



ACER CORPORATE RESPONSIBILITY REPORT 2020

Every Decision Counts





Contents

About this Report	03	01 <u>Business Operation</u>	10	04 <u>Responsible Supply Chains</u>	54	07 <u>Social</u>	104
Message from the Chairman and CEO	04	About the Company	11	Supply Chain Management Mechanisms	57	Human Rights Management	107
Important Achievements and Recognition	05	Brand Values	12	On-site Audits	59	Attracting and Developing Talent	111
CSR Performance Highlights	07	Status of Operations	15	Environmental Management	63	Health and Safety in the Workplace	121
COVID-19 Response Actions	08	02 <u>Sustainable Governance</u>	16	Social Management	64	Social Philanthropy and Digital Inclusion	125
		Corporate Social Responsibility Policy, Strategy, and Governance	18	05 <u>Innovation and Service</u>	68	08 <u>Corporate Social Responsibility Management Summary</u>	133
		United Nations Sustainable Development Goals	22	Innovative Products and Services	71	Economic	133
		Stakeholder Engagement	24	Customer Service	76	Environmental	134
		03 <u>Corporate Governance</u>	34	Information Security and Privacy Protection	81	Social	135
		Corporate Governance Structure	37	06 <u>Environment</u>	84	09 <u>Appendix</u>	136
		Ethics/Standards of Conduct & Legal Compliance	40	Circular Economies and Product Life Cycle	87	Independent Limited Assurance Report	136
		Risk Management	45	Energy and Responding to Climate Change	97	Greenhouse Gas Inventory	137
				Operations and the Environment	100	GRI Standards Indicators	139
						SASB Guidelines	146



About this Report

Acer has issued Corporate Social Responsibility Reports annually since 2008, for 13 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 Social Responsibility Reports and the latest information on sustainable development are available at the Acer Group's CSR website:
<https://www.acer-group.com/sustainability/en/index.html>

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
<https://www.acer-group.com/ag/en/TW/content/ir-ov> and the company's annual reports.

Report Issuing Dates and Frequency

This report, released June 2020, discloses the company's performance in key issues of sustainable development during 2020 (January 1, 2020–December 31, 2020); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2019 or forward into 2021. Acer issues Corporate Social Responsibility Reports each year, with the previous report issued in June 2020.

Report Compilation Principles

The content of our reports follows the Global Reporting Initiative's Sustainability Reporting Standards Core Option, with some parts referencing the Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (SASB). Both GRI and SASB 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 Corporate Sustainability Officer.

External Verification

Sustainable Data and Information:

This report commissioned the accounting firm KPMG Certified Public Accountants in accordance with the limited assurance standards of ISAE3000. 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 2020 Corporate Social Responsibility Report or sustainability issues, you are welcome to contact us. Our contact details are:

Acer ESG Office

Address: 10F., No. 88, Xintaiwu Rd. Sec. 1, Xizhi Dist., New Taipei City

Telephone: +886-2-2696-3131

CSR Email: cr@acer.com



Report Download



Message from the Chairman and CEO

Year 2020 was certainly a year like no other, the COVID-19 coronavirus turned into a pandemic that commanded great changes for people all over the world. Acer continued to evolve with the changes to the industry and lifestyles by pushing for innovation in existing businesses, while expanding to new territories and building up our resilience.

In the past year, our global operations have been working closely with public health authorities, taking actions to ensure the continuity of our business and the safety of employees. Today, our executive team continues to closely monitor the impact of the pandemic and focus on securing material supplies for production. With the close collaboration with our partners, Acer is demonstrating and building up the highest resilience to sustain and forge ahead during these times of uncertainty.

As social distancing, working from home, and online learning became the new norm, Acer's focus was to ensure that our customers had access to our services and products to stay connected in their everyday life for work, study, friends, and family. In our product offerings, we expanded the application of antimicrobial solutions on several notebook models, and introduced air quality improvement solutions to further help our customers adapt to lifestyle changes.

Helping people stay connected during the current pandemic was the common objective in both Acer's business operations and corporate responsibilities. Acer's global CSR Project Awards, held for the fourth consecutive year, added a category to honor the initiatives that continued to exert their influence on social impacts during the pandemic, for example, helping students and small/medium businesses that were already disadvantaged to continue learning and functioning. These actions also respond to the United Nation's SDG 4 of "quality education" and SDG 8 of "decent work and economic growth."

In addition, our subsidiary Acer e-Enabling Service Business developed an infection and antimicrobial resistance surveillance system in collaboration with Taiwan's Centers for Disease Control. The system won the Global ICT Excellence Award for COVID-19 Best Industry Solution by WITSA (World Information Technology and Service Alliance), an encouraging sign that Acer's efforts in building a smart public health system and applying technology to pandemic prevention is bearing fruit.

Acer's Project Humanity, an initiative for employees to take action in protecting the environment in their everyday lives, expanded its scope of influence in 2020. We kicked off the next wave of the project to empower employees to make positive differences that directly apply to business operations. We even invited supply chain partners to join Project Humanity to make a difference together.

Our changing environment is causing extreme weather conditions all over the world, and the impact on businesses and societies is increasing day by day. As the net-zero carbon emission policies of various countries become increasingly clear, they also bring about the coexistence of more challenges and business opportunities. Based on Acer's carbon reduction plan set in 2012, we successfully achieved our carbon reduction target in 2020. Next, we will define our actions for the use of renewable energy, and focus on new opportunities for low-carbon and smart societies. As a brand, we will initiate actions with our suppliers to build a resilient supply chain and provide low-carbon smart solutions.

As Acer continues to be recognized by global sustainability indices, I am pleased to share that for the first time we have been awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook 2021, which features only the top ESG (environmental, social and governance) scoring companies. Our listing on three global indices are: the Dow Jones Sustainability Indices Emerging Markets Index for seven consecutive years, the MSCI ESG Leaders Indexes with "AA" rating for seven consecutive years, and the FTSE4Good Emerging Index for the fifth year. In addition, Acer was ranked among the "100 most sustainably managed companies in the world" by The Wall Street Journal from a study into 5,500 publically traded businesses.

Acer's 2020 corporate responsibility report adheres to the GRI Standards for sustainability reporting, and continues to refer to the SASB reporting standards that focus on topics of matter to financial investors. In addition, it is aligned with the international disclosure framework, Task Force on Climate-related Financial Disclosure (TCFD), to report information on the financial implications associated with climate change. Acer will continue to communicate transparently and consistently, and work with our stakeholders to build a resilient company for a sustainable future.

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

SASB: <https://www.sasb.org/>

TCFD: <https://www.fsb-tcfid.org/>

Chairman and CEO



Significant Achievements and Recognition in 2020



Sustainability



MSCI Leaders Indexes

Selected for MSCI Leaders Indexes for the seventh consecutive year



MSCI ESG Rating

AA



The Dow Jones Sustainability Emerging Markets Index

Chosen for the seventh consecutive year to join as a component stock. As well as ranking number one in Taiwan and number five worldwide in THQ Computers & Peripherals and Office Electronics.

Sustainability Award Silver Class 2021



S&P Global

Received a Silver Award in the S&P Global Sustainability Yearbook 2021



FTSE4Good

FTSE4Good Emerging Index

Chosen for inclusion for the fifth consecutive year

FTSE4Good TIP Taiwan ESG Index

Chosen for the third consecutive year



Ecovadis CSR Rating

Received Gold



Commonhealth Magazine CHR competition

Winning the Silver Award in the 1,000-4,999 Employees section.



Taiwan Corporate Sustainability Awards (TCSA)

Received Platinum Award



100 Most Sustainably Managed Companies in the World—by the Wall Street Journal

The only Taiwanese computer brand to make the cut, also ranked 22nd among the top 100 companies in terms of business model and innovation.



World's Best Employers—by Forbes

Which surveyed 160,000 full-time/part-time workers in 58 countries working for multinational companies, resulting in a list of the 750 best companies; Acer ranked 246th.



Social Inclusion



Ministry of Economic Affairs (MOEA) 2020 Buying Power Social Innovation Product and Service Procurement Awards

Acer supports innovative social organizations by purchasing innovative products. In 2020, the total amount of goods so purchased was approximately NT\$ 1.5 million, with second prize.



Corporate Governance



Sixth TWSE Corporate Governance Evaluations

Top 6%–20% of listed companies



Market Recognition



2020 iF Design Awards, we received five Product and Communication awards

“Product” category: Predator Orion 9000 desktop, ConceptD 500 and 700 desktops, and Predator Thronos Air all-in-one gaming chair. “Communication” category: The “PredatorVerse 2019: Summon Your Strength” marketing video and the “2019 Orion 5000 Gaming Desktop - Raw Power|Predator” product video.



reddot winner 2020



reddot winner 2020 packaging design

Red Dot Design Awards for Brand and Communication Design

One in the “Digital Campaign” category for the “Creativity Decoded” campaign and one in “Sustainable Packaging Design” for the “ConceptD Eco-Friendly Package.”



reddot winner 2020



reddot winner 2020 innovative product

Red Dot Product Design Awards

Including the Predator series; the ConceptD series, etc.... The Predator Thronos Air all-in-one gaming chair also received the 2020 Red Dot Innovative Product award.



CES Innovation Awards

Acer Swift 5 slim notebook
the ConceptD 7 Ezel Pro
The world’s first auto-portrait projector, the Acer C250i



Good Design Award

Acer’s ConceptD series, designed for creators, has won recognition for three products, namely the ConceptD 3 Ezel and ConceptD 7 Ezel series notebooks, and the ConceptD 700 desktop.



台灣精品 2020
TAIWAN EXCELLENCE



台灣精品 2020
TAIWAN EXCELLENCE

Taiwan Excellence Awards

Received 12 Taiwan Excellence Awards, which are focused on innovation, research, and quality. the Swift 7 was specifically honored with the Taiwan Excellence Silver Award.



Customer Service



100 MELHORES CLIENTE

In 2020, Acer Brazil received the 100 Melhores Cliente award for excellence in customer service for the third consecutive year.



Top three best companies for service and maintenance—by one of Germany’s largest newspapers, Die Welt

As found through a survey of over 600,000 people covering approximately 4,000 companies.



German Fairness Award

An award given by a local German media outlet and the German Institute for Social Quality, which Acer has won for the third year running. Through surveys of more than 55,000 customers, they determined which companies treat customers most fairly from a list of 800.



Customer Satisfaction and Customer service

Acer Austria was also honored with awards for excellence in customer satisfaction and customer service.



Customer Satisfaction award

Acer Spain won the customer satisfaction award for the third year running.



Service-Champions

Acer Switzerland received the most valuable service award in 2020.



Corporate Social Responsibility Performance Highlights

Corporate Governance/Economic

Directors and representatives of the Company

The Anti-Bribery and Corruption Policy and Acer Group Standards of Business Conduct include directors and representatives of the Company as applicable subjects.

84%

Anti-corruption and anti-bribery education and training reached 6,201 people, with a completion rate of 84%.

719

Global Patents Granted

ISO 27001

Subsidiary AEB received ISO 27001 Information Security Management System and ISO 27701 Personal Data Protection certification and completed Acer's ISO 27001 review.

Acer subsidiaries, including Acer Synergy Tech, Weblink, Acer E-Enabling

passed the TWSE listing review and listed on the Taiwan stock Exchange.

91%

7,025 employees were trained in the Code of Business Conduct worldwide, with a completion rate of 91%.

First award given globally

The Company also received the COVID-19 Best Industry Solutions award at the 2020 Global ICT Excellence Awards for the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS).

Environmental

60%

Renewable energy usage in IT products business operations

More than 6 million units

More than 6 million units of phthalate-free products across product lines were shipped, valued at over US\$4.1 billion

Full lifecycle inventory and analysis

Full lifecycle inventory and analysis, covering eight models in three main product categories: desktop, notebook, and monitor

45%

of critical suppliers completed science-based carbon reduction target (SBT) setting

3.24 million kWh

Acer Taiwan generated 3.24 million kWh of solar power in 2020

More than 8.8 million units

More than 8.8 million units use post-consumer recycled (PCR) plastics, accounting for 24% of hardware revenue and reinforcing the concept of circular economy

60% carbon reduction

Medium-term goal with baseline year of 2009 accomplished in 2020

Supply Chain Management

100%

of smelters complied with/participated in third-party mechanisms for OECD Due Diligence Guidance

Social

ranking 246th

US business magazine Forbes released its "World's Best Employers" report, listing the 750 best companies, with Acer ranking 246th

NT\$ 58.45 million

Total investment in global social philanthropy amounted to NT\$58.45 million, accounting for approximately 1% of the Company's earnings


601 stakeholders

The number of stakeholders in joint social projects reached 601



COVID-19 Response Actions

As COVID-19 spread in 2020, we took strategic actions to respond, relieve, recover, and build resilience, addressing the needs of all stakeholders as described below from the social, environmental, economic, and governance perspectives.

Social 	
<p>1 Response Confronting the Impact of the Pandemic</p>	<ul style="list-style-type: none"> • Pandemic Prevention Team Our global Pandemic Prevention Team is assembled from human resources, public relations, general affairs, information systems, and other relevant departments to ensure we can stay on top of the pandemic situation at all times and formulate/implement corresponding prevention measures • Health Education and Guidance Posters on bulletin boards, in bathrooms, in elevators, and in other common areas
<p>2 Relief Dealing with the outbreak and trying to mitigate its spread and effects</p>	<ul style="list-style-type: none"> • Health Management Taking temperatures, conducting immunization survey, tracking, contact history/travel history questionnaire • Caring for Staff Compilation of pandemic prevention information, setting up of Pandemic Prevention Team mailboxes, and distribution of pandemic prevention materials
<p>3 Recovery & Resilience Enhancing operational resilience in post-pandemic times</p>	<ul style="list-style-type: none"> • Established Pandemic Tracking System Internal: Establishing a Pandemic Prevention website section to provide relevant information in an open, transparent, and timely manner; Establishing a contact history/travel history questionnaire system for staff External: Planning and building the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS) in cooperation with the Centers for Disease Control (CDC), Ministry of Health and Welfare, to help hospital administrators understand the current status of infection and antibiotic resistance in their hospitals and to activate preventive mechanisms in advance of unknown outbreaks • Staff Care We continue to provide staff with pandemic protection materials such as masks and sanitizer; distribute “pandemic care packages” in Taiwan; provide staff with mask storage bags, mask pads, and alcohol-based hand sanitizer; and strengthen assistance programs to provide care and support to staff
	<ul style="list-style-type: none"> • Working with External Partners Corporations: Donating hypochlorous acid together with external companies. Providing salt disinfection water production equipment to nearly 200 schools in China to help alleviate disinfectant shortages Research Institutions: Collaborated with National Defense Medical Center Research Center for Epidemic Prevention Science on using AI to accelerate vaccine development • Caring for the Community 1. Acer Taiwan, EMEA, and Asia Pacific staff donated blood for front-line medical staff 2. Acer EMEA donated computers, masks, meals, and other supplies to medical institutions, research units, and schools
	<ul style="list-style-type: none"> • Building a safe stock of pandemic protective materials • Education and Training: Implementing of preventive measures and staff care training, such as Health and Safety Infection Control in office areas, COVID-19 Impact on Swiss Immigration and Social Security, and Working from Home Training
	<ul style="list-style-type: none"> • Opening Recruitment Channels Continuing to develop diverse recruitment channels and methods to confront the post-pandemic era • Maintaining Employee Health 1. Always have sanitizer and devices for taking temperatures to continuously protect the health of staff (Global) 2. Acer Europe annual flu vaccinations



1 Response
Confronting the Impact of the Pandemic

2 Relief
Dealing with the outbreak and trying to mitigate its spread and effects

3 Recovery & Resilience
Enhancing operational resilience in post-pandemic times

Environmental



Economic and Governance



• Environmental Disinfection

Reinforcing disinfection of elevators, escalators, common area facilities, meeting spaces, and transportation disinfection

• Set up sensor-activated hand sanitizer dispensers

Set up sensor-activated hand sanitizer dispensers at each floor entrance (Taiwan)

• Pedestrian Control

Restricted visitors and established elevator and stairway controls

• Optimized Videoconferencing System

Avoiding the risk of infection from face-to-face meetings

• Adding Partitions to Office Spaces

Reduce droplets transmission

• Close Cooperation with Local Public Health Units

During the pandemic, global business units have been working with local government authorities to ensure business continuity and employee safety

• Strict Control of Corporate Expenses

Negotiating lease payments, suspending travel, encouraging online meetings, and reducing physical marketing activities

• Legal Compliance

Confirming of contractual and regulatory compliance during the pandemic

• Launching Work from Home on a Foundation of Information Security

Acer has continued to evaluate how to maintain smooth operations through remote systems via “work from home” measures while ensuring data and system security, strengthening MVPN functionality, and conducting drills to confirm that prior planning and arrangements can be implemented in the event of unforeseen circumstances

• Shift System for Specific Units

Avoiding clustering while maintaining stable business operations

• Supply Chain Impact Assessment and Management

Acer is keeping a close eye on the potential impact of the pandemic on the supply chain management, monitoring the resumption of work and production along with contingency plans to ensure a suitable inventory of key components and finished products and minimize the negative impact of the pandemic

• Customer Service

We have set out a series of tiered responses for customer service, along with response plans for call centers and materials suppliers, to help protect our staff and maintain the operation of the service system

• Responsible Supply Chain Management

Tracing Supplier Pandemic-Related Labor Rights Issues

• Ongoing monitoring of resource usage and opportunities for reduction, such as significantly decreasing the number of miles flown for overseas travel and the amount of fuel used for business vehicles, along with monitoring trends in water and electricity usage in offices

• Assessing the potential environmental risks and impacts of response measures to the pandemic

• Focusing on information security risks and risk transfer measures due to the change to a remote model of work as a result of the pandemic

• Producing computer products for remote learning and home office needs arising from the pandemic, such as antibacterial and air cleaning products

• Acer China provides online support, offline repair, and other service measures, as well as keeping the public and Acer users specifically informed through online media, WeChat messages, and announcements of important information on the official website

• Identifying opportunities to reduce emissions by adjusting business trips and activating mechanisms such as working from home and setting up mobile offices

• Ensuring resource conservation (reduction of water and electricity usage) and response to climate change in the post-pandemic office model

• Evaluating office environmental measures such as reducing the use of paper cups and hand towels in the post-pandemic era

• Building Corporate Sustainability

Budgetary controls, strengthening online business, focusing on and reviewing market demand, and implementing supply chain structure changes

• Developing a Post-COVID Work Model

Our six-month work-from-home (WFH) trial is designed to ensure that employees can accomplish their tasks while working from home through appropriate rules while also serving as a reference for the future remote work efforts

• Conducting Education and Training to Boost Company and Staff Resilience

Equipping our employees with the ability to adapt to the pandemic and continue to explore opportunities in the post-pandemic era

01 CORPORATE GOVERNANCE



[About the Company](#)
[Brand Values](#)
[Status of Operations](#)



About the Company

Founded in 1976, Acer is now one of the world's top ICT companies and has a presence in over 160 countries. As Acer evolves with the industry and changing lifestyles, it is focused on enabling a world where hardware, software and services will fuse with one another, creating ecosystems and opening up new possibilities for consumers and businesses alike. Acer's 7,500 employees are dedicated to the research, design, marketing, sale, and support of products and solutions that break barriers between people and technology.

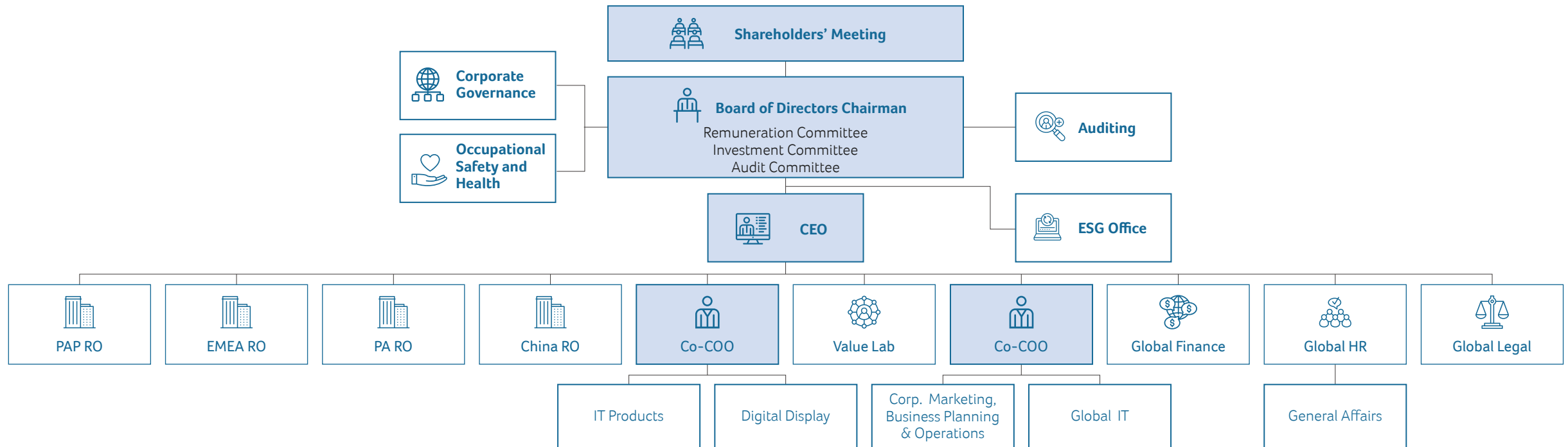
Acer's Main Business Focuses

Acer is constantly evolving with the industry and changing lifestyles by continuing to push for innovation in existing businesses, while expanding to new territories. Acer is encouraging employees to think outside the box by promoting intrapreneurship.

In the PC and displays business, Acer is committed to strengthening the foundations with technological innovations such as its state-of-the-art thermal cooling solutions, and designing unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more. For the gaming market, Acer has built a comprehensive ecosystem that includes PC hardware and accessories, regional-scale esports tournaments, social platform, and energy drinks. The latest addition to the ecosystem is the distribution of popular gaming consoles by Acer subsidiaries in Taiwan.

At the same time, Acer is exploring new opportunities, expanding to adjacent territories, and cultivating multiple business engines including smart gadgets, smart cities, air quality improvement solutions, AI medical, and other cloud applications solutions. Some of these services are provided through various subsidiaries.

Organization Chart



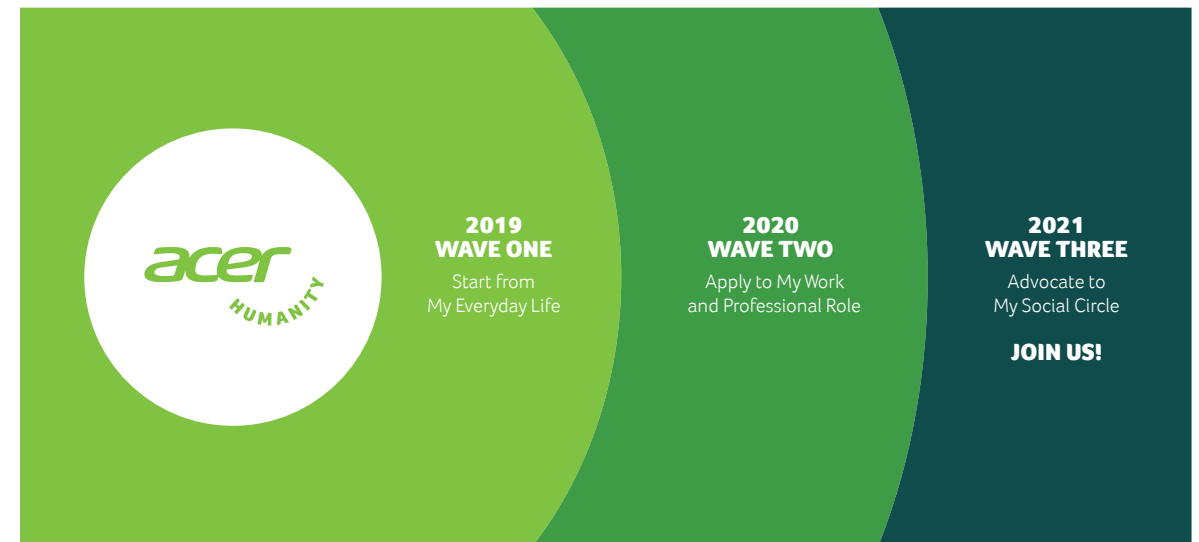
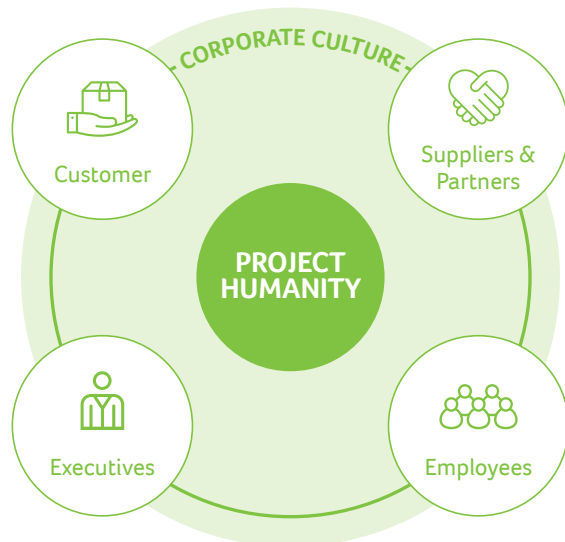
Note: In this Report, the meanings of the following abbreviations are: PAP= Pan Asia Pacific; EMEA= Europe, Middle East and Africa; Pan America; PA=Pan America; RO= Regional Operations.

Brand Values

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 make a positive impact to society and the environment. Humanity has always been a core value of Acer, who believes it is its responsibility to reciprocate to society. Through Project Humanity, Acer aims to lift the attention of its employees to the critical issues of environment and education and create solutions together for the next generation.

The first wave of Project Humanity kicked off in 2019 to engage employees to take action in their everyday lives, focusing on reducing single-use cups and bottles at work, collecting electronic products and batteries for closed-loop recycling, and providing educational tools for the underprivileged. Guided by the brand and corporate strategy, Project Humanity acts as a platform that fosters synergy between employees, partners, and stakeholders to drive change.



2020 Every Decision Counts

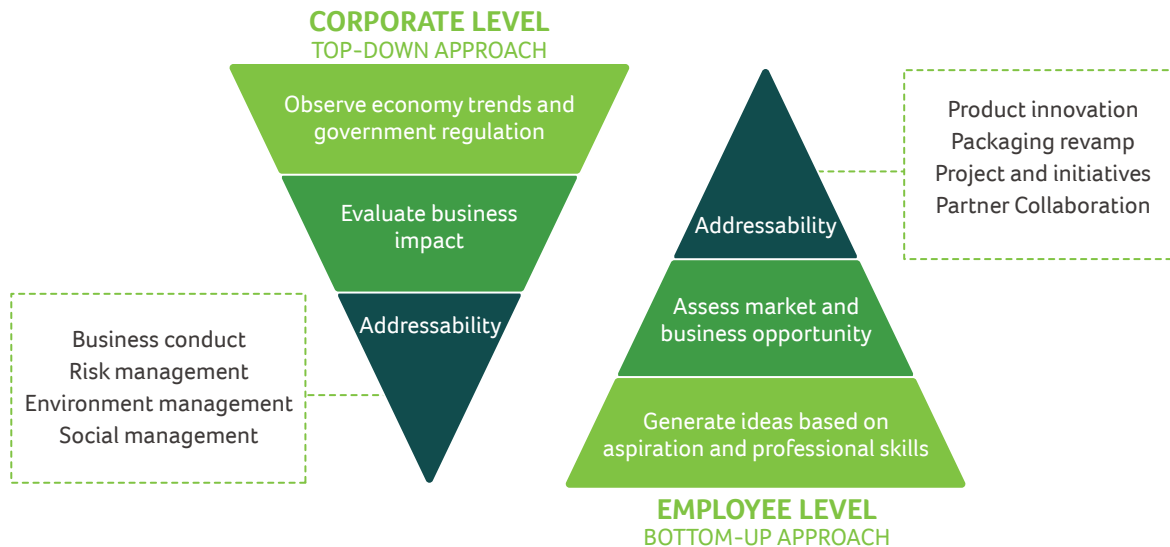
Taking Project Humanity's agenda to the second wave, Acer launched the "Every Decision Counts" campaign in 2020 to give employees the chance to share their voice and contribute to business decisions. Our world responds to the decisions we make, therefore, even a small decision can make a significant impact.

To boost creative ideas and sharing, Acer held workshops across numerous departments at its headquarters, and webinars with its regional operations. Through Project Humanity, the company strives to make a change to the world continuously and for every employee to feel proud to be a part of Acer. Supply chain partners were also invited to join Project Humanity to make a difference together, and the results are eagerly anticipated.

Reducing plastics in our product packaging material

"We evaluated paper mold packaging back in 2016 and now 89% of all Acer laptops shipped are packed with recycled paper molds. We want to take it a step further to remove all plastics in our packaging, so we are working with suppliers to remove plastic wrapping from adaptors and power cords." ~ Project & Packaging and Industrial Design Teams, Acer Headquarters

Leverage bottom-up approach to drive employee motivation and innovation





Marketing Communications

Acer adheres to the pertinent legal frameworks of each region it operates in to communicate with stakeholders. The Acer group brands and subsidiaries communicate their product and service value propositions, beliefs and other messages through social media, websites, campaigns, and events. Acer uses these mediums to announce, livestream or host online events. Events include virtual or physical participation at global industry tradeshows and esports tournaments, as well as Acer’s bi-annual global press conferences. In addition, through social media and collaboration with social influencers, Acer engages with existing and new target audiences. All of Acer’s global events in 2020 were held online due to the COVID-19 pandemic restrictions and in consideration of the safety of all stakeholders.

Major Events Acer Held or Participated in 2020

All around the world, most events from the end of the first quarter were impacted by the COVID-19 coronavirus, which became a pandemic. For Acer, the safety of its employees and stakeholders were its primary concerns, and the company adhered to the local agencies guidelines. However, Acer found new and alternative ways to continue with its marketing communications.



Making the World Greener

Project Humanity, Acer’s initiative for employees worldwide to make the world a better place, kicked-off its second wave in 2020. The scope of the initiative expanded to empower employees to make positive differences that apply to business operations, such as designs that use less plastic in product packaging; and Acer has even invited supply chain partners to join Project Humanity to make a difference together. Meanwhile, initiatives for the first wave that focused on cutting down single-use disposable containers, providing education tools for the underprivileged, and educating employees about environmental protection continued to take place. A handy mobile app was designed so employees could continue with and log their green activities from home, while offices were closed due to the pandemic.



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); both events took place physically just before the pandemic struck. Acer engaged with PC gamers through world class partnerships, esports events, and KOLs. These engagements were amplified via social media to maximize their impacts. It also introduced an AI language translator service to its PLANET9 social platform. Targeting the creators, Acer became the official IT hardware partner of Alfa Romeo Racing ORLEN team in the Formula One championship, for which the ConceptD line of devices provided the performance and reliability needed throughout the race car development phases.



Announcements via Global Press Conferences

Acer held its biannual global press conferences online for the first time due to the global Covid-19 pandemic. The two online events were broadcasted around the world in June and October announcing a plethora of new products for changing lifestyles. They include the Acer Enduro line of rugged PCs developed for first responders, field and manufacturing use; notebooks with antimicrobial solution; the “acerpure cool” 2-in-1 air circulator and purifier, energy drink for gamers, and much more. In addition to the product experts, key opinion leaders (KOL) and influencers demonstrated via video how the products could help with various lifestyles and situations, leading to more compelling storytelling and increased views from livestream and video. The global press conference activities ultimately resulted in Acer gaining a significant growth in followers across its social media channels.



Engaging in Esports Events

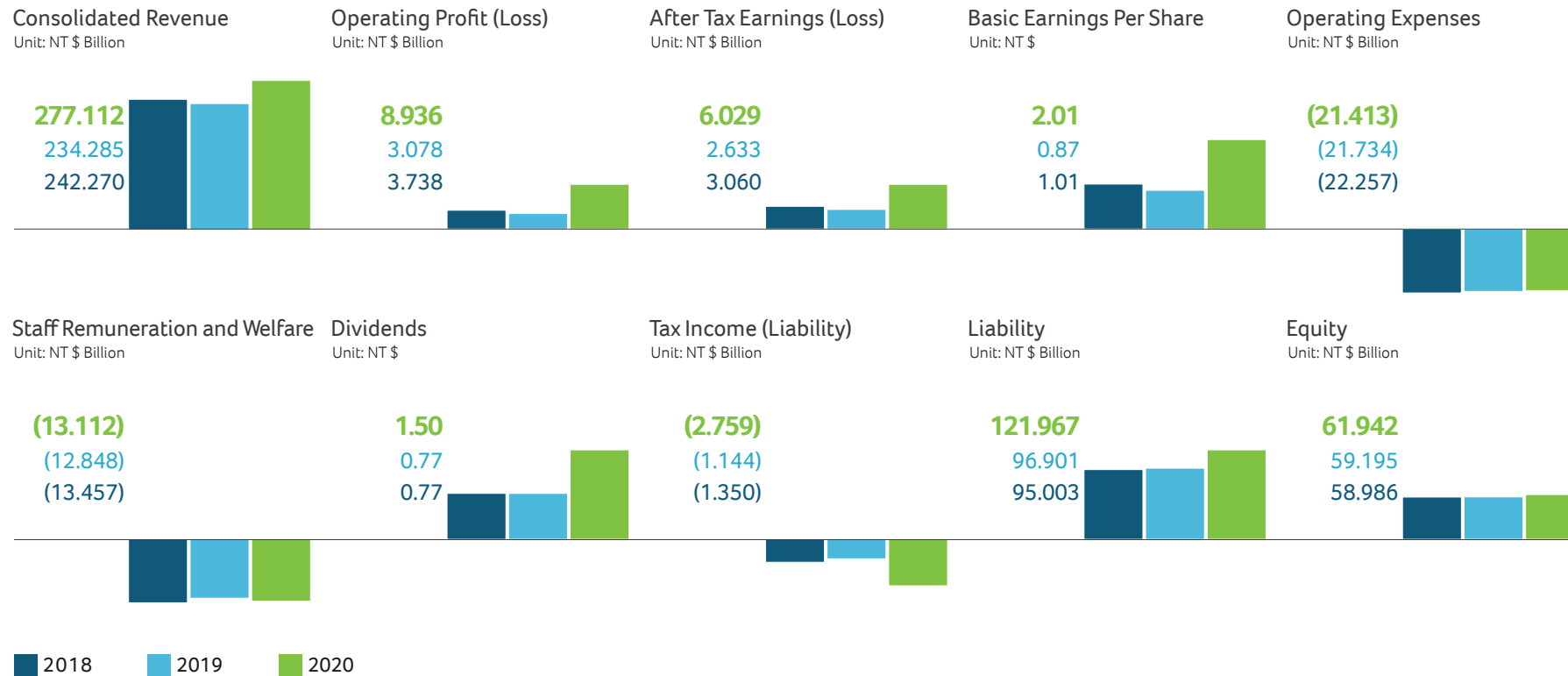
Most esports events were postponed or held virtually in 2020. Through its Predator brand, Acer teamed up with Ubisoft as official PC and monitor sponsor for the Rainbow Six Pro League and Majors esports events, which were all held online. With the health of the gaming community at the top of Acer’s concerns, the Asia Pacific Predator League 2020 was postponed to 2021. However, the engagement with gamers via Acer’s social community platform, PLANET9, was unaffected. The platform helps both casual and amateur players connect, improve their skills, and even host virtual tournaments. By actively engaging with gamers, Acer is providing a stage and hardware for both rising talents and professional gamers, and building a comprehensive esports ecosystem.



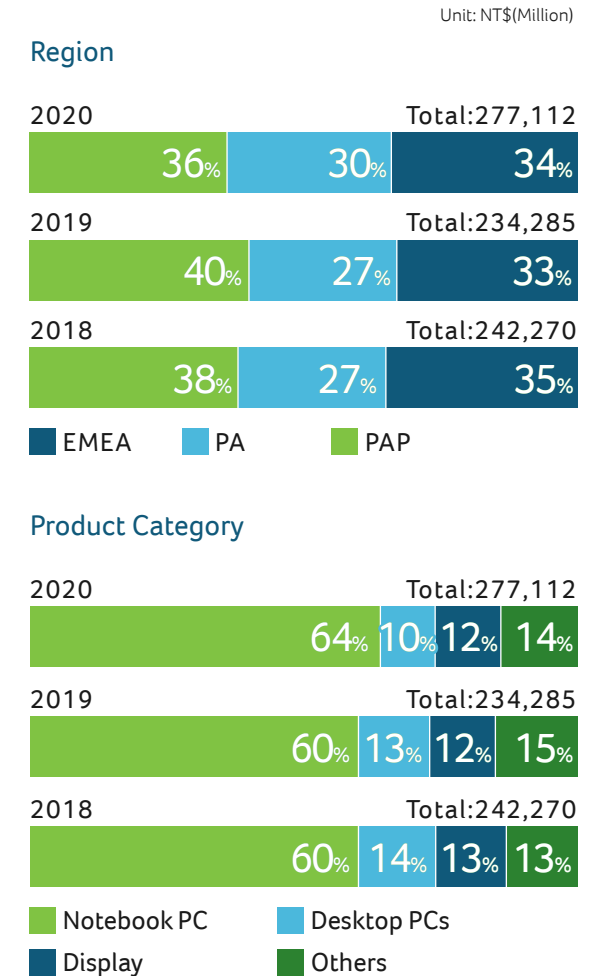
Status of Operations

Acer's strategy to maintain momentum and secure long-term sustainability is to evolve continuously with the industry and changing lifestyles by pushing for innovation in existing businesses, while expanding to new territories. Its vigilance of the market dynamics and the macro economy, and the velocity of critical actions have enabled Acer to sustain during times of uncertainty and demonstrate the resilience of the organization. Acer's focus on securing materials to fulfil the urgent demand for its products, so that people could stay connected during the pandemic, helped the company to achieve some success and resulted in FY2020 consolidated revenues of NT\$277.11 billion, operating income of NT\$8.94 billion with 190.3% in YoY growth, net income of NT\$6.03 billion with 3.2% margin, and EPS of NT\$2.01.

Operational Overview for Acer for the Past Three Years



IT Products 2020



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



02 SUSTAINABLE GOVERNANCE



MATERIAL TOPICS



Transparency and Disclosure




Corporate Social Responsibility Policy, Strategy, and Governance

United Nations Sustainable Development Goals

Materiality Analysis and Stakeholder Engagement



Material Topics and Management Approaches

Transparency and Disclosure 	
<p>Implications for Management</p> <p>Transparent disclosure of information on Acer's performance and future goals regarding all aspects of sustainable development ensures that all stakeholders can have a better understanding of our efforts and achievements in this direction.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> Strengthening disclosure of non-financial performance. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Sustainability performance undergoes independent assurance by external third parties per the ISAE3000 standard. <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> Integrated Reporting 	<p>2020 Accomplishment Status and Highlights & Results</p> <ul style="list-style-type: none">  Goal: Through, for example, circular economies, we can estimate True Value and determine the directions in which the circular economy model can be refined. Status: In Progress. We expect to explore further opportunities for cooperation with supply partners and to set global targets for the Company's circular economy, such as boosting the use of post-consumer recycled plastics in products.  Goal: Conducting Task Force on Climate-related Financial Disclosures (TCFD) status gap analysis and climate risk identification in preparation for integrated reporting. Status: Accomplished. For a detailed explanation, please see the Risk Management section of this report. <p>2021 Goals</p> <ul style="list-style-type: none"> Continue to refer to SASB standards and TCFD disclosure of key ESG information



Corporate Social Responsibility Policy, Strategy, and Governance

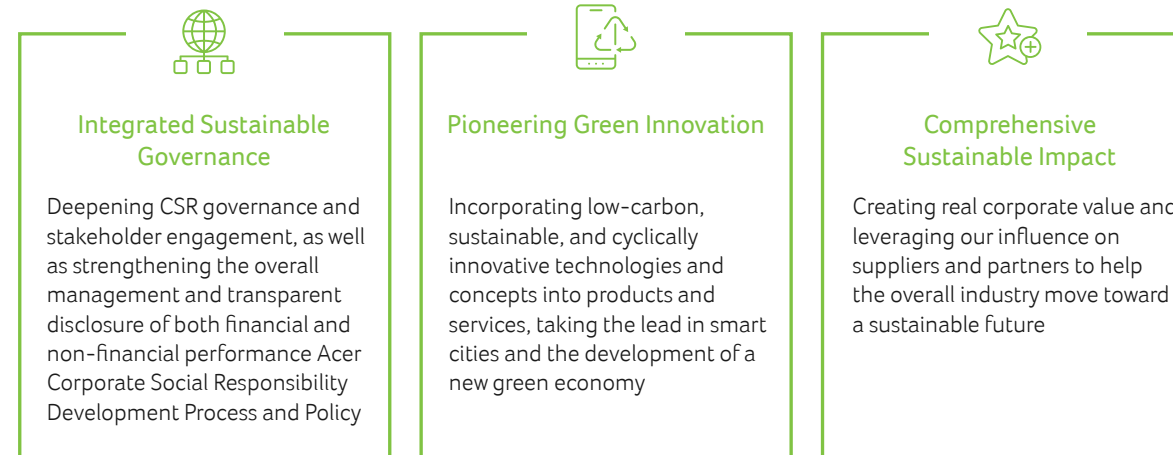
Sustainable Acer

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 Development Process and Policy



Timeline of Acer's Corporate Social Responsibility Efforts



Acer Corporate Social Responsibility Development Process and Policy

The foundations of Acer's CSR were laid 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's CSR policy. We hope this will further reinforce its integration into the organization and value chain, improving ESG performance and gradually building toward strong governance and innovation development goals that serve as a model for the industry.

