Convened every other month, members a total of 42 members, 41 of whom are elected representatives, thus accomplishing 97.6% labor representation.</p> <p>Effects : Convened a total of 6 times</p>	 <p>Labor-Management Meetings (Employee Representative Meetings)</p> <p>Convened quarterly, with employee representatives elected by staff in each region.</p> <p>Effects : Convened a total of 4 times</p>	 <p>Hazard Identification and Risk Assessment</p> <p>Environmental Safety and Health Team conducts annual hazard identification risk assessments for areas of responsibility, listing high-risk items for tracking and improvement by management.</p> <p>Effects : Total of 383 items assessed, no high-risk found</p>
 <p>Management of Chemicals</p> <p>Rules strictly prohibit the use of formaldehyde, cleaning naphtha, and leaded solder. The use of chemical products such as ethanol and flux requires an SDS form from within three years.</p> <p>Effects : No non-compliance was found in external audits this year</p>	 <p>Operating Environment Monitoring</p> <p>Drinking fountain water quality is regularly tested, as are indoor carbon dioxide levels, and the presence of Legionella bacilli in air-conditioning cooling towers. Test results are published on the internal website.</p> <p>Effects : Test results were in line with standards</p>	 <p>Health and Safety Operating Standards</p> <p>Health and safety operating standards documentation has been drafted and is reviewed every year.</p> <p>Effects : A total of 32 process documents are in management</p>
 <p>Automated Inspections</p> <p>Automated inspections of equipment are conducted regularly, with records kept in each office.</p> <p>Effects : All equipment was automatically inspected according to the annual plan</p>	 <p>Internal Audits</p> <p>Internal audits are carried out each year to ensure non-compliance is fully addressed.</p> <p>Effects : A total of 19 incidences of non-compliance were found and have been addressed</p>	 <p>Health and Safety Education and Training</p> <p>A range of health and safety education and training is carried out to ensure compliance with laws and regulations.</p> <p>Effects : For details, please see the 2019 Education and Training Results</p>
 <p>Health and Safety Information Dissemination</p> <p>A variety of channels are used to disseminate information on health and safety matters.</p> <p>Effects : Information is disseminated through meetings, bulletin boards, the internal website, and email</p>	 <p>Emergency Response</p> <p>A variety of emergency response drills are carried out in line with the annual plan.</p> <p>Effects : Drills were held covering fire, earthquakes, typhoons, power outages, and emergency rescue</p>	 <p>Workplace Accident Prevention</p> <p>Investigate and report workplace accidents, reducing the number of such accidents through internal education.</p> <p>Effects : A total of 7 workplace accidents occurred</p>



2019 Education and Training Results

Course Title	Target	Course Type	Quantitative Statistics	Complied with Regulations	Exceeded Regulations
Health and Safety Training					
New Employee Health and Safety Education and Training	New Colleagues	Internal	4 Stages	●	
General Health and Safety Education and Training	General Staff	Internal	1,443 people	●	
Scooter Safety Training	General Staff	Internal	1 lecture, 21 participants		●
Occupational Health and Safety Management Personnel On-the-Job Training	Occupational Health and Safety Management Personnel	External	3 people	●	
Occupational Health and Safety Business Management On-the-Job Training	Occupational Health and Safety Business Management	External	6 people	●	
Occupational Health and Safety Business Management Education and Training	Newly Appointed Occupational Health and Safety Business Managers	External	4 people	●	
Fire Prevention Training					
Fire Safety Seminar	Fire Defense Personnel	Internal	2 lecture, 141 participants	●	
Fire Prevention Supervisor On-the-Job Training	Fire Prevention Supervisors	External	1 person	●	
Fire Prevention Supervisor Training for New Appointees	Fire Prevention Supervisors	External	3 people	●	
First-aid Training					
Emergency Personnel Education and Training	Emergency Personnel	Internal	2 lecture, 66 participants		●
Emergency Personnel On-the-Job Training	Emergency Personnel	External	2 people	●	
Newly Appointed Emergency Personnel Education and Training	Newly Appointed Emergency Personnel	External	3 people	●	
CPR-AED Training	General Staff	Internal	2 lectures, 20 participants		●

In 2019, Acer Taiwan saw a total of 7 workplace accidents occur for a total of 49 lost working days. The statistics are as follows:

Accident Type Statistics, 2019 (Acer Taiwan)

Accident Type	Subject	Incidents	Total Lost Working Days	Accident Location
Injured in Traffic on Way to/from Work Accident (Scooter)	Full-time Staff	Male : 3 Female : 3	37	Outside Company
Fall	Full-time Staff	Female : 1	12	Outside Company
Total	Full-time Staff	7	49	
	Temporary Staff	0	0	

Note : There were no deaths due to work factors this year.

Injury, Lost Day, and Absentee Rates, 2019 (Worldwide)

Gender	Taiwan	Europe	Asia Pacific	Pan America
Injury Rate (IR) (total occurrences of disabling injury×200,000)/total work hours				
Female	0.37	0.34	1.00	2.16
Male	0.18	0.01	0.00	0.38
Total	0.25	0.11	1.00	2.54

Lost Day Rate (LDR) (total days lost to disabling injury rate×200,000)/total work-hours

Female	4.33	12.20	0.00	52.16
Male	0.12	0.00	0.00	0.00
Total	1.76	3.66	0.00	52.16

Absence Rate(%)

Female	1.13	2.94	3.41	-
Male	1.79	1.54	2.93	-
Total	1.39	1.96	3.13	-

Note1 : In 2019, Lost Day Rate (LDR) statistics for temporary staff in Taiwan Region were male: 0.97, female: 8.61, total: 3.72

Note2 : Due to adjustments to the pan-America attendance system relating to the distinction between special leave and absence set to be completed in 2020, relevant absence data will be provided after this is finished.



CREATING A HEALTHY WORKPLACE ATMOSPHERE

Acer has always considered our staff to be important assets for the company, and we believe that strengthening staff health management is a crucial factor in maintaining our competitiveness. Concrete actions taken include: carrying out annual employee health checks, hiring full-time medical staff to conduct employee health management, organizing a wide variety of activities and events promoting good health, sponsoring large-scale sports events, holding a range of sports competitions, encouraging the establishment of sports clubs, and fostering a pro-exercise internal environment. Through such actions, we strive to constantly be boosting the health and performance of our staff. In 2019, Acer participated in Commonhealth Magazine's 2019 Corporate Health Responsibility Corporate Citizenship evaluations, taking first prize in the "Knowledge—Health Consciousness" category. We also completed the construction of a fitness center this year, further demonstrating our commitment to providing a healthy workplace.