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

- Deepening responsible corporate governance and strengthening management of non-financial performance and sustainability risks & opportunities
- Leading innovation in products and services by combining low-carbon and sustainable technologies to develop a new green economy
- Establish a model of sustainable development and harness our influence to help the overall industry progress toward greater environmental, social, and economic benefits



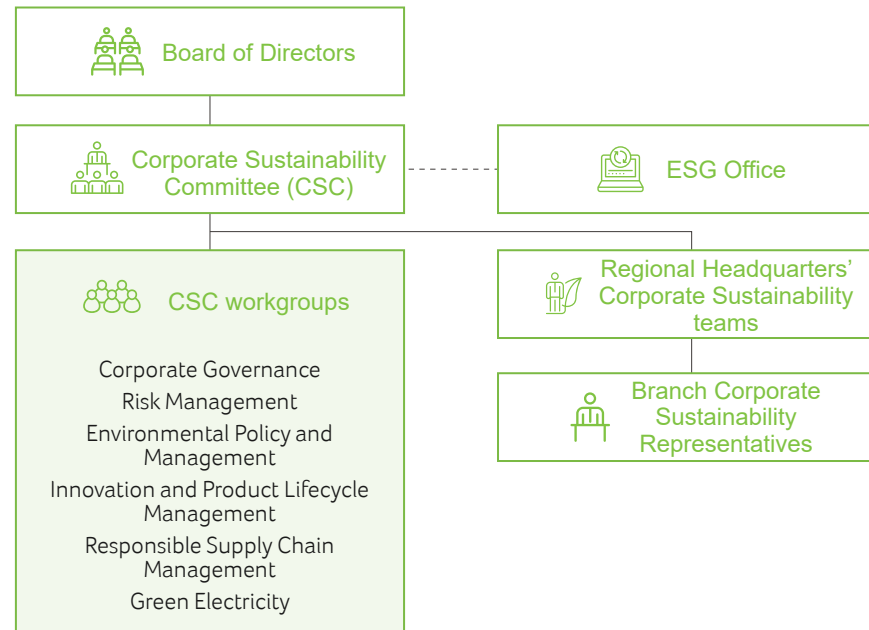
Corporate Social Responsibility Governance

Acer takes a proactive attitude to reviewing and promoting important sustainability issues and strives to incorporate sustainable development policies into daily operations. We have established a CSR governance pipeline for the communication of relevant issues, fully implementing a variety of resolutions and 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 taskforces on Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Policy and Management, Supply Chain Management, and Green Electricity 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.

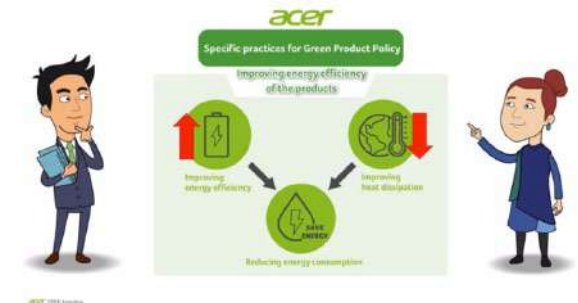
The main purpose of the CSC is reviewing the status of operations with regard to sustainability, determining material issues, setting the direction, goals, and action plans for CSR. The committee convenes two meetings each year, reviewing the actions and implementation status of each taskforce and workgroup, responding to stakeholders' expectations and demands, setting sustainability goals for 2021, and reviewing medium- and long-term goals. At the Q4 2020 meeting, the chairman acknowledged the Company's excellent progress in CSR and ESG performance, further stating that The Corporate Sustainability Office needs to support the Company's subsidiaries in establishing a structure for strategic CSR management.

Acer Sustainability Governance Organization



———— Supervision and Execution - - - - - Support and Assistance

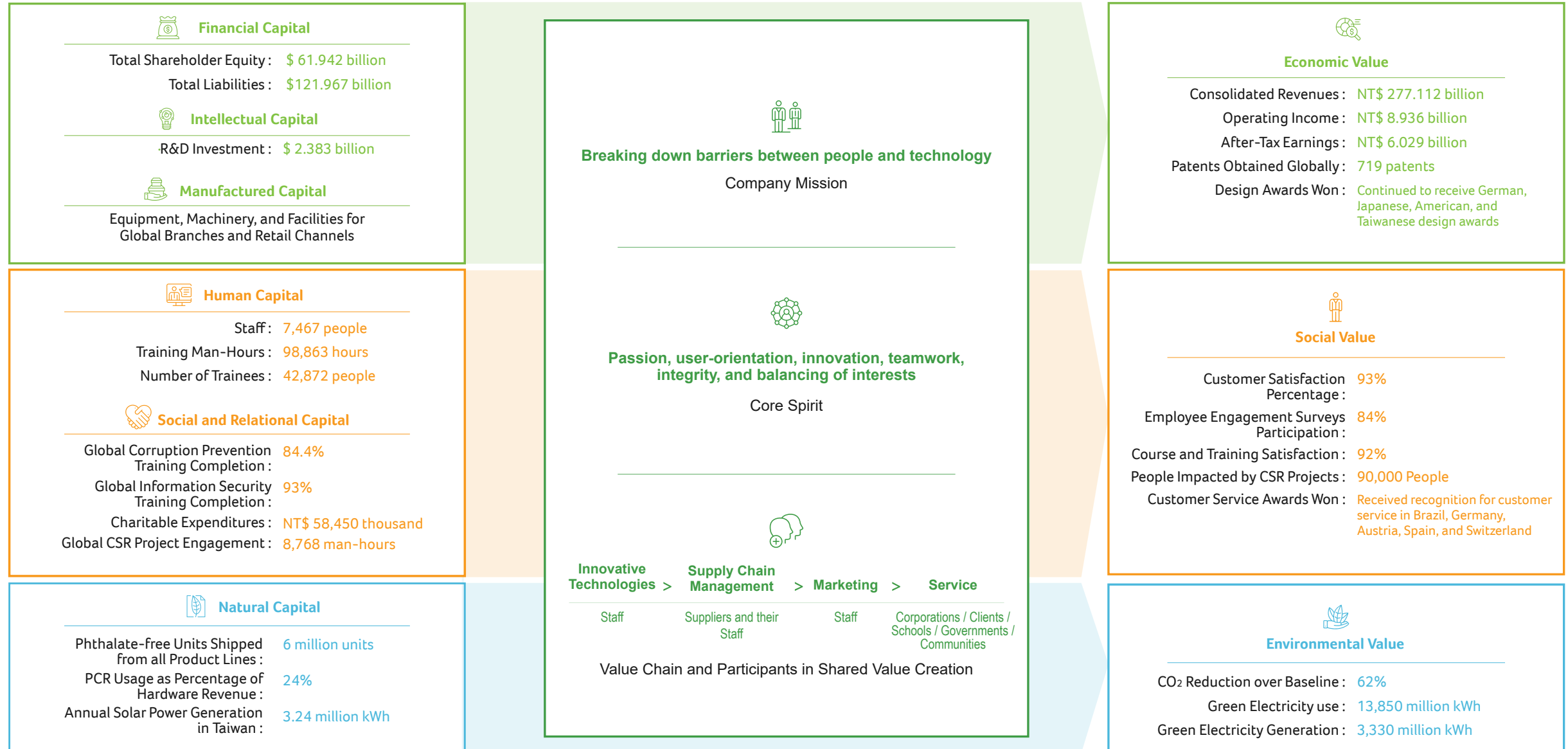
The Corporate Sustainability Office (CSO) is Acer's specialist unit dedicated to corporate social responsibility. Led by the corporate sustainability officer, its primary responsibility is managing ESG issues. Reporting directly to the chairman of the board, the CSO also regularly provides reports to the Corporate Sustainability Committee on trends, impact, and performance with regard to these issues. The Corporate Sustainability Office plays an important role in bridging the various working groups with the CSC. To facilitate effective communication across locations around the globe, we have put in place executive secretaries for corporate social responsibility in each regional headquarters tasked with implementing our CSR agenda. In addition, in 2020, we launched CSR e-learning courses for staff to help them better understand CSR concepts and how Acer puts them into action.



As of March 2021, the Corporate Sustainability Office has been renamed the ESG Office. Its mission is to embed ESG considerations into company policy, strategy, planning, and action to boost Acer's value. It is to serve as a platform for communication and cooperation between the Company and our stakeholders, providing a catalyst for innovation toward realizing a sustainable Acer.

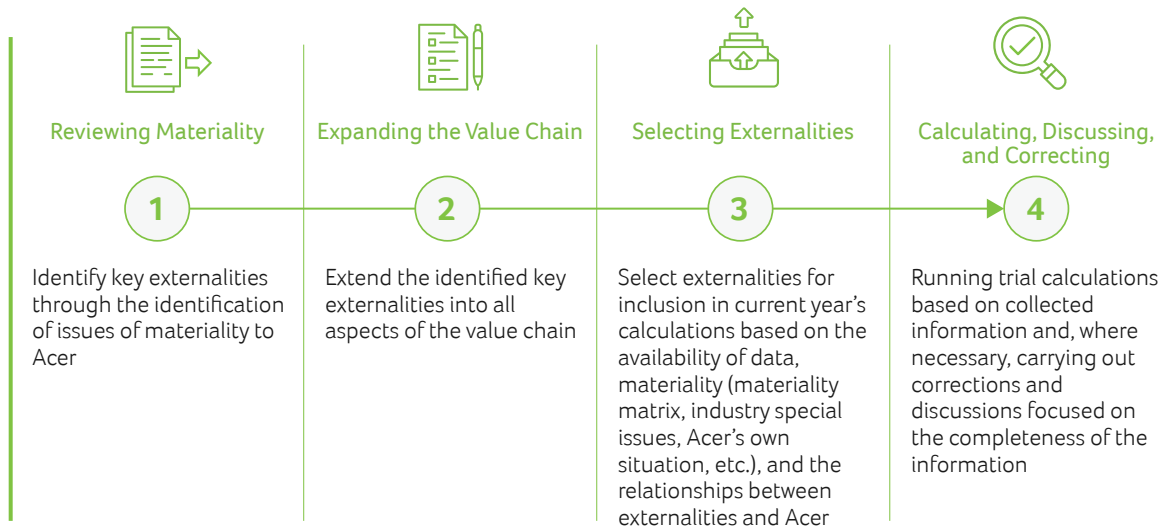


Sustainability Value Creation

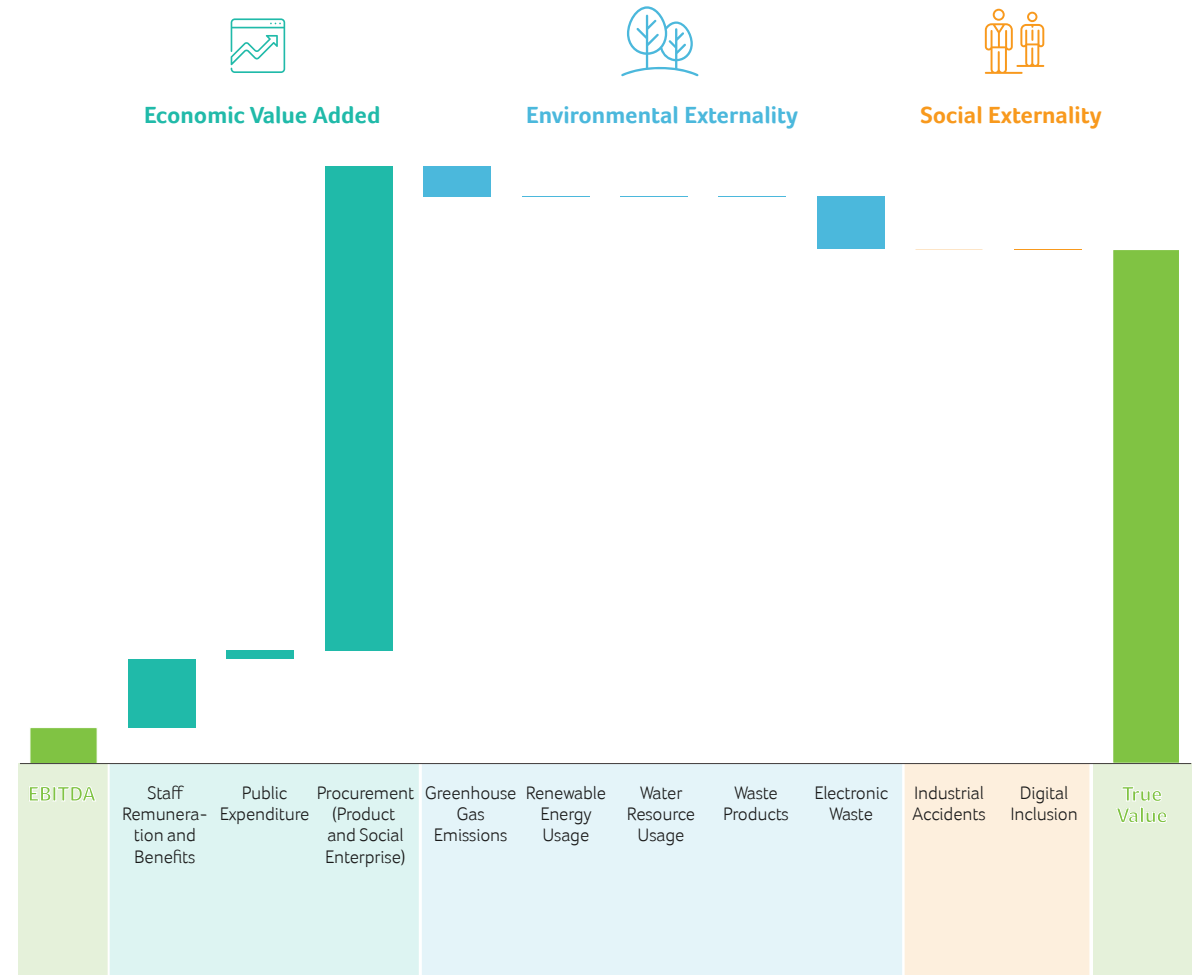


Sustainability Value Measurement

To measure Acer’s economic, environmental and social impact, we have introduced the True Value assessment tool to put a monetary value on external costs and benefits, stay on top of the full range of investment benefits and risks, and improve our ability to respond to risks and take advantage of business opportunities. Our True Value process is outlined below.



In 2020, based on the materiality analysis of our 2019 Corporate Responsibility Report and the material sustainability issues that should be addressed in the industry value chain proposed the following externalities that should be included in assessment: staff remuneration and benefits, public expenditure, procurements value, greenhouse gas emissions, renewable energy use, water resource use, waste, electronic waste, industrial accidents, and digital inclusion. The final calculation of the organizational True Value produced in 2019 is approximately NT\$68 billion. The understanding of material ESG externalities gained through this research, through attaching a quantitative monetary value to results and the scale of their impact, aids the Company by providing a useful reference for future internal sustainability management systems and corporate strategy.



NT\$ 68 billion

The final calculation of the organizational True Value produced in 2019



United Nations Sustainable Development Goals



2025 Sustainability 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 on 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 program has run for one year and produced the strategic thrust of Acer's SDG efforts in 2020, which includes "smart experiences," "smart health," and "smart education," along with the Company's developmental direction and possibly environmental and social benefits. All of these will serve as the basis for future action goals.

In 2020, COVID-19 impacted human health around the globe and had a severe impact on the global economy. Nevertheless, we must remain focused on responding to the UN SDGs, and through the widespread application of technology, we hope to help humanity find innovative solutions to the environmental and social problems we face and improve people's quality of life.

Aspects	Strategic Direction	2025 Goals	SDGs
 Circular Economy	Sustainable Design	20-30%	20-30% PCR plastic content in core products (notebooks/desktops/monitors)
	Recycle Materials		
	Reduce Plastic Packaging		
 Climate Change	Renewable Energy	60%	Acer Group to reach 60% renewable energy * RE100 by 2035
	Energy Efficiency	45%	45% reduction in average personal computer energy consumption (2016-2025)
	Carbon Reduction	80%	80% of critical suppliers committed to RE100 or set carbon reduction SBTs
 Social Impact	Environmental Friendliness	Over 90%	Over 90% of our employees will participate in Project Humanity to drive social impact
	IT Education		
	Employee Engagement		



Acer Value Chain and SDGs practical Direction

Value Chain and SDGs	Acer's Practical Direction	Related Products/Services or Practical Measures, 2020
Innovative Design		
	Ensure people's health and promote well-being through our products	<ul style="list-style-type: none"> Construction of the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS) to help pandemic response Using AI to accelerate vaccine development
	Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning	<ul style="list-style-type: none"> Supporting Development of Immersive College Lesson Plans
	Provide more efficient, more sustainable, safe energy	<ul style="list-style-type: none"> Power modules for electric vehicles
	By expanding the scope of our cloud-based ticketing platform services, the general public can enjoy secure and environmentally friendly recreation	<ul style="list-style-type: none"> Cloud-based Smart Ticketing Platform
	Increasing energy efficiency of products while decreasing carbon emissions	<ul style="list-style-type: none"> Predator PowerGem Thermal Solutions
Supply Chain Management		
	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
	Actively implementing climate change response strategies, including drafting low-carbon, sustainable strategies	<ul style="list-style-type: none"> 45% of critical suppliers have completed setting of carbon reduction targets in accordance with SBT methodology
	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"> Continued publication of Responsible Minerals Reports

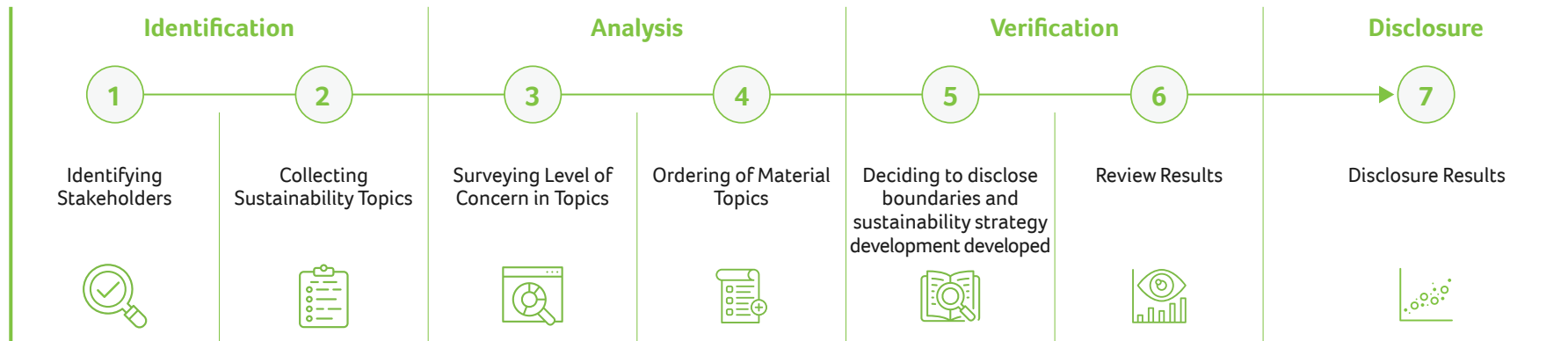
Value Chain and SDGs	Acer's Practical Direction	Related Products/Services or Practical Measures, 2020
Marketing		
	Provide affordable, high-quality, and effective learning environments and opportunities, and promote lifelong learning	<ul style="list-style-type: none"> Acer Foundation's Digital and Creative Talent Cultivation 2020 Global CSR Project donated Company's computers to disadvantaged students and SMEs to reduce the digital divide exacerbated by the pandemic Participate in Chromebook industry chain and launch "Taiwan Education Digital Transformation" project Project Humanity
	Ensure equality of opportunity and reduce inequalities due to gender, physical/mental disabilities, or socioeconomic status	<ul style="list-style-type: none"> Branches including Acer US and Acer France donated products, materials, or cash to disadvantaged groups Promote "Project Humanity" plan
	Coordinate implementation of responsible consumption/production and recycling/reuse	<ul style="list-style-type: none"> Computers and screens all comply with Acer's Banned or Restricted Substances Controls Specification Continued to use post-consumer recycled plastics Used recycled materials for packaging
	Create sustainable value with all stakeholders	<ul style="list-style-type: none"> More than 601 CSR projects between stakeholders and offices around the world
Service		
	Coordinate implementation of responsible consumption/production and recycling/reuse	<ul style="list-style-type: none"> Continue to promote global reuse and recycling



Materiality Analysis and Stakeholder Engagement

Identification of Important Issues and Boundaries

Acer uses the Global Reporting Initiative (GRI) Standards as the framework for establishing a process to identify material sustainable development issues and provide 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 18 topics. With the tremendous impact that the COVID-19 pandemic has wrought on the world, the issue of large-scale infectious disease outbreaks has become a topic of concern to many stakeholders and thus has been added to the list. In addition, the environmental and social performance of suppliers have been combined into a single joint topic.

Material Topics Investigation

In 2020, we collected the opinions of 903 stakeholders, and this year, we added the opinions of nine product managers in addition to those of six senior management figures (from human resources, legal, finance, marketing, digital displays, and e-business). We conducted surveys through our online system to collect the latter opinions, while also asking senior management to give different weightings to the opinions of each type of stakeholder. In addition, open-ended questions were included in the surveys, allowing respondents to freely raise important issues, including those around work from home (WFH) policy and important regional issues.

10

major categories of stakeholders

903 Valid Feedback

from internal and external stakeholders

15 company managers

Participate in the process of measuring the impact of the sustainability topics

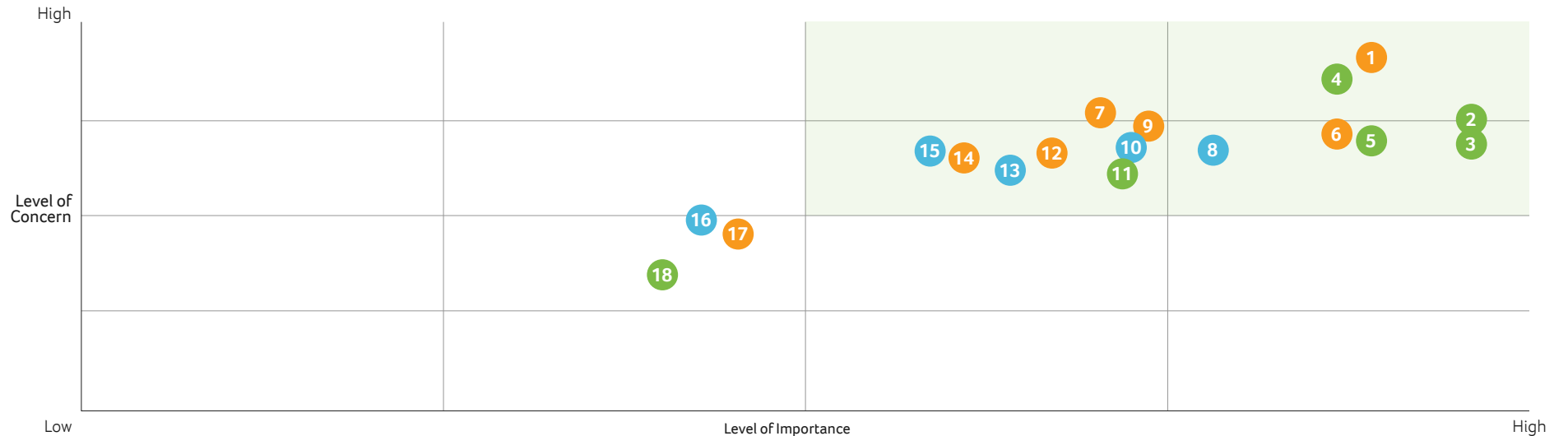
15 material topics

selected and subject to medium to high levels of concern and importance

Results of Analysis of Material Topics ^{NOTE1}

Ordering of Material Topics

Based on the analysis of the survey results, a matrix of material topics was compiled, with the topics verified through a two-stage process. First, the results of the ranking were reviewed by the CSO based on sustainability context, industry environment, and the current situation of the Company; then, in Q4 2020, they were verified by the members of the Sustainability Committee. The Company's top three key topics remain corporate governance, innovation and research, and information security. Of note is that conflict minerals and water resource management were found to be low-interest, non-material topics among stakeholders. However, in the opinion of the Sustainability Office, they remain issues of potential concern, and as such, they will still be disclosed.



Identification of Material Topics and Boundaries & Review

Confirmed the 15 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.

Ordering of Material Topics

- | | | |
|--|--|--|
| 1 Information Security and Privacy Protection | 7 Occupational Health and Safety | 13 Environmental Policy and Management |
| 2 Corporate Governance and Ethics / Code of Conduct | 8 Supplier Environmental and Social Management & Performance | 14 Community Philanthropy and Digital Inclusion |
| 3 Innovative Research and Development and Product Responsibility | 9 Pandemic Epidemic | 15 Energy & Climate Change |
| 4 Transparency Disclosure | 10 Circular Economy and Product Stewardship | 16 Water Resource management ^{NOTE2} |
| 5 Risk and Crisis Management | 11 Customer Management | 17 Conflict Mineral ^{NOTE2} |
| 6 Talent Attraction, Retention and Development | 12 Human Right, Diversity and Equal Opportunity | 18 Public policy and Initiative ^{NOTE2} |

■ Governance / Economic ■ Environmental ■ Social

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.

Note2: Material Topics 16-18 are not middle or high Level ones.



Material Topics and Boundary Setting

★ Directly Created ☆ Through business practices ● Indirectly contributes to

Topic	Page No.	SDGs	GRI Standards/Acer Issue	GRI Standards/Acer Indicator	Level of Organizational Involvement with Impact	Company-Internal Boundary		Company-External Boundary		
						Headquarters	Regional Headquarters/Subsidiary	Clients	Suppliers	Community
Governance/Economic										
Innovative R&D and Product Responsibility	68-75		Innovative Technology and Applications, Innovative Platforms and Cooperation, Acquisition and Maintenance of IP Rights and Patents	Acer EC4 ~ 6	★	●	●			
Risk and Crisis Management	45-49	 	Strategy and Analysis	102-14 ~ 102-15	★	●	●			
Customer Management	76-80		Customer Service	Acer EC2 ~ 3	★	●	●	●		
Corporate Governance/Behavior Standards	37-44		Governance	102-18 ~ 108-26	★	●	●			
			Corruption Prevention	205-2 ~ 205-3	★	●	●	●	●	
			Anti-Competitive Behavior	206-1	☆	●	●		●	
			Management Approach (Complaints Mechanism)	103-2	★	●	●	●	●	●
Transparency and Disclosure	17		Information transparency across all aspects	Covers all indicators	★	●	●	●	●	●



★ Directly Created ☆ Through business practices ● Indirectly contributes to



Environmental

Topic	Page No.	SDGs	GRI Standards/Acer Issue	GRI Standards/ Acer Indicator	Level of Organizational Involvement with Impact	Company-Internal Boundary		Company-External Boundary		
						Headquarters	Regional Headquarters/ Subsidiary	Clients	Suppliers	Community
Supplier Environmental and Social Management & Performance	54-67		Supplier Environmental Assessment Supplier Social Assessment	308-1~2 414-1~2	☆	●			●	
Energy and Climate Change	97-99		Energy	302-1~302-5	☆	●	●		●	
	98-99		Emissions (GHG)	305-1~305-5	☆	●	●	●	●	
Environmental Policy and Management	98-99		Emissions (Air Pollutants)	305-1~3	★	●	●		●	
	102-103		Sewage and Waste Products	306-1~5	★	●	●		●	
Circular Economy and Product Stewardship	84-96		Raw Materials	301-3	★	●	●	●	●	



★ Directly Created ☆ Through business practices ● Indirectly contributes to




Topic	Page No.	SDGs	GRI Standards/Acer Issue	GRI Standards/Acer Indicator	Level of Organizational Involvement with Impact	Company-Internal Boundary		Company-External Boundary		
						Headquarters	Regional Headquarters / Subsidiary	Clients	Suppliers	Community
Social										
Information Security and Privacy Protection	81-83		Customer Privacy	Acer EC1 418-1	★	●	●	●	●	●
Product Responsibility and Customer Safety	90-91		Customer Health and Safety	416-1 Acer EN1	★	●	●	●	●	●
Social Philanthropy and Digital Inclusion	125-132		Social Philanthropy and Digital Inclusion	Acer-SO1 Acer-SO2	★	●	●			●
Large-scale infectious disease outbreaks	8-9		COVID-19 Response Actions	Acer-SO4	★	●	●	●	●	●
Talent Attraction, Retention, and Development	113-114		Overall Compensation and Incentives System Establishment of and Investment into Talent Pool	Acer SO4 405-2	★	●	●			●
	115-120		Training and Education	404-1 ~ 404-3	★	●	●		●	
Human Rights, Diversity, and Inclusiveness	107-108		Minimum Notice Period for Operational Changes	402-1	★	●	●			
			Diversity and Equal Opportunity	405-1 405-2	★	●	●			
			Non-discrimination	406-1	★	●	●		●	
			Freedom of Association and Collective Bargaining	407-1	★	●	●		●	
			Training and Education	404-1 ~ 404-3	★	●	●		●	
Occupational Health and Safety	121-124		Occupational Health and Safety	403-1 ~ 2	★	●	●		●	






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	2020 Communication Results	Report Section
<p> Employees</p> <p>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.</p> <hr/> <ul style="list-style-type: none"> Information Security and Customer Privacy Pandemic/Epidemic Occupational Health and Safety 	<ul style="list-style-type: none"> Acer Good News (occasional) Acer Daily News (daily) External Website (Acer Group) (as needed) Labor-Management Meetings/Employee Representative Meetings (quarterly) Chairman & CEO’s message (quarterly) Internal Website (My Acer/company intranet) (occasional) Employee Benefits Committee (as needed) Email Bulletins (as needed) Internal Investigations (as needed) Education and Training (annual) 	<ul style="list-style-type: none"> Implemented global information security education training, with 5,850 participants and 92.7% of personnel completing the training, and completed a global phishing mail test in Q4 In response to the impact of the COVID-19 pandemic, we conducted two full employee remote working drills to review the security and capacity of the Company’s VPN and ensure that employees could work from home without affecting our operations Explained the Company’s response to the pandemic, including the criteria for and implementation of work from home (WFH) measures, through an Employee Representative Meeting Set up a section of the internal website dedicated to pandemic prevention measures where staff can check the direction of our policies and actions at any time, providing real-time, open, and transparent information Acer offices in various locations held training sessions related to pandemic prevention measures and staff care 	<ul style="list-style-type: none"> Health and Safety in the Workplace Information Security and Privacy Protection Attracting and Developing Talent COVID-19 Response Actions
<p> Clients</p> <p>Creating value for customers is one of Acer’s core values. We start from a user-centric perspective and work to provide solutions and services that meet their needs perfectly.</p> <hr/> <ul style="list-style-type: none"> Information Security and Customer Privacy Pandemic/Epidemic Social Philanthropy and Digital Inclusion 	<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) Social Networking Software (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. In response to the pandemic, set out a classification of various strategies to help protect our staff and maintain the operation of the service system Received no complaints regarding infringement of customer privacy or of loss of customer information. Released special instructions for product cleaning to address customers’ concerns 	<ul style="list-style-type: none"> Information Security and Privacy Protection Customer Service Social Philanthropy and Digital Inclusion COVID-19 Response Actions





Importance to Acer / Issues of Concern	Main Communication Channels and Frequency	2020 Communication Results	Report Section
<p> Suppliers</p> <p>Acer considers our relationship with our suppliers as a symbiotic one, and as such, we will continue to work closely with them to establish a responsible supply chain.</p> <hr/> <ul style="list-style-type: none"> • Innovative Products and Services • Occupational Health and Safety • Customer Management 	<ul style="list-style-type: none"> • Annual Supplier CSR Communication Meetings (annual) • CSR Scorecard (annual) • RBA On-site Examination (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 2020 Supplier CSR Communication Meetings online due to pandemic situation. • Continued to carry out vendor 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. • Conducted on-site audits of 88 supplier manufacturing plants in 2020. 	<ul style="list-style-type: none"> • Innovative Products and Services • Responsible Supply Chain • Health and Safety in the Workplace • Customer Service
<p> Investors</p> <p>Investors are among Acer's most important stakeholders, and as such, we should be responsible to our shareholders and work to protect their rights and interests.</p> <hr/> <ul style="list-style-type: none"> • Information Security and Customer Privacy • Innovative Products and Services • Risk and Crisis Management • Corporate Governance and Code of Ethical Conduct • Occupational Health and Safety • Transparency and Disclosure 	<ul style="list-style-type: none"> • Regular Shareholders' Meeting/Institutional Investors' Conference Call (annual) • Issue Regular Annual and Quarterly Corporate Reports, along with CSR Report • Investor Mailbox (occasional) • Investor Relations Webpage (monthly) • Analyst Report (YouTube/video link) • Investors Summits 	<ul style="list-style-type: none"> • Hold annual shareholders meetings to explain Company's operating status and developmental trends • Issue annual and quarterly reports, and promptly upload to investor relations page • Complete Corporate Governance Evaluations with Financial Supervisory Commission • Collect investment advice and report to Board of Directors and senior team each month 	<ul style="list-style-type: none"> • Corporate Governance • Legal Compliance and Codes of Conduct/Ethics • Operational Overview • Innovative Products and Services • Information Security and Privacy Protection • Risk Management • Health and Safety in the Workplace
<p> Community</p> <p>The true value of business lies in how it can create value for society. As such, we apply our core competencies to social participation, working together to create more opportunities.</p> <hr/> <ul style="list-style-type: none"> • Pandemic/Epidemic • Social Philanthropy and Digital Inclusion 	<ul style="list-style-type: none"> • Acer Sustainability Website (as needed) • Corporate Social Responsibility Report (annual) • Acer Official Website (as needed) • Acer Foundation Website (as needed) • Volunteer Activities (regular times each year) • Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> • Continued to hold the Global Corporate Social Responsibility Project Awards; in addition to educational and environmental themes, the 2020 awards also included COVID-19, encouraging Acer employees to make an impact on society through responding to and assisting with the needs of local communities and stakeholders. • Acer continued 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. 	<ul style="list-style-type: none"> • Health and Safety in the Workplace • Social Philanthropy and Digital Inclusion • COVID-19 Response Actions



Importance to Acer / Issues of Concern	Main Communication Channels and Frequency	2020 Communication Results	Report Section
<p> Government Agencies</p> <p>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.</p> <ul style="list-style-type: none"> • Risk and Crisis Management • Corporate Governance and Code of Ethical Conduct • Transparency and Disclosure • Pandemic/Epidemic • Human Rights, Diversity, and Equal Opportunity • Talent Attraction, Retention, and Development • Occupational Health and Safety 	<ul style="list-style-type: none"> • Responding to Legal Advice (occasional) • Policy Advice Meetings (occasional) • Topic Meetings (occasional) 	<ul style="list-style-type: none"> • Collaborated with Taiwan's CDC to establish a real-time notification system for hospital infection control • Participated in a Ministry of Science and Technology (MOST) research project conducted by the Research Center for Epidemic Prevention Science, promoting interdisciplinary research and international cooperation in pandemic control, establishing an advanced platform for vaccine development, and boosting Taiwan's own pandemic control practices. • Acer Chairman Jason Chen was invited by APEC Business Advisory Council (ABAC) chair Dato Rohana Mahmood to represent the council at the 16th APEC Policy Partnership on Science, Technology, and Innovation Meeting in August 2020, where he addressed over 100 government representatives from 21 member countries 	<ul style="list-style-type: none"> • Risk Management • Corporate Governance • Legal Compliance and Codes of Conduct/Ethics • Innovative Products and Services • Attracting and Developing Talent • Social Philanthropy and Digital Inclusion • Health and Safety in the Workplace
<p> Advocacy Organizations</p> <p>Advocacy organizations serve to motivate companies to implement social responsibility and can help Acer strengthen its own practice of corporate social responsibility.</p> <ul style="list-style-type: none"> • Transparency and Disclosure • Supplier Environmental and Social Performance • Environmental Policy and Management Performance • Energy and Climate Change • Circular Economy and Product Stewardship 	<ul style="list-style-type: none"> • Acer Sustainability Website (occasional) • Corporate Social Responsibility Report (annual) • Questionnaires and Surveys (annual) • Corporate Responsibility Mailbox (as needed) • Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Corporate Governance Structure • Stakeholder Engagement • Responsible Supply Chain • Circular Economy and Product Life Cycle • Responding to Energy and Climate Change
<p> Industry Associations</p> <p>Industry associations play an important role in industry consolidation, and can spur the development of Acer and the industry more broadly.</p> <ul style="list-style-type: none"> • Information Security and Customer Privacy • Innovative Products and Services • Transparency and Disclosure 	<ul style="list-style-type: none"> • Participating in organizational conferences and fulfilling membership obligations (occasional) • Participating in cooperative events and meetings (occasional) • Email and telephone (as needed) 	<ul style="list-style-type: none"> • Ongoing participation in the Responsible Business Alliance (RBA), as well as observing or participating in various RBA programs and working groups, such as the Responsible Minerals Initiative (RMI), Responsible Labor Initiative (RLI), Open Sourcing Working Group, and Environmental Sustainability Working Group. • Ongoing participation in the Information Technology Industry Council's Environment & Sustainability affiliate group and three working groups 	<ul style="list-style-type: none"> • Innovative Products and Services • Information Security and Customer Privacy



Importance to Acer / Issues of Concern	Main Communication Channels and Frequency	2020 Communication Results	Report Section
<p> Media</p> <p>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.</p> <hr/> <ul style="list-style-type: none"> • Transparency and Disclosure • Innovative Products and Services 	<ul style="list-style-type: none"> • Press Conferences (occasional) • Press Releases and Promotional Articles (as needed) • Social and Digital Media (as needed) • Corporate Websites (as needed) • Marketing and Media Communication Events (regular) 	<ul style="list-style-type: none"> • Official computer and monitor sponsor for professional Rainbow Six: Siege leagues and tournaments • Twice yearly global online launch of innovative products • Strategic cooperation with key opinion leaders (KOLs) and influencers • Participated in global trade shows including BETT, the world's largest educational technology trade show • Formula 1 Alfa Romeo Racing ORLEN Team official IT equipment partner 	<ul style="list-style-type: none"> • Brand Values • Innovative Products and Services
<p> Educational and Research Institutions</p> <p>Educational and research institutions provide companies with new ideas and perspectives, and industry-academia cooperation can help both stay on the pulse of industrial development, creating a win-win situation.</p> <hr/> <ul style="list-style-type: none"> • Innovative Products and Services • Information Security and Customer Privacy 	<ul style="list-style-type: none"> • Industry-Academia Exchanges (occasional) • Surveys and Interviews (annual) • Conference Activities (occasional) • Acer Sustainability Website (occasional) • Corporate Social Responsibility Report (annual) 	<ul style="list-style-type: none"> • In November 2020, Chairman and CEO Jason Chen shared with ITRI's "Advanced Management Seminar - A Stone in the Other's Nest" Acer's business transformation strategy and how the Company has established an innovative vision, gradually developing Acer into a lifestyle brand, creating a new "blue ocean" business strategy, and becoming a real game-changer. • In 2021, the Institute of Environmental Engineering visited Acer, not only getting an insight into the Company's CSR operations, but also arranging for Acer Being Communication President Po Chan-ping to introduce the Company's innovative products. The two sides engaged in much discussion about how technology can be used to address social and environmental issues. • In December 2020, teachers and students from Chung Yuan Christian University's Department of Environmental Engineering visited to learn about Acer's sustainable operations, energy and climate change, green products, and responses to the UN SDGs. 	<ul style="list-style-type: none"> • Innovative Products and Services • Information Security and Customer Privacy

Interaction with Stakeholders

Responsible Business Alliance (RBA)

Acer continues to participate in the Responsible Business Alliance (RBA), currently the largest cross-industry alliance dedicated to CSR in global supply chains. We are actively involved 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 2020, Acer further participated in the RMI smelter engagement team, whose main task is to confirm smelter data for inclusion in RMI's smelter database. In addition, Acer has provided profits from the cobalt recovered from recycled batteries to the International Tin Supply Chain Initiative (iTSCi) to help iTSCi meet financial challenges during the peak of the global COVID-19 pandemic. In 2020, Acer also participated in the RBA's Code of Conduct revision process, including attending member meetings, reviewing proposed Code amendments and member comments, and ultimately voting on each proposal. The new RBA Code of Conduct was finalized, taking effect in January 2021. As a member of the Environmental Sustainability Working Group, Acer continues to attend meetings and participate in supply chain GHG inventory discussions.

Due to the impact of the global COVID-19 pandemic, RBA and RMI member meetings were moved online. Acer participated in these meetings remotely, the content of which covered the current status of the RBA and progress updates on RBA programs and working groups. In addition, these meetings included breakout sessions to allow discussion among industry peers and other stakeholders on current and future supply chain issues.

Information Technology Industry Council Environment & Sustainability Affiliate Group

Acer participates in the ITI Environment & Sustainability affiliate group's working groups on green purchasing, product stewardship, and energy efficiency, where members discuss existing and emerging technology policies and standards, and provide industry expertise to assist in policy development and maintenance. Due to the COVID-19 pandemic, the ITI Environment & Sustainability Members Meeting was held virtually, but still enabled members to receive updates on policy and organizational developments from ITI and to share experiences with other members. We attended a two-day virtual conference in October. The ITI Environment & Sustainability affiliate group is a key part of helping Acer develop and execute its sustainability strategy.

Academic Exchange



In December 2020

Teachers and students from Chung Yuan Christian University's Institute of Environmental Engineering visited to learn about Acer's actions regarding sustainable operations, energy and climate change, green products, responses to the UN SDGs, and internal and external CSR communication. The Corporate Sustainability Office also arranged for students and faculty to visit the product display center. They showed great interest in Acer's various innovative products and were prompted to think about how appliances and electronics could be applied to their environmental engineering research.



In January 2021

President Lin Cheng-fang of the Institute of Environmental Engineering led a delegation of IEE members on a visit to Acer. During this, the Sustainability Office introduced the Company's CSR operations, including CSR governance, supply chain management, energy and climate change, and the UN SDGs. In addition, Acer Being Communication President Po Chan-ping also introduced the Company's 5G AIOT smart industry solution integration and environmental innovation products. The two sides also engaged in much discussion about how technology can be used to address social and environmental 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



03 CORPORATE GOVERNANCE



MATERIAL TOPICS

 Corporate Governance and Ethics/Standards of Conduct

 Risk and Crisis Management

Corporate Governance Structure
Ethics/Standards of Conduct & Legal Compliance
Risk Management

Note: The content and actions related to the material issue "Large Scale Infectious Disease Outbreaks" can be found in Chapters 3, 5, and 7, the words from the Chairman and CEO, and in the section on COVID-19 response actions.



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, stronger corporate governance, and a strong and effective board of directors, having set down a [Corporate Governance Code of Practice](#).
- Established Standards of Business Conduct, linked with performance evaluations, and implemented 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 Statement as part of Company's supplier evaluations

Medium- and Long-Term Goals

- Continue to strengthen the functions of the Board of Directors and boost information disclosure and shareholder participation in line with our corporate governance blueprint.
- Focus on sustainable development and linking up with international standards, boosting our Environmental, Social and Governance (ESG) performance.
- Continue pursuing diverse avenues of development, listing suitable subsidiaries publicly and implementing the Acer Group transformation plan.
- Increase the number and strengthen the functions of independent directors.

2020 Accomplishment Status and Highlights & Results

Goal: To strengthen the functions of the Board of Directors, boost transparency, and continue the deepening of corporate governance.

Status: Information about the qualifications, background, age distribution, performance evaluation results, training participation, and meeting attendance of each director is publicly disclosed on the Company's website and in the annual report. In addition, out of consideration of the pandemic situation, the Company arranged an online simulcast of the 2020 shareholder meeting, facilitating shareholder participation through video conferencing. Beyond Acer proper, independent directors from subsidiary companies including Weblink International and AEB account for over 50% of the Board of Directors, providing added strength to the functions of the Board.

Goal: 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.

Status: The Company's Board of Directors comprises members from various countries with diverse professional backgrounds in the legal, financial, and tech industries. In 2020, one new female director is added to the Audit Committee and Investment Review Committee.