2019 Healthy Workplace Statistics

Item	Details	Effects
Health Checks		
Health Checks for New Colleagues	New staff health check reports are paid for upon commencement of work	266 people
General Staff Health Checks	Held each year, covering more than required by regulations	1,861 people
Management Health Checks	Checks booked by rank and age	243 people
Health Promotion Administration Screenings for Colorectal, Oral, Cervical, and Breast Cancer	Colorectal, oral, cervical, and breast cancer screenings	303 participants
Health Management		
Health Care	Health Services, Treatment of Injuries, Health and Well-Being Tracking	748 participants
Health Check Report Graded Management	8 categories, 13 projects, 5 levels of management	Tracking and management: 130 participants
Occupational Health Services	Health interviews and tracking & management for provided for abnormal cases	Tracking and management: 82 participants
Ergonomic Hazard Prevention Program	Musculoskeletal pain investigation, with abnormal cases provided tracking and management	Tracking and management: 7 participants
Cardiovascular Disease Prevention Program	Risk assessments, with high-risk cases provided tracking and management	Tracking and management: 33 participants
Female Health Protection Program	Pregnant staff: Provided with pregnancy-supportive chairs, work hazard assessments, consultations	Pregnant mothers: 42 people
	Breastfeeding staff: Dedicated lactation rooms, health consultations	Breastfeeding mothers: 38 people; Lactation room usage: 6,935 usages
	Female staff: Health seminars, pap smears and mammograms	Health Seminars 1 lecture, 82 people Pap smear and mammogram recipients: 164 people
Infectious Disease Prevention	Understanding and staying on top of the COVID-19 pandemic, reminders for influenza vaccinations, health education promotion	Actively reminding targets of publicly funded flu vaccination program
Health Promotion		
Health Seminars	Lunch Seminars	15 lectures, 1,147 participants
Weight Loss Class	Nutrition lectures, exercise classes, independent weight management	101 participants; total weight loss: 140.7kg
Fitness Testing	Physical fitness testing, analysis, and advice	2 rounds, 300 participants
Sporting Competitions	Wan Jin Shi Marathon, mountain hikes, basketball/badminton/dodgeball competitions	Total of 1,622 participants
Sports Promotion	Establishing sports clubs	10
Exercise Environment	Set up fitness center and multi-functional space for relaxation	Provided to staff for use during lunch breaks and after work
Visually Impaired Massage Service	42 recipients each week	Total of 825 people served since August 2019
Health Promotion	Information on/in internal website, mail, bulletin boards, and bathrooms	Sharing information through various channels on occasional basis

STRENGTHENING CONTRACTING FOR HEALTH AND SAFETY MANAGEMENT GOALS

To accomplish the contracting management requirements of the Occupational Safety and Health Act and our management systems, since 2017 Acer has conducted reviews of resident and normal contracts on an annual basis, while also paying particular attention to project contract management for high-risk renovation projects to avoid possible accidents in Acer's operational locations. At the same time, to bolster the safety and health management of contractors, we provide relevant information on an occasional basis, boosting their awareness and working together to create a safe working environment.

Contractor Accident Statistics (Incidents)

Contract Type Resident Contracts / Normal Contracts

Basic Requirements

- Labor Insurance
- Health Checks
- Complete Health and Safety Education and Training

Management Method

- Notification of Workplace Environmental and Hazard Factors
- Dissemination of Health and Safety Work Regulations
- Occupational Safety and Health Pledges

Contract Type Renovation Project Contracts

Basic Requirements

- Labor and Engineering Insurance
- Before work: Implement safety checkpoints and conduct health and safety promotion
- During work: Carrying out supervision and management
- After work: Conduct thorough inspection
- Special requirements: Work generating noise or odors will be undertaken during non-working hours

Management Method

- Notification of Workplace Environmental and Hazard Factors
- Construction Safety Standards and Precautions
- Contractor Environmental Health and Safety Management System
- Pre-entry Health and Safety Information and Records
- On-site Supervision and Inspection

Contract Type	2017	2018	2019
Resident Contracts	0	0	0
Normal Contracts	0	0	0
Renovation Project Contracts	0	0	0

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RESPONDING TO THE COVID-19 PANDEMIC

GLOBAL PROTECTION MEASURES

In recent months, the continued spread of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and resulting disease COVID-19 has impacted the health of both people and businesses around the world. During this time, we are taking strict preventative measures to create for our staff safe office environments while also paying attention to their mental health. To this end, we provide staff with a support hotline that serves as a means for them to ease some of the mental stress this pandemic has brought with it.

After the resumption of work following Lunar New Year in January 2020, Acer HQ established a Pandemic Response Team that holds meetings each morning to assess and respond to the situation. In line with guidance from the Central Epidemic Command Center, we have set out a multifaceted set of preventative measures and response plans, along with guidelines for working from home and a mechanism for the management of worker health. These measures include:

- Regular, more robust disinfection of office areas
- Temperature checkpoints at each entrance/exit
- Stronger pandemic-related education and training
- A strengthened videoconferencing system
- Active engagement with staff and visitors on personal health management
- Alcohol for handwashing set up at several places throughout buildings
- Asking staff to fill out a personal travel history to facilitate the Health Management Center's timely tracking of staff health status and enable prompt response measures by the Pandemic Response Team to any changes in the situation
- Setting up a pandemic-focused section on the My Acer intranet collecting relevant announcements, preventative measures, and frequently asked questions, along with the provision of a pandemic mailbox and audiovisual materials to help staff stay on top of the situation.

CARING FOR EMPLOYEES

In addition to these preventative measures put in place in Acer offices around the world, the Taiwan Region HQ also provided each staff member with a “Pandemic Care Package” containing silver-ion antibacterial mask liners, natural hand sanitizer, and a carry bag for personal pandemic protection materials. Additionally, with the Taiwanese government having forbidden the sending of face masks overseas, the chairman’s office instead chose to gift some 7,000-plus staff worldwide with cloth face mask sleeves in a show of care and concern.

CARING FOR THE COMMUNITY

Acer France, meanwhile, has donated masks to the emergency department at Paris’Hôpital Européen Georges-Pompidou and notebook computers to the Centre François Baclesse. In Germany, Acer has responded to a drastic decline in blood donations due to public concerns about COVID-19 by working with the Red Cross to hold a blood drive, with Acer staff leading by example and doing their part to ease the burdens on frontline medical personnel who are so selflessly working to help a massive influx of patients.



The chairman’s office donated mask sleeves to more than 7,000 employees worldwide



Masks were donated to the emergency department at Hôpital Européen Georges-Pompidou in Paris



During the COVID-19 epidemic, German colleagues still eagerly took part in a blood drive.

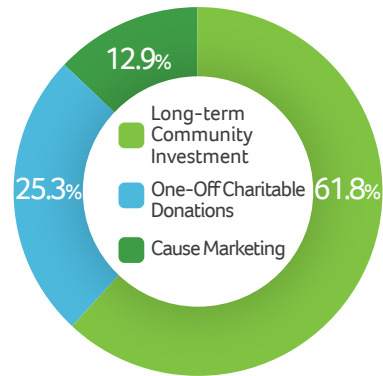


SOCIAL PHILANTHROPY AND DIGITAL INCLUSION

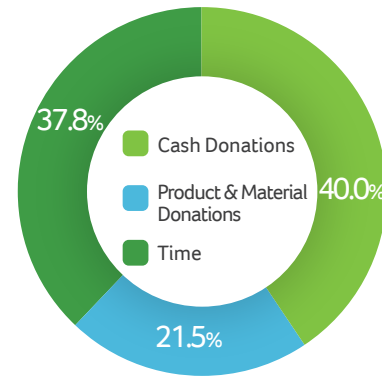
IDEAS AND INPUTS

Since our founding, Acer has cultivated a people-first culture and a spirit of philanthropy. We continue to do all we can to use our skills and core competencies to give back to the community and light the way forward. In terms of social action, Acer focuses on the three main areas of information 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 also 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 2019 amounted to over NT\$56.43 million, or 2.2% of profits. In terms of resource engagement types, compared with 2018, the proportion of time investment and product/material donations increased significantly, accounting for 60% of resource engagements. As for participation methods, long-term community investment also grew substantially in comparison to 2018 (2018: 52.7%; 2019:61.8%). We continue to value the feedback and shared values that come through such efforts and intend to move forward alongside society.

Participation Type



Resource Engagement Type



Global community engagement

over NT\$ **56.43** million
 Total investment

2.2%
 Global community engagement investments as percentage of profits

CORPORATE SOCIAL RESPONSIBILITY PROJECT AWARDS

Since Acer's founding, our staff around the world have shown great concern with social issues and have taken actions to get involved, giving life to our philosophy that the meaning of existence lies in the value we can create for society. To encourage our staff to be more proactive in their care for society, exert a greater level of social and environmental influence, and realize our corporate mission of breaking down barriers between people and technology, in 2017, we formulated a three-year plan for the Acer Global Corporate Social Responsibility Project Awards. This plan is anticipated to create a gradual increase in the impact of CSR projects year on year, accompanied with an expansion to include individual employee proposals. 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. The second awards were held in 2018, with a focus on education, encouraging staff to put forward project plans in response to UN Sustainable Development Goal 4, Quality Education. In 2019, in the spirit of the company's Project Humanity, the 3rd Corporate Social Responsibility Project Awards and the 1st Creative Corporate Social Responsibility Ideas Awards were held on the theme of education and the environment. The goal of these is to help mold Acer into a brand that people can be proud to be part of and to encourage Acer employees in all regions to do their part to change the world. The selected projects shared characteristics like 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.

The theme of CSR Project Award 2019

Education



Environmental





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2019 CSR Projects Social Impact



Note 1: Total monetary value of all contributions is calculated through items such as cash, products, and manpower input.
Note 2: Performance covers 10 shortlisted projects

CSR Project and Creative CSR Ideas Award Winners

Support For APEC Mobile Digital Opportunity Center/Mobile Computer Classroom



Acer Philippines donated two notebooks, 22 desktops, and 22 displays to the Fil-Chi Love and Care Foundation in 2019 to assist with its IT Center; between 2012 and 2018, our contributions have impacted the lives of 7,448 graduates, helping bridge the digital divide.



VISIONOVA - AIL Project Humanity



Acer India has proposed a breakthrough technology that enables people with cortical visual impairments (CVIs) to enjoy the benefits of treatment for free through software and tablets developed by Acer. This innovative idea enables patients to receive regular treatment at home without the need to go to the hospital. Working with an Indian ophthalmological hospital, we provided 100 tablets to help 100 patients.



Environmental Education and Green Actions Challenge



Acer HQ raises awareness of the need to reduce plastics through environmental education, building effective employee participation through volunteer work and encouraging staff to record their actions through apps, rewarding them for their efforts with awards. Acer gives positive affirmation to all staff who took part in these efforts. More than 2,900 participants were involved in activities like a beach cleanup that collected a total of 88 kg of garbage, investing some 20,371 man-hours of collective volunteer participation and produced a microfilm that got more than 2,213 views on Facebook.



Bubble Wrap Recycling

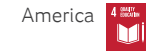


Acer America reuses protective bubble wrap for protecting repaired Chromebooks. Consumers can also reuse it when returning damaged products in the future. This reduces not only packaging costs, but also the amount of materials used, helping protect the environment.





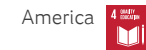
Acer X Pivotal



Acer America supports young people setting out from foster homes with gift packages which are personalized according to surveys in each student's profile and which take into account the needs of each one, helping them in their pursuit of education and work. In this way, we can create positive social connections, showing them that someone cares about them while also having a positive impact on the local community.



"The Doctors" Holiday Special Donation



Acer donated 50 Chromebooks to an elementary school in Tennessee through nationally televised daytime talk show "The Doctors," providing assistance to students in need. The teachers of this school also established a food pantry for their students, providing emergency meal assistance. "The Doctors" is viewed by over two million people.



Solar Panels



Acer's Dutch office has installed 249 solar panels. Staff can use the power thus generated to charge electric cars, saving on power bills and having a positive effect on the environment. In addition, Acer staff have felt a greater sense of participation and honor through the company's actions.



Go Green



Acer's Hungarian Office has formulated a green action plan that is composed of two stages: one in which 100 trees are planted in 7 schools, and a second in which used notebooks and displays are recycled and discounts given to their last users. This project ultimately collected 105 devices, and the refurbished devices were sent to schools in need, while ones that could not be repaired were recycled responsibly.



Ealing Mencap Charity Partnership



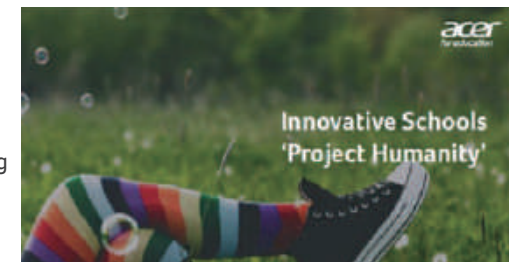
The Acer UK office provided internship opportunities to five trainees from the charity Ealing Mencap. Accompanied by staff, these trainees with learning disabilities were able to learn about the office environment and what various departments do, as well as developing technical and professional skills with the help of Acer staff members. In the process, these young interns also learned social and communication skills.



Together We Achieve More



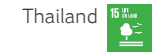
In 2018, Acer Europe started a charity recycling program for the environment around the world. In 2019, it further called on employees to do their part, launching the "Game On" and "Green On" educational charity activities within the company as well as building on this model, giving it to innovative schools. This way, it can reach more students, communicating to them how Acer is committed to bridging the digital divide with our own technology. This project involves a total of 70 activities, leading to a 25,000 kg reduction in plastics and the planting of over 170 fruit trees. On top of this, a further 1,800 trees have been planted in the name of Acer's European employees, and Acer products have been donated to NGOs in Lesotho, Portugal, South Africa, and Kuwait to help address educational issues faced by underprivileged children in these countries.





CSR Ideas Award Winner

How to Handle E-Waste and Old Electronic Equipment



Electronic waste accounts for a relatively small proportion of overall waste, but the toxic substances contained within it can have a tremendous impact on the environment. While Thailand currently lacks strong policies for dealing with this kind of harmful waste, Acer Thailand hopes to be a leader in the IT industry, disposing of e-waste appropriately by handing it over to recycling companies in a show of our environmental commitment and responsibility.

Recycled Bags & Concept D Bottles—Bundles with a Cause in Acer eStore



Acer's German Office expects to use the company's plastic advertising banners to make bags, backpacks, placemats, and other products, reducing the waste involved. These products are produced by workers on the fringes of the labor market, thus also helping address a social problem and creating the possibility of a circular economy for the company.



Concept D Thermos

Acer's Dutch Office has produced bamboo plastic thermoses, presenting them to staff as Christmas gifts. This supports start-up companies using concepts based on sustainable development, while also encouraging employees to use reusable flasks and reduce the number of disposable cups used. This purchase, in addition to protecting the environment, also helps support the aim of a plastic-free ocean, and the thermoses are also used as gifts for important customers and at press conferences.