2021 Goals

- Strengthen communication channels with stakeholders and establish a mechanism for positive interactions with them.
- Create a robust group ESG operating environment and strengthen Acer's international competitiveness. Improve the Group's legal compliance system to address potential legal risks in different industries.

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.

2020 Accomplishment Status and Highlights & Results

Goal: 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.

Status:

In March 2020, the Board of Directors approved the revision of the Acer Anti-Bribery and Corruption Policy, which, in addition to expanding the application of the policy to appropriate conduct, also includes clarity and flexibility in application, facilitating its application in accordance with the laws of each country.

In November 2020, the Board of Directors approved the revision of the Acer Group Standards of Business Conduct, adding Procedures for Handling Incident Notification to improve the Company's actions and legal rights after notification of violations.



The above revisions to Acer's rules and regulations have been announced on the Company's public website since the amendment date, and changes are regularly communicated to employees worldwide via email. In addition, in-person training sessions are held from time to time for new and existing management and staff in an effort to keep all levels of the Company fully informed of changes to company policy.

2021 Goals

- Launched the global requirement for partners to sign integrity commitments, achieving growth over the previous year
- 90% of global staff will undergo at least one training session in 2021
- Review whether the handling of incidents is in accordance with the Procedures for Handling Incident Notification; if there are no actual incidents, additional drills may be organized, with inspections or improvement reports issued from them.



Material Topics and Management Approaches

Risk and Crisis Management 	
<p>Implications for Management</p> <p>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 goal "sustainability" achieved.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> 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. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Continuously measure and monitor risk environments and the effectiveness of risk management strategies <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> Introduce comprehensive enterprise risk management (ERM) 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> Have taken an inventory of existing internal resources and are continually evaluating the feasibility of and methods for introducing ERM.</p> <p>2021 Goals</p> <p>Select major hub warehouses in Taiwan for Emergency Response Plan and Business Continuity Plan (ERP and BCP) pilot, which is expected to be completed and the plan/report produced by the end of 2021.</p>

Corporate Governance Structure

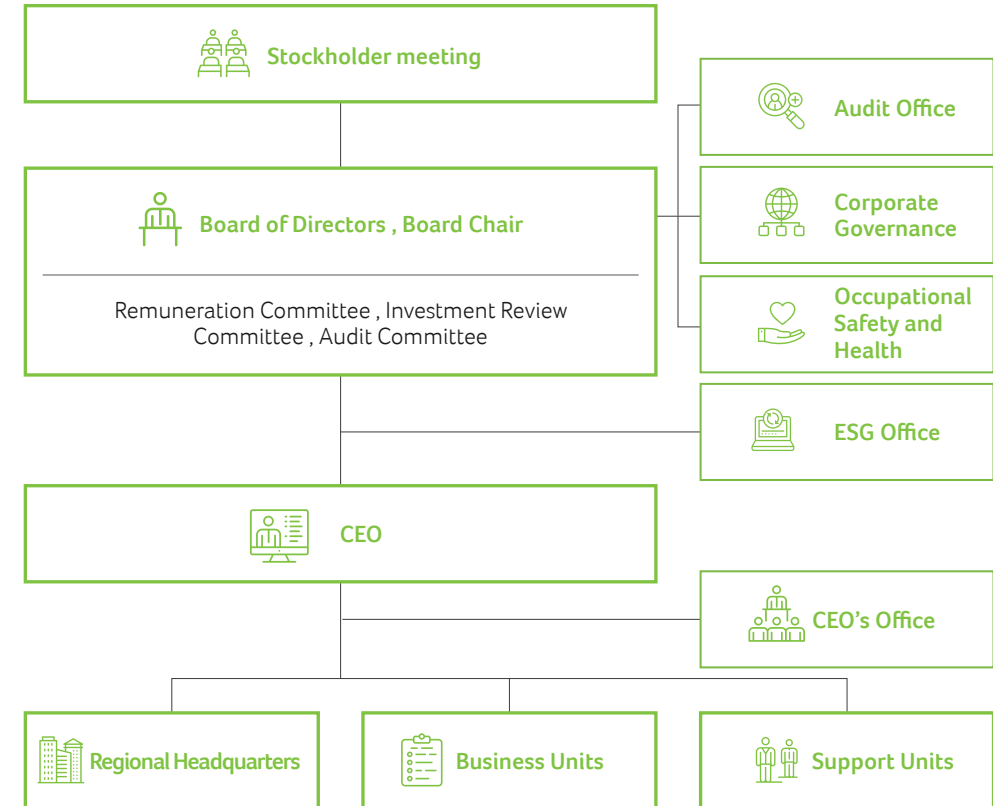
Corporate Governance Blueprint

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. In the future, we will work with the recently launched Corporate Governance Blueprint 3.0 - Sustainable Development Roadmap, ensuring we are aligned with international standards and making steady progress in corporate governance in our pursuit of sustainable value and the highest standards.

Corporate Governance Blueprint



Corporate Governance Structure of Acer Inc.



Note: For more information on Acer's corporate governance regulations and their implementation, please consult the webpage at <https://www.acer-group.com/ag/en/TW/content/corporate-governance>



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, law firms, or other related industry positions. They are expected to have a wealth of experience with commerce, finance, accounting, law, and corporate operations. Directorships also span a range of nationalities and genders, adding further strength and diversity to the Board. When the current Board of Directors was up for re-election in 2020, Yuri Kure, Bruce Ji-Ren Lee, Simon Chang San-cheng, and Charles Ching-Hsiang Hsu were elected as independent directors. Through their world-class experience, professionalism, and intelligence, along with the diversity in nationality and gender, that they bring, we can realize stronger participation in and supervision of the Company's operational decision-making while also putting in place stronger corporate governance and improving operational quality.

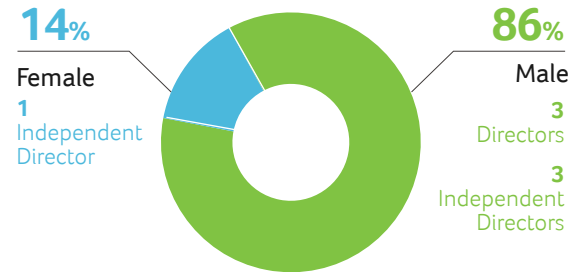
Acer's Board of Directors is made up of seven directors who, per the law, will hold their positions for terms of three years (the previous term ran from June 18, 2017, to June 11, 2020; the current term will run from June 12, 2020, to June 11, 2023). More than two-thirds of the board members do not hold managerial positions with the Company (of the seven members, only one director is also a manager); of those Board members, four are independent directors, accounting for 4/7ths of the Board of Directors, or more than one half. As a result, the current Board is more independent than ever. In terms of age brackets, the current Board is composed of two directors between 40 and 49 years of age, one between 50 and 59, three between 60 and 69, and one 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.

Board Diversity

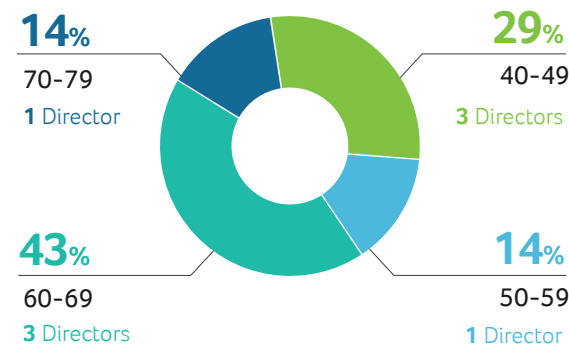
Members of the Board of Directors

 Chairman Jason Chen ♂	 Director Stan Shih ♂ Maverick Shih ♂ (Hung Rouan Investment representative)	 Independent Director Simon Chang San-cheng ♂ Bruce Ji-Ren Lee ♂ Charles Ching-Hsiang Hsu ♂ Yuri Kure ♀
-------------------------------------	---	---

Board Makeup by Gender



Board Makeup by Age



Acer 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 be recorded clearly in the minutes and be reported within two days of the meeting through the reporting website specified by management. For details on the actual implementation of recusals and the avoidance of conflicts of interest, please refer to pp. 16-17, pp. 32-34 and pp. 224-226 of the Company's annual report for 2020.

In line with the Corporate Governance Code of Practice for TWSE/GTSM Listed Companies, in March 2021, Acer revised its Corporate Governance Code of Practice. 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. 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 has 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.



In November 2020, Acer completed its Board of Directors performance evaluation. 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 to aid in board operations and overall performance. In order to implement its sustainable development policy, the Company also reviews the involvement of directors in economic, social, and environmental issues through performance evaluations, as well as regularly communicating with dedicated units on economic, social, and environmental issues, receiving reports, reviewing implementation status, and evaluating risks. To maintain the professional strengths and capabilities of our directors, all seven current directors have participated in various courses, including “Corporate Sustainability and ESG Development Trends,” “The New American Order—Impact of and Response to U.S. Investment and Export Controls,” “Securities Regulations and Corporate Governance,” “Application and Interpretation of International Financial Reporting Standards,” “Introduction to and Updates to International and Taiwanese Tax Laws,” and Hostile Mergers and Corporate Governance.” The average number of hours of annual training for current directors is 9.86 hours, as shown in the Company’s 2020 annual report.

In addition, beneath Acer’s Board of Directors are three committees: the Audit Committee, the Salary and Remuneration Committee, and the Investment Review Committee. Each of these committees operates under its own set of guidelines and standards: the Audit Committee Organizational Rules, the Salary and Remuneration Committee Organizational Rules, and the Investment Review Committee Organizational Rules.” It is expected that these committees will provide mutual supervision and assistance with the Board of Directors, further strengthening investment, setup, and M&A decisions while also improving overall corporate governance capability. For more information on 2020 operations and the number of meetings held, please refer to Acer’s 2020 Annual Report.

Note1

	Committee Composition	Main Responsibilities
Board of Directors	Chairman: Jason Chen Director: Stan Shih, Hung Rouan Investment Corp.(Representative: Maverick Shih) Independent Directors: Yuri Kure, Bruce Ji-Ren Lee, Simon Chang San-cheng, Charles Ching-Hsiang Hsu	Direct corporate strategy, oversee management, and are accountable to the Company and stockholder meeting.
Audit Committee	Charles Ching-Hsiang Hsu (chair), Yuri Kure, Simon Chang San-cheng, Bruce Ji-Ren Lee	Oversee the proper presentation of the Company’s financial statements, the hiring/dismissal of CPAs and ensuring their independence and performance, the effective implementation of internal controls, company compliance with relevant laws and regulations, and the management of existing or potential risks to the Company.
Remuneration Committee	Bruce Ji-Ren Lee (chair), Simon Chang San-cheng, Charles Ching-Hsiang Hsu	Formulate and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers, and regularly evaluate and set remuneration of the aforementioned personnel.
Investment Review Committee	Simon Chang San-cheng (chair), Yuri Kure, Bruce Ji-Ren Lee, Stan Shih, Jason Chen	Review new investment, joint venture, M&A, and strategic investment plans in advance, then submit proposals to the Board of Directors for approval; may execute the Board of Directors’ resolutions on investment and other authorized matters.

Remuneration Policy for Directors and Senior Management

The remuneration of the Company’s directors shall be recommended by the Remuneration Committee and approved by the Board of Directors in accordance with the Company’s Articles of Incorporation, the Principles Governing Remuneration for Directors, and the Management Principles Governing Remuneration for Senior Officers, and taking effect upon approval by the Board of Directors. The Company’s Articles of Association also specify that, where the Company has a surplus at the end of a fiscal year, after paying all relevant taxes and making up losses from the previous year, the Company shall set aside 10% of said profit as legal reserve (unless such legal reserve amounts to the total authorized capital). After this reserve is set aside in accordance with the applicable laws and regulations, and if any balance remains, no more than 1% may be set aside as remuneration for directors^{Note2}. 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 to ensure senior management understands and collectively achieves the Company’s strategic goals. Severance payments are handled per 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.

Future Development of Corporate Governance

Acer continues to pursue higher levels of corporate governance and look for ways to strengthen it in the hopes of becoming the yardstick for large enterprises. After the current Board of Directors’ re-election at the 2020 stockholder meeting, the Board now boasts a richer, more diverse background. Acer’s Board of Directors and its three committees will continue to create a variety of growth engines for the Group in the future in line with the Company’s corporate governance blueprint and corporate development model and through the establishment of a model of governance at both the board and management levels, thus continuing to deepen corporate governance.

Note1: For details of the membership of each committee prior to the Board of Directors’ re-election on June 12, 2009, please refer to the Company’s 2020 Annual Report.

Note2: 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.



Ethics/Standards of Conduct & Legal Compliance

Standards of Business Conduct

The revision of the Acer Standards of Business Conduct (SBC)^{Note1} was approved in November 2020. In addition to following the guidance of government agencies and international treaty declarations on integrity management and respect for human rights, this revision is also an earnest effort to enable Acer's management, staff, and business partners to work together to meet the high standards of business ethics enshrined therein. In addition, to provide staff guidelines for handling violations and to prevent their recurrence, we have incorporated many issues of importance to CSR in recent years, along with social media interaction guidelines and cases of violations from the industry, formulating procedures for incident notification under the consensus of various parties, including legal affairs, HR, and auditing^{Note2}. These standards provide fundamental guidance and instruction to staff for interactions with customers, business partners, shareholders, and the community. They are built around Acer's core values of passion, user-orientation, innovation, teamwork, balancing interests, and integrity. They serve as detailed guidelines for decision-making and action with regard to fair competition; respect for the environment; intellectual property rights; conflicts of interest; the prohibition of improper payments, gifts, or hospitality; political contributions and activities; and so forth.



Implementation of the Standards of Business Conduct

Education and Training

Acer Group continues to require all employees to adhere to the Standards of Business Conduct and to carry out their daily business commitments with a legal, ethical, and honest conscience through a variety of training and everyday job coaching from management. In 2020, we implemented global employee training relating to the SBC to ensure that all staff are aware of its key elements. In 2020, the number of employees who received training on the SBC reached 7,025 worldwide, with a global completion rate of 91%.

2020 Standards of Business Conduct Education and Training^{Note3}

Unit: Number of People

	Taiwan	China	Asia Pacific	EMEA	Pan-America	Total
Female	977	196	578	554	239	2,544
Male	1,536	309	935	1,349	352	4,481
Total	2,513	505	1,513	1,903	591	7,025

Note1: Acer Group Standards of Business Conduct <https://www.acer-group.com/sustainability/en/standard-business-conduct.html>

Note2: Procedures for Handling Incident Notification https://www.acer-group.com/userfiles/Standards_of_Business_Conduct_zh.pdf#page=15

Note3: The statistics on education and training in this report include resigned staff, except for those of Weblink, AOpen, E-Ten Information Systems, and ACSI, along with temporary staff.



Internal Audit

Acer has established an internal Audit Department, an independent unit under the Board of Directors, to ensure that the Company operates with integrity, adheres to the Code of Ethical Conduct, and complies with laws and regulations. Its operations cover the following:

Internal Audit

To achieve the objectives of ensuring that financial, management, and operating information is accurate, reliable, and timely, and that staff behavior complies with relevant rules, standards, procedures, and regulations, the internal audit unit conducts audits in accordance with the annual audit plan approved by the Board of Directors and performs project audits as necessary. The audit targets include the Company and its global subsidiaries, and the audit scope covers financial, business, corporate operations and management functions. Audit results and subsequent improvement plans are reported to the Board of Directors and top management to prevent fraud and promote profit.

Control Self-Assessment

In order to implement the Code of Ethical Conduct and legal compliance, Acer's internal core business units and subsidiaries review their business practices in accordance with the law, company policies and regulations through the annual Internal Control Self-Assessment mechanism. They are also subject to be reviewed by internal auditing unit.

Reporting and Protection

Acer has established the Stakeholder Grievance Mechanism and Anti-Bribery and Corruption Policy, set up a reporting and grievance mechanism, provided multiple reporting channels to stakeholders, and listened to voices from both internal and external sources through open channels to facilitate communication with Acer. All of this is aimed at protecting the rights of stakeholders and strengthening corporate governance. The internal audit unit serves as the liaison window for complaint reporting and handling within Acer.

Any violation of the Standards of Business Conduct or the law will be immediately investigated by the competent authority upon reporting. If the complaint is substantiated and a violation is found to have occurred, Acer will immediately request the offending employee cease such conduct and take action to deal with them appropriately, including taking legal action as necessary to protect its rights and reputation. Once the incident has been substantiated, Acer will assemble relevant departments, including HR, Legal, and Internal Audit, to review and discuss overall procedures and corrective measures to ensure the Company's internal control systems are comprehensive and robust.

Reporting and Complaints Mechanism



Expected User(s)

- Acer's directors, officers, and employees (collectively, Acer personnel); customers, suppliers, investors, and communities



Occasions for Use

- When an Acer employee is found to be involved in fraud, corruption, violation of Acer's Standards of Business Conduct, any wrongdoing or violation of corporate governance, or when threatened with sexual harassment or bullying in the workplace



Channels for Reporting and Complaints

- Whistleblower complaints (whistleblower.acer@acer.com)
- Complaints of workplace sexual harassment or bullying (2645.7085@acer.com)
- Employee Engagement Reflections (acer.corporate.compliance@acer.com)
- Written/email/oral reports or complaints



Promotion of Channels for Reporting and Complaints

- Acer's dedicated report email as set up on the company website
- Internal network (My Acer) announcements
- Occasional announcements about report/complaints mechanisms
- Purchasing contracts include "anti-corruption statements" and report/complaints channel information
- Annual integrity and clean business letters signed by partners
- New staff training and education/Supplier conferences

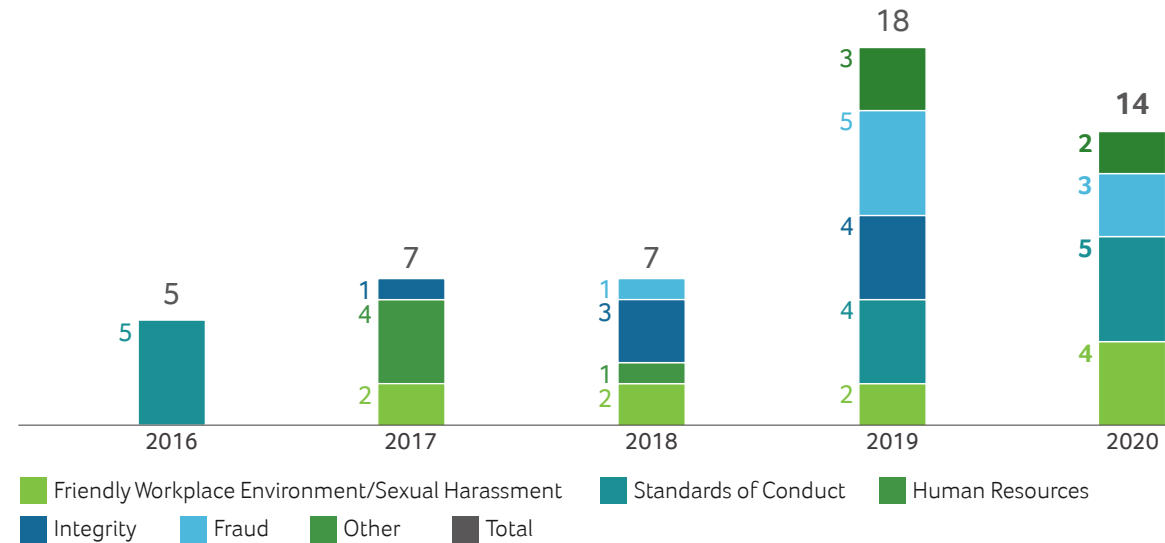
Procedures for Handling Complaints

- Upon receipt of a report or complaint, Acer's internal audit supervisor will, depending on the content of the complaint, assemble the appropriate legal/HR personnel to form an investigation team and conduct an investigation in a confidential and rigorous manner.
- All complaints received by Acer's internal and external reporting channels, whether anonymous or named, are properly recorded and tracked.
- We take appropriate protection measures for those who report in good faith or participate in an investigation to avoid any form of retaliation against them and provide timely feedback to the complainant on the progress of the case.
- Internal audit compile audit / complaints and report investigation process and progress (including whether they are substantiated, unsubstantiated, or under investigation) to the Audit Committee and the Board of Directors every quarter.
- Based on the investigation results, we will take corresponding improvement measures to prevent the recurrence of similar cases.
- Internal audit unit also regularly collects complaints from each subsidiary to review the content, the handling results, and improvements to internal control management measures
- The number, type, and outcome of complaints are publicly disclosed in the CSR Report each year.

Results of Handling Complaints

Acer received 14 complaints in 2020, including three cases relating to fraud, five to the Standards of Conduct, four to workplace environment/sexual harassment cases, and two other cases. All complaints were accepted for investigation, with all investigations now complete and cases closed.

2016-2020 Results of Handling and Complaints



As of the end of 2019, one corruption-related case remained open, was investigated in 2020, and was found to be unsubstantiated. In 2020, one of the three fraud-related cases was substantiated, one was unsubstantiated, and one is still under investigation. With the fraud case substantiated, the management unit undertook appropriate action based on investigation results, terminating the employee's employment and recovering US\$751 in ill-gotten gains. In addition, a written warning was issued to senior management of the relevant subsidiary by the legal and HR units. The management unit additionally strengthened its controls. Details can be found in the following table:

Fraud Related
Substantiated, partially substantiated, and resolved cases

Case 1
Case Overview
Distributor reported the theft of three notebook computers by a resident promoter in February 2020

Case 2
Case Overview
It is suspected that senior management of a subsidiary company disbursed company funds to specific agents under the auspices of "rebates," and then shared them for profit.

Handling Method

- Since only partial evidence was available, the final decision was made to send a written warning letter from HR and legal to the management unit and ask for the relevant manager's signature to confirm that: the Company's rules and regulations must be strictly followed and future offenses will result in dismissal and being held legally responsible.
- Strengthened the subsidiary's rebate management system and set up a global rebate management system.



Corruption Prevention

All Acer units must comply with the Anti-Bribery and Corruption Policy and conduct proactive bribery risk assessments. At the same time, the Company sends letters to suppliers and customers stating its anti-corruption stance and requesting that no improper gifts, hospitality, or even money be offered to Acer employees, all on the basis of their signed integrity commitment. In addition, to protect the rights of stakeholders, promote communication with stakeholders, and strengthen corporate governance, anyone who discovers any suspected fraud, corruption, wrongdoing, or violation of corporate governance activities by the Company’s personnel can file a complaint directly through the dedicated email address (whistleblower.acer@acer.com). In March 2020, the Board of Directors approved the revision of the Acer Anti-Bribery and Corruption Policy, which, in addition to expanding the application of the policy to appropriate conduct, also includes clarity and flexibility in application, facilitating its application in accordance with the laws of each country. In 2020, the number of staff who received training anti-corruption training (excluding temporary staff) reached 6,201 worldwide, with a completion rate of 84.4%; Board members have also received relevant anti-corruption training during their term of office, with a percentage of 100%.

2020 Anti-Corruption Education and Training

Unit: Number of People

	Taiwan	China	Asia Pacific	EMEA	Pan-America	Total
Female	770	190	569	492	229	2,250
Male	1,238	299	913	1,167	334	3,951
Total	2,008	489	1,482	1,659	563	6,201

The above revisions to the Anti-Bribery and Corruption Policy and Standards of Business Conduct have been announced on the Company’s public website since the amendment date, and changes are regularly communicated to employees worldwide via email. In addition, in-person training sessions are held from time to time for new and existing management and staff in an effort to keep all levels of the Company fully informed of changes to company policy. These two have been unanimously approved by all directors and further include directors and representatives of the Company as applicable targets. These two provide guiding principles to be followed by all Acer Group companies, both internally and externally. There were no terminations or non-renewals of contracts with business partners due to corruption violations in 2020.

In addition, to ensure that education and training related to the above-mentioned policy changes can still be carried out despite the COVID-19 pandemic, in addition to the aforementioned face-to-face training, an online system has also been used to conduct training and testing of staff worldwide to increase the coverage of training as working from home becomes more common and people maintain social distancing. Through this, we aimed to accomplish strong passing levels of staff in training and related tests. To promote this policy, this revision of the Acer Group Code of Business Conduct for Employees has abandoned the dogmatic approach of previous regulations. In addition to the use of more pleasing materials and visuals, with easy-on-the-eye colors, emphasis has been placed on thematic and sequential categorization, so that anyone with a working-class background can understand the materials in detail and take more on Board without the need for strenuous rote memorization.



Anti-trust

The Acer Group has formulated 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 anti-trust and fair competition laws violations. In 2020, a total of 6,030 people received such education and training. This equates to a completion rate of over 82.9%. In 2020 we were not litigated for any anti-competitive, anti-trust, or monopolistic behaviors.

2020 Anti-trust Related Education and Training

	Taiwan	China	Asia Pacific	EMEA	Pan-America	Total
Female	764	188	513	492	229	2,186
Male	1,217	296	830	1,167	334	3,844
Total	1,981	484	1,343	1,659	563	6,030



Systems/Processes Related to the Implementation of the Standards of Business Conduct

Legal Compliance

Acer has always prided itself on being compliant with the law, and as such, 2020 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



Or receipt of significant fines due to breach of regulations regarding the provision or use of products or services.

However, in 2020, Acer published an advertisement for energy drinks in online news with wording considered by the Taipei City Department of Health to be exaggerated and easily misunderstood, thus violating the Act Governing Food Safety and Sanitation. After receiving the letter from the Department, Acer immediately requested all media to take down the advertisement, using this incident as an example to teach relevant business units to be careful when publishing such advertisements.

Handling of COVID-19's Impact on Contract Execution

Ahead of the global labor shortage and unavoidable supply chain delays caused by COVID-19, Acer had established contractual relationships with strict provisions for force majeure events and had already discussed corresponding regulations for each country in case of any such events. Working with upstream suppliers, we negotiated to obtain raw materials supplies at appropriate prices as early as possible and made appropriate arrangements for various supportable delivery and transportation methods. In the face of the increasing demand for electronic products shaped by the move to working from home and bids from various national governments that are both already negotiated and in negotiation, despite fast delivery and no accounts receivable risk in this situation, both Acer and its customers are still not immune from materials and transportation losses caused by port closures, materials shortages, and lack of containers. To address these unavoidable circumstances, Acer and its customers will adjust prices and apply for waivers when necessary in accordance with the relevant national laws and regulations and contractual terms. Overall, due to the above measures, Acer did not experience any significant financial or business impact as a result of COVID-19. We expect to continue working with our suppliers and customers to respond promptly to the aforementioned situations and create win-win solutions.

Risk Management

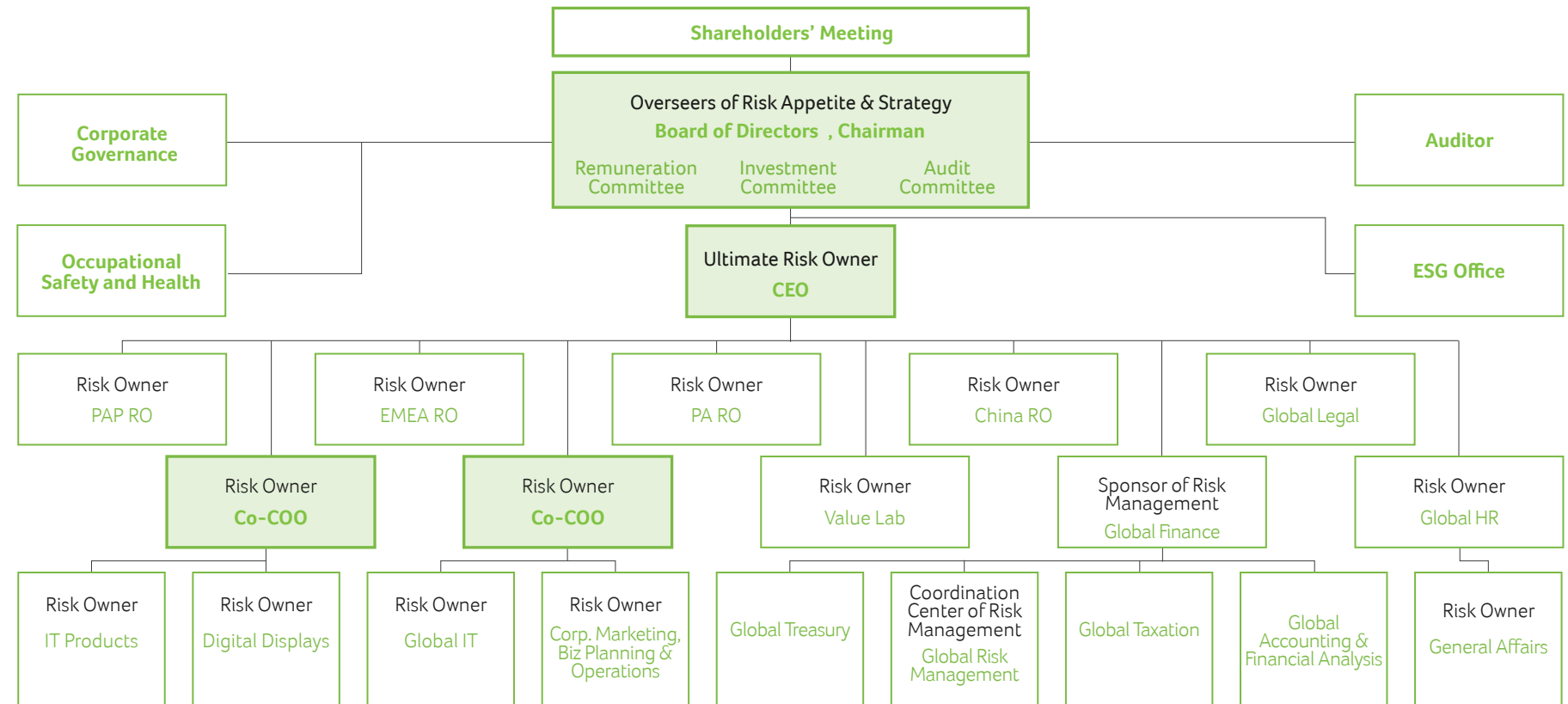
The ultimate goal of Acer's business philosophy is "sustainable development." We firmly believe that rigorous and robust risk management not only speaks to Acer's long-term commitment to customers, employees, supply chain partners, and investors, but also ensures that we take concrete measures that result 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 response, we set out risk management strategies, enforcement mechanisms, and organizations to ensure key risks are effectively controlled and appropriately dealt with. To continuously monitor and strengthen risk management practices and response measures, the Audit Committee assesses importance and urgency through risk prioritization and includes this into the routine discussion agenda to decide on the issues to be reported and the competent authority. 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 identify, assess, and discuss risks the Company may face in three aspects: economic, environmental, and social.

In addition, Acer reorganized the former Global Corporate Social Responsibility Committee (GCSRC) into the Corporate Sustainability Committee (CSC) in 2018, with the Risk Management Working Group as a unit under the CSC. We believe that this reorganization will further strengthen our existing risk management practices and help in gradually building a corporate culture with a strong awareness of risk management through discussion with and participation by top-level management across departments and business units.





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.

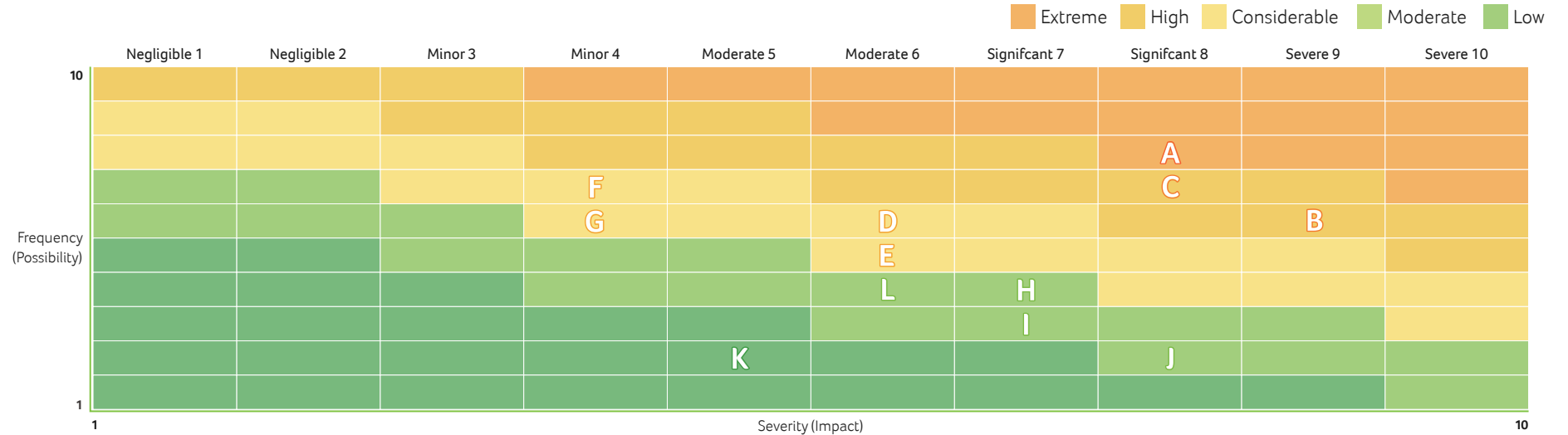
Acer's Risk Management Organizational Structure

<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>ESG Office</p> <p>The ESG Office is responsible for identifying and managing 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 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 developing goals and the creation of highly adaptable organizational systems.</p>
<p>Management</p> <p>Management is responsible for supervising and complying with risk management strategies and conducting regular assessments of effectiveness.</p>	<p>Audit Office</p> <p>The Audit Office regularly reviews and monitors internal control processes, the annual audit plan, etc.</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 managing potential risks to Group assets.</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>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. 		

The Risk Management Working Group aggregates the results of these analyses and tests, then drafts follow-up action plans and reports to the convener of the Group. In 2020, the Risk Management Working Group identified a total of 64 risk items, of which seven (7) were categorized as medium-high risk or higher in areas including IP and associated litigation risk, information security risk, and extreme climate risk. Designated personnel from the relevant departments are responsible for drafting 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, 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. 2020 Annual Report content includes:

- Enterprise Risk Management Report
Intellectual Property Rights Management Report
- Enterprise Risk Management Report
Acer Global Supply Chain Management
- Enterprise Risk Management Report
Assessment of the Impact of 5G on the PC Market
- Enterprise Risk Management Report
Acer's ESG Initiatives

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 Information security risk**
Losses arising from leaks of personal information, malicious programs, computer viruses, or hackers
- B Extreme climate risk**
Risks due to global warming and various extreme climate phenomena
- C Supply chain related risk**
Relates to reliability or otherwise of sourcing and vendor management of environment and labor rights risks
- D IP and litigation risk**
Includes patent litigation filed by competitors regarding intellectual property
- E Low-carbon technology/product transition risk**
Regulatory, policy, and market risks associated with the transition of products, services, or technologies to low carbon
- F Large-scale infectious disease outbreaks**
Risks due to large-scale outbreaks of infectious diseases and subsequent negative impacts
- G Labor-related risk**
Risks such as labor shortages, loss of high-level management talent, or human rights issues
- H Interest rate risk**
Impairment of property value due to exchange rate fluctuations
- I Credit risk**
Risks relating to payee's ability or willingness to repay
- J Liability risks for directors and managers**
Potential liability risks produced by the execution of directorial and managerial duties
- K Tax risk**
Potential risks due to tax reform trends
- L Business interruption risk**
Losses due to interruption of business caused by accidents

Note : 1. The risk identification/analysis process begins in Q4 each year and is completed in Q1 the following year.
 2. The risk map is based on the results of assessment of the risk levels of 2020 risk items.
 3. Some risk items are presented by category.



Emerging Risks

With regard to the many emerging risks initially identified by the Risk Management Working Group in 2020–2021, including those relating to information security, extreme climate, large-scale infectious disease outbreaks, and trade protectionism, we additionally have invited staff from relevant departments for in-depth discussions and brainstorming to assess the potential adverse effects on the Company’s future operations. In response to information security risk, the Risk Management Working Group summarizes patterns of potential losses, including loss of goodwill, interruptions to operations, data leakage, and ransomware. The Group also works with the IT Department to consolidate basic information security principles and work toward ongoing refinements, helping us earn ISO 27001 international information security certification in 2020. Beyond this, since 2018, Acer has implemented the planning and implementation of a global cyber insurance policy out of concern for risk transfer as well as to make use of the international insurance market to receive further assistance and resources from external information security experts. With the rapid development of information technology and continuous investment into various innovative applications, we will continue to pay attention to the development of trends in information security risk (e.g., information security risks arising from the use of remote working models) to continuously review and improve the relevant information security principles and appropriate risk transfer measures.



Acer continues to focus on the long-term trends and threats of global warming and extreme climate phenomena and will formally introduce the Task Force on Climate-related Financial Disclosures (TCFD) assessment framework in 2020. Currently, our Supply Chain Management Department is assessing changes in low temperature that may be encountered during transportation along particular routes, discussing and cooperating with shipping companies to enact feasible preventive measures based on the type and characteristics of products. In addition, we expect to develop a basic emergency response/continuity of operations management plan for global warehousing locations in 2021, starting with a pilot in Taiwan, to address infrastructure service interruptions and other operational risks (e.g., typhoons, floods, or fires) that are more likely to occur due to the effects of storms or blizzards like the one that struck Texas. In the future, we will gradually evaluate and incorporate implementation/improvements and regular audits according to the situation of the resources of each location, or further incorporate evaluation items in the selection of storage service providers, to strengthen the risk resilience of storage logistics management in a gradual and orderly fashion.

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.

With the rapid development of the SARS-CoV-2 (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 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.



Task Force on Climate-related Financial Disclosures

In 2020, Acer will officially implement the Recommendations of the Task Force on Climate-related Financial Disclosures issued by the Financial Stability Board of the G20 to analyze the current status of climate-change-related financial disclosures, identify and quantify climate risks, and publicly disclose the potential financial impact of climate change on Acer and its future response strategies. Financial figures pertaining to the impact of climate change are still undergoing verification. In this section, divided into Governance, Strategy, Risk Management, and Indicators and Goals, we will address the core elements of the TCFD Recommendations.

Governance

Acer has always paid attention to domestic and international sustainability-related issues and climate trends, formulating specific sustainability policies and taking on climate-change-related issues with a positive attitude as we continue to reinforce our governance. The Corporate Sustainability Committee (CSC) is the top steering unit for managing and monitoring issues related to climate change, integrating strategic thinking on corporate social responsibility, and improving Acer's sustainability performance. In addition to inviting first-level directors of business and functional units, including operation management, information products, HR, legal affairs, and finance, the committee is headed by the Chairman and CEO. Beneath the committee are six main working groups: Corporate Governance, Risk Management, Innovation and Product Life Cycle Management, Environmental Policy and Management, Responsible Supply Chain Management, and Green Electricity. Each of these is responsible for the everyday management of matters related to climate change, tracking performance and convening quarterly meetings to ensure everyone is on top of relevant issues.

On the implementation front, the Working Group on Risk Management has been assigned responsibility for implementing the TCFD Climate Risk Assessment Framework. This working group's membership spans the Legal, Finance, Human Resource, Supply Chain Management, Enterprise Communication, Marketing, QA & Services, IT, Environmental Safety and Health, and Asset Management Departments, all Product Business Groups, and the ESG Office. To integrate climate change risks into the existing risk management mechanism, Acer will in 2020 establish a climate change risk management process, conduct a comprehensive assessment of potential climate change risks through the Working Group on Risk Management, and develop appropriate countermeasures for the potential climate risks identified. After compiling the results of climate risk identification, quantification of the impact of high climate risk factors, risk response and mitigation measures, and other relevant information, the results and response measures are presented to the Chairman of the Board of Directors and the Company's senior management at regular meetings of the Corporate Sustainability Committee. In the Board's Audit Committee meetings, issues related to climate change and water resource management are also discussed to ensure a firm grasp on the climate risk environment faced by the Company and to disclose it to the relevant stakeholders in the annual CSR report.

Strategy

Driven by the impacts of climate change, businesses worldwide are transitioning to greener business models and low-carbon economies. As a leading brand in the ICT industry, Acer has sales and operating locations worldwide, so responding to climate change is an resolute responsibility for us and presents both risks and opportunities. In addition to continuously incorporating the potential impacts of climate change into the overall operational considerations through the Risk Management Group under the Corporate Sustainability Committee, we assess the probability of risks occurring and their potential impacts, formulating risk response and mitigation plans and a crisis management mechanism. With regard to opportunities that come with climate change, Acer also continues to pursue improvements to product energy efficiency and strive to integrate our existing and new business groups to create unified low carbon, sustainable smart strategies. In addition, in our primary operating locations such as Aspire Park we have set up solar power generation stations. Our Dutch subsidiary has also 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, through subsidiaries like Acer ITS and Acer Being Communication, we are leveraging the knowledge and experience of the ICT industry to help society and various departments transition toward carbon reduction and energy savings.

In-house Operations

In terms of in-house operations, in the face of Taiwanese and international regulations on the control of greenhouse gas emissions, we have not only reviewed our own operations, supply chain, and products and services, but also the possible risks of carbon emissions, formulating carbon reduction goals and strategies for the Group. While Acer as a brand has no manufacturing facilities around the world, the Group continues to pay attention to issues such as electricity consumption, water use, and waste management and works to reduce environmental impact as much as possible through various management measures. Furthermore, all staff are required to understand their roles and responsibilities and to communicate and cooperate with relevant partners and suppliers on an ongoing basis in order to meet our environmental commitments.

Business Planning

In terms of business planning, Acer thinks in terms of product life cycle management, taking into consideration the design and manufacturing, transportation, use, and recycling stages to minimize the impact of products on the environment. Through this, the Company actively seeks a balance between product management and environmental protection, working to provide products that are more environmentally and commercially competitive. We will continue to expand the application of product life cycle considerations and evaluate appropriate solutions to reduce carbon emissions and environmental impacts at each stage, such as expanding the introduction of post-consumer recycled plastics (PCR) to reduce dependence on and use of virgin plastics.



Risk Management

Climate Change Risk Identification Procedure

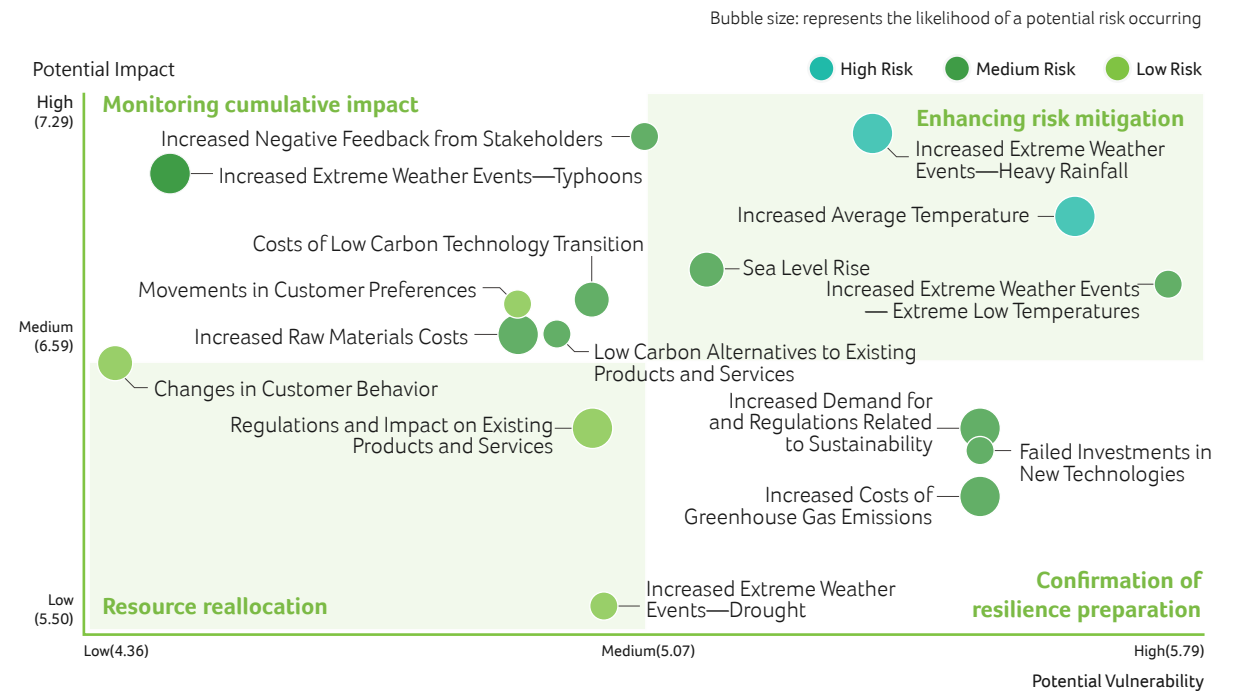
To improve the mechanisms for the management of risks and opportunities related to climate change, Acer has established climate-related risk management procedures in accordance with the TCFD guidelines. The management process consists of four steps: (1) completing a climate risk inventory, (2) ordering by risk materiality, (3) results and reporting, and (4) response strategies and external disclosure.

For climate-change-related scenarios, Acer has identified short-, medium-, and long-term climate change risks by referring to relevant climate change information, TCFD disclosure recommendations, and reports and information released by other domestic and international organizations, as well as considering the characteristics of our own business, in order to list out relevant climate risk factors. The Working Group on Risk Management then invites each business unit to use a matrix to assess the potential impact and influence of climate-related transition and physical risks on the business unit's operations based on the principle of materiality. We use a 10-year time scale to evaluate and rank the risk matrix in terms of risk impact level, potential risk vulnerability, and risk likelihood, providing regular review and feedback on the results to develop corresponding measures.



Major Climate Risk Matrix

The two high-risk factors identified by Acer in the 2020 climate risk matrix are both physical risks, namely an increase in extreme weather events—heavy rainfall and an increase in average temperature. Among the ten medium risks identified, there are seven transition risks, including increased sustainability-related demand and regulations, increased costs of greenhouse gas emissions, increased costs of raw materials, costs of low-carbon technology transition, increased negative stakeholder feedback, failed investments in new technologies, and low-carbon alternatives to existing products and services, as well as five physical risks, including increased extreme weather events—heavy rainfall, increased extreme weather events—typhoons, increased extreme weather events—extreme low temperatures, increased average temperature, and sea-level rise.





Climate Risk Management and Response Measures

Acer has evaluated the potential impact on operations and financial planning of the two high risks identified to facilitate enhanced risk mitigation, along with the ten medium risks that can be managed by monitoring and confirming resiliency provisions. From this, the following table has been prepared:

Related Risk Response Measures

Transition Risk



Risk Name	Explanation of Impact	Response Measures / Identified Opportunities	Risk Name	Explanation of Impact	Response Measures / Identified Opportunities
Risk Profile : Regulation and Policy			Risk Profile : Technological		
Medium-term Risk Increased Costs of Greenhouse Gas Emissions	With the passage of laws and regulations relating to carbon emissions, fees will be levied if greenhouse gas emissions exceed allowances. With emission allowance controls potentially increasing year by year, related fines may significantly increase operating costs. In addition, there are significant costs associated with carbon emission reduction.	<ul style="list-style-type: none"> Actively develop low-carbon operation methods or related services (e.g., paperless services, smart energy-saving devices) Actively improve energy efficiency, optimize resource management processes, diversify energy sources, and improve energy stability 	Medium-term Risk Costs of Low Carbon Technology Transition	To reduce the carbon emissions resulting from Acer's own operations or respond to demand for low-carbon products/services, expenditures need to move toward low-carbon transition, such as increasing investment into R7d of highly energy-efficient equipment	<ul style="list-style-type: none"> Actively seek out new business opportunities related to low-carbon technologies and participate in more cooperative projects on new forms of technology
Short-term Risk Increased Demand for and Regulations Related to Sustainability	Should Taiwan establish and implement regulations around sustainability and renewable energy development, Acer will need to invest more in constructing renewable energy devices and purchasing Renewable Energy Certificates (RECs)	<ul style="list-style-type: none"> Purchase RECs and support the development and increased usage of renewable energy sources Actively participate in renewable energy projects and work together with governments and business partners 	Medium-term Risk Low Carbon Alternatives to Existing Products and Services	As more low-carbon products, services, and technologies appear and replace their existing Acer equivalents, this may significantly impact the Company's revenues.	<ul style="list-style-type: none"> Respond to the trend as early as possible, bringing forward the development and market launch of low-carbon products, services, and technologies; additionally, invest in R&D for technologies behind new low-carbon products and services to boost operating diversity
Risk Profile : Market			Long-term Risk Failed Investments in New Technologies	If Acer invests in new technologies (such as IoT and AI) that have high carbon emissions and are replaced by other low-carbon technologies, or if partners switch to low-carbon technologies, this could result in the failure of the original investment in new technologies and in Acer suffering financial losses.	<ul style="list-style-type: none"> Bring the issue of climate change into the current context of R&D into new technologies and promote the early adoption of new technologies internally to further identify new market opportunities and develop new types of services and products
Medium-term Risk Increased Raw Materials Costs	Changes in the cost of raw materials needed in the production process (e.g., rare metals or packaging materials) caused by climate change create a risk of increased production costs: <ul style="list-style-type: none"> When suppliers' raw material costs increase, contracted amounts with Acer will also increase, resulting in higher production costs and affecting profitability. Product prices rise, possibly leading to impacts on revenues 	<ul style="list-style-type: none"> Actively assist/guide suppliers in climate adaptation and energy transition, deepening mutual cooperation Identify high-climate-risk suppliers, urge them to improve their responsiveness to those risks, and promote the formation of a sustainable value chain 	Risk Profile : Reputation		
			Short-term Risk Increased Negative Feedback from Stakeholders	If Acer is unable to successfully implement climate change mitigation measures and thus generate negative feedback from government, investors, and customers, the Company will lose its current position as a market leader in sustainability, resulting in damage to its reputation and potential financial losses.	<ul style="list-style-type: none"> Raise internal awareness of climate-change-related issues through advocacy and education, and actively respond to and engage with external parties to enhance Acer's corporate image and increase media exposure.



Related Risk Response Measures

Physical Risk



Risk Name	Explanation of Impact	Response Measures / Identified Opportunities	Risk Name	Explanation of Impact	Response Measures / Identified Opportunities
Risk Profile : Extreme			Risk Profile : Long-term		
Short-term Risk Increased Extreme Weather Events — Heavy Rainfall	An increase in the occurrence of heavy rainfall and the amount of that rainfall may result in: <ul style="list-style-type: none"> • Acer’s office buildings and cloud server rooms potentially flooding, resulting in significant asset losses and subsequent recovery costs • Acer’s supply chain potentially being unable able to supply products as scheduled due to the loss of its own equipment as a result of extreme heavy rainfall, resulting in supply chain disruptions • Damage to Acer’s warehouse inventory, resulting in asset loss 	<ul style="list-style-type: none"> • Conduct risk assessment for operating and storage locations and suppliers located in areas at high risk of flooding or susceptible to typhoons, and reduce the potential impact of disasters through prudent insurance planning and distributed procurement strategies 	Long-term Risk Increased Average Temperature	The increase in the length of the dry season and the duration of extreme high temperatures in East Asia due to global climate change will have the following impacts on Acer: <ul style="list-style-type: none"> • Higher electricity costs incurred in maintaining indoor temperatures at office locations • More frequent use of air-conditioning equipment in cloud server rooms, consuming more power and leading to higher operating costs 	<ul style="list-style-type: none"> • Actively formulate energy-saving plans and evaluate the purchase of energy-saving equipment to gradually reduce non-essential energy consumption and improve energy efficiency in the course of operations
Short-term Risk Increased Extreme Weather Events — Typhoons	The increasing frequency and severity of typhoons may have the following impacts on Acer: <ul style="list-style-type: none"> • Our own operating sites and data centers may be exposed to strong winds, causing damage to equipment and resulting in increased asset losses and maintenance expenses • Typhoons may damage power systems and cause local power outages, resulting in disruptions to Acer’s operations or services • Typhoons may disrupt Acer’s supply chain, resulting in disruptions in the delivery of products and services or a decline in quality 		Long-term Risk Sea Level Rise	Sea level rise may lead to the flooding of Acer’s own operating sites or those of its suppliers, leading to financial losses.	<ul style="list-style-type: none"> • For locations that may be at risk of sea-level rise, adjust the storage location of inventory according to the risk level or move the entire location • In the future, the risk of sea-level rise will be taken into account when selecting operating or warehousing locations to minimize the possibility of flooding
Short-term Risk Increased Extreme Weather Events — Extreme Low Temperatures	As the low-pressure zone from the Arctic sends cold air into the middle latitudes, this causes a rapid drop in temperature and can even lead to blizzards and other such weather conditions. When the temperature does drop sharply or blizzards strike, this can cause: <ul style="list-style-type: none"> • Interruption to Acer Supply Chain • Acer products may not be able to withstand severe temperature changes and thus suffer damage, resulting in additional costs, including labor and maintenance expenses 	<ul style="list-style-type: none"> • Monitor supplier locations, warehousing locations, and logistics routes that may be subject to extreme low temperatures to facilitate preparation and rapid response in the event of rapid temperature drops 			



Quantifying Major Climate Risk Factors and Impacts

Acer has also conducted an in-depth climate scenario analysis for the two identified high risks to enable management to understand the potential financial impact of climate risk on the Company and accurately measure the resources invested and their allocation when undertaking risk mitigation actions.

Risk Impact Quantification: Increased Extreme Weather Events—Heavy Rainfall



To address the potential financial impact of the “Increased Extreme Weather Events—Heavy Rainfall” risk item, Acer used the Water Risk Filter, a water risk mapping tool developed by the World Wide Fund for Nature, to assess how often cloud-based equipment and storage in Taiwan, China, the U.S., and Europe would be affected by major flooding events with a future temperature rise of 2°C. We also calculated the potential loss of assets due to increased heavy rainfall by taking into account the probability of different flooding scenarios and the rate of asset loss under each. Under the 2°C scenario, the cloud server room in Taiwan and the warehousing in the Netherlands are less likely to be affected by the risk of flooding, while the other seven Acer warehousing locations in the flood risk area will likely face varying degrees of asset loss and financial impact from 2020 to 2025. For those warehousing locations that may be at risk from heavy rainfall, Acer will regularly review the adequacy of existing insurance arrangements (e.g., global property/cargo policies) to ensure that possible risks have been properly transferred, and will continue to strengthen relevant loss prevention measures to minimize the financial impact of extreme rainfall.

Risk Impact Quantification: Increased Average Temperature



Acer used the Taiwan Climate Change Protection Information and Adaptation Knowledge Platform developed by the Ministry of Science and Technology (MOST) and the National Science and Technology Center for Disaster Reduction (NCDR) to assess the financial impact of rising average temperatures and the resultant increase in power consumption and subsequent higher direct operating costs, looking particularly at Acer’s headquarters and cloud server room, both of which consume more electricity. In addition, International Energy Agency (IEA) and Enerdata 2020 statistics showed that in 2019, both residential and industrial electricity prices in Taiwan were the fourth lowest in the world. Therefore, in selecting scenarios, we chose that under which the nations of the world make no active moves to reduce carbon emissions, the “high-emissions scenario” RCP8.5, as our focus. With this maximal estimation, we see that between 2021 and 2040, the main operating and cloud server room locations, namely those in New Taipei City and Taoyuan City, Taiwan, may see increased maximum temperatures and corresponding growth in electricity use, along with a considerable annual increase in electricity costs. According to calculations, the potential financial impact of the average temperature increase under the RCP8.5 scenario is still within the risk range that Acer can bear. We are also actively formulating energy-saving plans and evaluating the purchase of energy-saving equipment to gradually reduce non-essential energy consumption to minimize the financial impact of future average temperature increases and build climate risk resilience over time.

Indicators and Goals

In terms of our own operations, Acer’s key climate indicators for tracking at present include energy, carbon emissions, water resources, waste, and renewable energy. Currently, these are tracked through two major indicators: comparison to the base year and as a ratio against the number of employees. On the business side, Acer continues to review the environmental impact and performance of products at each stage of their life cycle by tracking the percentage of products certified as energy-saving, the percentage of post-consumer recycled plastics used in products shipped, the percentage of recycled materials used in product packaging design, and the carbon emissions of product transportation. Through this, we are able to continuously refine our operations and business in every possible way, making a concrete contribution to environmental sustainability.

04 RESPONSIBLE SUPPLY CHAINS



MATERIAL TOPICS



Supplier Environmental and Social Management & Performance

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



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

- Major 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

2020 Accomplishment Status and Highlights & Results

- Goal:** 45% of critical suppliers having completed SBTs. **Status:** Accomplished.
- Goal:** supplier RBA Code of Conduct on-site conformance audit percentage target. **Status:** 95%

2021 Goals

- 50% of critical suppliers have completed SBT setting
- RBA Code of Conduct On-Site Audit Conformance Target: Environmental: 95%

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 vendor 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.

2020 Accomplishment Status and Highlights & Results

- Status:** Conduct on-site audits of 70 supplier manufacturing plants, covering 190,000 direct employees and 3,617 other employees. RBA Code of Conduct On-site Audit Conformance: Labor: 89%, health and safety: 92%, environment: 95%, ethics: 98%

2021 Goals

- RBA Code of Conduct On-site Audit Conformance: Labor: 87%, health and safety: 87%, environment: 95%, ethics: 95%

Responsible 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 measure smelters or refiners that are conformant to or participating in a third-party assessment program that is aligned with the OECD's Due Diligence Guidance, including the RMI Responsible Minerals Assurance Process (RMAP), the London Bullion Market Association (LBMA), and the Responsible Jewelry Council (RIC) certifications.

Medium- and Long-Term Goals

- 100% of smelters comply with third-party OECD Due Diligence

2020 Accomplishment Status and Highlights & Results

- 96% of smelters comply with the third-party OECD Due Diligence
- 100% comply with/participate in the third-party OECD Due Diligence mechanism

2021 Goals

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

Acer's Supply Chain

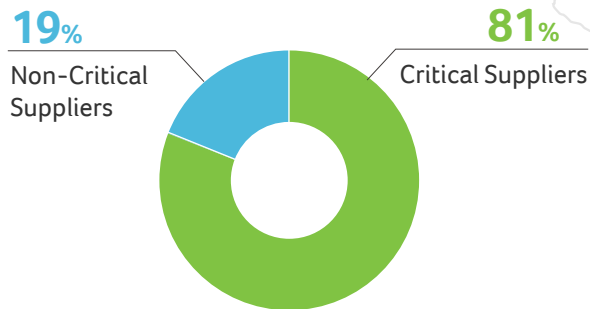
Acer and our suppliers are working together to provide customers with valuable products and services; these suppliers are our most important partners. Beyond economic value, we also focus on social and environmental value, building on a foundation of respect for human rights and working diligently toward 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 vendors, 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.

Distribution of Critical and Non-Critical Suppliers
(By annual procurement amount)



Supply Chain Management Mechanisms

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 vendors 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, we incorporate performance in this regard into our vendor CSR scorecard assessments. In 2020, we selected some ODMs for an attempt to partially expand the scope of responsible supply chain management third-tier suppliers, and we plan to formally roll out the model based on this experience into routine management activities from 2021.



I: 2008~ II: 2016~ III: 2021

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.



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 statement before they become official vendors.

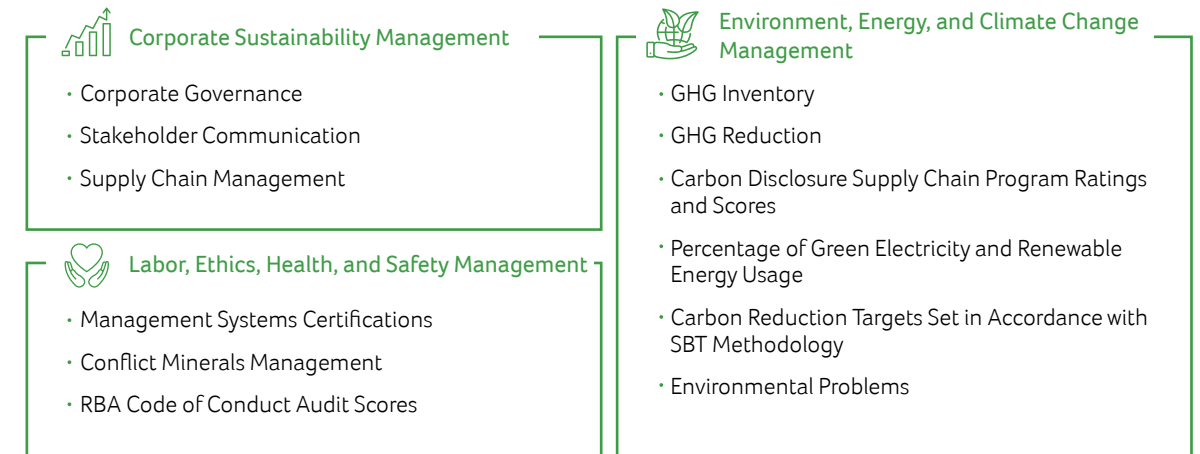
Supply Chain Social and Environmental Management Processes



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.

Vendor CSR scorecard assessments include the following:



Overall, the average performance of suppliers on the CSR scorecard in 2020 continued to improve, with nearly 60.8% of suppliers achieving an “excellent” standard and almost 36.5% of suppliers at the “medium” level. We also use quarterly business reviews and other communication methods to demand underperforming vendors 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, use environmentally responsible manufacturing processes, and provide 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 five areas mentioned above 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. Due to the impact of the COVID-19 pandemic, Acer postponed most audits until early July to take into account the health and safety of the personnel involved in the audits, beginning to conduct on-site audits after the worst of the pandemic had subsided.

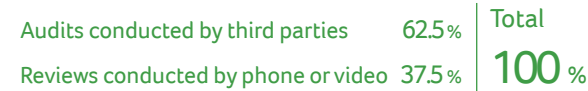
2020 On-Site Audit Results

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

In 2020, we conducted a total of 93 audits. 87 of these were on-site audits, while the remaining six were conducted remotely through videoconferencing and documentary reviews. Among these audits, one had relocated to a new plant and six had newly launched plants for Acer products. The approach covers third-party audits (CMA or AMA), RBA Validated Audit Process (VAP), BSCI, SA-8000, accreditation, etc. 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 2020, more than 190,000 direct employees of suppliers were audited, 3,617 of whom were interviewed. More than 80% of audits were conducted using the RBA Validated Audit Process (VAP). The total implementation rate, including audits implemented in 2019 that are still valid (two years for VAP and one year for CMA and AMA), is 85%.

For the 2019 RBA audits, 16 companies with total scores of less than 120 (out of 200) were listed as higher risk and were to be reviewed again in 2020. However, due to the pandemic, the actual number of audits conducted was only 10, with an implementation rate of 62.5%. In addition, six vendors responded flexibly and switched to remote review by Acer supplier management staff via telephone or video, with an implementation rate of 37.5%. The remaining one was a second-tier plant, for which the first-tier manufacturer was responsible for providing guidance and auditing.

Percentage of Reviews of Higher Risk First-Tier Suppliers



Per the above description, between 2008 and 2020, a cumulative total of 792 first-tier supplier audits have been carried out.

In addition, to effectively improve implementation through the supply chain, Acer has required its first-tier suppliers to conduct pre-audit risk assessments of their next-tier suppliers of critical raw materials since 2017. After aggregation, high-risk suppliers accounted for 12% of the total, with the medium-risk suppliers at 23%. We continued to carry out auditing activities in 2020 along these lines, auditing a total of 827 second-tier factories. In 2020, we also further deepened our implementation across the supply chain, extending our auditing activities to third-tier suppliers, of whom we conducted 520 audits in the year. These audits were conducted in the form of questionnaires so as to maximize the communication and implementation of Acer's firm position on sustainability issues.

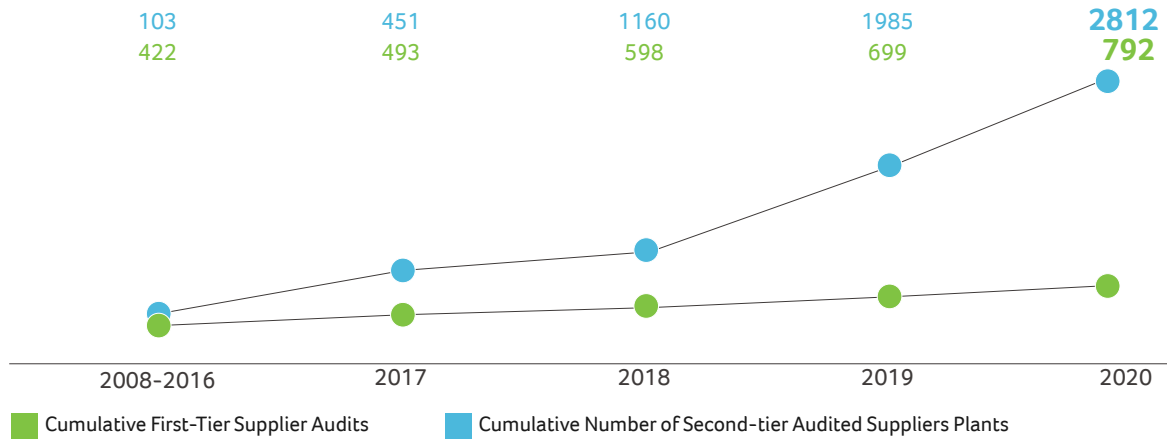
In 2021, despite the ongoing influence of COVID-19, we still plan to conduct on-site audits of 70 first-tier supplier manufacturing plants, covering 140,000 direct employees and interviewing 2,500 other employees. We have also set the following annual RBA Code of Conduct on-site audit conformance targets: labor: 87%, health and safety: 87%, environment: 95%, ethics: 95%, management systems: 95%. Likewise, we will continue to promote auditing activities for second- and third-tier suppliers to actively improve the workforce and operating environment and deepen the long-term positive impact on the overall supply chain.

First Tier Supplier Audits Conducted by Third-Party Auditors (by all suppliers)

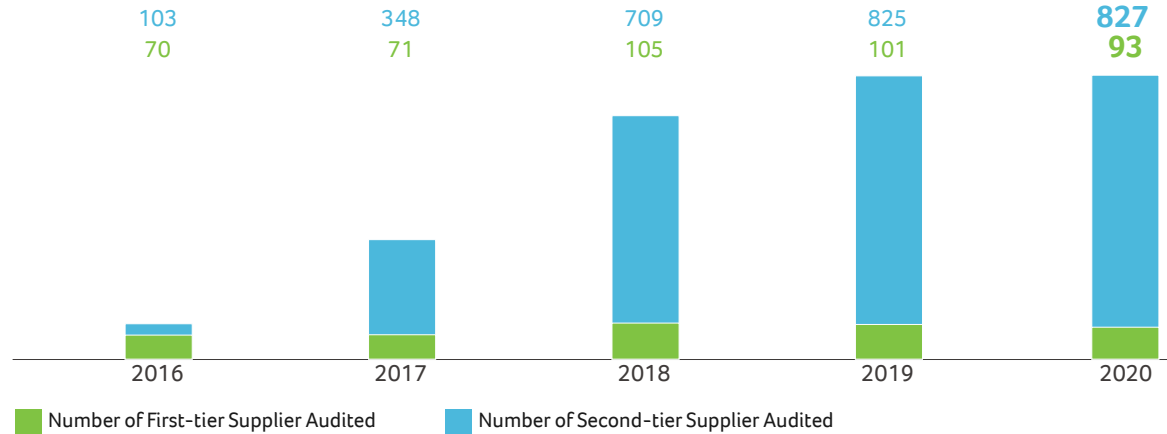
85%

Supplier Audit Categories and Incidences

Cumulative Total Audits

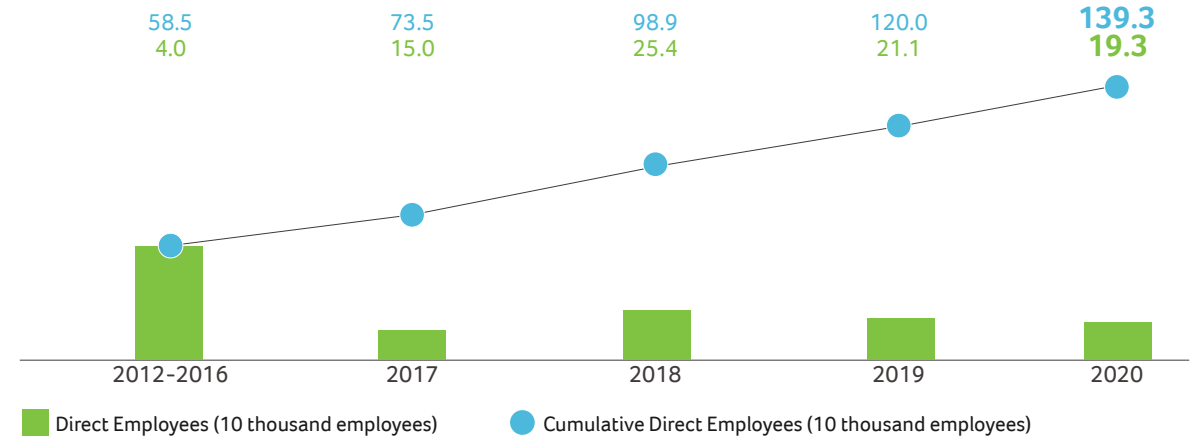


Number of Supplier Audited

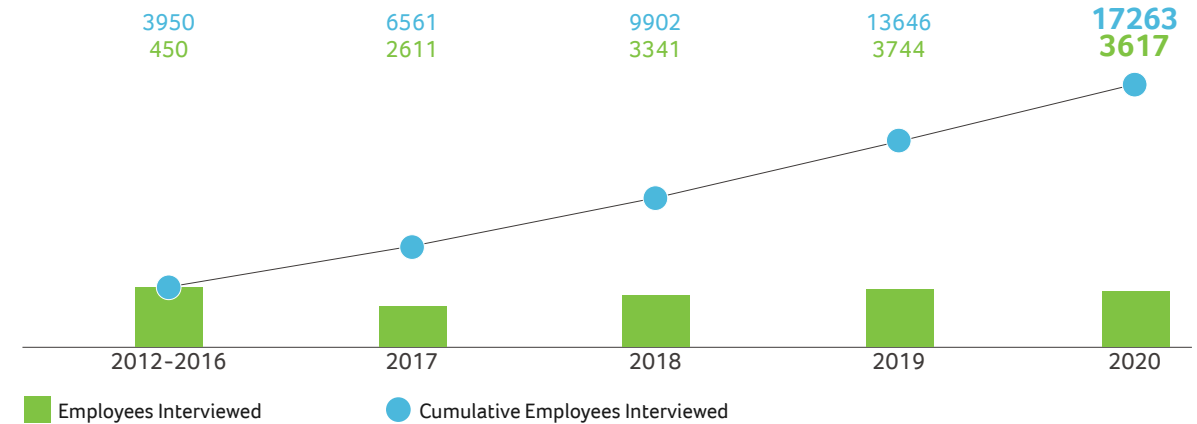


Note : 1. First-Tier Supplier Audits = VAP (or SA8000) + Full Audit + Surveillance Audit
 2. Cumulative First-Tier Supplier Audits = Cumulative First-Tier Supplier Audits (Previous Year) + First-Tier Supplier Audits (Current Year)
 3. Cumulative Total Audits = First-Tier Supplier Audits + Second-Tier Supplier Audits + Cumulative Total Audits (Previous Year)
 4. The statistical period for each year is from October 1 to September 30 of the following year, totaling 12 months.

Manufacturing supplier direct employees and progressive direct employees audited



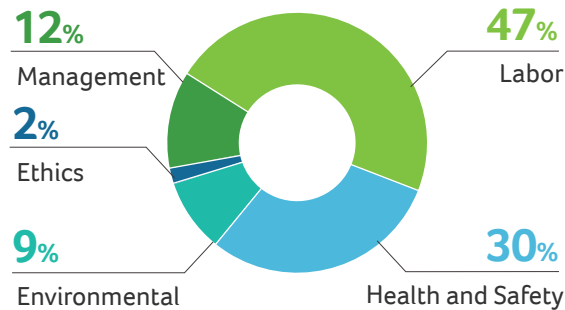
Manufacturing supplier employees and direct employees interviewed and audited



2020 Audit Results Analysis

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

Distribution of Non-Compliance Found in 2020 Audits

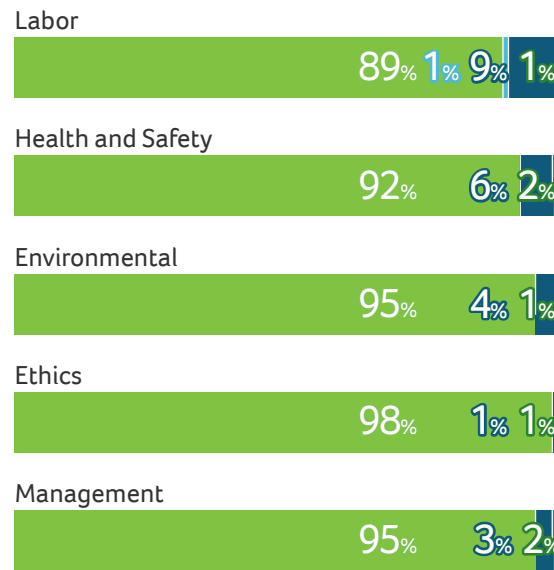


Significant Deficiencies (defined as Priority Non-Conformances) and Other Deficiencies (by Category)

	Major Deficiencies	Other Deficiencies
Labor	1%	10%
Health and Safety	0%	8%
Environmental	0%	5%
Ethics	0%	2%
Management	0%	5%

Note: Significant Deficiencies defined as Priority Non-Conformances

RBA Code of Conduct Conformance



■ Conformance ■ Priority Non-Conformance
■ Major Non-Conformance ■ Minor Non-Conformance

Note: Data covers all suppliers subject to audits by Acer management, third parties, and VAP, a total of 93

Important Issues and Tracking of Improvements in 2020

The main lapses in terms of labor rights were some problems around working hours and pay. The others are mainly related to hazardous substance control, emergency preparedness, and occupational safety, and gaps in potential hazard control implementation.

During the pandemic, it has made labor recruitment and deployment even more complicated and challenging due to the scarcity and lack of mobility of labor in many regions. Suppliers have generally used retention and newcomer referral bonuses to address short-term workforce shortages. In addition, some manufacturers have changed to a single-shift rostering method to boost flexibility of deployment to cope with the impact of urgent order demand. Some manufacturers are actively developing and introducing automated equipment to replace some labor. Acer also continues to implement bi-monthly attendance tracking and control for its OEMs to remotely monitor the effectiveness of the supplier attendance management mechanism.

Regarding the issue of labor remuneration, the main problem is the lack of current settlement of shortfall pay for departing employees. After much advocacy in recent years, this situation has been significantly improved. However, we found that a few companies had the same problems as those mentioned above. Based on previous experience, we shared our approach and called for immediate improvement.

In terms of environmental safety and health deficiencies, emergency response facilities, and hazardous substance management are the main areas of deficiency. As for the emergency response facilities, some manufacturers failed to consider fire escape routes when adjusting or changing the layout of factory equipment, resulting in a failure to update labeling or meet standards for emergency exits and the width of escape routes. Since there is a high potential safety risk for this type of deficiency, these manufacturers are required to take immediate corrective measures to rectify the situation. Regarding the management of hazardous substances, these lapses are mainly attributable to the fact that only the product name is marked on the vial container when it is re-packed and given to the production department, but the relevant composition information and emergency disposal instructions are not clearly marked. Having been corrected, the manufacturer has completed the labeling of the containers (including labeling of hazardous chemicals, names, composition, emergency disposal methods, emergency contact information, and manufacturer) to protect the health and safety of workers on site.



Main Findings in On-Site Audits and Their Corrective Actions

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. 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 2020, 126 deficiencies were identified in Acer's document reviews and staff audits, and as of December 31, 2020, all suppliers had responded with action plans for improvement. At present, 118 items have been effectively improved and are being tracked, with the remainder still under ongoing improvement. Among them, the rate of corrective measures for priority non-compliances is 100%. The rate of corrective measures for other non-compliances is 93%.



Labor

RBA Code of Conduct	A3.1 & A3.2 Working Hours	A4.4 Wages and Benefits	A4.2 Wages and Benefits
Main Issue	Workweek exceeded 60 hours; workers were not allowed at least one day off in every seven.	Correctly calculate payroll deductions or submit them to the government in lieu of deductions	Provide workers with a payroll they can understand and adequate information in a timely manner for verification of compensation accuracy
Corrective Action Verification	<ul style="list-style-type: none"> Move toward process automation and reduce dependence on manual labor Set up dedicated rework lines to minimize production disruptions Introduce multiple shifts and break roster mechanism Introduce a referral and retention bonus system to boost workforce stability Develop a "Work Hour Reduction Plan Progress Chart" and follow up on improvements with HR Flexibly deploy workforce support to each plant according to business needs Increase overtime control, strictly implement systems of "one day off in seven," "advance holiday sign-in," and "advance overtime" systems 	<ul style="list-style-type: none"> Promote the meaning and importance of social insurance payments during the onboarding of new employees Encourage current employees to participate in social insurance in accordance with the law to ensure that all employees are insured per the law Adjust payment basis promptly and in strict accordance with local regulations Increase commercial insurance to supplement employees' insurance coverage for work-related injuries or accidents 	<ul style="list-style-type: none"> Amend payroll regulations to ensure that departing employees are paid on the same day per regulations Monitoring and managing the payroll and execution records of temp agencies



Health and Safety

RBA Code of Conduct	B1.1 Occupational Safety	B2.4 Emergency Preparedness	C3.1 Hazardous Substances
Main Issue	Ensure occupational safety permits, licenses, and test reports are available and up-to-date.	Adequate, accessible, and properly maintained emergency routes, exits, and venues	Use qualified suppliers for proper sorting, labeling, handling, storage, transportation, and disposal of hazardous substances/waste.
Corrective Action Verification	<ul style="list-style-type: none"> When new plant structure approval process is behind schedule, monitor progress to completion Chemical warehouses need additional lightning protection facilities Loss of special work personnel requires expanded training of qualified reserves Insulation inspection for high-voltage operating facilities to be included in the regular inventory list 	<ul style="list-style-type: none"> Management procedures are supplemented with the following controls: After the re-layout of plants, safety routes and facilities should be reviewed during the acceptance process Should security door materials not meet the fire rating, they must be replaced in accordance with regulations Safety facilities and routes should have marked clearance zones to reduce human error 	<ul style="list-style-type: none"> All hazardous substances are to be stored in secondary containers to prevent leakage Bottles must always be labeled with: Hazard chemical labeling, names, composition, emergency disposal methods, emergency contact information, and manufacturer Strengthen management procedures, with all empty hazardous chemicals drums centrally stored, labeled, and disposed of in a timely manner



Environmental

Percentage of Priority Non-Conformance with Corrective Measures Implemented

100%

Other Non-Conformances with Corrective Measures Implemented

93%



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 to participate in the Carbon Disclosure Supply Chain Program in 2020, with the response rate to the CDP questionnaire among suppliers increasing from 70% to 80%, higher than the average response rate of 71% for participating member companies. The overall supply chain performance was at the C level. Several key performance indicators, such as reported percentage of Scope 1 to Scope 2 emissions, climate risk analysis, and the setting of carbon reduction targets, are also above the global supplier average. In addition, according to the CDP Supply Chain Report, 43% of total supplier energy consumption comes from green energy, and since 2019 the Company has included second-tier suppliers in the scope of climate discussions.

Compared to 2019, the response rate of second-tier suppliers in 2020 increased from 33% to 60%, the rate of incorporating climate change into business strategies increased from 70% to 82%, and the rate of setting emission reduction targets also increased from 50% to 61%. This demonstrates the growth potential of working with first-tier suppliers to pull together upstream suppliers and deepen carbon management in the industry chain.

In addition, Acer's supply chain engagement rating has improved from a B- in 2019 to an A- in 2020, also surpassing the B- grade for the electronics industry. We will continue to focus on the critical items touched on by this assessment methodology for future overall management reference.

Acer Supplier CDP Response Rates

Percentage Achieved by Supplier	2017	2018	2019	2020	2020 Average Participant Supplier Performance ^{Note}
Overall Average Performance Grade	C	C	C	C	D
Average Percentage of Reported Scope 1 to Scope 2 Emissions	94%	91%	86%	81%	79%
Climate Risk Analysis	89%	87%	83%	80%	65%
Incorporation of Climate-Related Business Opportunities into Business Strategy	90%	87%	84%	82%	85%
Carbon Reduction Goal Setting	85%	85%	80%	76%	71%

Note: 154 CDP Supply Chain members; total of 15,637 invited plants, 8,089 actual responses to climate questionnaire

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 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 and 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

We offer information and training on the latest trends and developments in social and environmental responsibility, helping suppliers better 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, in which we share the latest global trends in corporate sustainability, human rights issues, and mitigation action, along with Acer's requirements of and goals for supply chain CSR management performance. In 2020, our focus was on the practical management of social and environmental issues in the supply chain, and extending this to second- and third-tier supply chain companies to improve the overall CSR performance of our supply chain.



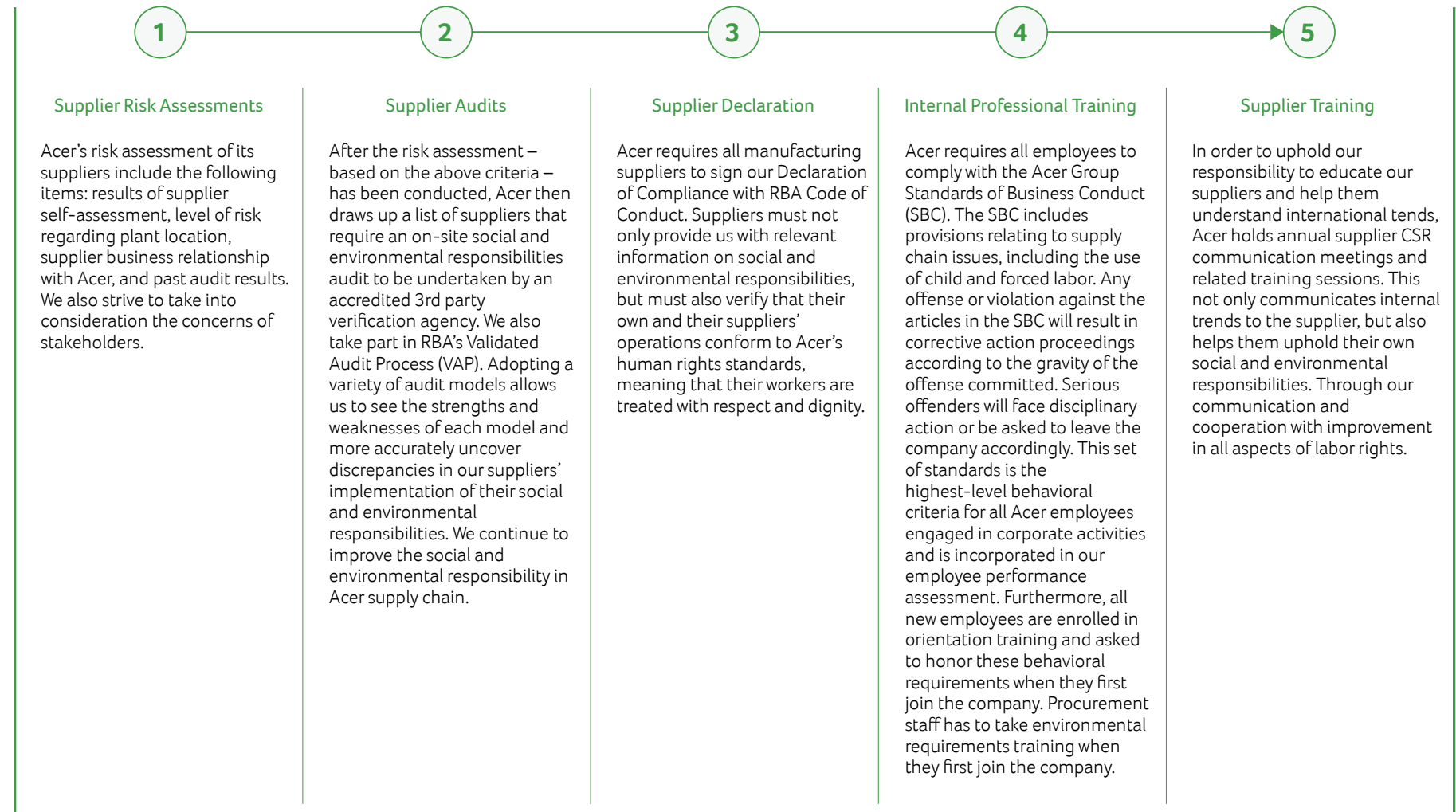
Social Management

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 [Modern Slavery Act 2015](#), and the [Australia Modern Slavery Act 2018](#).