EDUCATION

Acer believes that education is the most valuable investment in the future, as equipping people with knowledge gives them power. 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:



Increasing digital inclusion, offering more people access to knowledge through technology



Addressing the lack of educational resources to help children continue their studies



Deepening the application of technology in education, using technology to transform education



Cultivating the next generation of scientists and technologists, creating opportunities for the youth



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BOOSTING DIGITAL INCLUSION AND ADDRESSING THE LACK OF EDUCATIONAL RESOURCES

Technology can bring improvements to quality of life and open up a number of possibilities. Helping everyone enjoy the convenience and opportunities technology brings is one of Acer's goals, and through cooperation between our global locations and non-profit organizations, we are able to extend the reach of technology to different groups. In recent years, we have also encouraged our staff to get involved in activities and transform the results of them into products, school supplies, and funds that can help improve education quality in rural and remote areas.

Combining Environment, Education, and Charity

In response to Acer's global "Project Humanity," in 2019, Acer Group's European branch transformed the results of their staff's environmental actions into charitable awards, spreading the goodwill further. That same year, Acer's European office donated 26 desktop computers and displays to SOS Children's Villages International in Lesotho, helping orphans and children who may lose their parents. Formed in 1949, SOS Children's Villages International has helped some four million children around the world. In addition, innovative schools that have been recognized for their participation in Acer's environmental efforts can receive Acer products as rewards, and winning schools can then take things a step further and donate their winnings to others who may be more in need of them. In terms of both humanity and the environment, these "educational charity" efforts are making the world a better place, sharing resources with those who lack them and continuing a cycle of kindness and love.



	Recipient School	Target of Assistance	Reward
Portugal	Escolaglobal	Two elementary schools in Tarrafal, Cape Verde	10 Windows notebooks
Kuwait	New English School (NES)	Direct Aid, an organization that helps underprivileged students in Africa	10 Windows notebooks
South Africa	Selborne Primary School	Buluga Primary School	10 Chromebooks

CREATING OPPORTUNITIES FOR THE YOUTH

Today's youths 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 2019, the 2nd Longterm Smile Internet of Beings Competition awards ceremony was held at the National Taiwan University Hospital International Convention Center. Stan Shih, chairman of the Acer Foundation, and Diane Yin, founder and chair of the Commonwealth Magazine Group, were present to cheer on the students. The judging panel, meanwhile, was represented by the Taipei Tech Department of Energy and Refrigerating Air-Conditioning Engineering Distinguished Professor Lee Da-sheng. The most attention-grabbing projects this year included a "smart hearing solution" developed to overcome the pain points of traditional hearing aids inspired by a desire to solve the hearing problems of elderly fathers; a one-stop shop connecting recycling facilities, online communities, and charitable merchants that forms a circular economy; and a test that can greatly reduce the time needed for Group B Streptococcus screening in pregnant women, further creating user-friendly medical tests. Startups increasingly understand how to make use of Internet of Beings approaches to design solutions for everyday problems, going on from there to seize technologies and business models that can facilitate practical applications to issues observed in daily life.



The winners of the competition were Cyper S, a team made up of students from National Cheng Kung University, Southern Taiwan University of Science and Technology, and Chi Mei Medical Center. Their "smart hearing solution" project developed a smart hearing aid system that could greatly improve the quality of life of those with hearing impairments or who are losing their hearing. Integrating the optic nerve with nerve-like smart technologies, their innovative product design thinking brings in AI image recognition to help overcome technological bottlenecks in reducing "language noise" (the "cocktail party effect"), strengthening the quality of reception in noisy conditions. This innovative medical material provides a complete and timely solution that could replace existing products and traditional hearing aids.



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BeingLife Creativity Competition

The 3rd BeingLife Creativity Competition awards ceremony was held in 2019, with Acer Foundation chairman Stan Shih and National Taiwan Science Education Center director Chen Hsueh-yu presenting the awards in person and encouraging all winning teams to continue their creative efforts to use the power of innovative technology for the positive development of society. In addition to handing out awards at the ceremony, the Acer Foundation also announced the list of selected seed schools for the next two years. Through sponsoring Internet of Beings equipment and providing grants to clubs, we aim to help teachers and students develop IoT knowledge and creative applications.



This year's recipients of the Super Judges Award hailed from Kaohsiung's FuHwa Senior High School, with their entry a "multifunction Internet of Things smart socket." Using the scheduling functionality of Google Calendar and without the need for any external apps, users can set their own schedules for the smart socket, overcoming the limitation of conventional smart sockets with a fixed number of time settings and retaining maximum usage flexibility. With this socket, traditional appliances can become IoT ones, and functionality can also be upgraded through modular sensors, further transforming them into smart appliances with advanced features. This project is a break from traditional thinking that says that IoT products need to be connected to apps, instead using existing methods with new concepts to fully showcase the spirit of the Internet of Beings.

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 the skilled application of our products and technologies, we also help with the creation of digital education resources and give students the technological skills they will need to tackle the challenges of the future and make their dreams into realities.

Sponsoring a Team from National Chiao Tung University College of Electrical and Computer Engineering in the DARPA Subterranean Challenge

The DARPA Subterranean Challenge is the pinnacle of technological engineering competitions around the world and was founded to stimulate the development of forward-looking technologies and national defense technologies. Team NCTU (National Chiao Tung University) was the first team from Taiwan to take part, competing and interacting with teams from the top schools and institutions from around the world. This team of 14 students took part with the support of the Acer Foundation, NCTU's ICT Workshop, and National Chung-Shan Institute of Science and Technology, along with further help from the Ministry of Science and Technology, Central Taiwan Science Park Administration, and the Ministry of Education, and they will continue to represent Taiwan in the second and third stage competitions in 2020.

CSR Meets USR: Sponsoring National Chiao Tung University's Technology Educator Training Program

The age of AI is here, and technology education has become a tentpole policy for nations around the world. In 2019, Taiwan also began introducing a "Technology and IT Education" curriculum for primary and secondary school students as a compulsory subject. At the same time, however, Taiwan is facing a brain drain crisis. To encourage talent to stay in Taiwan and solve the problem of a shortage of science teachers, Acer has joined forces with the Taiwan Mobile Foundation and National Chiao Tung University, combining corporate social responsibility (CSR) and university social responsibility (USR) resources to launch a Technology Educator Training Project. This project calls on all sectors of society to join together and raise some NT\$25 million for a plan to train 1,000 teachers in 2020, helping 100 schools set down a firm foundation in technology education and cultivate the competitiveness of a new generation.



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DIGITAL LITERACY INITIATIVE

The Internet is everywhere, and the world is ever more connected. The use of cellphones by children has become an issue of concern for both parents and educations, and as a technology company, Acer has a responsibility to not only to drive Taiwan’s technological development, but also to contribute to digital literacy efforts and minimize the negative impact the online world may have.

In 2019, the Acer Foundation began working with Taiwanese magazine Education, Parenting, Family Lifestyle, which is focused on child-rearing and education, to survey of children’s online behavior and related publications, advocacy, and events to remind parents and educators that digital learning skill is essentially the same as digital self-guided study skill, and is an essential skill for future citizens to have. The Acer Foundation hopes that through the promotion of IT education and the integration of IT tools into digital education, we will be able to promote digital learning skills throughout Taiwan and cultivate the capability of Taiwanese children to make skilled use of digital tools.