Supply Chain Labor Rights Management Processes



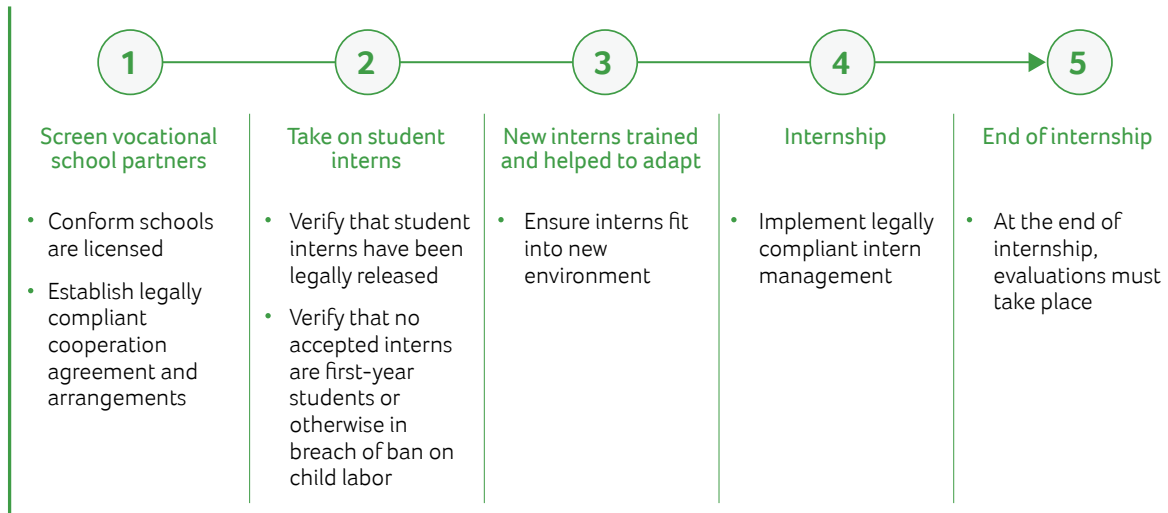


Child Labor and Forced Labor

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.

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.



Vendor 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 Vendor 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.



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 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.

Acer's responsible minerals sourcing program 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 (CAHRAs). Acer will continue to reassess its priority minerals as well as be involved in the refining of the procedures to identify CAHRAs.

Conflic Minerals

In 2020, we identified 249 unique smelters in our supply chain. The number was an increase of 7 smelters over the previous year and was mostly due to some Indonesia tin smelter operations coming back online from the legal export restrictions of the previous year. This situation affected the entire Indonesian tin market and many smelters did not received the necessary permissions to export tin and temporarily ceased operations. In 2020, the quantity of conformant and participating (RMAP-committed) smelters was 249, which is equivalent to 100% of the identified smelters in our supply chain.

To continue our desire for continuous improvement, we revised our target for 2021 to be 98% of SORs are conformant to an OECD-aligned 3rd party mechanism and 100% are either conformant to or participating in an OECD-aligned 3rd party mechanism.

	2015	2016	2017	2018	2019	2020
Conformant	213	244	248	252	235	238
Participating Smelters	34	18	12	4	5	11
Smelters Requiring Outreach	52	33	38	6	2	0
Total	299	295	298	262	242	249
Percentage of Conformant Smelters	71%	83%	83%	96%	97%	96%
Percentage of Conformant or Participating Smelters	83%	89%	87%	98%	99%	100%

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 108 smelters and has received 95 RRAs.



Acer's Policy on Responsible Minerals Sourcing



Our actions on responsible sourcing of minerals



Responsible mineral report download



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 Engagement Team (SET), as we believe the smelter/refinery identification and disposition are critical components of our due diligence procedure and of maintaining RMAP smelter data. Acer is a member of the reorganized SET team and conducts research on global alleged smelters to help determine if they meet the definition of smelters and if they are eligible for the RMAP program.

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 continued to support and attend the cobalt working group as part of its RMI membership in 2020.

Acer also reported the results of its second full cycle supply chain survey using the cobalt reporting template (CRT), which was used to gather information on cobalt policies, due diligence procedures and to identify the cobalt refiners in Acer's supply chain. Acer surveyed its suppliers of hard drives and lithium-ion rechargeable batteries, as well as original design manufacturers. We were able to identify 31 unique cobalt refiners in our supply chain, and increase of 3 over the previous year.

To review the results of those activities, please refer to Acer's most recent 2020 Responsible Minerals Report.

Public-Private Alliance for Responsible Minerals Trade

Acer continued its involvement in the PPA, a multi-sector and multi-stakeholder advocacy group that aims to publicize the issue of conflict minerals in the Democratic Republic of the Congo and the African Great Lakes Region and propose supply chain solutions.

In 2020, Acer attended the annual multi-stakeholder membership meeting, which was held virtually due to the continued impacts of Covid-19. Members met to discuss the socioeconomic impacts of due diligence, the effects of COVID-19 on Responsible Sourcing and Supporting Resilience in artisanal and small scale mining, and the PPA opportunities and priorities for 2021.

Other Contributions

In 2020, the International Tin Supply Chain initiative (ITSCI) encountered funding challenges during the height of the global Covid-19 pandemic. Acer was able to contribute the proceeds of its lithium-ion battery recycling pilot, via the RMI-ITSCI Fundraising Campaign, to help support ITSCI during this challenging time. ITSCI supports member companies to implement due diligence by working with governments and civil society and providing expert field, data, risk management and auditing teams. ITSCI's purpose is to create responsible mineral supply chains that avoid contributing to conflict, human rights abuses, or other risks such as bribery in central Africa.

Acer also committed funding to contribute to the RBA-Pact Partnership for supporting Alternative Livelihoods through a Vocational training program. By offering financial support to this program, Acer along with other companies, are collectively advancing progress in a more responsible cobalt supply chain.

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.




05 INNOVATION AND SERVICE



MATERIAL TOPICS

 Innovative Research and Development and Product Responsibility

 Information Security and Privacy Protection

 Customer Management

Innovative Products and Services
Customer Service
Information Security and Privacy Protection



Material Topics and Management Approaches

Innovative R&D and Product Services



<p>Issue Materiality</p> <p>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.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> • Committing to R&D, patent acquisition, and other core competencies, and providing targeted product and service models • Providing open source solutions to promote shared social innovation <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> • Regular review by the Corporate Sustainability Committee's Innovation and Product Lifecycle Team <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> • 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 	<p>2020 Accomplishment Status and Highlights & Results</p> <p>Be committed to creating greater profits through innovation with value</p> <p> Goal: More sophisticated audiovisual experience</p> <p>Status:</p> <ul style="list-style-type: none"> • Specified audio signal lock: Audio post-processing operations are carried out for notebook products through manufacture DTS • Extreme stereo sound: Engage in further collaboration with RealTek <p> Goal: Cooler, quieter cooling management system</p> <p>Status:</p> <ul style="list-style-type: none"> • Compared to its predecessor, AeroBlade's fifth-generation improves performance by 10% and has been introduced into 2021 gaming and ConceptD products. • Second-generation liquid circulation cooling is also ready for detailed design and mass production. • Cutting-edge cooling material PowerGem was introduced into the 2020 Hellos 700. <p>2021 Goals</p> <p>Be committed to creating greater profits through innovation with value</p> <ul style="list-style-type: none"> • More sophisticated audiovisual experience (extreme stereo sound, specified audio signal lock): Efficient dynamic noise reduction for teleconferencing driven by AI technology. • Cooler, quieter cooling management system: <ul style="list-style-type: none"> - Fanless desktop computers - Aluminum extrusion desktop heat dissipation system
---	--



Customer Management

<p>Issue Materiality</p> <p>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.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> • We listen carefully to user feedback and strive to stay on top of what the market demands. Through our systems management mechanism and regular follow-up on customer needs and user experience, we can continually improve the quality of our service while putting new technologies to use in customer service creates greater customer satisfaction. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> • 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 certification in internal maintenance centers and authorized partner service <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> • Actively pursue an understanding of customer needs, continue to provide products and services that exceed customer expectations, and create greater value for customers 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> Goal: Maintain average customer satisfaction survey results above 95%</p> <p>Status: In 2020, the percentage of positive customer evaluations reached 93.20%. Please refer to page 79 of this report for further reasons for the decline.</p> <p>2021 Goals</p> <ul style="list-style-type: none"> • Maintain average customer satisfaction survey results above 96%, with continued growth year by year.
--	---



Material Topics and Management Approaches

Protecting Privacy 	
<p>Issue Materiality</p> <p>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 Company's responsible management and to keeping the brand strong.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> Formulated and put into practice global Acer Group Personal Data Protection Management Policy <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Carrying out regular personal data inventories and risk assessments <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> In implementing the global Acer Group personal data protection management policy, headquarters, and the regional headquarters (Americas, Asia, and Europe) have established personal data protection management organizations, corresponding specifications, and implementation procedures. 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> Goal: We will obtain BSI 10012 PIMS certification by 2023 in our ongoing efforts to bolster our protection of personal information</p> <p>Status: A personal information inventory was conducted and integration of the BS10012 Personal Information Management System (PIMS) further evaluated.</p> <p>2021 Goals</p> <ul style="list-style-type: none"> Continue to regularly promote and provide employee privacy-related education and training. Maintain zero significant customer privacy violations. Plan Company PIMS to enhance personal information management, records, and inquiries.

Information Security 	
<p>Issue Materiality</p> <p>5G networking and the Internet of Things are expansive prospects for the future. Since the outbreak of the COVID-19 pandemic, technologies such as big data and cloud databases have become even more widely used in business development. However, ease of information flow and sharing rests on the security of the infrastructure, applications, and software. Robust information security management not only protects user information from exposure to risk, but also helps to boost corporate brand reputation.</p> <p>Business Management Strategy</p> <ul style="list-style-type: none"> Under the core framework of ISO 27001 certification, we have established an Information Security Management System (ISMS) and provided a platform for improving information security practices, strengthening and improving implementation through information asset inventory, risk assessment, and operational impact analysis. We also apply the ISO Personal Information Management System (PIMS) standard to protecting and managing personal data, thus meeting the rising demand for information security. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> The ISO 27001 certification audit is conducted annually by an impartial third-party organization, and we also have in place an internal and external ISMS audit mechanism. Information security drills, stress tests, and data recovery drills are conducted regularly during non-audit periods to ensure organizational information security. <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> 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. 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> Goal: Strengthen system implementation, strictly implementing information security management to maintain the Company's internal control while also ensuring external customer information security</p> <p>Status: Achieved (see Information Security section for details)</p> <p>2021 Goals</p> <ul style="list-style-type: none"> In addition to the existing ISO 27001 standard, we make good use of existing ISMS management systems and mechanisms, and strengthen the security of external information service systems to improve information security in response to the possibility of malicious attacks, and to realize a multifaceted information security protection implementation.

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.

Continuous innovation is a core value for Acer, as through it, we can gain a competitive edge. Our patent strategy is to invest resources in continuous innovative R&D, building a patent network, and demonstrating the benefits of our patents while establishing strict patent measures to protect our R&D achievements.



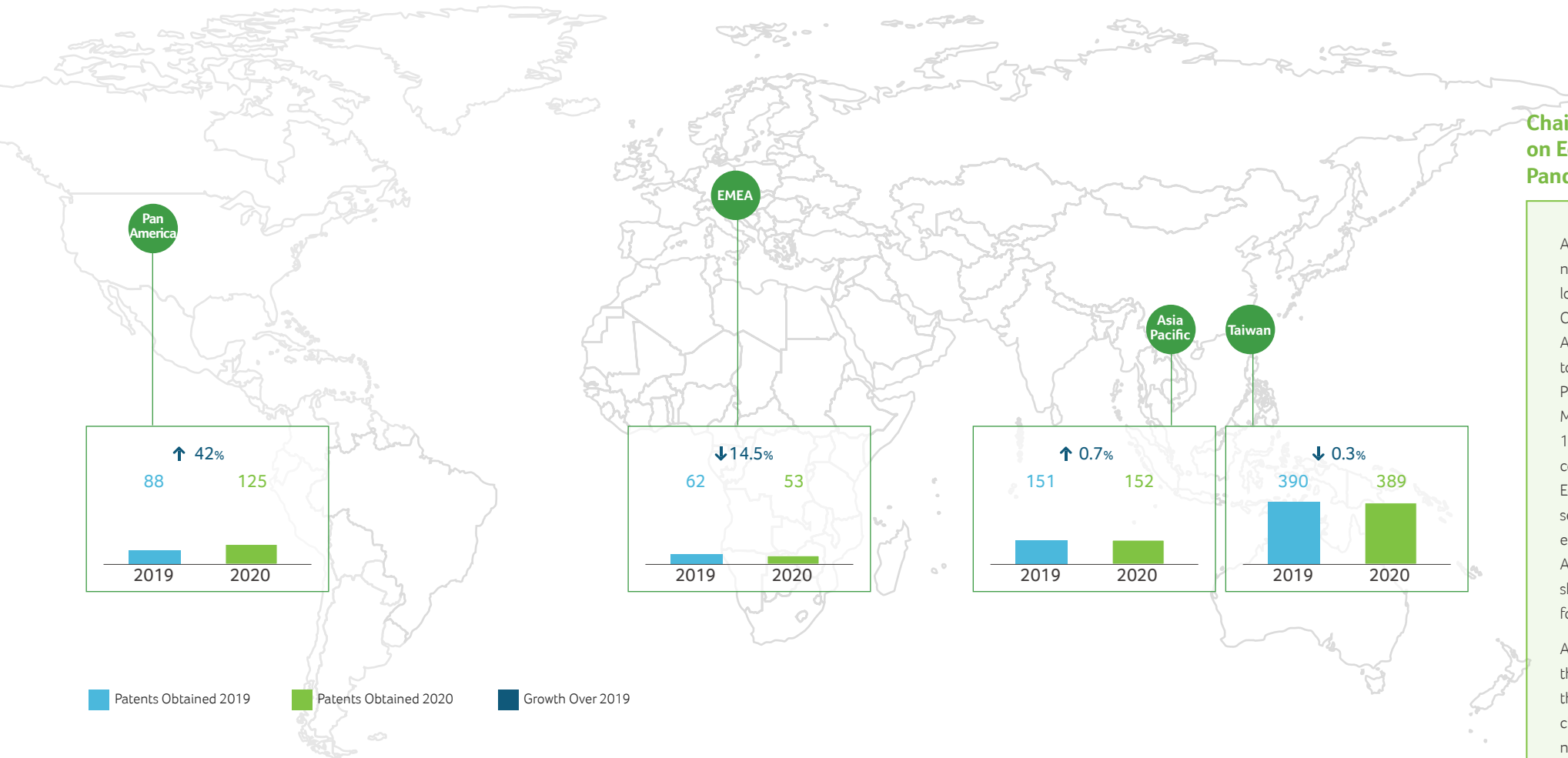
Our Patent Protection Measures

- **Regular patent education and training:** General staff have specialist knowledge in their own fields, but to ensure that all have a basic knowledge and understanding of intellectual property rights, Acer regularly holds internal training on patent-related issues.
- **Occasional patent seminars:** In response to changes in patent laws and regulations or the influence of litigation practices of major foreign companies, Acer invites foreign patent attorneys and industry professionals to give patent seminars to help the Company keep pace with the international situation.
- **Establish an ePatent system to manage patent case information electronically:** Acer has long proposed an ePatent system to electronically manage all of our patents. In addition to allowing all patent cases to be filed through it, the ePatent system can also be used to check basic information regarding patent cases and stay on top of patent status.
- **Establish an eBook system to manage R&D log electronically:** Having dealt with the challenges of managing, preserving, and querying paper-based R&D logs, Acer decided to establish an eBook system in 2019 as a replacement, enabling each member of the R&D team to set up their own log by logging into the system, with subsequent management, preservation, and querying a much simpler matter.
- **Encourage staff to engage in innovation and creativity through the Invention Incentive Scheme:** To encourage employees to engage in inventive and creative work, Acer has established the Invention Incentive Scheme. In addition to a general patent application bonus and approval bonus, specific awards include an annual patent excellence bonus, providing an additional incentive.
- **Establish a patent evaluation process to control patent quality:** After an inventor submits a "concept disclosure," a search for prior art is conducted by patent engineers to screen out patentable elements that are novel and progressive. For patents with high innovation and product application value, the country of patent application will be decided by committee through patent evaluation meetings.



Patent Benefits of the Patent Strategy

- **Encouraging innovation:** The use of patent awards, medals, and certificates encourages employees to engage in invention and creativity.
- **Demonstration of technical drive:** Technology R&D is the main driving force for the survival and growth of our business, and that R&D must be linked with demonstrations of technical drive through patent applications.
- **Product competitiveness:** Only with the protection of patent rights can we gain a secure edge in the market and keep our products competitive.
- **Exclusion of competition:** The only way to obtain legal exclusivity of technology is to apply for a patent, which prevents competition from counterfeits and facilitates an exclusive market share.
- **Legal defense:** Acer's patent strategy is primarily defensive in nature, and offensive as a supplement. Different types of patent portfolios can increase negotiation leverage and reduce the risk of patent litigation.
- **Increasing patent bargaining power:** After accumulating a certain degree of patent strength, we are thus in possession of more favorable bargaining chips upon entering patent negotiations.
- **Income from royalties and disposition:** If a patent is licensed or transferred to another entity, royalties or patent transfer fees may be received, creating real economic benefits for the Company.



■ Patents Obtained 2019 ■ Patents Obtained 2020 ■ Growth Over 2019

In 2020, Acer obtained 719 patents around the world, with patents obtained for the year in the China, Asia Pacific, and Pan America regions growing over 2019. Acer Taiwan applied for the second largest number of patents in Taiwan, ranking third in the nation by patents received.

Note 1: Official figure for Taiwan is 388, with one StarVR-Acer patent where StarVR is the first applicant, making for a total of 389 with this included.

Note 2: Data for China included in Pan-Asia region

the 2nd in Taiwan
The number of patents filed by Acer Taiwan

Chairman of Acer Jason Chen Shares Advice on Economic Recovery and Taiwan's Pandemic Control Efforts on Behalf of ABAC

As the COVID-19 pandemic spread around the world, nations suffered substantial economic impacts due to lockdowns and other pandemic control policies. Acer Chairman Jason Chen was invited by APEC Business Advisory Council (ABAC) chair Dato Rohana Mahmood to represent the council at the 16th APEC Policy Partnership on Science, Technology, and Innovation Meeting on August 27, 2020, where he addressed over 100 government representatives from 21 member countries on the topic of "Laying the Groundwork for Economic Recovery and Building Resilience." The seminar offered advice on how to promote the economic recovery and future development of the Asia-Pacific region during the pandemic, as well as sharing how Taiwan has become the global benchmark for the use of technology to control the pandemic.

As a global citizen, Acer will continue to pay attention to the development of the pandemic and contribute with the power of technology in the face of severe economic challenges, from innovating technology to meet the needs of new lifestyles, building a digital environment for the new generation of information security, to assisting in the formation of international government policies, and doing its part on behalf of ABAC and Taiwan during and after the pandemic.



Innovative Products and Services

In 2020, Acer developed a number of software applications and technologies across all product levels, with all products and services launched continuing to respond to the UN SDGs.



E-Health

SDG3: Good Health and Well-Being

Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS)

Acer E-Enabling Service Business (AEB) received the COVID-19 Best Industry Solutions award at the 2020 Global Excellence ICT Awards for the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS), which was planned and built with the Centers for Disease Control (CDC) of the Ministry of Health and Welfare. This award recognizes companies or organizations that have made significant contributions to the fight against COVID-19 and to the well-being of society through the application of ICT. The award was presented by the World Information Technology and Services Alliance (WITSA) and is known as the Oscars of the ICT industry.

The THAS is used by government and hospital medical and professional staff to monitor pandemic infections in health care facilities and collect national antibiotic resistance data, providing an important basis for formulating pandemic infection and antibiotic control policies. The system also allows managers to prevent hospital-acquired infections early and control the spread of infections through data analysis.

THAS has successfully linked more than 600 major medical institutions in Taiwan, with a coverage rate of 90% and more than 1,400 professionals using the platform for notifications, checks, monitoring, and analysis of infection case information and antibiotic management. As a national monitoring platform, THAS is also one of the indicators used for daily pandemic updates from the Central Epidemic Command Center (CECC). Acer's THAS is an upgrade in terms of system specifications and information security. Its home page dashboard presents a graphical model based on the current status of data reported by medical institutions and intuitively presents key information such as the distribution of health care infection sources, trends in the occurrence of related infections, and a listing of nosocomial strains. When medical teams need further analysis, THAS also provides international surveillance indicators as the most comparable basis to help hospital administrators understand the current status of infection and antibiotic resistance in their own hospitals so that they can initiate critical preventive measures before an unknown outbreak, becoming a cornerstone of Taiwan's robust healthcare system.



Acer and the National Defense Medical Center Research Center for Epidemic Prevention Science Collaborate on using AI to Accelerate Vaccine Development

As the COVID-19 pandemic continued in 2020, Acer worked with epidemic prevention and medical units in multiple fields based on its foundation in smart medicine. We have also participated in a Ministry of Science and Technology (MOST) research project conducted by the Research Center for Epidemic Prevention Science, promoting interdisciplinary research and international cooperation in pandemic control and boosting Taiwan's own pandemic control practices.

The first target is vaccine development, using Acer's AI technology R&D to accelerate the antigen development process, combined with fundamental research from the National Defense Medical Center, to accelerate vaccine development before another novel infectious disease spreads worldwide again.

As a global ICT business, Acer is also part of the National Defense Medical Center's Research Center for Epidemic Prevention Science, having signed a Memorandum of Understanding (MOU) with the NDMC in September 2020. It is hoped that through smart medicine R&D, we will be able to more efficiently prevent future epidemics and alleviate the burden epidemic prevention work can place on the medical system. In addition, Acer and the NDMC have jointly organized a smart medicine program to cultivate talent with a background in both medicine and AI. In the future, Acer will continue to work with the NDMC on smart medical technologies to help accelerate the industrialization, commoditization, and internationalization of such technologies.





Clean Energy

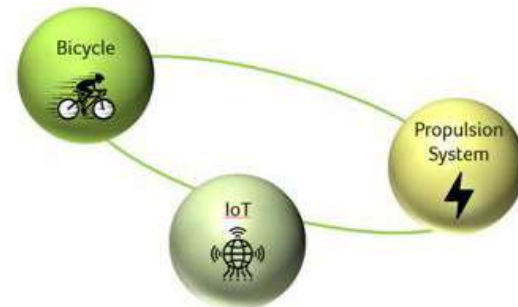
SDG7: Affordable and Clean Energy

Acer subsidiary MPS Energy is focused on developing automotive and mobile power systems and aims to combine green energy and vehicle networking technologies to develop battery management systems (BMS) for smart vehicles. In 2020, the electric vehicle energy modules for e-bike kits developed by MPS were sold to European bicycle manufacturers and are on par with those of established global bicycle supply chain manufacturers.

Even with growing environmental awareness and demand for energy efficiency, safety remains the first priority, and MPS Energy has three types of battery modules which can be installed in the rear frame, hidden in the seat tube, or in the down tube depending on the needs of customers and vehicle manufacturers. In addition, the app developed in-house can instantly track power levels and ride mileage, providing riders with personalized information. During this global pandemic, the use of public transportation has decreased, but this has given electric bicycles the chance to shine.



Battery Module (Barcelona—In Tube)



e-Bike Integrated System



E-Learning

SDG4: Quality Education

VR Software/Hardware: Supporting Development of Immersive College Lesson Plans

AEB donated virtual reality equipment, systems, and VR scripting software to the Department of Education and Human Potentials Development at National Dong Hwa University to help tap students' potential in digital creation and aid teachers in developing immersive lesson plans. AEB has long been focused on creating educational VR content, and has spared no effort in applying digital technology to help preserve collections of cultural heritage. The donation ceremony was attended by AEB's Chief Strategy Officer, Mr. Cheng Ta-you, and Director Hsu Cheng-lung. NDHU Professor Liu Ming-chou offered a thank-you speech and explained that the equipment would be put to use in conjunction with Steam exploration, course planning, and technology for reading, aiding in the development of immersive VR courses. Such courses will benefit trainee teachers in their development of TPCK (technological pedagogical content knowledge).

With years of experience in digital creation, AEB has been part of a number of national projects applying VR technology to digital content creation, including cooperating with the National Palace Museum to digitally collect over 400 national treasures with VR technology, creating an "Unlimited Museum" free of the bounds of space and time. In addition, the VR scripting software developed by AEB was behind the completion of four themed virtual exhibitions at the National Museum of Taiwan History in a year, and in 2020 AEB co-hosted three "VR! Time Traveler" exhibition experiences, allowing the public to get closer to historical relics through VR.





E-Business

SDG9: Industrial Innovation and Infrastructure

Cloud-based Smart Ticketing Platform

During the pandemic, AEB expanded its cloud-based ticketing services into the world of sports to help professional baseball team CTBC Brothers and professional basketball team Taipei Fubon Braves introduce e-ticketing. This enabled members of the public to purchase tickets without having to wait in line and risk exposure, while also facilitating safe audience conditions. We provided operators with the ability to quickly build their own branded cloud-based ticketing platforms and automated ticket machines, allowing consumers to go paperless from ticket purchase and reservation to pickup, transfer, and inspection. The benefits of such a platform include:

Paperless ticketing process for consumers
Environmentally friendly and convenient, reducing the risk of lost tickets

Quick, dedicated ticketing site
Owners can have their own cloud-based ticketing website to bolster their brand image

Provides a back-end management platform
Makes it easy to stay on top of member data and carry out remarketing through consumer behavior analysis



Picture: E-ticketing

Other Major Innovative Products

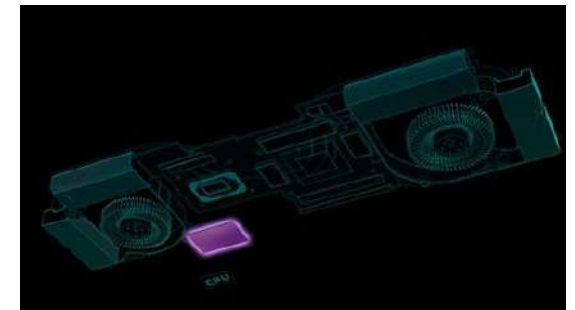
Better Heat Dissipation: Predator PowerGem Thermal Solutions

As a result of the pandemic, in 2020, consumer demand for remote work and study increased globally, and everyday entertainment and recreation largely shifted from social gatherings to at-home entertainment. Given this, products that could offer better performance and energy savings became prime choices among consumers.

The new Predator PowerGem thermal solution has been incorporated into the Predator Helios 700, significantly improving the notebook's cooling performance. PowerGem is a special material with 3.83 times the vertical thermal conductivity of copper, thus boosting laptop thermal performance. In addition, each Predator Helios 700 model comes with three copper heat pipes, Acer CoolBoost cooling technology, a heat sink, and two custom-built 4th generation AeroBlade™ 3D fans.



AeroBlade™ 3D fans



PowerGem Thermal Solution

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 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 Download and Support Service
- Online Support
- Telephone Service Support Center/Tech Support
- Acer Service Centers
- Authorized Service Centers and Professional Repair Companies
- International Travelers Warranty Service Centers
- Acer Web Master (customer complaints handling process and mechanisms)
- Acer Community (an open platform for customers to help each other and share product-related information)
- Acer Answers



We have set up maintenance centers around the world and cooperate with authorized service centers where required. The network is made up of Acer-operated 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



Acer eService APP

Electronics Recycling Campaign Supports Taipei Orphan Welfare Foundation

In 2020, Acer Taiwan collected 21.47 kg of used cell phones, 42.13 kg of used chargers, and 1,037 kg of used batteries an increase of eight times that of the previous year's battery collection—through our electronics recycling campaign, with all profits gained from the recycling donated to the Taipei Orphan Welfare Foundation.



Recycling event



This year, due to the COVID-19 epidemic, most of the campuses were closed and distance learning was used, but Acer China continued to provide free computer health checks, cleaning, and troubleshooting services to faculty, staff, and students at four universities despite the challenges.



Xinlian College of Henan Normal University



Huanghe S&T University



Central China Normal University



Liaoning University of International Business and Economics

Enhancing Service Quality

Improving Customer Service

In 2020, Acer Taiwan launched a customized installation service for customers who bought from Acer. If customers need to upgrade their Acer products after purchase, Acer's own service centers, along with other authorized service centers, can provide consultation and installation services.

In April 2020, Acer America officially opened a customer service line in Colombia to handle calls from the US, Canada, and Central and South American countries (excluding Brazil). The customer service lines in Brazil still use the same partners that Acer has been working with for the past seven years. From the results of customer satisfaction surveys, we see that Colombia's customer service line has offered a better quality of service than the previous year's line. To further improve the accuracy of customer satisfaction surveys, in December 2019, Acer America conducted a survey with a new partner, Rant & Rave, instead of the previous telephone survey. Such customer satisfaction surveys will be conducted at the end of each customer inquiry.

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 2020, Acer Community reached a total of 412,502 members, over 842,681 posts, and over 15,304 solutions. A total of 13,178,922 visitors viewed the site some 31,549,335 times that same year. In addition, in 2020, our ACE team added 17 additional superusers, for a total of 35. The website provides channels that span borders by supporting multiple languages, including English, Spanish, German, and Portuguese, with French added this year.

Additionally, in 2020 we added Acer Lounge, a channel for superusers to put forward their ideas for products, accessories, and services, including product hardware or software improvements, more customer-friendly web pages, and so forth. 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 better understand 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.

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 worldwide 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 2020, the second repair rate in Europe dropped from 4.32% to 4.18%.

The new Global Customer Relationship Management System (Version 8) uses the latest technology to strengthen and integrate processes across regions. In 2020, this management system was extended to maintenance centers in Central and South America. This system can also support 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.

13 million
visitors

4.1 million
members

An increase of
approximately **70** thousand
new registered users



Acer e-Academy: Helping Service Staff Solve Problems Better

To facilitate our worldwide customer service staff's provision of the best customer advice and assistance, we established an online learning system (Acer E-Academy) in 2009 to provide professional knowledge training in new products, resolution of common product queries, customer skills, and standard processes to front-line customer service employees and operating unit employees, including an online evaluation after the course has finished. To improve the user interface and upgrade the coverage, Acer Europe introduced the eLearning portal in 2020 to provide professional training to internal staff on maintenance techniques and troubleshooting. So far, 12 different training courses have been added, and more are coming. Through this system, we can provide staff with the latest product knowledge, helping them deal with customer inquiries more effectively through a set of standard methods and through a virtual journey, even without seeing the actual product.

In the Taiwan region, we also held in-house training in 2020 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

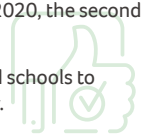
We carry out Acer Customer Satisfaction Surveys in each country individually. As such, methods can vary. However, head office still regularly collects the results of our surveys and reviews them for trends and insights. Current survey methods include telephone, online, face-to-face interviews, and telephone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

To improve customer satisfaction, we conduct regular (weekly or monthly) reviews 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 authorized partner service centers have successfully obtained relevant ISO certifications, such as ISO 9001 and ISO 14001.

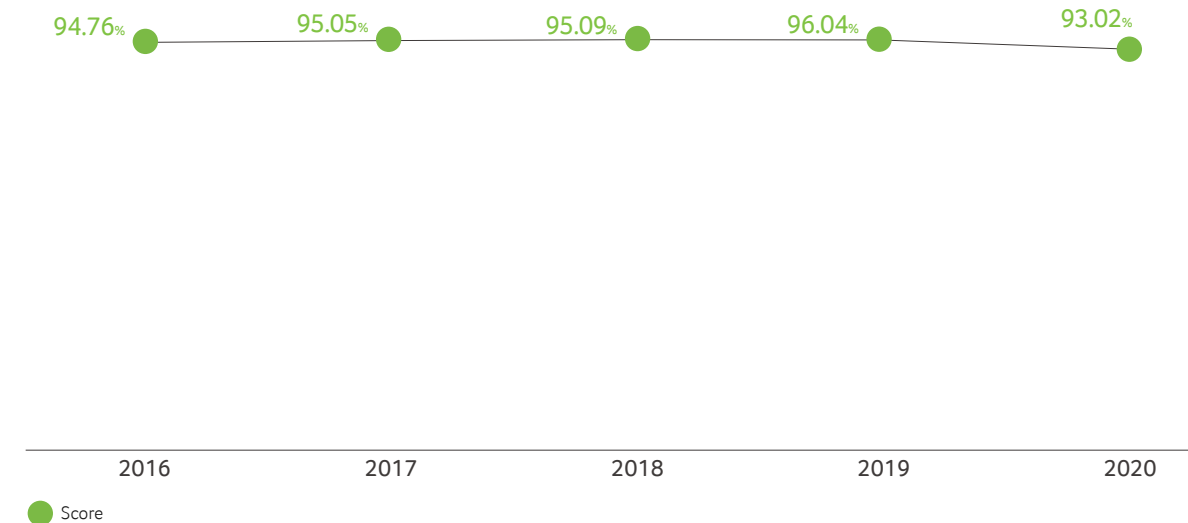
In aggregate, our 2020 survey results show high global satisfaction, with positive customer evaluations accounting for 93.20% of total evaluations. Average customer satisfaction survey results decreased compared to last year, mainly due to the impact of the pandemic in the first half of the year, which led to a decrease in customer satisfaction due to the extended time frame for some repairs. Overall, however, it was with the normal range.

We have set the following goals for customer service improvement in 2021:

- Average customer satisfaction survey results above 96%.
- Continued implementation of 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.
- Continue to observe and reduce customers' second repair rates to boost consumer satisfaction and loyalty. In 2020, the second repair rate in Europe dropped from 4.32% to 4.18%.
- 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.



Global Customer Satisfaction





Adapting Customer Service in Response to COVID-19

In response to COVID-19, we set out a classification of various strategies to help protect our staff and maintain the operation of the service system.

Classification of Pandemic Strategies

Condition 1: Cases being imported, sporadic community cases

Goal: Protecting staff

Method:

- Employees have their temperature taken before entering the office. (Recorded on daily file)
- Masks mandatory for counter service staff. Announce that masks are required for entry to service centers in line with CECC December 1, 2020, announcement of eight public venue categories where masks are mandatory.
- Customers are required to wash their hands with hand sanitizer before entering the service center
- More hand-washing is required in maintenance and service work to maintain personal hygiene.
- Engineer will clean machines twice before and after maintenance.
- Workplace is disinfected daily.

Condition 3: Cases occurring in the service area

Goal: Maintain service operations

Method:

- The service center supervisor will report any confirmed COVID-19 cases to their immediate supervisor and head office.
- Announcement on app/website/doorway of business being suspended .
- If all employees are to go into isolation, they will do so at home for 14 days.
- Service centers will be fully cleaned and disinfected.
- Staff roster is split to reduce the risk of a cluster.
- Repair parts are logistically diverted to authorized service centers near the affected service center.
- Service center will be disinfected and business suspended for 14 days (no receipt, pickup, or shipping of items).

Condition 2: CDC announces community spread

Goal: Protecting staff

Method:

- This stage could be deployed early as resources permit.
- Announcement that customers must wear masks and have their temperature taken before entering the service center .
 - If there is any risk related to fever or acute respiratory symptoms, the customer should be politely refused entry and referred to an outpatient hospital for medical treatment (a QR code will be sent to the office according to the announcement at the entrance, and on-site service can be halted).
 - If necessary, police will be asked to assist (as external locations do not have their own security staff), as per the CECC's December 1, 2020 announcement regarding pandemic response for eight major categories of public venues.
- Staff (after entering the office) have their temperature taken every morning and evening. If any abnormalities are found, they will be asked to go to an outpatient hospital for treatment.
- Staff roster is split to reduce the risk of a cluster.
 - All staff must wear masks, with goggles and disposable gloves additionally required for those working counters.
- Reception area doors are to be kept open all day to maintain ventilation, with air conditioning stopped.
- Industrial fans at the front and back doors will keep air flowing through spaces.
- All finished parts should be sealed in plastic bags and marked as cleaned and disinfected.
- After completing repair operations, repaired products will be returned to customers by mail, avoiding customers to wait on site and thus reducing contact risk.

Call Center Response

Taiwan/China Regions

Work Locations:

Split in two—Group A in the office, Group B off-site/at home.

Off-site Support Equipment:

Notebooks, office desks and chairs, digital phones to be allocated to off-site workers, central system staff can log in to and accept incoming calls through, Internet network sockets, power sockets, user access controls (temporary access cards), switches with settings to accept incoming calls and automatically assign them to each seat, interactive voice system that can have special announcements recorded, digital phone call recording setup.

Europe and the Americas

All front-line operators are equipped to work from home to reduce the risk of clusters and ensure service demands can be met without interruption.

Parts Supply Response

The general warehouse area has established a remote backup standard for purposes of pandemic prevention. As it is a centralized, singular operation, the following are recommended:

- Decentralized storage of spare parts for maintenance:
 - Each station shall extend the storage period to 20 days.
 - Existing inventory is sorted and transferred to external regional centers for storage.
- Adjust the space for storage of materials and provide separate work space.
- Head office purchasing staff shall work off-site and transfer procurement and receiving locations to regional centers
- Personnel of each regional center take over receiving, stocking, shelving, and dispatch operations
- Regional center backs up to Authorized Service Centers and stores materials.



External Communications

- [Acer America has made the following announcement regarding COVID-19](#)
- [Acer released special instructions for cleaning products to address customers' concerns regarding COVID-19](#)

Information Security and Privacy Protection

Information Security

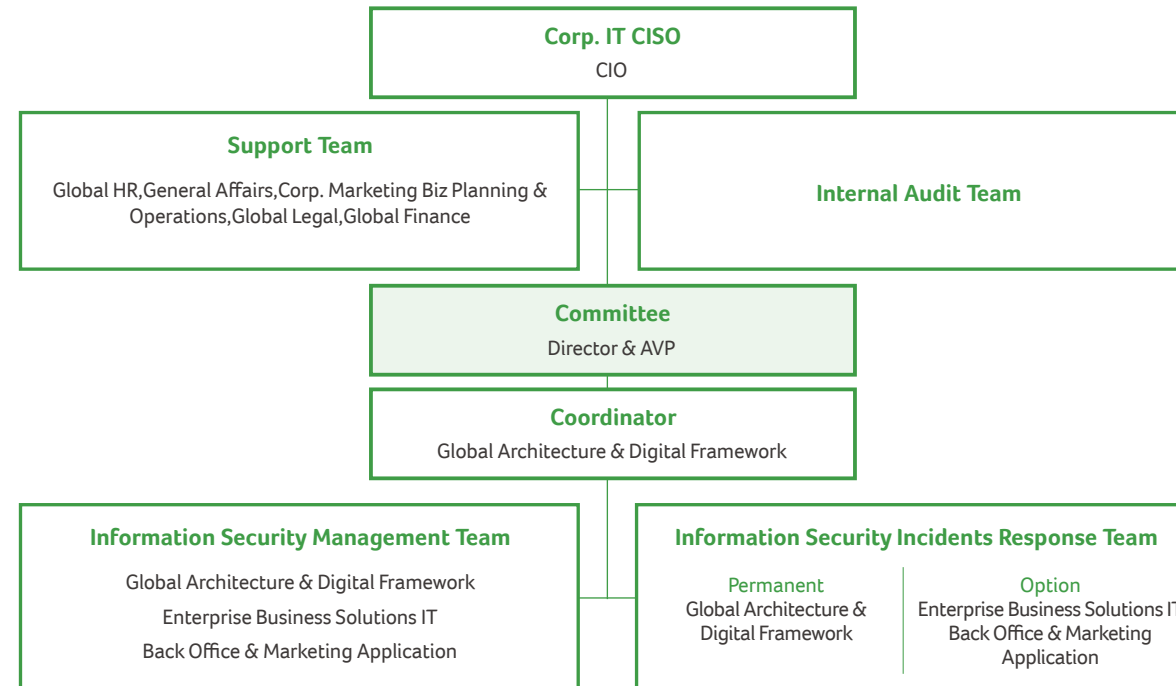
As a global brand, Acer considers maintaining information security to immensely important, especially with regard to earning and keeping the trust of those invested in the brand, customers, and other interested stakeholders.

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.

We have established an information security management organization. In accordance with the organizational structure, powers, and responsibilities, we 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 (CISO) and appoints the coordinator. The section management forms the ISMS Committee and appoints representatives to the Information Security Management Team, Information Security Establishment Team, and Information Security Incidents Response Team. The information security Internal Audit Team is staffed by the Audit Office, and the Support Team draws from the Human Resources, General Affairs, Marketing, Legal Affairs, and Finance Departments.

Acer obtained ISO 27001 Information Security Management Systems certification in 2019, and we are committed to maintaining verification and certification, regularly carrying out internal and external audits, and convening management review and information security management systems (ISMS) meetings to oversee implementation. In 2020, we completed our ISO 27001 review.

Information Security Management Organizational Structure



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 the second through fourth quarters of 2020, we implemented global information security education training for 5,850 participants, with 92.7% of personnel completing the training and completing global phishing testing in Q4. In March 2020, in response to the impact of COVID-19, two employee remote working drills were conducted to review the security and capacity of the company's VPN and ensure that employees could work from home if needed without any disruptions to company operations.

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 to strengthen our information security monitoring. 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.

92.7%
personnel completing the global information security education training



Customer Privacy Protection

Ransomware Attack

In March 2021, Acer discovered a ransomware attack that affected the operation of some of the Acer Group's overseas corporate systems. We also found ransom messages left by the hackers on the hacked machines.

Acer launched an investigation immediately upon discovering the attack. We followed the information security incident handling procedures in accordance with ISO 27001, and the Information Security Incident Response Team, upon receiving the internal incident notification, immediately classified and categorized the incident, reporting it to higher levels and activating the global security incident response mechanism. The team also commissioned outside infosec experts to assist in incident investigation, identification, and system recovery, along with conducting risk analysis regarding the business impact on systems and data and taking corresponding internal and external communication measures in accordance with internal crisis response handling guidelines.

Frequent attacks by hackers around the world have become a regular problem for companies. In addition to immediately notifying law enforcement and information security protection agencies of the attack, Acer has continued to strengthen its information security structure to ensure operational continuity and data integrity and will more strictly follow information security principles and increase its alertness to abnormal network conditions. We have also organized and continue to maintain adequate information security insurance coverage to minimize the Company's losses in the event of an incident.

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



Acer Privacy Statement

Acer's Privacy Protection Measures



Acer's Five Major Privacy Protection Measures and 2020 Implementation Status

Regulatory compliance

- The collection and use of personal information must comply with the Personal Information Protection Act, and the subjects of said information have the right to know, access, correct, and delete their personal information.

Implementation of internal controls and human rights education & training

- We regularly require our employees to undergo training on privacy-related issues.
- The collection, processing, and use of personal information must be undertaken in accordance with the Company's Principles for the Management of Personal Data, approved by the supervisor, and then sent to the Legal Department and the Information Technology Unit for review.

Improved information security measures

- In 2019, we obtained ISO 27001 certification for our information security management system, further deepening our information security culture. We also passed the routine annual certification in 2020.

Improved customer problem handling mechanism

- 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 and minimize the harm caused.

Other concrete actions for protection of privacy

- Cooperations between subcontractors and customers must also comply with laws on handling personal data, with processing and use carried out in accordance with the law and clearly laid out in the contract.
- We hold regular personal information protection courses for our employees to raise their awareness of personal information protection and to reduce the incidence of any related problems. In 2020, the number of people trained in privacy-related education reached 13,956 across the Group.

Privacy Policies and Practices for Staff and Customers

Staff

- Conduct regular staff training on personal information protection
- When employees need to use personal information, they must apply for approval per the regulations.