The Acer Foundation advocates for digital literacy through three main actions:

 Regardless of their age, children should be accompanied online by parents or teachers so that they can understand the digital environment 1	 Digital resources should be made good use of as learning aids 2	 Help set down a firm foundation of digital literacy to create digital citizens with real knowledge and skills 3
---	---	---

The foundation held a number of events in 2019:

Planning	Planning teacher workshops to actively promote digital learning tools to educators and new teaching concepts incorporating digital literacy issues. This has been well received, and through this, we are reaching out to volunteer teachers who are willing to invest their efforts in rural and remote communities in the future.
Participating	Participating in Education, Parenting, Family Lifestyle annual educational meetings, holding forums aimed at educators in attendance. With the advent of the Internet age, new forms of digital lifestyle are having their own impacts, and so we advocate for the use of digital tools to cultivate digital literacy.
Promoting	Promoting the integration of digital literacy concepts and technology into teaching at KIST: Zhengmin Elementary School in Yunlin, from which we have gathered much feedback from both teachers and students and seen good results.
Holding	Holding dialogs with parents, inviting experts in education and parenting to promote digital learning with parents and advocate for the importance of digital literacy. These events have also been warmly received.

FRIENDLY TO THE ENVIRONMENT

30 Green Actions Challenge

Acer launched Project Humanity in 2019, inviting staff around the world to get involved in educational and environmental issues. Through a dedicated app, we held the 30 Green Actions Challenge, combining environmental education, peer support, and problem-solving to build consensus, boost awareness, and expand our influence. We hope that staff will realize that being environmentally friendly not only makes the planet better, but also helps keep us and our families safe from the adverse effects of environmental hormones like plasticizers, making our lives healthier. More than 918 staff members took part in the challenge, accumulating more than 27,000 green actions. In addition, a series of events further boosted staff’s environmental and health awareness, receiving a Corporate Citizenship Award from Commonwealth Magazine in the “Knowledge—Health Consciousness” category for our efforts.



Staff Say

Project Humanity involved a series of activities from collecting trash and reducing paper use to using environmentally friendly tableware. As a part of the company, I was an eager participant, even taking part in the Caitian activity. Every one of them was meaningful to me, and I am proud to have been able to do my small part for the company and the planet.

One person can only do so much, but together, through the 30 Green Actions Challenge, we can really do something meaningful. Every day I brought my own tableware and stuck to the idea of dining in rather than eating out, reducing the amount of disposable trash I created.

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Caitian Rice

In Taiwan, the amount of pesticide in farming remains high. While the government has promoted a policy of halving the amount of pesticides by 2027, Acer has further vowed to protect the environment through sustainability that starts at ground level. In cooperation with environmentally friendly farming groups, we purchased more than 5,600 kg of chemical-fertilizer-free Caitian rice in 2019, supporting farmers who draw their income from environmentally friendly farming and donating a portion of that rice to the underprivileged and for use in healthy lunches for local children.

In 2019, Acer further implemented environmental sustainability ideals through a series of activities. In addition to inviting the CEO of Caitian Friendly Farming, Yang Rumen, to give a lecture on environmentally friendly agriculture, and Global CHRO Andy Lin and CSO/Acer Foundation CEO Richard Lai lead a team of Acer volunteers in joining the farmers in transplanting rice seedlings and picking up snails. Together with local elementary school students, they served as “farmers for a day,” taking practical action to realize our commitment to CSR and declare our commitment to protecting the environment.



more than **5,600** kg

Acer purchased chemical-fertilizer-free Caitian rice in 2019

Acer hopes that through cooperating with Caitian Friendly Farming, we will be able to create a sustainable environment and coexist harmoniously with the community along Taiwan’s northern coast, helping the rice fields of the Jinshan, Wanli, and Shimen areas of New Taipei City move toward environmentally friendly farming and create healthy ingredients for us and the next generation!



Volunteers Say

Doing my part for the environment by reducing the pests that could damage the rice really helped sow the seeds of sustainable thinking in my mind.

Acer Earth Recycling Program Helps Orphans

Responding to the call for Acer staff to get involved in environmental activities, staff handed over waste electronics to excellent recyclers with leading environmentally friendly technology, ensuring the materials enjoy extended lives and recycling precious metals for reuse. Funds from recycling were donated to the Taipei Orphan Welfare Foundation, helping children who have lost their parents receive an education.

VOLUNTEERISM

LOCKED ON TO ISSUES FOR LONG-TERM INVOLVEMENT

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.

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:



Helping Underprivileged Children

For 12 years running, Acer has held an activity in which we collect Christmas gifts to be given to underprivileged children in Xizhi. Some of these children have been put in the care of the Social Welfare Department and the Taipei Orphan Welfare Foundation, and we invited our staff to offer up gifts at the end of the year to help light up these young people’s worlds at Christmas time and give them the courage to face the challenges ahead.



Helping the Elderly

In cooperation with the Old Five Old Foundation, the Acer Volunteer Team has worked over the past nine years to deliver piping hot meals to residents in communities in Xizhi, Shengkeng, and Shiding for Chinese New Year, helping solo elderly people and disadvantaged families who may have long suffered from nutritional or mobility issues with some warmth for the festive season.



Quarterly Blood Drives

For the past twelve years, Acer has held regular blood drives. In 2019, a total of 1,355 people participated, donating a total of 2,258 bags of blood at 250cc per bag.



Annual Fundraising Activities

Each year, Acer’s Volunteer Team selects five social welfare groups, launching small internal fundraising campaigns for these groups to help disadvantaged communities. In 2019, these donations reached a total of NT\$935,000.



International Volunteer Work

Since 2011, Acer has been actively involved in promoting international volunteer work, working with the Taiwan Dental Association to hold regular dental clinics for impoverished children in Cambodia and assisting with the distribution of goods, with more targets around the world upcoming.



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CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT OVERVIEW

Economic	Unit	2016	2017	2018	2019	GRI Indicators	Page No.
Consolidated Revenue	NTD Billion	232.724	237.275	242.27	234.285	102-7, 201-1	13
Operation Profit (Loss)	NTD Billion	1.193	3.670	3.738	3.078	102-7	13
After Tax Earnings (Loss)	NTD Billion	(4.900)	2.816	3.060	2.633	102-7	13
Basic Earnings Per Share	NTD	(1.62)	0.93	1.01	0.87	-	13
Operation Expenses	NTD Billion	(22.300)	(21.900)	(22.257)	(21.734)	102-7, 201-1	13
Staff Remuneration and Welfare	NTD Billion	(12.936)	(13.094)	(13.457)	(12.848)	201-1	13
Dividends	NTD	0.50	0.70	0.77	0.77	201-1	13
Tax Income (Dividends)	NTD Billion	(0.176)	(0.642)	(1.350)	(1.144)	-	13
Liabilities	NTD Billion	107.996	99.637	95.003	96.901	102-7	13
Equity	NTD Billion	57.678	57.975	58.986	59.195	102-7	13