Customers

- Confidentiality and personal data protection clauses are set out in contracts
- The use of customer information is subject to the Group's rules and regulations regarding the use of personal data
- To ensure the customers' privacy rights are protected, Acer will inform the customer of the following precautions and confirm their acceptance of the following before the customer agrees to send the product for repair (details may vary from country to country depending on local regulations):
 - ✓ The call center informs customers that all calls will be recorded and logged after repair delivery is confirmed in the maintenance record
 - ✓ Remind customers to back up all data on their computers
 - ✓ Explain the risk of loss and damage to personal data and computer settings during the repair process
 - ✓ Require the customer to sign an authorization form that sets out customer privacy and maintenance terms and conditions
- When a customer contacts the Company and requests we delete their personal information, the service staff should add "Customer requests deletion of personal information" to the work item on the repair order and ask management to report to the head office liaison to launch the personal information update procedure.
- Recycle old computers, replace specified models, remove hard drives from old machines and return them to customers.



Complaints Regarding Infringement of Customer Privacy or Loss of Customer Information

Acer follows global privacy-related regulations, and in 2020, we again received no complaints regarding the leaking or loss of customer information.

2017 2018 2019 2020

Substantiated Complaints - From External Units	0	0	0	0
Substantiated Complaints - From Supervisory Units	0	0	0	0

To strengthen information security protections, Acer obtained ISO 27001 certification at the end of 2019 and continued to maintain this certification in 2020. Considering the importance of personal data protection, Acer regularly reviews its existing privacy and personal information protection guidelines and its privacy-related policies, both internal and external. The Company updates the privacy and cookies policies on the website and related employee privacy notices per the latest regulatory content and related risk conditions. In addition, with the increasing use of information systems, the importance of personal data protection is self-evident. Given this, in 2020, in collaboration with information security consultants, internal audits reviewed critical information systems in terms of information flow, storage, and transmission, with stronger internal controls established on personal data protection to enhance its effectiveness.

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.

We work with partners, industry, and the security community to resolve vulnerabilities. When notified of a suspected vulnerability, we conduct a thorough investigation and, if confirmed, work with the person who submitted the issue to remedy it while also coordinating public release of the information. Acer verifies reproducible vulnerabilities using only the latest software versions available on the [website](#). In 2020, we were made aware of five vulnerabilities related to Acer websites or software through this website, three of which were confirmed to be genuine and fixed immediately. We have also published related information and solutions to Intel's security vulnerability announcement on the [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.

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

Hardware

In terms of 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

In terms of software, 2020's Acer ProShield Plus provides a secure personal storage area and file encryption and destruction. Users can set up alerts to record invalid logins, and the system will also send email alerts. Once access is disabled, the user will be regarded as an intruder, and their image recorded by the camera and logged in the security report. Users can set the protection status for each browser (Edge, Chrome, Firefox), and once Windows Hello authentication fails, the user's data (bookmarks, accounts, passwords) will be locked. On the software side, we continue to work to protect customer information with Acer Control Center and [Acer Care Center](#), enabling users to connect to the Acer support infrastructure for 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; 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

As for firmware, hard drives can be password-protected, preventing unauthorized access to user drives, while OPAL provides even stricter protection.

Comparison of Acer ProShield and Acer ProShield Plus

File Encryption/Decryption A A+	File Shredder A A+	Personal Secure Drive A A+	Windows Hello Support A+	Folder Encryption/Decryption A+	Alert A+
Security Report A+	Live Update A+	Browser Guarder A+	Application Guarder A+	USB Device Filter A+	

A Acer ProShield
A+ Acer ProShield Plus



06 THE ENVIRONMENT



MATERIAL TOPICS



Circular Economies and Product Life Cycle



Environmental Policy and Management Performance



Energy and Climate Change



Circular Economies and Product Life Cycle




Energy and Responding to Climate Change

Operations and the Environment







Material Topics and Management Approaches

Energy and Climate Change 	
<p>Issue Materiality</p> <p>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.</p> <p>Management Strategy</p> <ul style="list-style-type: none"> Developing group carbon reduction goals & strategies and working with suppliers <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Continuing to implement carbon reduction goals Passing ISO 14064-1 greenhouse gas assurance <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> 2020: 60% carbon reduction compared with baseline year of 2009 2050: 80% carbon reduction compared with baseline year of 2009 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> Goal: 60% carbon reduction compared with baseline year of 2009 Status: Total emissions in 2020 were reduced by approximately 62% compared with the baseline year (2009).</p> <p>2021 Goals</p> <ul style="list-style-type: none"> 61% carbon reduction compared with baseline year of 2009

Circular Economies and Product Life Cycle 	
<p>Issue Materiality</p> <p>Through product lifecycle management, Acer manages our products and reduces their potential impact on the environment. We actively strive to find a balance between product management and environmental performance to provide us with more environmentally and commercially competitive products.</p> <p>Management Strategy</p> <ul style="list-style-type: none"> 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. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Regular review by the Sustainability Committee's Innovation and Product Lifecycle Team <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> 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. Compared to 2016, Acer products are expected to consume 45% less energy by 2025. Sustainable Packaging: Ensure that 100% of product packaging comes from sustainable materials. Environmental Regulations: All commercial products receive EPEAT (IEEE1680.1 2018) silver certification 	<p>2020 Accomplishment Status and Highlights & Results</p> <p> 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.</p> <p> Goal: Conduct assessment of product life cycle for high-end commercial products Status: In cooperation with the Industrial Technology Research Institute, we have selected commercial products (VN6660G, VM6660G, VS6660G, VZ4660G, TMP214-52, TMP215-52, TMP614-51, B246HYL) for thorough life cycle and carbon footprint assessment.</p> <p>2021 Goals</p> <ul style="list-style-type: none"> All products take product life cycle into account during the design and development stages. Assess product sustainability and reduce environmental impacts Complete product lifecycle assessment for six categories of notebooks, selected for representative projects (Aspire, Chromebook, Gaming, Commercial, Swift, and Spin series)

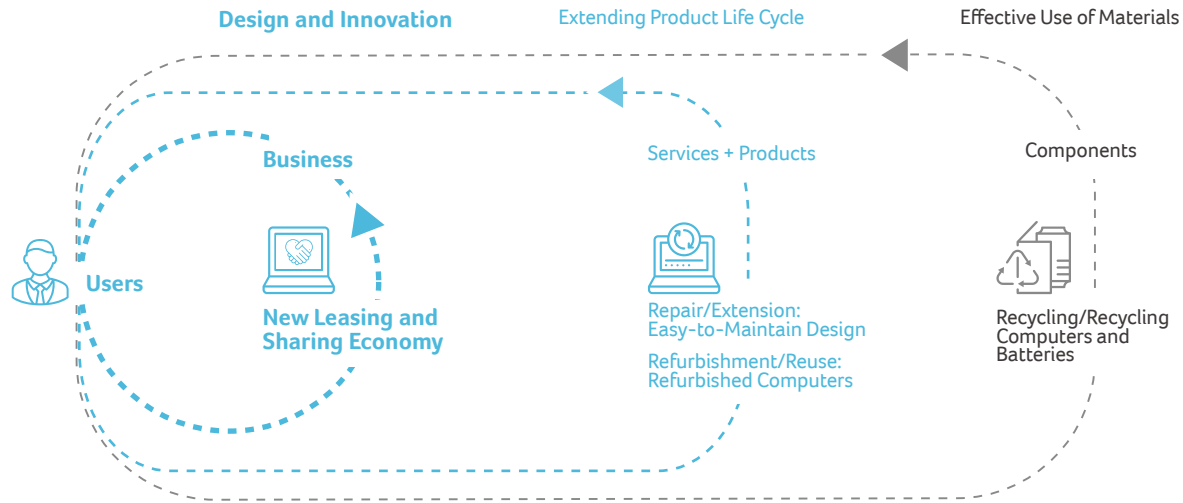


Material Topics and Management Approaches

Environmental Policy and Management Performance (incl. Water Resource Management) 	
<p>Issue Materiality</p> <p>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.</p> <p>Management Strategy</p> <ul style="list-style-type: none"> 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. <p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Pass ISO 14001 verification in adherence to legislation <p>Medium- and Long-Term Goals</p> <ul style="list-style-type: none"> Increase global environmental management system coverage to 95%. 	<p>2020 Accomplishment Status and Highlights & Results</p> <ul style="list-style-type: none">  Goal: Complete Hazard Identification and Risk Assessment Questionnaires for each country and major territory Status: Complete  Goal: Global environmental management system coverage up to 90% Status: Coverage up to 92.95%  Goal: Completed ISO 14001 review and passed three-year certificate validation Status: Passed with no major deficiencies <p>2021 Goals</p> <ul style="list-style-type: none"> Complete Environmental Impact Considerations Questionnaires for each country and major territory Global environmental management system coverage exceeds 95% Passed ISO 50001 energy management systems certification

Circular Economies and Product Life Cycle

Acer's Model of Circular Economies



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

Acer employs the concept of circular economies and strives to reduce the impact of our products on the environment throughout their life cycles. Through sound design, we make products that are more effective and have longer useful lives, while also supporting the reuse of resources in manufacturing. For example, plastic waste can be difficult to eliminate when electronic products reach end-of-life, and the heavy metals contained in batteries and motherboards may lead to pollution when products are carelessly discarded. To reduce these impacts, we reuse plastics and recover metals in batteries for reuse in new products, as well as promote campaigns for electronics and battery recycling for the good of the environment.

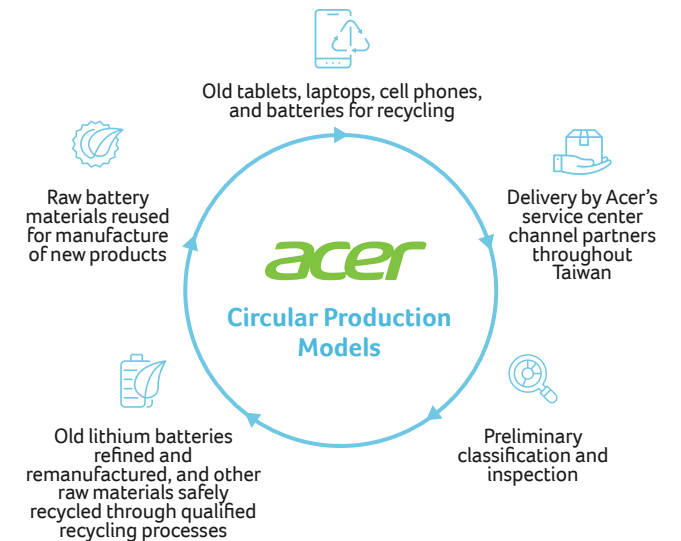
Circular Production Models

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

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

In 2020, we will continue to promote the recycling of consumer electronics and add three new partner companies to our recycling lineup in our circular production efforts; In December, Acer participated in the Taipei Orphan Welfare Foundation’s annual

Parent-Child Day, with “Sister Storyteller” leading participants through a picture book about Future Monster and his desire to go home. This story was additionally a means to help people better understand Acer’s commitment to responsible production. At the end of the year, about 320 employees participated in the Group’s internal recycling campaign. Participants received a gift of environmentally friendly Caitian Rice, which recycled laptops also come with a special bonus Future Monster pillow made of recycled PET.

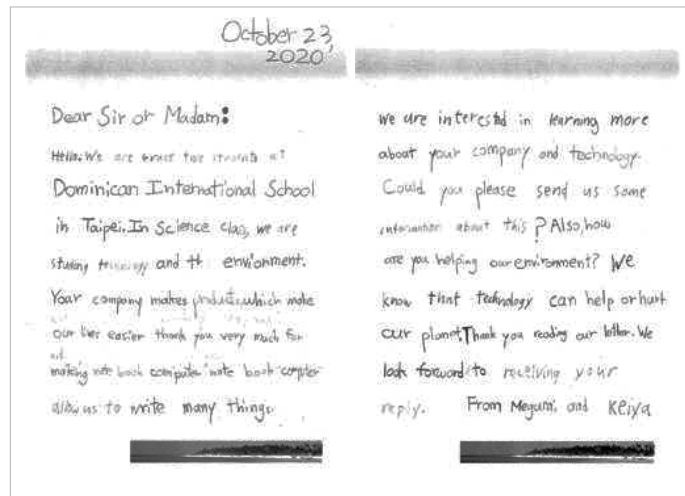




To reduce product footprint and promote circular production, Acer is also honored to have exchanged ideas with various experts and academics in 2019 and 2020 and to have the opportunity to participate in the Taiwan Environmental Protection Administration's programs, including the 2019 Green Design Guidelines for Electrical and Electronic Products to share green product design directions and application examples. The 2020–2021 conference on the reuse of electronic waste and plastics assessed and discussed possible opportunities and challenges for the use of electronic waste and plastics in new electronic products, continuing work toward greater recycling in production.

In 2020, we recycled 2.2 tons of waste batteries, about 200 kg of CDs and cables, and about 900 units of consumer electronic products of all brands for an estimated reduction of about 12 tonnes of CO₂ emissions.

In October 2020, the Corporate Sustainability Office received a letter from a second-grade student at Dominican International School who was interested in the Company's products and their impact on the environment. The CSO personally wrote a response explaining the Company's efforts on the environmental front, including how we design and manufacture green products, work to reduce the use of plastics, and recycle electronics and batteries. He also shared the "Future Monster" storybook, which encourages children to develop good recycling habits through environmental education stories, as well as teaching them about Acer's recycling activities. Later, we received a letter back from the child's teacher which said, "We can see that Acer is dedicated to environmental efforts, and we are glad that your company introduced your approach to us!"



Product Lifecycle

Acer's Green Product Policies

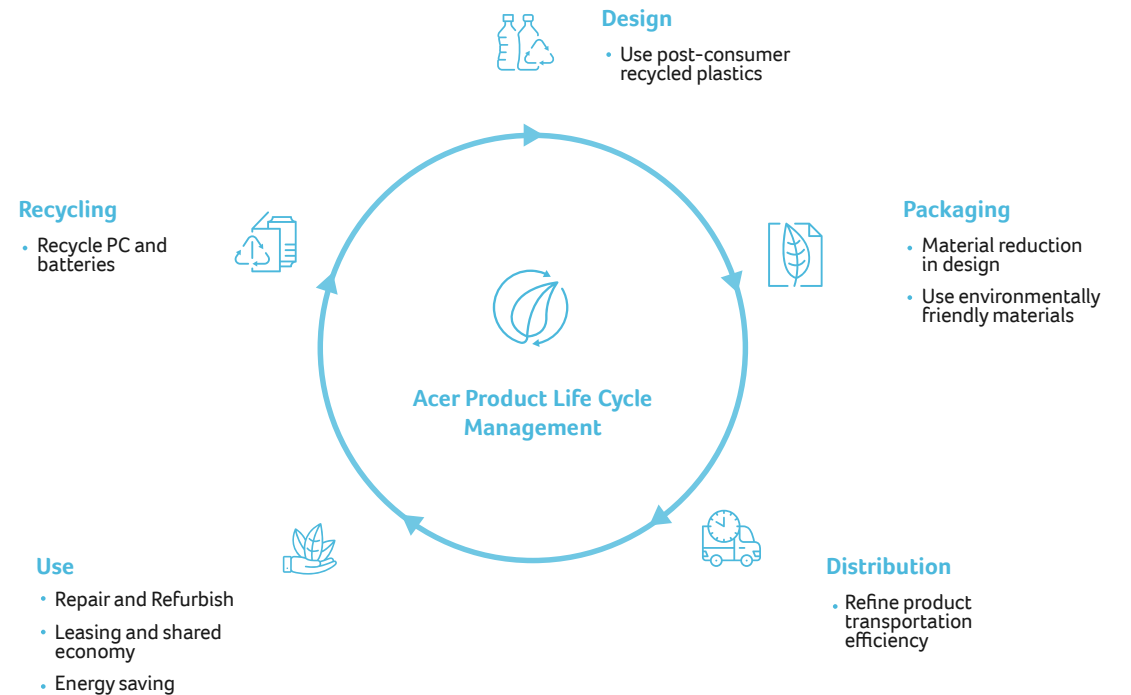


Using an approach based on the whole product life cycle, we provide outstanding products that are low in toxins, low pollution, energy-efficient, resource-efficient, and easy to recycle.



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. To meet the requirements of the EPEAT standard and make our products more competitive in commercial bidding, since 2019, we have also enacted quantitative life cycle assessments for indicator products. In cooperation with the Industrial Technology Research Institute, we carried out 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, with the first product for which this was completed being the VX4660G, or Veriton X4660G. In 2020, in addition to desktops, we have expanded this to three major product lines, including notebooks and monitors, across a total of eight models, including the VM6660G, VN6660G, VS6660G, and VZ4660G desktops; the TMP214-52, TMP215-52, and TMP614-51 notebooks; and the B246HYL display. Research results have shown that in terms of both life cycle analysis and product carbon footprint analysis, the two stages with the most significant impact are “raw materials acquisition & component manufacturing” and “product use.” This has led us to set medium-term management goals for product energy efficiency and product raw material use to improve the environmental performance of our products more effectively. For example, the TMP 614, a high-end business notebook, performs better than the Energy Star requirements, saving approximately 21% in electricity (about 5.45 kWh per unit). In the future, we will set medium-term management targets to more effectively improve the environmental performance of our products.



B246HYL



TMP614-51

The following is an example of TMP614-51 business notebook product life cycle analysis results

Product Life	Impact on Global Warming 126.92 kg carbon equivalent	Water Resources Consumed 0.0754 m ³ equivalent of water	Mineral, Metal, and Fossil Resource Consumption 0.077 antimony (Sb) equivalent
1 Raw Material Acquisition and Component Manufacturing	57.1%	85.7%	100%
2 Product Assembly	0.7%	0.2%	< 0.1%
3 Product Shipping	0.6%	0.1%	< 0.1%
4 Usage	41.7%	14.0%	< 0.1%
5 End of Life	0.1%	< 0.1%	< 0.1%



Communicating and Disclosing Product Environmental Performance

At the product design end, in addition to complying with legal and regulatory requirements for product sales in all regions, Acer continues to improve product energy efficiency, reduce the use of hazardous chemicals, facilitate recycling, and extend product life, all of which indicate of our commitment to optimization of product design. Ultimately, we communicate and disclose the environmental performance of our products through a variety of environmental labels. For example, the Taiwan region has the Taiwan Energy Label and Green Mark; in the China region, government purchasing requires the China Environmental Labeling and Energy Conservation Program mark; and in Sweden, we show our environmental performance through the TCO mark.

As environmental labeling standards are revised, we continue to track and respond early to ensure that we have sufficient time to smoothly introduce changes to our products. For example, for Energy Star Versions 7.0, 7.1, and 8.0 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. For our three major integrated products, the percentage with environmental labeling increased from 15.19% in 2019 to 24.66% in 2020, with the most significant increase in displays and notebooks.

The US Energy Star label is the most widely accepted energy efficiency mark. In 2020, 96.73% of notebooks, 26.22% of desktops, and 49.48% of displays—or a total of 85.29% of major hardware product revenue—was compliant with Energy Star 7.0, 7.1, or 8.0, a significant increase from 76.28% in 2019, and we will continue to build on this by introducing platinum or gold power supplies. In addition, our display product lines which were shipped to the European Union in 2020 were certified to the new energy efficiency EEL and Lot5 specifications for reduced energy consumption. Among these, commercial displays and commercial desktops achieved 100% Energy Star certification.

Environmental Labels and IEC 62474 as Percentage of Hardware Revenues

	Notebook Computers	Displays	Desktop Computers (including All-in-One PCs)	Total
EPEAT/TCO and Green Mark (Taiwan)	21.93%	50.24%	17.36%	24.66%
ENERGY STAR® 7.0 / 7.1 / 8.0	96.73%	49.48%	26.22%	85.29%
IEC 62474	100%	69.37%	92.58%	95.95%

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®

Note 3: The numerator of this calculation is the revenue of the product category that has obtained the relevant label or certification, while the denominator is the total revenue of the product category

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. The main products are managed by our quality assurance department and are 100% compliant with RoHS and product safety related regulations. 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. 2020 also saw us continue to produce product models free of BFRs and PVCs, in particular portions of our commercial notebooks and desktop computers. On top of this, more than 6 million units of phthalate-free products across product lines were shipped, valued at over US\$4.1 billion.

Use of Post-Consumer Recycled Plastics

Acer supports the concept of resource recycling and 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 enjoy products made of quality recycled plastics and 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. Since 2019, we have been using PCRs with our notebook computer products. In 2020, we again expanded the scope of this effort, with some 8.8 million products making use of PCRs, accounting for 24.08% of hardware revenues, further strengthen our implementation of the concept of circular economies.

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.

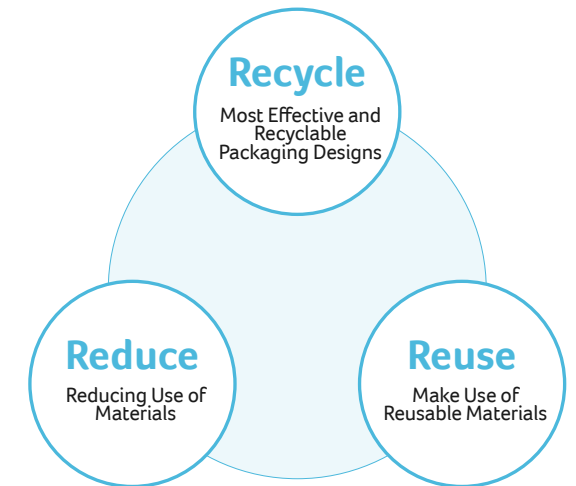
Product Use of Post-Consumer Recycled Plastics (% of hardware revenues)

Notebook Computers	Displays	Desktop Computers (including All-in-One PCs)	Total
24.40%	30.28%	13.35%	24.08%

Towards Sophisticated Packaging Design

Through the Acer Packaging Design Principles, we can 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



more than **6** million units
phthalate-free products across product lines were shipped

more than **8.8** million products
making use of PCRs, accounting for 24.08% of hardware revenues

Reduction in Design

Acer's packaging is designed around the concepts of limited resources and suitability, and as such, since 2016, we have been planning reductions in the size of our product boxes and the scale of our packaging. As part of this, we continually work on reducing our usage of iron, plastic, and paper. With regard to reducing packaging for notebook computers:

- For our ConceptD products, we have taken the further step of eschewing paper user manuals, instead putting digital versions on our website for consumer reference. All that remains is a single product poster, resulting in a notable reduction in paper usage. We plan to further build on this in 2021, expanding this to our high-end lines, including the Predator, Nitro, Swift 7, and Spin 7 product lines.
- We are also removing single-use plastic bags from power and charging cables. This went into action in 2020 with our new ConceptD products and the TravelMate line in Europe, and in 2021, this will be expanded further to encompass all new TravelMate products.



Before

Pre-reduction

Power and charging cables are packed in single-use plastic bags



After

Post-reduction

Plastic bags have been removed from the power and charging cables, replaced with paper sleeves



Power Cord



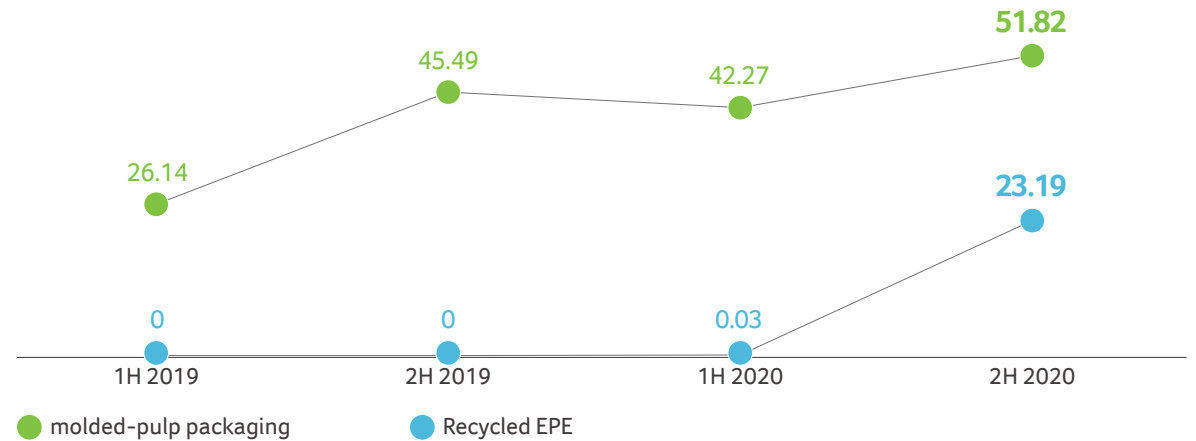
Adapter with paper sleeve

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.

With the exception of the China region, all other regions—Pan America, Asia Pacific, EMEA, and Taiwan—have moved entirely to using recyclable packaging materials for commercial desktop computers, including recycled EPE and molded-pulp packaging. The percentages of molded-pulp packaging and recycled EPE used in our commercial desktop packaging are as follows:

Percentages of molded-pulp packaging and Recycled EPE used in Commercial Desktop Packaging (%)



In 2020, Acer continued to make use of environmentally friendly packaging for our notebook computers:

Cardboard Boxes	Made from 90% recycled paper
Moulded Pulp	Made from 100% recycled kraft paper
EPE	Made from 100% recycled low-density polyethylene (LDPE)
Posters	Made from FSC certified paper
Printed Matter	Made from 40% recycled paper
Non-woven Fabrics	Made from 100% recycled PET; annual shipping percentage has grown from 7.82% in 2019 to 72% in 2020



2021 printing manual packaging plan changed from PE shrink film to paper packaging CO2 concentration continues to rise

Acer is also committed to ongoing work seeking out and studying packaging materials to replace plastic bags, which will have the least impact on the natural environment, be the most recyclable, and be more environmentally friendly. This is one way we continue to do our part for the planet.

Green Packaging Policy: The ConceptD Series of Products

“3Rs” at the foundation

The “reduce, reuse, and recycle” triumvirate is at the core of green design, and through our design approaches, we strive to make the production, shipping, marketing, disposal, recycling, and packaging of our products meet needs for environmental protection and reduce our impact on the environment, further emphasizing the intersection of environmental awareness and design.

Using recycled materials

We analyze each component of our packaging for reuse potential as a fundamental part of the functionality of that packaging. By incorporating recycled materials in our designs, we make those components more reusable, extending their usable lives and doing what we can to lighten the burden placed on the natural environment.

High percentages of recycled paper pulp

The packaging for the ConceptD series uses 90%+ recycled paper pulp in the production of recyclable materials, thus reducing the consumption of natural resources.

Printing with soy ink

The packaging for the ConceptD series is printed with high-purity soy ink, eschewing the usual coating process of traditional packaging design. This simplifies the recycling process, as degumming, deinking, and bleaching processes can pollute the environment. As a result, we accomplish true recyclability and reusability.

Free of plastics

Integrating environmental considerations and actions to prevent pollution into our design efforts, we use recycled paper with ingenious structural design to eliminate the use of plastics in our packaging.





Improving Product Shipping Efficiency

Every day, tens of thousands of Acer products make their way to consumers' hands. Acer strives to reduce the volume and weight of our packaging, thus improving transportation efficiency and reducing the fuel consumed in the course of transport. This helps further reduce the carbon emissions generated during transport while also reducing the overall cost of that transport. We have reduced CO2 emissions through the following principles.

Changing Shipping Modes and Improving Supply Chain Management

In 2020, due to the impact of the COVID-19 pandemic, the proportion of global shipping of products accounted for by sea freight decreased by 8.2%, air freight increased by 3.6%, and rail freight increased by 4.6% compared to 2019 in the global transportation of goods. Shipping of notebook computers by rail from Chongqing to Europe increased by 128% for a total shipping cost of US\$41.877 million.

To reduce the risk of infection among the employees of the Chongqing laptop foundry during the period when the pandemic was more serious in China, prior to March 2020, we asked our logistics partner to cooperate by arranging local drivers in Chongqing to transport the goods out of the factory warehouse and then hand them over to a long-haul driver to transport to Shenzhen.

In addition, we worked closely with our logistics partners to further optimize our land transportation operations for the transportation of notebooks in Chongqing. 50% of our 20-foot and 40-foot containers were transported to Shenzhen by LTL shipping during the year, saving approximately US\$2.85 million in transportation costs and 311.51 tonnes of carbon emissions ^{Note1} (saving 581 trips over 1,600 kilometers each).

311.5 tonnes
of carbon emissions are reduced
50% of containers were transported to Shenzhen by LTL shipping during the year

Note1: Carbon emissions calculated using the Smart Freight Centre's first-edition GLEC Framework, 2016

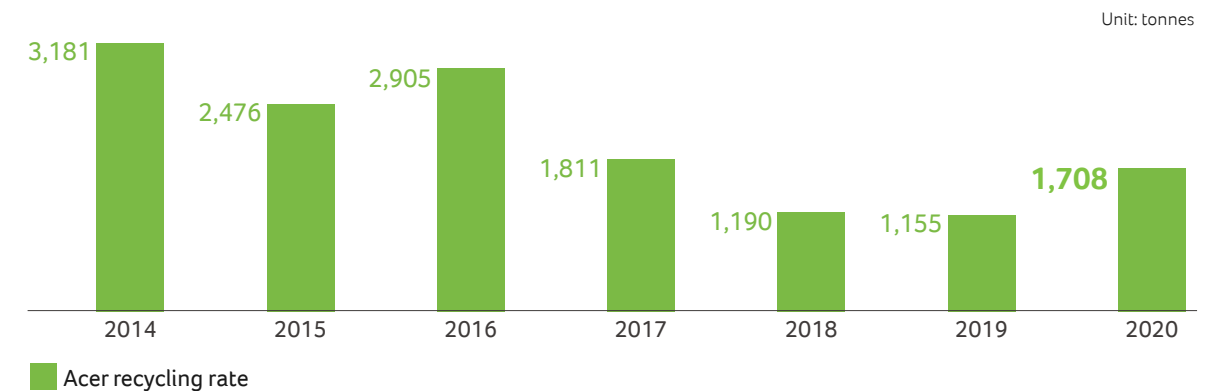
Note2: Acer recycling rate = Acer recycling volume / Acer waste volume

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 for various electronic product recycling programs and provides convenient recycling methods for consumers to improve the efficiency of waste recycling in the hope of contributing to resource sustainability.

In Taiwan, Acer has long participated in the recycling program of the Environmental Protection Administration of the Executive Yuan. According to information from the Environmental Protection Statistics Website in 2020, the total recycling volume of desktop computers (including servers and workstations) was approximately 10,068.1 tonnes, while 391 tons of notebook computer products were recycled throughout Taiwan. Acer's desktop product category accounted for 1,628.1 tonnes of recycling, while our notebook category accounted for 80.4 tonnes, for a total of 1,708.4. Acer's reached 73.8% recycling in the desktop product category and 27.45% in the notebook category, with total recycling at 68.37%.

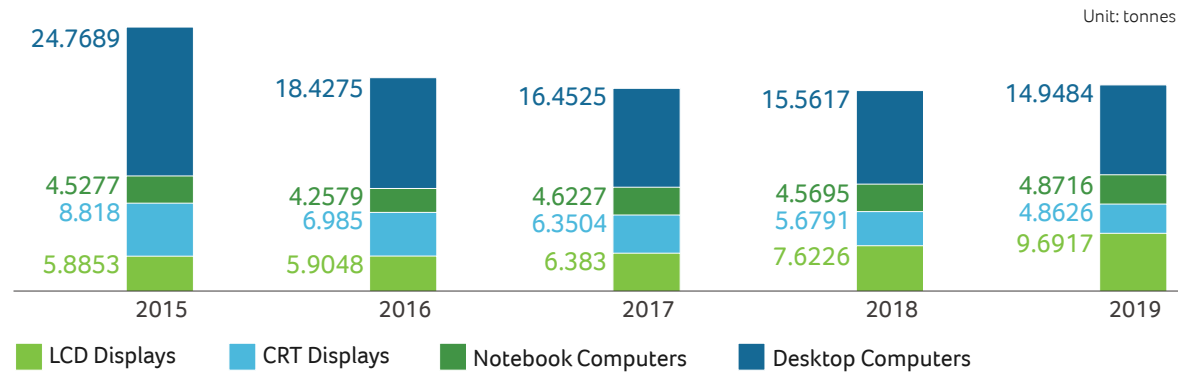
Electronic Waste Recycling, Taiwan



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. In Japan, Acer has set up PC Recycling Centers 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. According to the statistics for the fiscal year 2019–2020 in Japan, the recycling rate of desktop computers and monitors both reached over 80%. For information on Acer product recycling in Japan, please refer to this website:

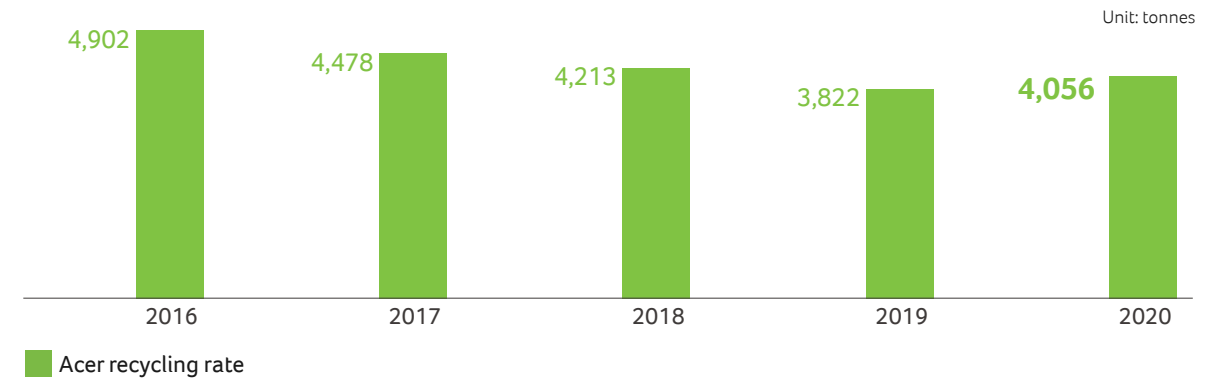
[PC3R Promotion Association](#)

Acer Japan PC3R Electronic Waste Recycling



In North America, Acer has adopted an in-house recycling model, providing consumers with a simple and easy way to recycle products. We set a higher recycling target in 2019 to achieve a better recycling rate, and the calculated weight for the year was higher compared to the previous year, with Acer recycling a total of approximately 4,056 tonnes of electronics in North America in 2020.

Acer North America Electronic Waste Recycling Volume



Note: Product recall data for Japan covers the period from April 1, 2019, to March 31, 2020.



In accordance with Ontario's new electronic device regulations, which require manufacturers to have a responsible producer concept and corresponding recycling program, Acer invited channel and retail partners to work together in 2020 to begin planning new recycling initiatives in line with local government standards, with plans to begin implementing them in January 2021.

Acer is in its third year as a member of the Washington Materials Management and Finance Agency (WMMFA) Board of Directors, an 11-member board that manages the operations and affairs of the WMMFA, which provides responsible recycling in the most economical and efficient manner for the citizens of the state of Washington in accordance with state law and Department of Ecology requirements. The Board also assists members of more than 250 registered US manufacturers in implementing state-wide recycling programs. The agency's Board has voted to appoint a new long-term executive director, with a transition period extending through 2021.

The Acer Tech Trade-up Project, now in its third year, provides consumers with a convenient, easy way to recycle their products and has established a strong recycling mechanism for local consumers. A total of 6,575 lb (approx. 2,982 kg) of unwanted electronics were collected through the program in 2020, with all of this put into recycling. Although there was a significant decrease in the number of new products recycled and purchased by project participants in 2020, this was mainly due to the fact that most customers had to work remotely or study at home due to the pandemic. This meant a significant decrease in the number of products scrapped or purchased. At the same time, other customers were simply unable to participate in the program due to the pandemic.

In light of the continuing global demand for lithium batteries, the necessary reliance on cobalt in their manufacturing process, and concerns about child labor associated with raw cobalt mining, Acer continues to promote a closed-loop process to recycle the lithium batteries contained in Acer mobile devices. In 2020, Acer North America collected some 2,914 lbs (approx. 1.3 tonnes) of waste batteries through this recycling process, accumulating a total of over 12 tonnes recycled over the three consecutive years from 2018 to 2020.

Acer donated the proceeds from this closed-loop recovery initiative in 2020 to the International Tin Supply Chain Initiative (ITSCI) through the [RMI-ITSCI fundraising campaign](#) to help address the organization's shortfall during the peak of the global COVID-19 pandemic. The [ITSCI](#) was established with the aim of creating a responsible minerals supply chain that avoids conflict, human rights violations, and Central African bribery risks. The organization assists member companies by helping them work with government and civil society organizations. Through professional resources, including data analysis, risk management, and auditing, the organization is able to assist member companies in conducting responsible mineral supply chain investigations.

Worldwide, Acer Group is working to strengthen the environmental sustainability aspect of social responsibility through responsible recycling models. All recycling programs in the 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 can 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.



Energy and Responding to Climate Change

Risks and Opportunities of Climate Change

According to the World Meteorological Organization (WMO) report “The State of the Global Climate 2020,” released in December 2020, the year 2020 was the second hottest year since records began in 1850. The average temperature over the past ten years also marks it as the hottest period on record, and the trend of climate change has not abated with the pandemic.

The Global Risk Report released by the World Economic Forum in January 2021 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 results show clearly that the impacts of climate change on business, both internally and externally, cannot be overlooked.

In the “Emissions Gap Report 2020 released by the United Nations Environment Programme (UNEP) in December 2020, it was also pointed out that the COVID-19 pandemic has caused a short-term decline in global CO₂ emissions, but overall, they are still on track for a temperature rise of more than three °C by the end of the century, which exceeds the Paris Agreement’s goal of limiting global temperature increases to 2°C and working towards 1.5°C.

Although the 26th session of the United Nations Framework Convention on Climate Change (UNFCCC COP26), originally scheduled for November 2020, has been postponed to 2021 due to the COVID-19 pandemic, with the extreme climate phenomena reaching around the world and the change of administration in the United States, the issue of climate change has once again gained the attention of major international governments including those of China, Japan, and South Korea, which announced their net-zero carbon emission targets in 2020.

Acer continues to play an active leadership role by participating in international sustainable business organizations such as World Business Council for Sustainable Development (WBCSD) and Carbon Disclosure Project Supply Chain Program (CDP). We also continue to work with our supply chain partners to incorporate both the positive and negative impacts of climate change into our business development, daily operations management, and risk management.



Risk Management

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 2020, we put in place the TCFD project to quantify financial risk results, specifically assess the impact of climate risks on our operations, and continue to mitigate the potential material impact of these risks.



Major Climate Risks

In terms of major climate risks, natural disasters, regulations, 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.



Major International Operating Markets

In our major international operating markets, the new European Green Deal announced by the European Commission in December 2019, including the carbon border tax, will have an impact on business and operating costs, and we will continue to pay attention to the subsequent policies, regulations, and implementation details of each country.



Concentration of CO₂ continues to rise



Emissions Gap Report 2020



The State of the Global Climate 2020



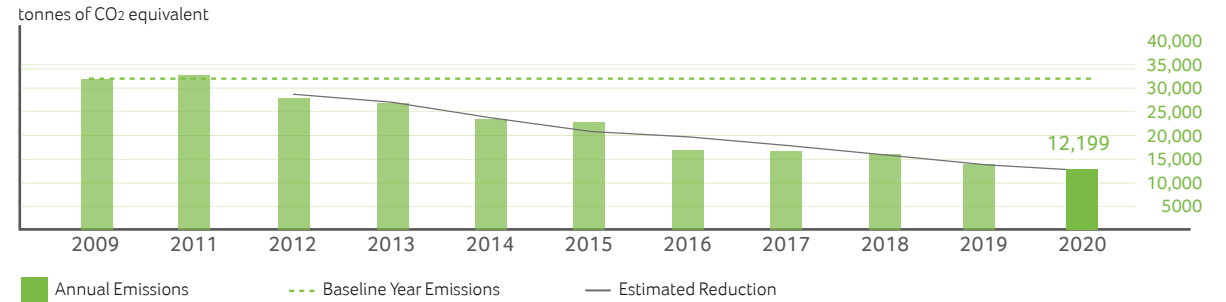
Regarding the risks above, we regularly analyze and develop countermeasures for the various risk factors according to their likelihood and potential impact, and we anticipate a reduction in the impact of climate change risks. With regard to opportunities brought about by climate change, we not only continue 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.

Since 2011, we have been conducting a GHG inventory program per the GHG Protocol and in line with the Group’s consolidated financial reporting boundaries. In 2020, we will continue to implement and update the procedures according to ISO 14064-1:2018, and continue to commission third-party assurance pursuant to the Taiwan Environmental Protection Administration’s standards to conduct global external accreditation for the more significant emission items and emissions identified in the direct and indirect categories, i.e., Scope 1, Scope 2, and Scope 3.

In 2020, we found that the Acer Group was responsible for 3,004.03 tonnes of Scope 1 and 9,195.348 tonnes of Scope 2 (market-based) carbon emissions. Our Scope1 and scope 2 emissions totaled 12,199.383 tonnes (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 75% of the combined emissions of the two. Total emissions in 2020 were reduced by 62.05% on the baseline year and 11.37% less than 2019; per capita emissions were approximately 1.63 tonnes, about 14.06% lower than adjusted 2020 figures.

Annual Group Greenhouse Gas Emissions and Reduction Targets



In addition, in accordance with 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 main hardware categories (notebooks, desktops, and displays) accounting for a total of approximately 0.908 billion kWh of power consumption in 2020. 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

	Unit: tonnes
→ Staff business flights 819.37 Total Emissions, Including Global Employee Business Flights	
→ Product and service purchases 43,731.50 Based on ODM allocation data on major products (notebooks, desktops, monitors, and projectors) from 8 companies in 2020	
→ Product Shipping 91,678.81 Covers all regions of the world, including Taiwan, Europe-Africa-Middle East Region, the Americas, China, and Asia Pacific	
→ Product Energy Consumption 1,542,689.42 Takes the annual shipping volume of major products (notebooks, desktops, all-in-one, and displays) and multiplies that by annual TEC	
→ Operational Waste Products 40.55 Mainly general waste produced in the Taiwan region	
→ Power and Fuel 2,484.48 Mainly consumption of natural gas, gasoline, diesel, and electricity in the Taiwan region	
→ End of Life 545.80 Mainly desktop and notebook computers in the Taiwan region	
→ Leased Assets 13,835.77 Primarily rental of Cloudgoda Data Center facilities	

Note: Number of full-time staff at the end of 2020 is 6,956, with 511 contracted staff, for a total of 7,467.