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Environmental	Unit	2016	2017	2018	2019	GRI Indicators	Page No.
Total Input-Direct Energy Usage							
Natural Gas	m ³	1,318,428.59	1,389,526.08	365,256.82	443,287.84	302-1	81
Energy Consumption	GJ	49,111.81	51,760.21	13,605.91	16,512.59	302-1	81
% of total energy consumption	%	19.11	20.96	7.85	9.41	302-1	81
Gasoline	liters	662,923.94	530,496.61	561,054.43	631,662.83	302-1	81
Energy Consumption	GJ	22,340.54	17,877.74	18,907.53	21,287.04	302-1	81
% of total energy consumption	%	8.69	7.24	10.9	12.13	302-1	81
Diesel	liters	586,970.62	537,550.68	509,244.01	486,469.00	302-1	81
Energy Consumption	GJ	22,657.07	20,749.46	19,656.82	18,777.70	302-1	81
% of total energy consumption	%	8.81	8.4	11.34	10.70	302-1	81
Water ^{Note1}	m ³	169,456.76	189,888.84	185,604.27	184,295	302-1	84
Total Output-Indirect Energy Resource Usage							
Green Electricity ^{Note2}	kWh	21,674,069.20	21,532,095.79	17,572,656.98	17,436,550.58	302-1	80-81
Electricity Consumption ^{Note3}	kWh	45,259,748.98	43,490,527.48	33,679,435.45	33,018,640.19	302-1	-
Energy Consumption	GJ	162,935.09	156,565.90	121,245.97	118,867.10	302-1	-
% of total energy consumption	%	63.39	63.4	69.92	67.75	302-1	-
Total Output-GHG Emissions							
Scope 1	Tonnes of CO ₂ equivalent	3,813.30	3,537.82	3,413.95	3,540.22	305-1	80-81
Scope 2- market-based	Tonnes of CO ₂ equivalent	14,037.17	13,275.69	12,646.41	10,223.62	305-2	80-81
Total Output-Waste Water							
Sewage Discharge ^{Note4}	Tonnes	135,565.41	152,011.07	148,483.42	147,436	306-1	84
Total Output-Wastes ^{Note5}							
Total Generated	Tonnes	4,579.10	4,945.34	1,915.48	1,666.61	306-2	85
Total Recycled and Reuse	Tonnes	3,829.45	4,221.31	1,167.01	1,135.60	306-2	85
Recycled Resources	Tonnes	2,058.28	2,344.47	784.30	726.20	306-2	85
Electronic Waste	Tonnes	1,771.17	1,876.84	382.71	409.40	306-2	85
Non Recycled and Reuse	Tonnes	749.65	724.03	748.47	531.01	306-2	85
Municipal Solid Waste	Tonnes	749.65	724.03	748.47	531.01	306-2	85

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; 2017-2019 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 2019, we included the proportion of trash incinerated in the total waste weight calculations, and as such, the weight is lower than that of the previous year.



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Social	Unit	2016	2017	2018	2019	GRI Indicators	Page No
Staff Employment							
Number of Employees ^{Note1}	People	7,749	7,812	8,037	7,923	102-7	92
Average Age	Years	37.4	38.7	39.7	40.3	-	92
Average Seniority	Years	7.7	8	8.4	8.69	-	92
Turnover Rate	%	17.88	17.22	18.22	16.5 ^{Note2}	401-1	93
Hiring Rate	%	13.67	14.96	16.61	15.71	401-1	93
Applicants for Parental Leave ^{Note3}	%	22.2	11.81	13.41	23.68	401-3	95
Post Parental Leave Return-to-work Rate	%	52.9	61.9	56.00	62.5	401-3	95
Post Parental Leave Retention Rate	%	90	88.89	76.92	57.14	401-3	95
Continuing Learning and Growth ^{Note4}							
Average Number of Training Hours for Staff Members	hours	5.47	10.5	13.1	13.23	404-1	96
Health and Safety in the workplace ^{Note5}							
Disabling Injury Rate (IR)	-	0.23	0.36	0.67	0.25	403-2	102
Lost Day Rate (LDR)	-	1.4	3.93	11.27	1.76	403-2	102
Absence Rate ^{Note6}	%	1.1	1.1	1.19	1.39	403-2	102
Community Engagement and Investment							
Financial Value of Community Engagement and Investment	10 thousand NT\$	3,300	4,934	4,262	5,643	-	105
Donation Type							
Cash	%	87	60	76	41	-	105
Time, Products, or Other in-kind Donations	%	13	40	24	59	-	105
Participation Type							
Community investment	%	43	54	53	62	-	105
Charitable Donations	%	39	29	28	25	-	105
Commercial Initiatives	%	18	17	19	19	-	105

Note1: Includes regular and dispatched staff.

Note2: This data represents the 2019 turnover rate for full-time staff.

Note3: 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.

Note4: The statistical scope covers Global regions staff.

Note5: This chart's statistics cover injury and lost day rates for the Taiwan, EMEA, Pan America, Asia Pacific, and China regions; for the data, please refer to page 102.

Note6: 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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SASB Standards



INDEPENDENT LIMITED ASSURANCE REPORT



安侯建業聯合會計師事務所

KPMG

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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, 2019.

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.

However, the 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.

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.

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

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.



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.

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.

Inherent limitations

The Report for the year ended 2019 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Acer. Therefore, the different stakeholders may have different interpretations of such information.

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, 2019 has not been properly prepared, in all material aspects, in accordance with the Reporting Criteria.

Other Matters

The management of Acer is responsible for the maintenance of its website, which according to its report, we shall not be responsible for any further changes on the information or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Report.

Taipei, Taiwan (Republic of China)

June 15, 2020

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.





GREENHOUSE GAS INVENTORY

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Statement TW20/00137GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2019 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
3,540.217 tonnes of CO₂e
Energy indirect emissions
16,752.703 tonnes of CO₂e
Direct emissions and energy indirect emissions
20,292.920 tonnes of CO₂e

Authorized by




David Huang
Senior Director
Date: 01 June 2020
Version 1

TGP56A-15-1 2003
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24803, 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 the Statement. Page 1 of 33



Statement TW20/00137GG, continued

The emissions of energy by location-based and market-based approach as below :

Operational Boundaries	GHG Emissions			
	Location-based	Market-based		
Direct emissions	3,540.217			
Energy indirect emissions	16,752.703	10,223.617		
Total Emissions	20,292.920	13,763.834		
Purchased Renewable Energy Certificate(s) Information				
Site/Location	Type	Renewable Energy Source/Location	Energy indirect emissions	
			Location-based	Market-based
Taiwan	I-REC	Hydro power /Taiwan	9,380.223	8,534.695
Pan American	REC I-REC	Wind/USA, Canada, Brazil and Mexico	1,188.742	20.735
EMEA	Green Electricity GO I-REC	Hydro power, Wind/Austria, Germany, Netherland, Denmark, Finland, Spain, Switzerland, U.K., Norway, Czech Republic, Poland, Turkey	2,290.749	414.123
Asia Pacific	I-REC	Solar/Thailand, Philippine, Malaysia, Vietnam, Indonesia, India	2,934.818	1,014.302
China	I-REC	Wind /China, Hong Kong	958.172	239.762
Global Total	--	--	16,752.703	10,223.617

Unit: tonnes of CO₂e

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Statement TW20/00137GG, continued

List of companies for type of green electricity used

Business Group & Company	Usage in kWh	Green Electricity in kWh	Ratio
NB, DT, Monitor related Business Group			
Acer Inc MIS	2,807,017.00	-	59.65%
Acer Inc	6,172,998.46	1,600,000.00	
Acer Inc_ACCN	744,543.76	744,543.76	
Acer Inc_PA	3,560,872.30	3,560,872.30	
Acer Inc_EMEA	6,248,254.81	5,206,065.83	
Acer Inc_AAP, HSN, Servex	4,470,226.92	3,206,278.59	
Other Business Group			
Acer Third Wave	23,512.00	89,826.00	1.20%
ACTCQ	66,314.00		
ACTI (US)	18,027.70	18,027.70	
AOPEN	811,689.17		
ASDI & APDI	4,208,636.37		
EDC	1,503,854.00		
E-TEN	415,053.00		
ISU	255,025.00		