Greenhouse Gas Reductions and Policies

According to Acer’s energy and climate strategy, we continue to prioritize energy efficiency at all of our operating locations, with 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 abroad in 2020, with methods adopted varying from region to Dubai and South Africa. For example, in Taiwan, the focus was on the use of in-house renewable energy generation, mainly solar and wind; 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, 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 13,848,251.08 kWh, while green electricity generated by company-owned green generators and sold back to the local grid totaled 3,326,533.1 kWh. In total, Acer Group used as much as 17,174,784.18 kWh of green electricity, which, if taken only with REC usage figures, accounts for 61% of ICT product-related operations and 44% 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. We have also formulated long-term carbon reduction targets in line with the methodology proposed by the Science Based Targeting initiative, and we expect to accomplish in 2050 an 80% reduction in Scope 1 and Scope 2 carbon emissions from the baseline year of 2009.

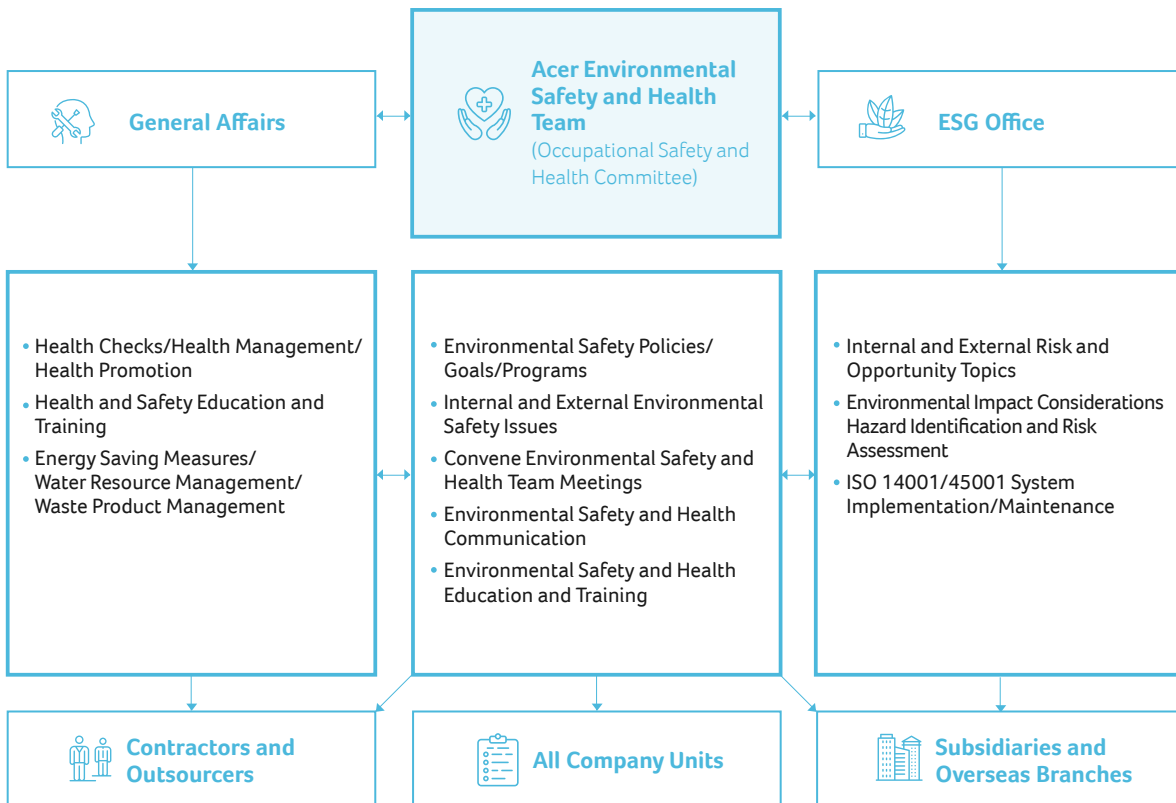
Business Group & Company	Electricity Usage (kWh)	Green Electricity (kWh)	Ratio
Notebook, Desktop, and Monitor Related Business Group ICT product operations include power used by Acer Inc. headquarters, EMEA/Asia Pacific/Pan America, and data centers	22,546,258.68	13,804,978.08	61%
Total	31,734,912.88	13,848,251.08	44%



Operations and the Environment

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 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 2020, we once again undertook environmental aspect identification in major countries and regions around the world to understand the status of environmental management with each subsidiary. Other subsidiaries and business units that have implemented ISO environmental management systems, including ACSI, AEB, HighPoint, AST, and ISU also received the new ISO 14001:2015 system audits and occupational health and safety management systems ISO 45001 certification.

We expect to sign an ISO 50001 project with the Taiwan Green Productivity Foundation in March 2021 to implement an energy management system and expect this to have passed certification by December 2021, helping us achieve a positive environmental impact through energy saving and carbon reduction. The year 2021 will be an important year for the Acer Group in terms of energy management. We believe that the entire Group, from top to bottom, must comply with domestic and international regulations, adjust our energy management policy, and thoroughly implement energy management systems to achieve our commitments and goals for the environment.



Acer Environment, Health, and Safety Policy

Power Usage Management

Acer has no manufacturing activities, so office electricity is the main source of energy consumption, with air conditioning and lighting being primary among that. For effective management, we use systematic data collection to understand the usage situation, stay on top of changing trends, and encourage each office to implement energy-saving measures such as optimizing equipment electricity consumption and strengthening electricity consumption management. We also encourage the use and production of green electricity in the hope of reducing office power consumption each year.

In 2020, Acer's total solar power generation in Taiwan reached approximately 3.24 million kWh, accounting for about 10% of Acer's global electricity consumption, and is estimated to be enough to supply some 900 households for a year. Cumulative electricity generation since 2018 has reached approximately 9.5 million kWh.

In addition to replacing old air-conditioning equipment and switching to energy-saving lamps as planned, Acer Taiwan's main energy-saving measures in 2020 included further adding microwave sensors to control lighting in common areas in the Acer eDC Longtan offices, resulting in estimated annual savings of approximately 16,000 kWh. On top of this, Aspire Park has installed an energy management system to provide insights into the condition of each building's electrical and mechanical equipment to facilitate appropriate adjustments. Additionally, our Xizhi office has made changes to the hours in which air conditioning is operational and put in place an automated system to turn off lighting during afternoon breaks and after working hours. We intend to continue evaluating the benefits of existing energy-saving measures into the future, as well as planning for ISO 50001 Energy Management Systems certification in 2021, facilitating further explorations into the feasibility of other measures to save energy.

In addition to turning off the logo light on the top floor of Acer's building and the signboard light on Taipei's Jianguo North Road, this year Acer is also responding to the Earth Day call to action, with employees worldwide pledging to take concrete actions to protect the Earth by advocating for green solutions. At the same time, we are inviting our offices all over the world to join us and launch a campaign to turn off the lights for one hour every Wednesday for four consecutive weeks, taking practical action to reduce energy consumption and ease the burden on the Earth!

Acer Taiwan's 2020 Main Water Saving Measures

Unit: MWh of power

Type	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	●	☀	3,040
		Acer Taiwan Aspire Park Aspire Resort	●	☀	23
		Acer Taiwan Aspire Park Aspire Research Complex	●	☀	118
		Acer eDC Longtan Offices	●	☀	56
Optimized Electrical Equipment					
Air Conditioning System	Updated Air Conditioning Equipment	Acer Taiwan Aspire Park Zhizun Building	●		
		Acer Taiwan Xizhi HQ	●		
		WebLink Taipei Office Area	●		
		WebLink Qingpu Warehouse	●		
	Reduced Leakage of Cold Air from Data Center Air Conditioning	Acer eDC Longtan Offices		●	⚡ 126
	Improved Cooling Tower Air Flow	Acer eDC Longtan Offices		●	⚡ 193
	Lower air duct height	Acer Taiwan Aspire Park Aspire Resort	●		
Lighting Fixtures	Changed to energy-saving lamps	Acer Taiwan Xizhi HQ	●		⚡ 39
		WebLink Taipei Headquarters	●		⚡ 3
		Acer Taiwan Aspire Park Aspire Research Complex	●		⚡ 33
		Acer Synergy Tech Zhubei Offices AEB Taichung Offices	●		
	Changed to energy-saving lamps during new office renovation	Acer Synergy Tech Zhubei Offices AEB Taichung Offices	●		
Strengthened power usage management					
Employed electricity monitoring	Using Energy Management Systems	Acer Taiwan Xizhi HQ		●	
		Acer Taiwan Aspire Park Aspire Resort		●	
		Acer Taiwan Aspire Park Dormitories		●	
		Acer Taiwan Aspire Park Aspire Research Complex		●	
		Acer Taiwan Aspire Park Zhizun Building		●	
		Acer eDC Longtan Offices		●	
	Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ		●	
Using UPSs	Shutdown settings	Acer eDC Longtan Offices		●	⚡ 2,102
Using high voltage transformer	Shutdown settings	Acer eDC Longtan Offices		●	⚡ 348
Lighting	Add microwave sensor devices in public areas	Acer eDC Longtan Offices	●		⚡ 16
	Using automated shut-off system	Acer Taiwan Xizhi HQ		●	

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

☀ Generation power ⚡ Saving power



Water Usage Management

Acer has no manufacturing plants and does not use a lot of water resources. Our global operations mainly focus on product sales and customer service, and our water demand is mostly for regular personal uses in office premises, with our main water source being municipal water, which has no significant impact on water resources. Our primary source of waste water is regular sewage water, 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.

In view of the increasing scarcity of global water resources, in 2019, Acer set the goal of reducing global water consumption by 1% per year and collecting global water consumption data and trends through systematic management. At the same time, we encourage each office district to implement water conservation measures such as water recycling, improving water facilities, and strengthening water management in the hope of achieving our annual reduction targets. In 2020, Acer used 173,805 million liters of water worldwide, with well water accounting for about 4 million of that. Total water consumption decreased by 8.6%, with reclaimed water accounting for about 22.5% of total water consumption, while the total amount of reclaimed water decreased by about 2.5 million liters compared to 2019. Water consumption in 2020 has been reduced to 12.7% lower than in 2018.

Acer Taiwan's 2020 Main Water Saving Measures

Water-Saving Measures	Office Area Implemented	Benefits (annual)
Collection and Reuse of Water Resources		
Using Reclaimed Water for Irrigation of Greenery	Acer Taiwan Aspire Park	Recovery of approximately 42 million liters of water
Waste Water from Swimming and Paddling Pools Collected, Passing Through Filtration and Ozone Sterilization and Reused	Acer Taiwan Aspire Park Aspire Resort	Replenishing of approximately 2.977 million liters of dissipated water
Recycling and Reusing Air Conditioner Condensate and Dehumidifier Drainage Water	Acer Taiwan Aspire Park Aspire Resort	Recovery of approximately 634,000 liters of water
Rainwater reuse and recycling	Acer eDC Longtan Offices	Recovery of approximately 4.9 million liters of water
Recycling and Reusing Dehumidifier Drainage Water	Weblink HY Life Zhonghe Store	
Improving Water Using Facilities		
Using Water Pre-tank Filtration System to Reduce Water Consumption from Frequent Cleaning	Acer Taiwan Aspire Park Aspire Resort	
Replacing faucets in bathrooms with sensor-operated faucets	Acer Taiwan Xizhi HQ	
Reducing faucet water pressure in staff rooms	Acer Taiwan Xizhi HQ	
Replacing office toilets with water-saving toilets	WebLink Taipei Office	
Replacing guest room toilets with water-saving toilets	Acer Taiwan Aspire Park Dormitories	
Replacing swimming pool shower room shower heads with water-saving ones	Acer Taiwan Aspire Park Aspire Resort	
Strengthened water usage management		
Regularly inspecting water-using facilities	Acer Taiwan Offices	
Promotion of water conservation	Acer Taiwan Offices	



Waste Management

Acer's main source of waste is general garbage. We are promoting resource recycling, business waste recycling management, and other reuse activities to reduce the impact of our waste on the environment. As for the disposal of that waste, we are committed to the Company's environmental policy, with the disposal of general household waste contracted by the building or in cooperation with local cleaning teams to transport to local 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 disposed of by qualified contractors after collection to ensure that transportation and processing do not harm the environment.

To protect the environment, in 2019, we re-examined our global waste collection statistics, and in 2020 we worked to clarify the statistics and treatment methods for office areas where more waste is generated, jointly exploring opportunities for reduction.

To shape an Acer culture that cares for the environment, Project Humanity was launched in 2019 to encourage our staff to cherish the Earth's resources, respond to environmental protection, and reduce their use of disposable plastic, tableware, and paper cups through the cultivation of good habits. In 2020, we launched the Acer Family app and the Acer Point Challenge. Through setting and achieving personal and departmental goals, we aim to cultivate further awareness of environmental issues among our employees and realize our commitments to the environment.

In 2020, Acer Taiwan's workforce increased by approximately 4.9% over 2019, while total waste production decreased by approximately 2.1% in the same time.

	Scale of Reduction
Ordinary garbage	+1.2%
Resource recycling	-5.4%
Waste products	-37.5%
Total	-2.1%

Paper Usage Management

To mitigate the impact of deforestation and consequent biodiversity loss on the ecosystem and to demonstrate our commitment to valuing paper resources, Acer Taiwan has implemented a variety of measures to manage our paper usage. For paper procurement, we choose to purchase copier paper with the PEFC (Program for the Endorsement of Forest Certification) mark and toilet paper/paper towels with the Green Mark. To reduce the amount of paper used, we encourage staff and visitors to bring their own water glasses for meetings, avoid paper cups, and promote the use of digital documents over hard copy and encourage staff to use double-sided or multiple-pages-per-sheet printing functions. We also promote paper recycling.

Statistics Showing Significant Drop in Acer Taiwan's Use of Copier Paper in the Past Two Years

	2019	2020
Copier Paper Usage	-4.8%	-13.8%

Staff Commuting and Trip Management

Due to the COVID-19 pandemic, in 2020, Acer ceased all non-essential overseas business travel and replaced business activities with videoconferencing. At the same time, to reduce the environmental impact of staff travel, we have encouraged staff to prioritize the use of public transportation for commuting and business trips. Statistics for 2020 show a significant decrease in overseas business trips and fuel used by company vehicles for Acer Taiwan.

	2018	2019	2020
Fuel Used by Business Vehicles	-9.8%	-14.5%	-16.8%
Number of Overseas Business Travelers	-10.9%	-22.6%	-90.61%
Overseas Business Travel Mileage	-15.6%	-14.1%	-86.47%

07 SOCIAL



MATERIAL TOPICS AND MANAGEMENT APPROACHES



Social Philanthropy and Digital Inclusion



Talent Attraction, Retention and Development



Human Rights, Diversity, and Inclusiveness



Occupational Health and Safety

Human Rights Management
Attracting and Developing Talent
Health and Safety in the Workplace
Social Philanthropy and Digital Inclusion



Material Topics and Management Approaches

Attracting Talent

Implications for Management

Talent is key to continuously improving our market competitiveness and an important asset for the Company. We strive to create an occupational and educational environment in which our staff can dare to dream. In this way, we attract and cultivate top talents, while also providing excellent experience for colleagues and applicants, attracting and retaining outstanding talent. Ultimately, this creates optimal benefits for the Company.

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

- Performance targets are set through the Global Performance System (GPS); performance interviews and appraisals are conducted on a regular basis each year, and the effectiveness of the management mechanism is checked by comparison with benchmark companies and the industry.

Medium- and Long-Term Goals

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

2021 Goals

- Continue to develop multiple digital recruitment channels/methods for the post-COVID era
- Proactively cooperate with schools and government agencies with corporate visits or other modes of cooperation to enhance employer branding and to develop more diverse cooperation models and targets.

2020 Accomplishment Status and Highlights & Results

Goal:

- Increase digital recruitment
- Employer brand management: Shoot brand image building video, continue participation in industry/government associations and cooperative activities

Maintain turnover rate of 17%

Status:

Digital recruitment: Five live career seminars were held in 2020. Using digital communication software, we interacted with job seekers and provided them with a variety of digital tools to learn about the workplace, including global marketing, social media strategies, new business creation, and AI applications. We also provided feedback on seminar assignments through a mentor system.

A total of 120 people took part, with five were accepted into the Company.

Employer brand management:

- Shooting promotional video: In 2020, we completed a summer internship experience sharing and "Acer Day in the Life" video.

Through the video, students and job seekers can learn more about the different aspects of Acer and the stages upon which they can play; in addition to the real-world promotions, we have also increased digital video presentations in line with current trends.

- Career fair: We participated in a career fair organized by the New Taipei City Government, making use of this to expand our recruitment channels and attract talent.

At the same time, we are also actively cooperating with related job banks on corporate certification programs, including the Google Kepler Digital Talent Exploration Program and TOEIC Talent, to increase job exposure opportunities.

- Corporate visits: We hosted three corporate visits, including a seminar and corporate visit with the Employment Services Office of the New Taipei City Government to share career advice and interview tips for educational purposes.

Turnover Rate: The global turnover rate for full-time and contract employees was 17.01%, 15.43% for when looking solely at full-time staff.

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

2020 Accomplishment Status and Highlights & Results

Goal:

- 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, with an increase in investment in resources for staff training and development, as well in training funds and hours.

Status: Average of 13.3 hours of training per person in 2020

2021 Goals

- Continue to boost leadership and management abilities at all levels of management throughout the group
- Continue to promote CSR training to strengthen competitiveness through sustainable development
- Increase training hours per employee to at least 13.4 hours

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

- Acquire Health Promotion Administration Healthy Workplaces Excellence certification
- Developing a post-COVID work model (WFH, remote meetings)

2020 Accomplishment Status and Highlights & Results

Goal: Pass ISO 45001 Verification
Status:Achieved

Goal:Received Ministry of Education Sports Administration Taiwan iSports Label certification (triennial)
Status:Achieved

Goal: Received Healthy Workplaces Certification for health promotion (triennial)
Status:Achieved

2021 Goals

- Assisted subsidiaries in obtaining the Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare
- Cooperated with government agencies to implement COVID-19 vaccination measures
- No major workplace disasters or accidents (not including traffic accidents)



Material Topics and Management Approaches

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 on the basis of any factors irrelevant to work.

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 new blood to bring fresh ideas to the company 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.

2020 Accomplishment Status and Highlights & Results

- Goal:** 1% increase in Employee Engagement Survey overall satisfaction score on previous year

Status: The response rate of the Employee Satisfaction Survey in 2020 was 84%, with an overall mean score of 4.0, representing an increase of 0.09 points over last year (1 point being the lowest and 5 being the highest).

2021 Goals

Employee Engagement Survey: Overall satisfaction score improved by at least 0.03% compared to the previous year

Social 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 regional office. 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.

2020 Accomplishment Status and Highlights & Results

Please refer to the “Volunteerism” section of this report for our 2020 goals and achievements in community philanthropy and digital inclusion.

2021 Goals

Friendly to the Environment

- Organize environmentally friendly volunteer activities, with 2,000 corporate volunteers from around the world participating
- Global 3C Recycling Project: Encourage staff to take action to protect the environment, recycling 200 units of waste electronics (computers, tablets, cell phones) and 150 kg of batteries
- Held 40 beach cleanup operations, removing a total of 80 kg of trash
- Offices’ Earth Day efforts saved 30,000 hours worth of electricity
- Launched two-month Acer Green Points personal checkpoint challenge
- “Project Humanity” Third Wave Activities: To cultivate a simpatico corporate philosophy in our partners, we invited our office staff to participate in international Earth Day activities to save electricity, as well as replacing paper cups with mugs.
- Purchased traceable food/products and offered incentives for IT education volunteer work

IT Education

- Hold at least five digital classroom activities for the elderly
- Several volunteers were trained to teach the elderly how to use electronics and digital tools to improve their lives and increase interaction between the elderly and their families.
- “Project Humanity” Third Wave Activities: Invited partner companies to mobilize their staff to participate in Acer’s digital education efforts to teach the elderly to use electronics; two sessions
- Through the Company’s social media, we brought the achievements of the volunteer team to the attention of our staff, strengthening the corporate mission of providing digital education for the disadvantaged and promoting making protecting the environment a habit; we expect to reach a total of 2,000 views for the year.

Charity and Philanthropy

- “Enough Love to Go Around” fundraising and corporate donations reach US\$30,000
- Our effort to deliver Chinese New Year’s meals to elderly people living alone saw staff members take on the role of delivery drivers for a service area covering 50 households across Xizhi, Shenkeng, and Shiding
- Holding blood drive, collecting 2,000 bags of blood
- We encouraged staff members to donate some 150 Christmas gifts for underprivileged children
- Provided technical and photographic sponsorship for the Wanjinshi Marathon, providing a marathon registration platform and maintenance services, and served 11,000 marathon runners with our team of 25 volunteer activists and photographers



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. We established the [Acer Group Human Rights Policy](#), which extends the scope of human rights protections to suppliers and customers. In 2020, Acer's [Standards of Conduct](#) have been revised with reference to the United Nations Declaration on Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. All employees, board members, beneficiaries, policy-related promoters, affiliates, vendors, channel partners, contractors, and others who do business with Acer are required to comply with them. We also standardize Procedures for Handling Incident Notification.

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 2020, 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

Staff	Impact Assessment	Management and Mitigation Action(s)
Staff Workplace Health and Safety	<ul style="list-style-type: none"> • Health Checks • ISO 45001 Audits 	<ul style="list-style-type: none"> • Organizing Health Seminars • Set up staff fitness center to encourage all staff to exercise more • Establishing Nursing Hotline • In response to the unfolding pandemic, we set up a global pandemic prevention website to communicate response measures taken by the Company and information on pandemic prevention. • Provision of Staff Assistance Program and Psychological Counseling Services • Establishment of ISO 45001 Occupational Health and Safety Management Systems and receiving certification
Gender Equality	<ul style="list-style-type: none"> • Surveying of Male:Female Staff Ratio 	<ul style="list-style-type: none"> • Continuing Improvement of Percentage of Female Managers and Senior Managers
Sexual Harassment	<ul style="list-style-type: none"> • 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 • Provide Sexual Harassment Prevention Training Courses
Labor Relations	<ul style="list-style-type: none"> • 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 • Through "An Appointment with Jason," employees can communicate directly with the chairman face-to-face.
Privacy Rights	<ul style="list-style-type: none"> • Personal Information Inventories and Risk Assessments 	<ul style="list-style-type: none"> • Implementing Security Exercises and Tests to Get a Clearer Picture of the Effectiveness of Information Protection Mechanisms • Introducing ISO 27001 Information Security Management System Audit Operations • Implementing Staff Information Security Education Courses • In the EMEA region, Acer has put in place a Privacy Protection Design Policy and Information Protection Impact Assessment Policy; • Also continued to hold training around the EU's General Data Protection Regulation (GDPR) • 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	<ul style="list-style-type: none"> • 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"> • In overseas operations, trade unions have been organized throughout Europe, Asia, and China to ensure that collective agreements are fully communicated to management. • Conduct global Employee Engagement Surveys, analyze the results from multiple perspectives, and take necessary actions to improve (e.g., strengthen employee development through diverse online learning activities) • For more information, please refer to the "Human Rights Protection Education and Training" and "Diverse Communications Channels" sections

Suppliers

	Impact Assessment	Management and Mitigation Action(s)
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 <p>For more information, please refer to the “Responsible Sourcing of Minerals” section</p>
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 Declaration Vendor 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 Vendor Working Hours Policy Complying with California Transparency in Supply Chains Act, UK Modern Slavery Act, and Australia Modern Slavery Act Promoting to suppliers the Slavery and Human Trafficking Policy, Measures for Remediating Child Labor and Forced Labor, and Vendor Working Hours Policy <p>For more information, please see Chapter 4, Responsible Supply Chains</p>

Customers

	Impact Assessment	Management and Mitigation Action(s)
Privacy and Information Security	<ul style="list-style-type: none"> Regularly Carrying Out Inventories and Risk Assessments of Information 	<ul style="list-style-type: none"> Implementing Security Exercises and Tests to Get a Clearer Picture of the Effectiveness of Employees and Protection Mechanisms. Implementing ISO 27001 Information Security Management System Audit Operations. Cyber liability insurance. Stick strictly to internal policies and rules. Employee training and education.

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 2020, Acer’s global employees received training in human rights protection issues.

2020 Acer Human Rights Education and Training

Headquarters	Online Testing in Standards of Business Conduct (Human Rights Section)	Through the Standards of Business Conduct Online Quiz, we promote human rights-related issues such as security for confidential information, workplace harassment, business trust and confidentiality, and the reporting of violations.
EMEA	General Data Protection Regulation (GDPR)	Explain regulations pertaining to data protection and privacy for all EU individuals as set down in EU law
Asia Pacific	Information Security Education and Training	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
Pan America	Workplace Sexual Harassment Prevention Training	How to recognize sexual harassment, common acts of sexual harassment in the workplace, basic knowledge for workers when faced with sexual harassment, preventing sexual harassment in the workplace, establishment of a complaint system
China	Reinforcing human rights awareness among new staff	To promote Acer’s human rights policy, we emphasize that Acer adheres to the UN Universal Declaration of Human Rights, Global Compact, and Guiding Principles on Business and Human Rights, as well as the ILO Core Labor Standards, and that we at Acer respect each other and accommodate the diverse cultures of our team members to provide a non-discriminatory workplace environment.

2020 Human Rights Protection Education and Training Participation and Hours

	Number of Trainees	Course Hours	Participants	Average Hours of Training Per Person
Headquarters	11,215	14,938	2,516	5.94
EMEA	5,309	5,636	1,931	2.92
Asia Pacific	4,430	6,642	1,514	4.39
Pan-America	1,241	1,822	597	3.05
China Region	1,458	1,929	505	3.82
Total	23,653	30,966	7,063	4.38

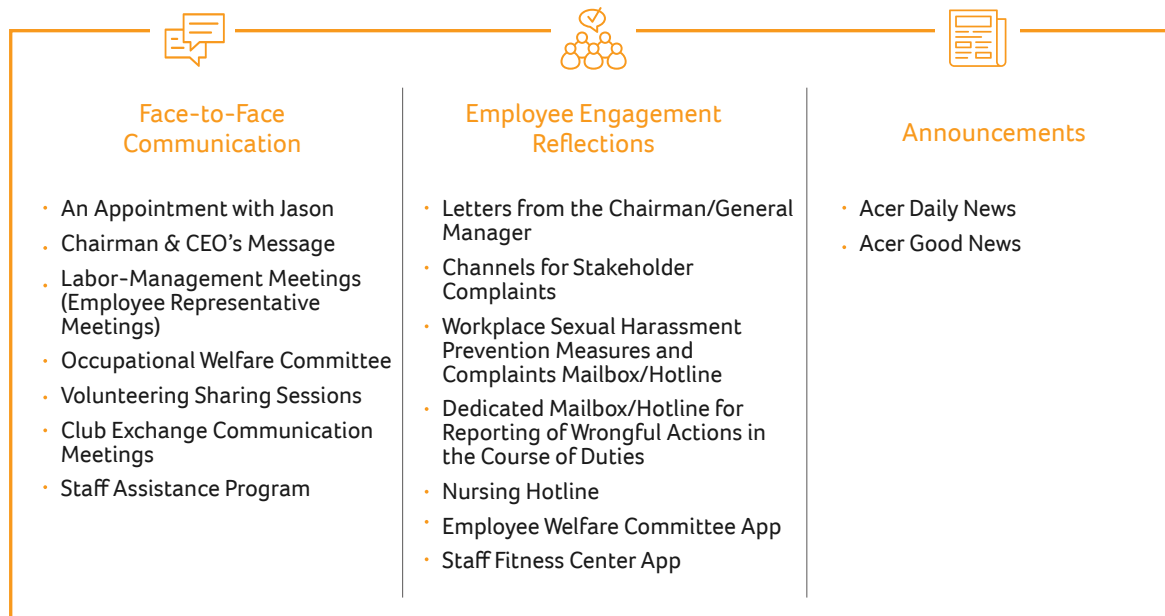
Note: In 2020, all human rights-related training included employees around the world, with a completion rate of 91%, as some were unable to attend the training due to long leave or external support issues.



Diverse Communications Channels

We provide a variety of communication channels for staff. For example, in Taiwan, we hold quarterly Employee Representative Meetings aimed at communicating with staff on their rights and benefits, reaching some 43.7% of staff globally; additionally, some operating locations worldwide are unionized, with the percentage of employees currently covered by collective agreements in countries or regions with unions at 13.83%, mainly in Italy, France, Germany, the Netherlands, Finland, Brazil, Vietnam, and China (Shanghai region). For suppliers, we also hold annual Supplier Communication Meetings to promote and communicate our requirements regarding human rights issues like child labor, forced labor, and conflict minerals.

Internal Communication Structure of Acer Inc.



Labor-Management Meetings (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. In 2020, 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 Staff Rights and Welfare

Staff Suggestion: Shorten the waiting period for the issuing of patent bonuses so that inventors can reap the fruits of their efforts as soon as possible.

Company Response: Upon receipt of the notification from the firm, the Legal and Patent Department will establish a list of bonuses to be paid and provide the results to the HR payroll unit by the 20th of each month so that the funds can be paid on the following month's pay date. Inventors will also be notified individually by e-mail so that they are aware of the patent number being rewarded.

Staff Suggestion: In response to the high demand for teleconferencing during the pandemic, the Company should be able to provide teleconferencing equipment that better meets this need.

Company Response: The Company provides manual muting silencing headphones to any staff member who needs and applies for them.

Staff Proposal: Please explain the criteria for and implementation of the work from home (WFH) program in response to the pandemic.

Company Response: Our criteria for activating WFH are in line with the relevant government regulations. In the meantime, if there are confirmed cases among staff, local pandemic prevention teams will evacuate employees according to the status of each building and floor in each office area. As all our staff in our Xizhi offices on each floor share common spaces like pantries and bathrooms, all employees on a given floor will be required to self-isolate for 14 days, and WFH will be activated for them. In addition, to prevent any disruption to operations, the Company has completed an inventory and confirmed the WFH measures for each department, ensuring that the normal operations will not be affected should WFH be activated in the future.



Strengthening of Company Systems Communications

Staff Suggestion: Despite no salary adjustments during the 2020 pandemic, the Company should still be able to provide employees with real rewards for our hard work during this time. **Company Response:** With regard to this, we have proposed a special bonus to thank our staff for their hard work and express our hope that they will continue working hard to reach even greater heights.

Company Response: The Company has explained to staff that annual salary increases are the result of a comprehensive assessment based on the growth of the consumer price index, the Company's operating status, and each staff member's personal performance. The main purpose of the annual performance appraisal is to facilitate dialogue and feedback between supervisors and staff regarding their work and career development in order to facilitate the boosting of their capabilities.

Improvement of Working Environment in Acer Building

Staff Suggestion: The general affairs unit should establish a traceable online repair reporting system or work order system to put in place a more efficient mechanism for reporting and tracking progress.

Company Response: It is suggested that the staff file a report through the 1911 repair line. Staff members could also directly pass on the information to the secretary of each unit, who will then contact general affairs to handle the matter. At the same time, the general affairs unit will continue to optimize procedures related to tracking repairs and responding to staff.

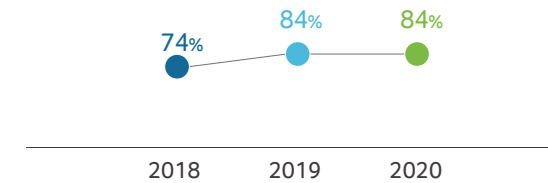
Staff Suggestion: The Company should replace the old-fashioned faucets in the bathrooms to reduce splashing of water, improve user experience, and reduce the need for hand towels, further realizing the Company's energy-saving and environmental protection goals.

Company Response: The management committee for the Acer building has passed a resolution to begin working on replacing the faucets in each floor's bathrooms with sensor-activated ones, saving energy and helping protect the environment.

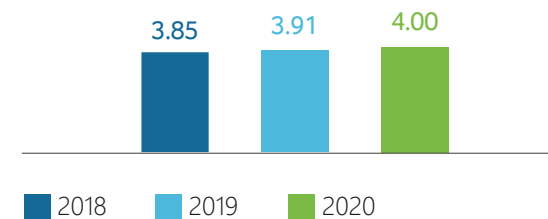
Employee Engagement Surveys

In January and February of 2021, Global Human Resources Headquarters conducted our 2020 global Employee Engagement Survey. This survey covered six areas with 18 questions. We invited 6,624 staff members to provide their feedback, receiving a total of 5,592 responses by the conclusion of submissions. This equates to a response rate of over 84%. For details, please refer to the attached chart. With a global employee response rate of 84%, the results show that 74% of global employees highly identified with the Company in 2020, 3% up from 2019.

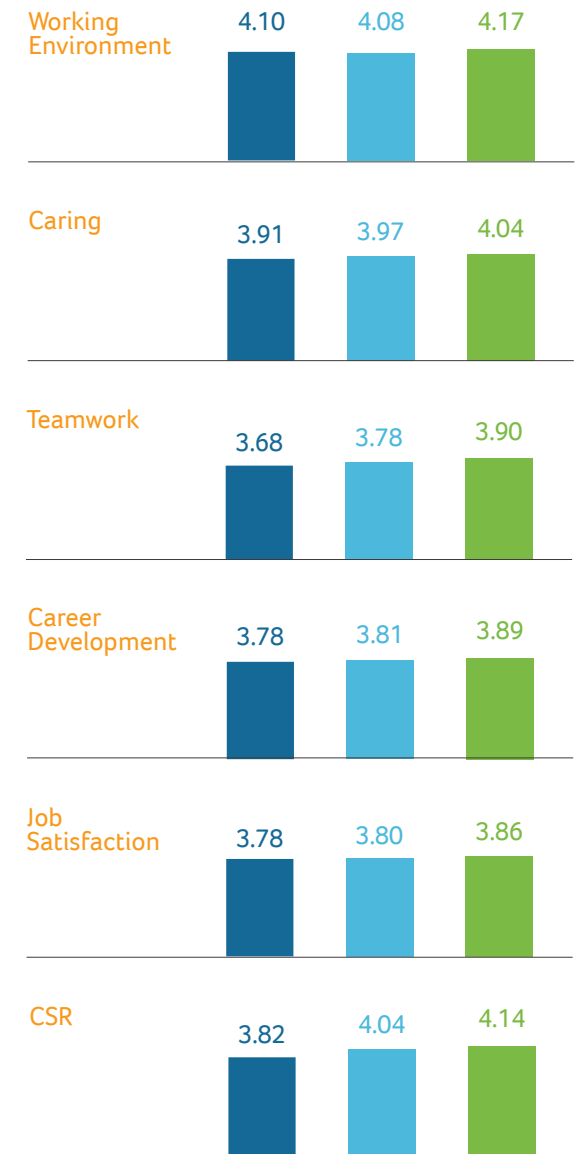
Global Response Rate



Overall mean score



Six Aspects of Satisfaction





Attracting and Developing Talent

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

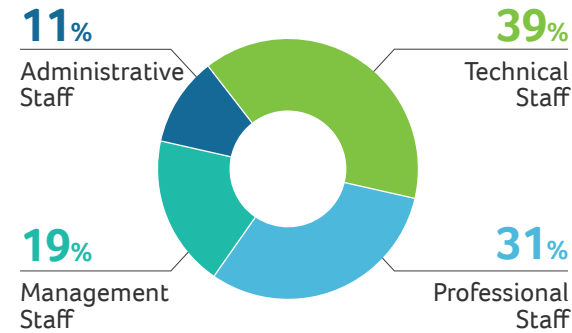
As of the end of December 2020, Acer had 7,467 employees worldwide (note), including 6,956 full-time staff, of which 4,308 were male and 2,648 female; Contracted staff number 511, of which 383 are male and 128 female. This Company's staff are spread across 40 countries/territories. Among these staff, in terms of job category, 1,405 were management staff, 2,329 specialist staff, 819 administrative staff, and 2,914 technical staff. 3,112 are working in the Taiwan region, 1,709 in EMEA, 1,576 in Asia Pacific, 582 people in the Pan-America region, and 488 in China. Their average age is 40.21, and their average length of employment with the Company is 8.72 years. In addition, temporary staff number 668, of which 507 are male and 161 female.

Staff Employment Type (by region and gender)

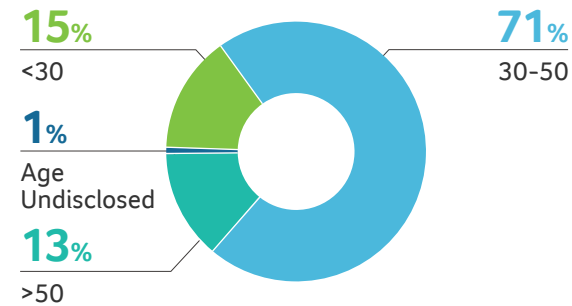
	Full Time		Regular Staff		Temporary Staff		Total
	Female	Male	Female	Male	Female	Male	
Taiwan	1,182	1,858	20	52	15	12	3,139
EMEA	431	953	76	249	78	319	2,106
Asia Pacific	621	882	18	55	62	166	1,804
Pan America	220	321	14	27	6	10	598
China	194	294	0	0	0	0	488
Employment Type Subtotal (by gender)	2,648	4,308	128	383	161	507	8,135
Employment Type Subtotal	6,956		511		668		
Percentage of Each Employee Category	85.51%		6.28%		8.21%		100%

Note: Global staff figures are calculated with the total number of full-time staff and contracted staff together.

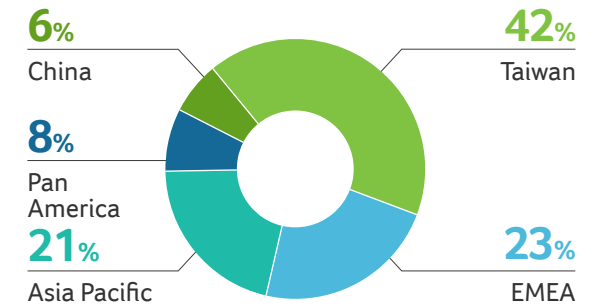
Percentage by Staff Category



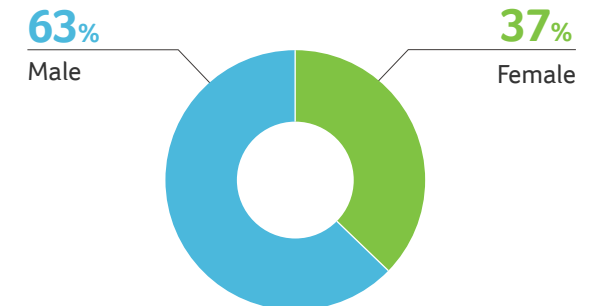
Age Group



Location

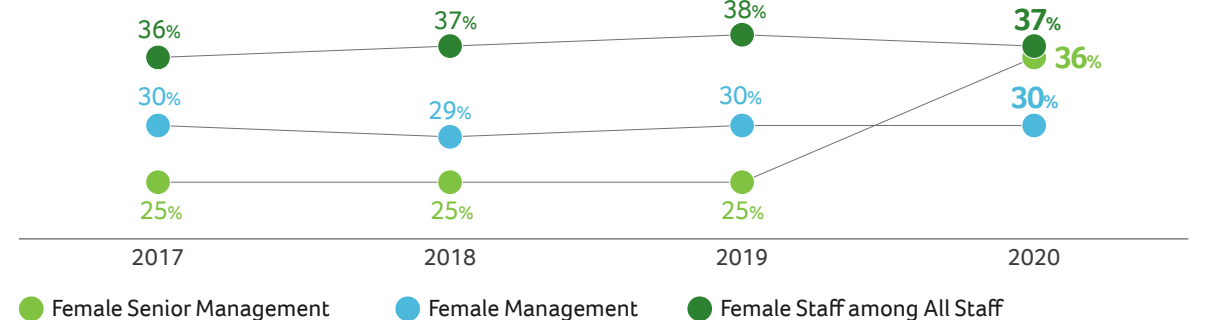


Gender Ratio

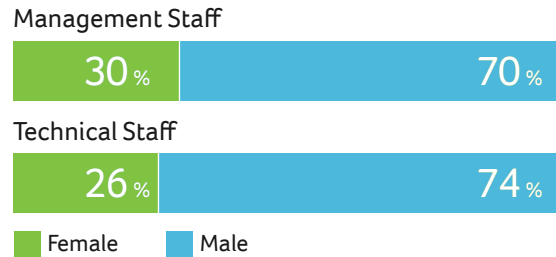


Acer attaches importance to human rights and gender equality among its workers. Female employees accounted for 37% of staff in 2020; female managers 30% of management; and female senior managers 37% of senior management. The percentage of female senior managers has changed as a result of some senior management personnel changes.

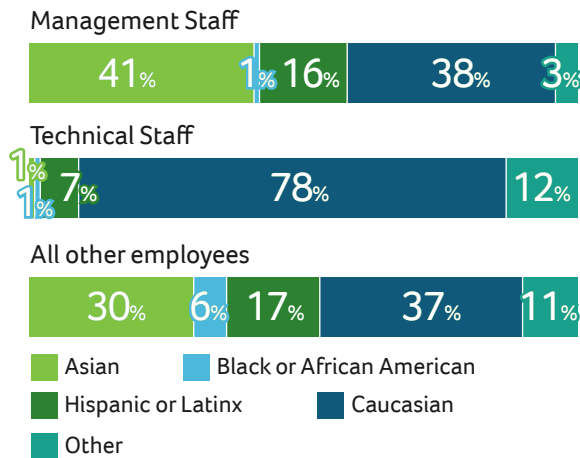
Proportion of Female Employees



Gender Ratio (By Management Staff and Technical Staff)



Racial/Ethnic Composition of Acer America Staff



Talent Recruitment

Wherever we are in the world, Acer strives 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.

In 2020, the global average percentage of staff who were new full-time hires (a total of 1,115 people) was 16.36%; this is more than in 2019, with the primary reason the decision to reach out to talent in a broader range of fields in response to the Company's goal of diversity in new business development. In 2020, the global average percentage of full-time staff who left their jobs (a total of 1,051 people) was 15.43%, a reduction on 2019.

The number and rate of hires and departures for contracted staff and consultants varies based on a number of factors, including business needs and seasonality, with contracts naturally ending when their period expires. As such, they are not included in the data above. If they were included, the hiring rate for 2020 would be 19.12%, higher than the 15.71% for 2019, and the turnover rate would be 17.09%, lower than 2019.