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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Statement TW20/00137GG, continued

AEB & ACCSI	371,560.00		
AEB	26,689.00		
ITS	232,650.70		
Weblink	1,081,716.00		
Total	33,018,640.19	14,425,614.18	43.69%

Self-Generation Company & Sites	Green Electricity in kWh
ASDI & APDI	2,948,686.0000
EDC	48,060.0000
Benelux(Holland)	14,190.3900
Total	3,010,936.3900
Total Self-Generation & RECS	17,436,550.5800

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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Acer 2019 Standards Index references two prominent reporting standards, the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

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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, Attracting and Developing Talent	9, 13, 92	Assured by KPMG
102-8	Information on employees and other workers	Attracting and Developing Talent	92-93	Assured by KPMG
102-9	Supply chain	Responsible Supply Chains	41-53	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 2019.	Assured by KPMG
102-11	Precautionary Principle or approach	Risk Management	36-40	Assured by KPMG
102-12	External initiatives	Stakeholder Engagement, Responsible Supply Chains	20-27, 41-53	Assured by KPMG
102-13	Membership of associations	Stakeholder Engagement	27	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, Energy and Responding to Climate Change	9-10, 36-39, 79-81	Assured by KPMG
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance Structure	34	Assured by KPMG
Governance				
102-18	Governance structure	Corporate Governance Structure	31-33	Assured by KPMG
102-19	Delegating authority	CSR Policy, Strategy and Governance	17	Assured by KPMG
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Policy, Strategy and Governance	17	Assured by KPMG
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Structure, CSR Policy, Strategy and Governance, Materiality Analysis and Stakeholder Engagement, Attracting and Developing Talent	31-33, 16-27, 92-100	Assured by KPMG
102-22	Composition of the highest governance body and its committees	Corporate Governance Structure	31-33	Assured by KPMG



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Disclosure	Chapter	Page No. and Description	External Assurance	
Governance				
102-23	Chair of the highest governance body	Corporate Governance Structure	31	Assured by KPMG
102-24	Nominating and selecting the highest governance body	Corporate Governance Structure	31-33	Assured by KPMG
102-25	Conflicts of interest	Corporate Governance Structure	32	Assured by KPMG
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Structure, Risk Management, CSR Policy, Strategy and Governance	16-17, 31-33, 36-38	Assured by KPMG
102-27	Collective knowledge of highest governance body	Corporate Governance Structure, CSR Policy, Strategy and Governance	16-17, 33	Assured by KPMG
102-28	Evaluating the highest governance body's performance	Corporate Governance Structure	32	Assured by KPMG
102-29	Evaluating the highest governance body's performance	Corporate Governance Structure, Risk Management, CSR Policy, Strategy and Governance	16-18, 32, 36-39	Assured by KPMG
102-30	Effectiveness of risk management processes	Corporate Governance Structure, Risk Management, CSR Policy, Strategy and Governance	16-18, 32-34, 36-39	Assured by KPMG
102-31	Review of economic, environmental, and social topics	Corporate Governance Structure, Risk Management, CSR Policy, Strategy and Governance	16-17, 32, 36-39	Assured by KPMG
102-32	Highest governance body's role in sustainability reporting	CSR Policy, Strategy and Governance	17	Assured by KPMG
102-33	Communicating critical concerns	Corporate Governance Structure, CSR Policy, Strategy and Governance Human Rights Management	31-33, 16-17, 89-90	Assured by KPMG
102-34	Nature and total number of critical concerns	Corporate Governance Structure, CSR Policy, Strategy and Governance Human Rights Management	31-33, 16-17, 89-90	Assured by KPMG
102-35	Remuneration policies	Corporate Governance Structure	33	Assured by KPMG
102-36	Process for determining remuneration	Corporate Governance Structure	33	Assured by KPMG
Stakeholder Engagement				
102-40	List of stakeholder groups	Stakeholder Engagement	23-27	Assured by KPMG
102-41	Collective bargaining agreements	Human Rights Management	90	Assured by KPMG
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	20	Assured by KPMG
102-43	Approach to stakeholder engagement	Stakeholder Engagement	20-27	Assured by KPMG
102-44	Key topics and concerns raised	Stakeholder Engagement and Customer Service	23-27, 63	Assured by KPMG
Reporting Practice				
102-45	Entities included in the consolidated financial statements	About this Report	Please refer to Acer's 2019 annual report for details on the Company's related entities	Assured by KPMG
102-46	Defining report content and topic boundaries	Stakeholder Engagement	22-25	Assured by KPMG
102-47	List of material topics	Stakeholder Engagement	21-22	Assured by KPMG
102-48	Restatements of information	About this Report	No restatement of information provided in previous reports	Assured by KPMG



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Reporting Practice			
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	Assured by KPMG
102-51	Date of most recent report	About this Report	Assured by KPMG
102-52	Reporting cycle	About this Report	Assured by KPMG
102-53	Contact point for questions regarding the report	About this Report	Assured by KPMG
102-54	Claims of reporting in accordance with the GRI Standards	About this Report, GRI Standards Index Comparison Table	Assured by KPMG
102-55	GRI content index	GRI Standards Index Comparison Table	Assured by KPMG
102-56	External assurance	About this Report, Independent Limited Assurance Report	Assured by KPMG
Management Approach			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	Assured by KPMG
103-2	The management approach and its components	Corporate Governance Structure, Material topics and management approaches in chapter 2-chapter 7	Assured by KPMG
103-3	Evaluation of the management approach	2019 Important Achievement and Recognition, Material topics and management approaches in chapter 2-chapter 7	Assured by KPMG
SPECIFIC STANDARD DISCLOSURES: ECONOMIC			
Economic Performance			
201-1	Direct economic value generated and distributed	Status of Operations, Social Philanthropy and Digital Inclusion	Assured by KPMG
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management, Energy and Responding to Climate Change	Assured by KPMG
201-3	Defined benefit plan obligations and other retirement plans	Attracting and Developing Talent	Assured by KPMG
Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Social Philanthropy and Digital Inclusion	Assured by KPMG
203-2	Significant indirect economic impacts	Social Philanthropy and Digital Inclusion	Assured by KPMG
Procurement			
204-1	Significant indirect economic impacts	Responsible Supply Chains	Assured by KPMG



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SPECIFIC STANDARD DISCLOSURES: ENVIRONMENTAL

Disclosure	Chapter	Page No. and Description	External Assurance
Materials 			
301-3 Reclaimed products and their packaging materials	Circular Economies and Product Life Cycle	76-78	Assured by KPMG
Energy 			
302-1 Energy consumption within the organization	Corporate Social Responsibility Management Overview	114	Assured by KPMG
302-2 Energy consumption outside of the organization	Energy and Responding to Climate Change	81	Assured by KPMG
302-3 Energy intensity	Corporate Social Responsibility Management Overview	114	Assured by KPMG
302-4 Reduction of energy consumption	Our Operations and Environment	83	Assured by KPMG
302-5 Reductions in energy requirements of products and services	Circular Economies and Product Life Cycle	76-77	Assured by KPMG
Water 			
303-1 Water withdrawal by source	Our Operations and Environment, Corporate Social Responsibility Management Overview	85, 114	Assured by KPMG
303-2 Water sources significantly affected by withdrawal of water	Our Operations and Environment	Acer's global business model primarily focused on product sales and customer service and its facilities are largely office buildings; as such, the water used is drawn from municipal sources and has no significant impact on water resources.	Assured by KPMG
303-3 Water recycled and reused	Corporate Social Responsibility Management Overview	84	Assured by KPMG
Emissions 			
305-1 Direct GHG emissions ^{Scope 1}	Energy and Responding to Climate Change, Corporate Social Responsibility Management Overview	80-81, 114	Verified by SGS
305-2 Energy indirect GHG emissions ^{Scope 2}	Energy and Responding to Climate Change, Corporate Social Responsibility Management Overview	80-81, 114	Verified by SGS
305-3 Other indirect GHG emissions ^{Scope 3}	Energy and Responding to Climate Change	81	Verified by SGS
305-4 GHG emissions intensity	Energy and Responding to Climate Change	80-81	Verified by SGS
305-5 Reduction of GHG emissions	Energy and Responding to Climate Change	80-81	Verified by SGS
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Energy and Responding to 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



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Disclosure		Chapter	Page No. and Description	External Assurance
Effluents and waste				
306-1	Negative environmental impacts in the supply chain and actions taken	Our Operations and Environment, Corporate Social Responsibility Management Overview	85-114	Assured by KPMG
306-2	Waste by type and disposal method	Our Operations and Environment, Corporate Social Responsibility Management Overview	85, 114	Assured by KPMG
Non-compliance with environmental laws and regulations				
307-1	Non-compliance with environmental laws and regulations	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG
Supplier Environmental Assessment				
308-1	Supplier Environmental Assessment	Responsible Supply Chains	43-44	Assured by KPMG
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chains	43-49	Assured by KPMG
SPECIFIC STANDARD DISCLOSURES: LABOR PRACTICES AND DECENT WORK				
Employment				
401-1	New employee hires and employee turnover	Attracting and Developing Talent	93	Assured by KPMG
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Attracting and Developing Talent	94-96	Assured by KPMG
401-3	Parental leave	Attracting and Developing Talent	95	Assured by KPMG
Labor/Management relations				
402-1	Minimum notice periods regarding operational changes	Attracting and Developing Talent	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
Occupational Health and Safety				
403-1	Workers representation in formal joint management-worker health and safety committees	Health and Safety in the Workplace	101	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	102	Assured by KPMG
Training and Education				
404-1	Average hours of training per year per employee	Attracting and Developing Talent	96	Assured by KPMG
404-2	Programs for upgrading employee skills and transition assistance programs	Attracting and Developing Talent	96-100	Assured by KPMG
404-3	Percentage of employees receiving regular performance and career development reviews	Attracting and Developing Talent	100	Assured by KPMG



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Disclosure	Chapter	Page No. and Description	External Assurance	
Diversity 				
405-1	Diversity of governance bodies and employees	Corporate Governance Structure, Attracting and Developing Talent	32, 92	Assured by KPMG
Equal Opportunity 				
405-2	Ratio of basic salary and remuneration of women to men	Attracting and Developing Talent	94	Assured by KPMG
Supplier Social Assessment 				
414-1	New suppliers that were screened using social criteria	Responsible Supply Chains	43	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chains and Human Rights Management	45-48, 89-90	Assured by KPMG

SPECIFIC STANDARD DISCLOSURES: HUMAN RIGHTS

Human Rights Assessment 				
412-2	Employee training on human rights policies or procedures	Human Rights Management	90	Assured by KPMG
Non-discrimination 				
406-1	Incidents of discrimination and corrective actions taken	Responsible Supply Chains, Attracting and Developing Talent	50-51, 89-90, 95, 99	Assured by KPMG
Freedom of 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	In 2019, there were no cases where human rights issues were reviewed by the local government.	Assured by KPMG
Child Labor 				
408-1	Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chains, Human Rights Management, Attracting and Developing Talent	45-48, 89-90, 92	Assured by KPMG
Forced or Compulsory Labor 				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chains, Human Rights Management	In 2019, there were no cases where human rights issues were reviewed by the local government.	Assured by KPMG
Supplier Environmental Assessment 				
414-1	New suppliers that were screened using social criteria	Responsible Supply Chains	43	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chains, Human Rights Management	45-48, 89-90	Assured by KPMG



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SPECIFIC STANDARD DISCLOSURES: SOCIETY

Disclosure	Chapter	Page No. and Description	External Assurance	
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	35, 99, 89-90	Assured by KPMG
205-3	Confirmed incidents of corruption and actions taken	Ethics/Code of Conduct and Legal	34-35	Assured by KPMG
Public Policy				
415-1	Political contributions	--	Acer made no political contribution in 2019.	Assured by KPMG
Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics/Code of Conduct and Legal Compliance	34-35	Assured by KPMG
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG
Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Responsible Supply Chains	43	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chains, Human Rights Management	45-48, 89-90	Assured by KPMG
Customer health and safety				
416-1	Assessment of the health and safety impacts of product and service categories	Circular Economies and Product Life Cycle	72-74	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	35	Assured by KPMG
Marketing and labeling				
417-3	Incidents of non-compliance concerning marketing communications	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG
417-1	Requirements for product and service information and labeling	Customer Service	All product, service information and labeling are meeting environmental as well as social regulation.	Assured by KPMG
417-2	Incidents of non-compliance concerning product and service information and labeling	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG
Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	66	Assured by KPMG
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	Ethics/Code of Conduct and Legal Compliance	35	Assured by KPMG



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Other Standard Disclosure

Disclosure	Chapter	Page No. and Description	External Assurance
Information Security Governance			
Acer-EC1	Information Security Governance	Information Security and Privacy Protection	65-67 Assured by KPMG
Customer Service			
Acer-EC2	Multiple service channels	Customer Service	62 Assured by KPMG
Acer-EC3	Enhancing service quality	Customer Service	62-64 Assured by KPMG
Innovative Research & Development			
Acer-EC4	Innovative technology and application	United Nations Sustainable Development Goals, Innovative Products and Services	19, 57-61 Assured by KPMG
Acer-EC5	Open source and collaborative innovation	Innovative Products and Services	57-61 Assured by KPMG
Acer-EC6	Acquisition and protection of intellectual property rights	Innovative Products and Services	57 Assured by KPMG
Product Responsibility and Customer Safety			
Acer-EN1	Halogen-free products launched	Circular Economies and Product Life Cycle	74 Assured by KPMG
Corporate citizenship and philanthropy			
Acer-SO1	Activities of corporate citizenship and philanthropy	Social Philanthropy and Digital Inclusion	105-112 Assured by KPMG
Acer-SO2	Digital Inclusion activity	Social Philanthropy and Digital Inclusion	105-111 Assured by KPMG
Conflict Minerals			
Acer-SO5	Publish of Smelter List and annual Conflict Minerals Report	Responsible Supply Chains	52-53 Assured by KPMG



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Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Page No. and Description	External Assurance
Product Security	Description of approach to identifying and addressing data security risks in products	67	Assured by KPMG
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	92	Assured by KPMG
Product Lifecycle Management	<ul style="list-style-type: none"> Percentage of products by revenue that contain IEC 62474 declarable substances Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent Percentage of eligible products, by revenue, meeting ENERGY STAR® Criteria Weight of end-of-life products and e-waste recovered, percentage recycled 	74, 77-78	Assured by KPMG
Supply Chain Management	<ul style="list-style-type: none"> Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances 	46-47	Assured by KPMG
Material Sourcing	Description of the management of risks associated with the use of critical materials	52-53	Assured by KPMG

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