Total Number and Rate of New Employee Hires and Employee Turnover during the Reporting Period, by Age Group, Gender, and Region

Hiring Rate (%)—By Age Group and Gender (Full-time Staff)

	Under 30			30-50			50 and Over			Age Undisclosed		
	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate
Taiwan	73.73%	91.41%	83.51%	15.10%	20.02%	18.12%	3.98%	11.00%	8.79%	0.00%	0.00%	0.00%
EMEA	31.22%	35.74%	34.56%	7.52%	4.58%	5.51%	4.48%	2.45%	3.04%	0.00%	0.00%	0.00%
Asia Pacific	50.05%	49.57%	49.81%	7.33%	9.95%	8.91%	0.00%	3.90%	2.46%	22.47%	27.35%	25.24%
Pan America	28.15%	54.96%	45.78%	7.40%	6.84%	7.07%	0.00%	3.65%	3.18%	2.53%	31.58%	24%
China	12.15%	13.35%	12.65%	6.13%	9.15%	8.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	54.44%	65.01%	60.33%	10.67%	12.71%	11.95%	2.89%	5.92%	4.90%	20.62%	28.07%	25.05%

Hiring Rate (%)—By Age Group and Gender (Full-time and Contracted Staff)

	Under 30			30-50			50 and Over			Age Undisclosed		
	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate
Taiwan	69.60%	90.07%	80.70%	15.71%	20.90%	18.91%	5.86%	12.32%	10.32%	0.00%	0.00%	0.00%
EMEA	33.06%	42.02%	39.78%	11.12%	7.82%	8.85%	5.65%	4.58%	4.89%	433.33%	1300.00%	650.00%
Asia Pacific	47.70%	55.61%	51.64%	7.68%	12.34%	10.50%	0.00%	4.70%	2.98%	20.98%	27.35%	24.49%
Pan America	79.68%	99.64%	92.42%	9.67%	11.14%	10.54%	6.27%	4.54%	5.27%	0.00%	31.33%	21.49%
China	12.15%	13.27%	12.62%	6.12%	9.15%	8.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	53.61%	65.04%	60.32%	11.79%	14.45%	13.47%	4.70%	7.27%	6.41%	22.23%	30.74%	27.08%

Note: 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 (%)—By Staff Category and Gender (Full-time Staff)

	Under 30			30-50			50 and Over			Age Undisclosed		
	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate
Taiwan	22.49%	28.28%	25.70%	13.55%	15.98%	15.05%	15.92%	14.21%	14.75%	0.00%	0.00%	0.00%
EMEA	27.32%	30.24%	29.48%	7.52%	8.32%	8.07%	10.46%	8.57%	9.12%	0.00%	0.00%	0.00%
Asia Pacific	22.11%	31.44%	26.69%	8.01%	11.76%	10.27%	8.36%	12.68%	11.09%	13.48%	27.35%	21.36%
Pan America	133.72%	54.96%	81.93%	27.14%	20.51%	23.22%	3.79%	6.39%	5.30%	50.00%	34.58%	36.00%
China	21.86%	26.70%	23.90%	21.75%	28.48%	25.93%	20.87%	27.99%	26.2%	0.00%	2400%	2400%
Total	27.53%	30.92%	29.42%	12.87%	14.78%	14.06%	10.29%	11.35%	10.99%	16.49%	30.88%	25.05%

Turnover Rate (%)—By Staff Category and Gender (Full-time and Contracted Staff)

	Under 30			30-50			50 and Over			Age Undisclosed		
	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate	Female	Male	Turnover Rate
Taiwan	30.28%	35.40%	33.06%	13.95%	16.46%	15.50%	16.62%	15.40%	15.78%	0.00%	0.00%	0.00%
EMEA	25.55%	30.01%	28.90%	9.18%	8.83%	8.94%	11.29%	8.59%	9.37%	433.33%	0.00%	325.00%
Asia Pacific	21.20%	34.22%	27.68%	8.36%	12.20%	10.68%	8.15%	13.16%	11.33%	16.78%	30.77%	24.49%
Pan America	125.81%	85.40%	100.00%	29.80%	21.72%	25.03%	5.02%	7.26%	6.32%	34.21%	31.33%	32.23%
China	21.87%	26.53%	23.84%	21.70%	28.46%	25.90%	20.97%	27.96%	26.21%	0%	1300.00%	1300.00%
Total	32.12%	36.51%	34.70%	13.53%	15.12%	14.53%	10.97%	12.01%	11.66%	22.23%	33.53%	28.67%

Note 1: 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 2020, Acer Group's full-time staff voluntary departure rate was 11.74%; if both full-time and contracted staff were included, this figure would be 12.37%. The voluntary departure rate formula is: 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

Competitive Compensation

In 2020, Acer headquarters recruited a total of 442 people from various fields. In addition to the existing recruitment channels, we have renewed our employee recommendation method and sent EDM recommendations each month with an acceptance rate of nearly 20%, making this the most effective recruitment channel. We also added the Meet Jobs recruitment platform to our efforts, alongside social media work, building our brand as an employer and boosting recruitment numbers through LinkedIn. With regular posts to our Acer Career page (covering recruitment events, group/subsidiary introductions, branding videos, and more), our number of followers grew by 15% over 2019. In addition, we launched a Youtube channel to enable more people to learn about Acer through easy-to-follow video content. Other recruitment activities included livestreamed workplace seminars, a job expo, and three company visits. In 2020, 26% of all open vacancies were filled by internal staff.

Competition is fierce in the technology market, and competition for talent is much the same. In order to attract and retain outstanding employees, we provide competitive comprehensive salary packages. When developing salary policies, we comply with labor laws of each location and do not discriminate on the basis of gender, religion, race, or political affiliation. We consult salary survey information from management consultancies to ensure our salaries are competitive in each region's job market. To reward outstanding employees, we issue bonuses based on company profit and both unit and individual performance; Acer Taiwan, for example, provides target rewards and both profit-sharing bonuses and rewards.

In the Taiwan Region, Acer Inc.'s total full-time non-management staff numbered 1,513 and 1,539 in 2019 and 2020 respectively, with average salary in each of those respective years NT\$1.362 million and NT\$1.663 million ^{note 3}; median salary for the two years was NT\$1.122 million and NT\$1.296 million respectively. ^{Note 4}

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 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" applies from 2019.



Acer Salary Policy Principles

- Must take into account the interests of both shareholders and staff
- Must be able to attract and retain talent
- Provides suitable rewards to staff that contribute to the Company



The COVID-19 pandemic brought uncertainty to the market that was not there in 2019. Internally, Acer had no plan for salary adjustments, and as such, salary levels remained unadjusted from 2019. 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.

2020 Basic Salary and Remuneration (Female:Male)

	Management Staff	Technical Staff	Specialist Staff	Administrative Staff
Taiwan	0.97	0.85	0.84	0.90
EMEA	0.65	0.89	0.83	0.78
Asia Pacific	0.58	0.64	0.85	1.12
Pan America	0.68	0.99	0.79	0.83
China	0.92	1.00	0.80	0.81

Note: The statistical scope includes all subsidiaries of Acer Group, excluding listed subsidiaries.

Parental Leave Applications in 2020

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. In 2020, six months was the length of the majority of applications with nine, and of those nine, five returned to work early.

	Female	Male	Total
Number of Employees Entitled to Parental Leave in 2020	41	42	83
Number of Employees Who Took Parental Leave in 2020	14	2	16
Applicants for Parental Leave (%)	34.15%	4.76%	19.28%
Number of Employees Expected to Return to Work After Parental Leave in 2020	10	2	12
Number of Employees Who Returned to Work After Parental Leave in 2020	5	1	6
Post Parental Leave Return-to-Work Rate (%)	50.00%	50.00%	50.00%
Number of Employees that Returned to Work After Parental Leave in 2019	10	3	13
Number of Employees Still Employed in 2019 12 Months After Return	9	1	10
Post Parental Leave Retention Rate (%)	90.00%	33.33%	76.92%

Note: Data is focused on staff in the Taiwan region (incl. subsidiaries)

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. Actuarial calculation of pension liabilities for the year is carried out each December, with the official actuarial report released the following January. As of the end of 2020, the Company's deposits with the Bank of Taiwan under the old system totaled approximately NT\$213 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. For employees whose employment relationship is terminated due to retirement or redundancy, the Company provides pensions or severance pay in accordance with the law, thus helping support their post-retirement lives or their financial needs during their transition to 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 Benefits 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, festival celebrations, film viewings, art and culture events, seminars, sporting activities, volunteering activities, mental and physical relaxation activities, and activities promoting good health. In 2020, these activities had a total of over 22,000 participants. As a result of the COVID-19 pandemic, 2020 saw a reduction in the number of staff gatherings and a move toward more online events and electronic gift certificates, offering our staff a more diverse array of benefit options and giving them ways to soothe their bodies and spirits outside of work and to spend time with their loved ones. Acer also has a digital library with a rich collection of books which was used over 5,900 times in 2020, with staff absorbing new ideas and improving themselves through an array of books and magazines.

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, a street dance club, an aerobics club, a yoga club, an aerobic boxing club, and a coffee enthusiasts club. By providing funding for these, we let our staff from each department flexibly focus on planning activities with their colleagues. We have also set up a number of other shared spaces for recreation and activity, including break rooms, dance classrooms, cafes, and fitness centers.

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 and sponsorships for employees' children.

Continuing Learning and Growth

Acer Global Staff 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 planet. Despite the impact of the COVID-19 pandemic, each office continued to hold a variety of staff activities during 2020 while maintaining social distancing, helping boost staff identification with the Company; a total of 11,000 people took part in such activities over the course of the year.



Health Promotion

Health checkups, massage services, and first aid training are provided, and fresh fruit is available in the office for employees to enjoy during break times.



Environmental Conservation

Promote environmental awareness and restoration, organize beach clean-ups and tree planting activities, encourage recycling and reuse of resources, make festive decorations. Additionally, replace staff transportation with electric vehicles, further helping do our part for the Earth.



Caring for the Community

Organize activities independently or in cooperation with charity groups, including charity road races, goods drives, events to care for rescue animals, supporting technological education, and holding regular blood drives, providing direct support to medical care units when the pandemic was at its most severe.



Team Cohesion

When festivals come around, we give out gifts and hold events, as well as holding monthly birthday parties, providing opportunities for employees to communicate with each other outside the workplace, with staff welcome to invite their family members to take part and help bring Acer together as one big family.

Our 2020 training policy primarily matched the Company's strategic development direction, building on opportunities for expansion on core businesses, optimizing operational efficiency, and establishing a lifestyle brand. The focus of training and development is to assist our staff in staying on top of industry trends, exploring AI technological and business opportunities, and improving their data analysis and customer management skills to constantly strengthen our hardware, software, and service capabilities, particularly with regard to their application to lifestyle products. Through this, we are able to create value, strengthen profitability, and boost the value of our brand.

To ensure the quality implementation of such training, all training is done in accordance with the Internal and External Training Management Guidelines, with an evaluation mechanism that covers training satisfaction levels, after-class interviews, and reflections on mobile learning. In 2020, our worldwide training had 42,872 attendees for a total of 98,863 training hours. The total number of unique trainees was 7,433, with an average number of training hours per employee of 13.30, accomplishing our goal. All training was organized on the principles of work demand, gender equality, and equality of opportunity.



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. Headquarters also expanded executive management training practices to the Group's IPO and Asia Pacific Operations Headquarters (Australia-New Zealand).



With regard to specialist courses

We aim to strengthen AI programming skills to build up the depth of applications of machine learning in our products, as well as boosting data analysis skills to effectively manage customers and successfully integrate the data and growth thinking into our products, optimizing operational performance.



As for general training, through eLearning

We deepen employees' understanding of and commitment to CSR, enhance their awareness of information security, and strengthen concepts of anti-corruption and anti-trust. Through online testing, we ensure that our employees have a thorough understanding of our Standards of Conduct.



Management Training Camp—Case Discussions



AI—Program Design in Python

In 2021, we will continue to strengthen leadership and management abilities at all levels of management throughout the group and continue to expand social enterprise-related training to strengthen our sustainable development edge; as for average training hours per employee, this is set to grow to at least 13.4 hours.

Assessment of Global Course-based Training Effectiveness 2020

Level 1	Reaction Course Satisfaction	92%
Level 2	Learning Exam Pass Rate	100%
Level 3	Conduct Post-course Telephone Interviews of Sample re: Satisfaction in Management Training	91%
Level 4	Talent Retention Rate Talent Retention Rate	85%



Emergency Personnel Training—Practical Test



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

Item	Senior Management		Middle/Base-level Management		General Staff			
	Female	Male	Female	Male	Female	Male		
Headquarters	Number of Trainees		94	414	1,054	2,929	4,850	9,459
	Course Hours		271	1,063	2,884	7,230	12,785	21,457
	Participants		13	48	143	316	832	1,193
	Average Hours of Training Per Person		21.9		22.0		22.0	
EMEA	Number of Trainees		15	181	876	2,238	3,688	6,976
	Course Hours		23	302	1,781	4,048	7,071	14,988
	Participants		2	26	88	216	536	1,337
	Average Hours of Training Per Person		11.6		19.2		11.8	
Asia Pacific	Number of Trainees		11	56	538	907	1,974	3,768
	Course Hours		61	261	1,929	2,973	5,467	8,881
	Participants		4	21	67	141	514	789
	Average Hours of Training Per Person		12.9		23.6		11.0	
Pan America	Number of Trainees		6	19	99	138	472	623
	Course Hours		9	28	146	206	689	1,133
	Participants		3	9	47	63	218	302
	Average Hours of Training Per Person		3.1		3.2		3.5	
China	Number of Trainees		Note	7	73	216	506	685
	Course Hours			9	94	581	1,226	1,269
	Participants			2	24	68	172	239
	Average Hours of Training Per Person			7.3		6.1		

Note: Since the female senior executive positions in China are currently held by senior executives at headquarters, that training data is included under headquarters.

Average Hours of Training Employees have Undertaken and Average Amount Spent Per FTE on Training and Development Programs by Age Group (Unit: USD)

Item	Under 30		30-50		50 and Over			
	Female	Male	Female	Male	Female	Male		
Headquarters	Number of Trainees		636	765	4,570	10,411	792	1,626
	Course Hours		1734	2,756	12,325	23,632	1,882	3,362
	Participants		127	144	742	1,213	119	200
	Average Hours of Training Per Person		16.6		18.4		16.4	
	Amount Invested in Training		10,726	15,591	110,276	324,797	26,159	57,316
	Average Amount Invested in Training Per Person		97.1		222.5		261.7	
EMEA	Number of Trainees		495	1,132	3,399	6,964	685	1,299
	Course Hours		881	3,742	6,485	13,222	1,508	2,374
	Participants		89	279	457	1,097	80	203
	Average Hours of Training Per Person		12.6		12.7		13.7	
	Amount Invested in Training		10,998	38,948	109,578	236,421	22,283	44,468
	Average Amount Invested in Training Per Person		135.7		222.7		235.9	
Asia Pacific	Number of Trainees		436	406	1,918	3,924	169	401
	Course Hours		933	685	6,136	10,533	388	897
	Participants		130	126	410	722	45	103
	Average Hours of Training Per Person		6.3		14.7		8.7	
	Amount Invested in Training		6,550	5,315	73,455	79,607	8,296	8,851
	Average Amount Invested in Training Per Person		46.3		135.2		115.9	
Pan America	Number of Trainees		71	109	305	432	201	239
	Course Hours		110	167	447	847	288	353
	Participants		35	56	147	206	86	112
	Average Hours of Training Per Person		3.0		3.7		3.2	
	Amount Invested in Training		391	597	1,597	2,326	1,127	1,301
	Average Amount Invested in Training Per Person		10.9		11.1		12.3	
China	Number of Trainees		79	63	493	801	7	44
	Course Hours		104	126	1,205	1,677	11	57
	Participants		26	22	166	273	4	14
	Average Hours of Training Per Person		4.8		6.6		3.8	
	Amount Invested in Training		449	358	2,766	6,078	41	252
	Average Amount Invested in Training Per Person		16.8		20.1		16.3	



Average Hours of Training Spent Per FTE and Average Amount Spent Per FTE on Training and Development Programs by Mandatoriness of Training (Unit : USD)

	Item	Mandatory Training	Non-Mandatory Training
Headquarters	Number of Trainees	14,452	4,348
	Course Hours	32,239	13,452
	Participants	2,536	471
	Average Hours of Training Per Person	12.7	28.6
	Training Investment	306,473	238,392
	Average Amount Invested in Training Per Person	120.8	506.1
EMEA	Number of Trainees	12,568	1,406
	Course Hours	17,812	10,400
	Participants	2,192	517
	Average Hours of Training Per Person	8.1	20.1
	Training Investment	305,092	157,604
	Average Amount Invested in Training Per Person	139.2	304.8
Asia Pacific	Number of Trainees	4,545	2,709
	Course Hours	7,045	12,526
	Participants	1,514	611
	Average Hours of Training Per Person	4.7	20.5
	Training Investment	36,111	145,953
	Average Amount Invested in Training Per Person	23.9	238.9
Pan America	Number of Trainees	1,257	100
	Course Hours	1,862	349
	Participants	603	77
	Average Hours of Training Per Person	3.1	4.5
	Training Investment	7,339	0
	Average Amount Invested in Training Per Person	12.2	0.0
China	Number of Trainees	1,483	4
	Course Hours	3,114	64
	Participants	506	4
	Average Hours of Training Per Person	6.2	16.0
	Training Investment	8,344	1,600
	Average Amount Invested in Training Per Person	16.5	400.0

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

Senior Management

Titan Private Training and IPO Series Training



Middle Management

Management Leadership Training (Middle Management)

- Building Vision
- Inspiring Trust
- Executing Strategies
- Tapping Potential

Base-level Management

Management Training Camp (Base-level Management) Stage One

- | | |
|----------------------------------|----------------------------|
| Stage One | Stage Two |
| • Management Communication | • Targeting Talent |
| • Performance Coaching | • Setting Goals |
| • Performance Management Methods | • Motivating and Retaining |

General Staff

Core Values and Standards of Conduct Training Series

- Project Management Training Series
- Communication Skills Training Series

New Colleagues

- New Staff Onboarding
- New Staff Training
- New Staff Workplace Success Sharing

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 2020, a total of 9 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 2020 was on training senior management in how to deal with the media, how to handle PR skillfully, and how to manage crises.

Professional Occupational Training

The main highlights of occupational training in 2020 included:

AI Python Programming and Machine Learning Training Series:

- Held Python program design and practice course: Assists product engineers in familiarizing themselves with the Python language and its application to Web development, game scripting, computer vision, Internet of Things management, and robot development.
- Held Machine Learning Application in Practice course: Assists product engineers in understanding how to train to build models from environment-related data and infer the future for decision-making purposes, fostering the most commercially viable technology in the field of artificial intelligence.

Data Analysis and Customer Management course

Expanding product and service platform staff's marketing philosophy from a perspective focused on satisfying demand to one that also encourages learning to effectively manage customers through data analysis, integrating data and growth thinking into our products.

General Education Courses

General education courses in 2020 covered the following three key points:

Project Management Essential and Skills

Strengthening staff's project planning, interdepartmental project communication and coordination, and project schedule control capabilities, and thus improving project execution quality and performance through "Project Management Essentials and Skills" training.

Skills for presentation

Boosting business communication and promotion abilities through smoother presentation structure, content, presentation via "Skills for Successful Presentations" training.

Information Security Education and Training

Helping every employee become part of the Company's information security defense in view of the increase in cyber threats and the increasing complexity of attack methods through the "Information Security Education and Training" e-Learning program, aiding staff in understanding the techniques and responses to cybercrimes. This program covers ten core modules, including rules for setting secure passwords, preventing phishing, preventing against malware attacks, and protecting personal privacy.

Training Focus of Each Operating HQ

EMEA Headquarters

To strengthen the management capabilities of our EMEA operations headquarters, we have conducted five training programs focused around core management themes (Leadership Styles), specifically Leadership Qualities, Coaching Skills, Growing Teams through High Performance, Performance Outcomes that Motivate, and Performance Improvement Strategies. Through this training, along with the Leadership Styles test and online discussions via Teams, executives can validate their practical experience from the course framework and gain a better understanding of their leadership strengths and development needs.

As for specialist training, our IT Technical Salesperson training was held in concert with the launch of our lifestyle products to enhance the marketing team's knowledge of the application of information to technology and lifestyle brands. In addition, we also provided advanced negotiation and marketing training to strengthen business marketing techniques and customer relationship management, as well as exploring new marketing models.

With regard to general education training, we placed an emphasis on improving colleagues' skills in business intelligence and data analysis (through, e.g., Power BI Training) and in business communication and presentation skills (through, e.g., Business Communication). In addition to these, we continued to offer GDPR training in Europe and ISO 14001 Environmental Management Systems training (GESTIÓ ISO 14001:2015) to help staff understand how to accomplish their performance goals while also effectively implementing environmental management systems, minimizing impact on the environment in the course of growth.

At our European operating headquarters, we also pay particular attention to workplace safety, holding not only Fire Prevention & Health Safety and Driving Safety Training, but also courses like Health and Safety Infection Control, COVID-19 Impact on Swiss Immigration and Social Security, and Working from Home Training.



ISO 14001 Environmental Management System Training at EMEA Headquarters in Spain



Pan American Headquarters

To aid the marketing team in understanding the applications of AI and lifestyle products, our Pan American operating headquarters held an Ergonomics Consultation, helping team members understand machine-user interactions so as to examine the unique selling points of our products from safety, health, and comfort perspectives and convey their ease of use to customers. To facilitate team collaboration and remote management during the pandemic, we also held special Teams training, ensuring work-from-home operations for Pan American operating headquarters staff went smoothly.

Our American headquarters also emphasizes workplace safety, holding a special course entitled “Harassment Prevention: A Common Sense Approach” with a roster of participants each year—this year, a total of 99 staff took part.

China Region Headquarters

In 2020, the China Region operating headquarters focused on developing new team members’ understanding of local operating experience; actions and strategies for market development; the features, specifications, and characteristics of Acer’s new product lines; and the most effective marketing campaigns throughout China.

In addition, together with promoting the Standards of Business Conduct, we also conducted anti-bribery and anti-corruption training in the China region, with 483 employees participating.



China Region Headquarters holds training for newly hired business staff

Asia Pacific Headquarters

In terms of management skills development, in response to our 2020 target, the Asia Pacific operating headquarters launched the “4 Essential Roles of Leadership” program, with eight senior executives from New Zealand and Australia participating in the program. Topics covered included strengthening management skills such as inspiring trust, creating vision, executing on strategy, and unleashing potential. In the Indonesia region, we also held a series of management training courses, with 69 management staff taking part in courses including “Strategic Planning and Execution,” “Leading Your Team through Turbulent Times,” “Coaching for Excellence,” and “Building High Trust Relationships for Better Team Engagement.”

In recent years, the countries of the Asia Pacific region have also been actively working on improving their operating and marketing capabilities. In India, they held Key Account Manager training, convening senior management to discuss strategies and methods for effectively identifying, acquiring, working with, and retaining large customers; in Indonesia, the focus was more on product knowledge, with 603 people taking part in the “Product Knowledge Session in ConceptD, Gaming, and Nvidia”; meanwhile, in Singapore, they held a number of digital marketing courses, with ten people participating in courses including “WSQ Digital Advertising,” “Search Engine Optimization,” and “Social Media Marketing.”

In response to the COVID-19 pandemic, the various countries also held their own training sessions, such as the Philippines’ “COVID-19 Relief Programs” and Indonesia’s “Branding & Content Social Media for COVID-19,” aimed at helping marketing teams make full use of social media to build business during the pandemic.



Asia Pacific Headquarters India holds Key Account Manager training



New Staff Training

On their first day of work, onboarding is arranged for new staff by the Company, helping them better understand the Company, transportation and meals, salary rules and regulations, trial period assessment, group insurance, and the usage of common systems. In 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. During their first three to six months, they are then invited by the training unit to take part in "New Staff Workplace Success Sharing," a two-hour session that helps new colleagues better understand the keys to success in the workplace. At the same time, they are able to share their own experiences and challenges from this period in face-to-face exchanges. At the same time as pursuing better performance, we also help new staff find more enjoyment in their work, a greater sense of fulfillment, and a stronger feeling of belonging. 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.

Training Highlights: "Python Program Design and Machine Learning Application in Practice" training

Goals

To enable IT product software engineers to understand design with and use of Python and machine learning models and architectures for application and integration in various types of product, and to strengthen the AI capabilities of Acer products.

Approach

The instructor explains Python coding, and building on a foundation in Python programming, the instructor leads their students through practicing building various predictive models through machine learning algorithms.

Effectiveness

- **Training Satisfaction:** During the six-day training course, participation was bolstered through practical exercises, and learning effectiveness was greatly improved, with a satisfaction rating of 4.3 (out of 5.0) reported after the course.
- **Learning and Application:** Thanks to extensive practical examples during and after the lessons and the software engineers' own strong foundation in programming, the knowledge and skills in Python and machine learning they acquired have been able to gradually strengthen the AI capabilities of each product line under the guidance of senior software engineers.
- **Effectiveness:** In 2020, Acer's product sales saw substantial growth, especially in the gaming product line, which grew 44% in Q4. The strengthening of AI capabilities in gaming products is undoubtedly one of the drivers of this growth.

Performance Management and Development

The goal of Acer's performance management and development system is to improve performance at individual, departmental, and organizational levels, and includes goal setting, delegation, communication & coaching, the link between performance & remuneration, and career development. In 2020, the proportion of employees worldwide involved in performance evaluations reached 91.9%.

Proportion of Employees Worldwide Involved in Performance Evaluations, 2020

	Staff Receiving Performance Evaluations (A)		In Need of Evaluation Total Staff (B)	(A)/(B) %
	Female	Male		
Technical Staff	497	1,401	2,025	93.73%
Specialist Staff	719	815	1,719	89.24%
Management Staff	336	736	1,169	91.70%
Administrative Staff	350	241	630	93.81%

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.

Note 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.

Note 3: AOpen, Weblink, E-Ten Information Systems, Altos Computing, ACSI, Acer Synergy Tech, and ISU IPO companies are not included in the evaluation.



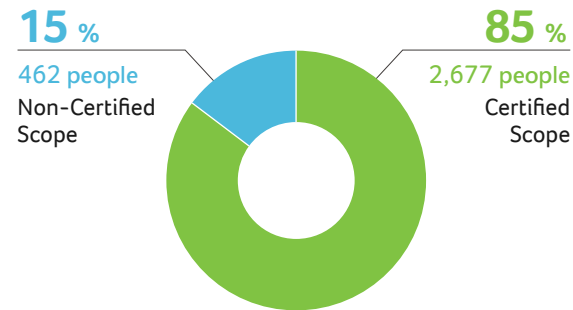
Health and Safety in the Workplace

Occupational Safety and Health

In line with the OHSAS 18001 revision, Acer introduced the ISO 45001 management system in 2020, revising safety and health policy, maintaining the original spirit and emphasizing full employee participation in consultation, reducing occupational safety and health risks to ensure that the three major goals of improving occupational safety and health management performance, enhancing employee safety and health awareness, and optimizing employee health protection are achieved.

Acer is a brand, and its products are designed and manufactured by OEMs. Therefore, except for the Taiwan headquarters, which has a testing and packaging plant in Taoyuan which is covered by the Taiwan headquarters' occupational safety management system, overseas branches are office-based and do not cover overseas labor, activities, or shop floors.

Acer Taiwan Occupational Safety and Health Management System Coverage Rate



Note: A total of four companies, namely Weblink, E-Ten Information Systems, Aopen, and Acer Aspire, have not yet implemented occupational safety and health management systems.

Improving Occupational Health and Safety Management Performance

To continuously improve occupational safety and health management performance, the headquarters and subsidiaries in Taiwan obtained ISO 45001 certification in October 2020 and conduct annual management system certification covering not only the Xizhi office area, but also all external locations and subsidiaries such as ACSI, AEB, Cloudgoda, Acer Synergy Tech, ISU Service, and Highpoint.

Representatives are selected by each unit and go through internal and external training to cultivate their health and safety skills. We also conduct internal and external audits each year to ensure the effective operation of the systems. In addition, to review the effectiveness of the system, an Occupational Safety and Health Committee was established to provide quarterly reports on the implementation status and any improvements to safety and health operations.

Strengthening Workers' Safety and Health Awareness

To reduce the incidence of occupational accidents, we believe that in addition to providing a healthy and safe working environment, it is essential to strengthen the safety and health awareness of workers. In order to reduce the occurrence of occupational disasters and accidents, as well as keeping track of work-related injury leave applications through the attendance system and setting up a general service hotline, we encourage our employees to take the initiative to report any accidents, including false alarms, in a timely manner so that investigations and preventive measures can be initiated immediately. At the same time, we also promote the idea that should an employee encounter a hazard in the workplace, their own safety should be their primary consideration. For the sake of promoting health and safety efforts, we have set up occupational safety and health-related personnel in each office area and hold annual training for employees on fire safety, occupational safety and health, CPR+AED, and more. To strengthen the first-aid skills of first responders, additional CPR Annies were purchased in 2020 for conducting compression tests and emergency rescue drills. To accomplish contracting management requirements, Acer conducts annual reviews of resident and normal contracts, while also paying particular attention to project contract management for high-risk renovation projects. At the same time, to bolster the safety and health awareness of staff and outsourced contractors, we provide relevant information through a variety of channels, working together through various management methods to create a safe and healthy working environment.

Occupational Health and Safety Personnel Chart

	Acer	Subsidiary
Occupational Health and Safety Management Personnel	2	0
Occupational Health and Safety Business Management	16	16
Nursing Staff	2	5
Emergency Personnel	49	51
Fire Prevention Supervisors	13	8

Note: Nursing Staff in Acer and its subsidiaries are specialists and contract personnel respectively

Health and Safety Education and Training Engagement 2020

Item	Actions	Effects
Occupational Health and Safety Related Personnel	Occupational health and safety managers, occupational health and safety business managers, nursing staff, first responders, fire prevention management personnel	Please refer to the Occupational Health and Safety Personnel Chart
Occupational Safety and Health Committee	Members total of 46 members, with elected representatives from all units accounting for 97.8% labor representation. Convened quarterly per the Occupational Safety and Health Guidelines	Convened a total of 4 times
Health and Safety Operating Standards	Health and safety operating standards documentation has been drafted and is reviewed every year.	A total of 36 process documents are in management
Health and Safety Management Program	Develops a health and safety operations management plan operations and reviews it annually.	Managed a total of nine projects
Hazard Identification and Risk Assessment	Each year, we conduct a five-level risk assessment of all workers' activities and service areas in the organization and propose management plans to track and improve high-risk items at levels 4 and 5.	A total of 327 items have been assessed, no level 4 or 5 items found
Management of Chemicals	Use of formaldehyde, cleaning naphtha, and leaded solder prohibited.	No non-compliance was found in internal or external audits this year
Operating Environment Monitoring	Drinking fountain water quality, indoor carbon dioxide levels, and the presence of Legionella bacilli in air-conditioning cooling towers is tested	Test results were in line with standards. Test results are published on internal website.
Automated Inspections	Automated inspections of equipment are conducted regularly.	Completed per annual plan. Records kept in each office.
Health and Safety Education and Training	With health and safety personnel in place, a range of health and safety education and training is carried out.	For details, please see the 2020 Education and Training Results
Health and Safety Promotion	We use meetings, bulletin boards, restroom literature, internal websites, emails, and other channels to promote related information.	Content includes: Health education, infectious disease prevention, traffic safety, workplace safety, occupational disaster investigation, and more.
Emergency Response Management	Drills are carried out in line with the annual plan covering fire, earthquakes, typhoons, power outages, and emergency rescue.	A total of 7 drills were held
Workplace Accident Investigation	Investigate and report on occupational disasters and develop corrective/preventive measures.	A total of 15 workplace accidents occurred
Regulatory Identification	Periodically identify the applicability of and compliance with changes in occupational safety-related laws and regulations.	A total of 27 regulations were identified and managed
Outsourcing Management	Annual audit of resident/regular outsourcing contracts and renovation project management	A total of 19 outsourcing contractors were audited
Internal and External Auditing	Annual internal and external audits are conducted to ensure ISO 14001 & 45001 certification.	68 internal audits and 13 external audits were completed, with all necessary improvements completed

2020 Occupational Health and Safety Education and Training Results

Type	Course Title	Subject	Course Type	Quantitative Statistics	Complied with Regulations
	New Employee Health and Safety Education and Training	New Colleagues	Internal Course	7 Stages	<input type="radio"/>
	General Health and Safety Education and Training	General Staff	Internal Course	226 people	<input type="radio"/>
	Subcontractor Health and Safety Education and Training	Cleaning and Renovation Subcontractors	Internal Course	25 people	<input checked="" type="radio"/>
	Occupational Health and Safety Business Management Education and Training	Newly Appointed Occupational Health and Safety Business Managers	External Course	6 people	<input type="radio"/>
	Occupational Health and Safety Business Management On-the-Job Training	Occupational Health and Safety Business Management	External Course	13 people	<input type="radio"/>
	Fire Prevention Supervisor Training for New Appointees	Fire Prevention Supervisors	External Course	4 people	<input type="radio"/>
	Fire Prevention Supervisor On-the-Job Training	Fire Prevention Supervisors	External Course	12 people	<input type="radio"/>
	Fire Safety Seminars	Fire Defense Personnel	Internal Course	53 people	<input type="radio"/>
	Newly Appointed Emergency Personnel Education and Training	Newly Appointed Emergency Personnel	External Course	26 people	<input type="radio"/>
	Emergency Personnel On-the-Job Training	Emergency Personnel	Internal Course	69 people	<input type="radio"/>
	Emergency Personnel Education and Training	Emergency Personnel	External Course	5 people	<input type="radio"/>
	Emergency Personnel Compression Testing	Emergency Personnel	Internal Course	69 people	<input checked="" type="radio"/>
	Emergency Personnel First-aid Drills	Emergency Personnel	Internal Course	39 people	<input checked="" type="radio"/>
	CPR-AED Training	General Staff	Internal Course	27 people	<input checked="" type="radio"/>

Complied with Regulations Exceeded Regulations

Occupational Accident Statistics for Acer Taiwan in 2020

Accident Type	Subject	Incidents	Total Lost Working Days	Accident Location
Injured in Traffic on Way to/from Work	Full-time Staff	Male: 8 Female: 5	262	Outside Company
Fall	Full-time Staff	Male: 2	8	Outside Company
Total	Full-time Staff	15	270	
	Temporary Staff	0	0	
	Outsourcing/Subcontracting	0	0	

Note 1: In 2020, Acer Taiwan's main occupational disasters were commuting traffic accidents, accounting for approximately 86.7%.
 Note 2: There were a total of 3 serious commuting accidents, resulting in losses of 30, 79, and 103 working days.
 Note 3: We conduct investigations and case awareness after occupational disasters and strengthen traffic safety awareness through labor safety and health education training.

Acer Global Occupational Accident Statistics 2020

	Female	Male	Total
Occupational Injury Death Rate (Occupational Injury Deaths/Working Hours)*200,000			
Taiwan	0	0	0
EMEA	0	0	0
Asia Pacific	0	0	0
Pan America	0	0	0
China	0	0	0
Serious Occupational Injury Rate (Serious Occupational Injury Rate (Excluding Deaths)/Working Hours)*200,000			
Taiwan	0	0	0
EMEA	0	0	0
Asia Pacific	0	0	0
Pan America	0	0	0
China	0	0	0
Recordable Occupational Injury Rate (Recordable Occupational Injury Count/Working Hours)*200,000			
Taiwan	0.42	0.53	0.49
EMEA	1.20	0.51	0.71
Asia Pacific	0.43	0	0.17
Pan America	0	0	0
China	0	0	0

Note 1: Above statistics include those injured in traffic on way to/from work. To comply with GRI standards, commuting accidents will be excluded from the statistics starting in 2021.

Note 2: Serious Occupational Injury: Occupational injuries that lead to death or inability to recover to pre-accident condition within six months of the accident.

Note 3: Working Hours: Since our offices are located in many countries around the world, for the sake of consistency, the calculation is based on 247 working days in Taiwan * 8 hours of work per day * total number of people in each location.

Note 4: Occupational Accident Incident Statistics: Taiwan: Male x10, Female x5 EMEA: Male x6, Female x6 Asia Pacific: Female x1

Note 5: In 2020, there were no incidences of occupational injury among temporary staff or outsourced subcontractors.

Note 6: In 2020, there were no incidences of occupational disease.

Optimizing Staff Health Protection

In order to optimize the health protection of our employees, we have both dedicated and contracted nursing staff available to handle health services. These start with staff health checkups, with the checkup reports managed in a graded manner, and continue with the design of a variety of health promotion activities based on the needs of the different groups. In 2020, we were actively involved in health certifications from both government and civic organizations, including receiving for the third consecutive time both the Taiwan iSports certification from the Ministry of Education's Sports Administration and the Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare's Health Promotion Administration. We were also honored for a second consecutive time with a Silver Award in Commonhealth Magazine's Corporate Health Responsibility evaluations in the Companies with between 1,000 and 4,999 Staff group. Such recognition demonstrates our commitment to providing a healthy workplace.

2020 Healthy Workplace Statistics

	Items	Actions	Effects
	Health Checks for New Colleagues	New staff health check reports are paid for upon commencement of work	227 people
	General Staff Health Checks	Held each year, covering more than required by regulations	Canceled due to pandemic. Carry out health survey in June
	Management Health Checks	Checks booked by rank and age	234 people
	Health Promotion Administration Screenings for Colorectal, Oral, Cervical, and Breast Cancer	Colorectal, oral, cervical, and breast cancer screenings	239 people
	Medical Consultations	General health education consultation, health promotion consultation	270 people
	Measurement Services	Weight, blood pressure, body temperature	707 people
	Injury and Illness Management	Illness tracking, injury care, accident case tracking	206 people
	Occupational Health Services	Health interviews and tracking & management for provided for abnormal cases	Tracking and management: 75 people
	Ergonomic Hazard Prevention Program	Musculoskeletal pain investigation, with abnormal cases provided tracking and management	Tracking and management: 13 people
	Cardiovascular Disease Prevention Program	Risk assessments, with high-risk cases provided tracking and management	Tracking and management: 18 people
	Female Health Protection Program	Pregnant staff: Provided with pregnancy-supportive chairs, work hazard assessments, consultations Breastfeeding staff: Dedicated lactation rooms, health consultations Health Interviews: Health risk assessment and education by occupational physicians	Pregnant mothers: 27 people Breastfeeding mothers: 40 people; Lactation room usage: 7,185 people Health Interviews: 22 people
	Infectious Disease Prevention	Understanding and staying on top of the COVID-19 pandemic, reminders for influenza vaccinations	Staying on top of home isolation/home quarantine/health self-management targets
	Health Seminars	Lunch Seminars	6 lectures, 461 participants
	Weight Loss Class	Nutrition lectures, exercise classes, independent weight management	78 participants; total weight loss: 208kg
	Fitness Testing	Fitness testing, analysis, and advice	2 rounds, 217 participants
	Sporting Competitions	Mountain hikes, sports competitions including badminton and dodgeball	Total of 1,249 participants
	Sports Promotion	Establishing sports clubs	9
	Exercise Environment	Fitness center, multi-functional space for relaxation	Provided to staff for use during lunch breaks and after work
Visually Impaired Massage Service	Up to 42 users each week	Total served: 1,878 people	






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.

Acer Taiwan’s COVID-19 Pandemic Measures

In view of the ongoing global COVID-19 epidemic, Acer Taiwan established a “Pandemic Prevention Team” at the beginning of the year to ensure daily operations could be maintained. In addition to following the instructions of the Central Epidemic Command Center, pandemic prevention measures were established in three areas—hardware, software, and services—and timely adjustments were made through a rolling response mechanism to provide employees with a stable, safe, and secure working environment.

Pandemic Protection Measure

<p>Hardware </p> <ul style="list-style-type: none"> • Taking temperatures • Pedestrian control • Environmental disinfection • Pandemic protection materials • Health education and guidance 	<p>Software </p> <ul style="list-style-type: none"> • Dedicated pandemic prevention zone • Pandemic prevention surveys • Videoconferencing 	<p>Service </p> <ul style="list-style-type: none"> • Staff Care • Health Management • IT Services
--	---	--

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

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



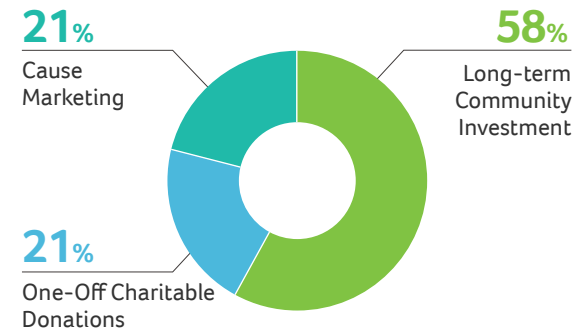
Social Philanthropy and Digital Inclusion

Ideas and Inputs

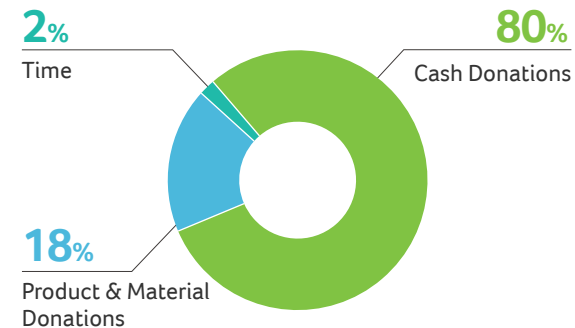
Since our founding, Acer has cultivated a people-first culture and a spirit of philanthropy. We continue to do all we can to use our skills and core competencies to give back to the community. In terms of social action, Acer focuses on the three main areas of education, the environment, and philanthropy, engaging in community work and charitable efforts by providing volunteer services and resources like products, technologies, and capital. In the wake of the global COVID-19 pandemic, which significantly affected human lives, we have been actively adjusting our approach to working with multiple stakeholders as the world evolves, continuing to invest and use our resources most effectively to help those most in need.

In 2020, Acer's global investment in social and community engagement activities totaled approximately US\$2.05 million (approximately NT\$58.45 million), accounting for approximately 1% of the Company's earnings. Acer employees around the world also showed their concern for society by actively helping their local communities weather the pandemic storm. In terms of participation, we see a rise in one-off charity donation drives in 2020 over 2019, and ongoing participation in long-term community engagement also rose, indicating that Acer's staff continue to work with their communities and even made use of a more diverse array of opportunities to deepen that engagement during the pandemic. In terms of the types of resources invested, due to the impact of the pandemic, many activities could not be held, and many disadvantaged groups were more in need of donations, so the proportion of cash donations was higher, while donations of products or goods and the investment of manpower and time were much lower than in previous years.

Participation Type



Resource Engagement Type



Total Impact and Social Performance of Acer's Global CSR Projects^{Note 2}

Man-Hours Invested	8,768
Total Monetary Value of All Contributions ^{Note 3} (USD)	2,212,352.59
People Touched and Assisted	92,871
Partnered Stakeholders	601

Due to the cascading effects of the global COVID-19 pandemic, those in all realms of society in need of assistance changed. As a result, in 2020, Acer added medical units, students in need of online learning, small and medium-sized enterprises working from home, and disadvantaged groups were added to Acer's social care efforts in addition to the usual schools, government agencies, non-profit organizations, and internal and external employees. This reflected how Acer's staff showed their love for the world and responded to the needs of various stakeholders facing the impact of the pandemic.

Note 1: Based on Central Bank's closing rate of US\$1D=NT\$28.508 on 12/31/2020

Note 2: Data from the various CSR projects is provided by Acer's global subsidiaries, accounting for a total number of 115 projects.

Note 3: Total monetary value of all contributions is calculated through items such as cash, products, and manpower input.



Corporate Social Responsibility Project Awards

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 by 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. This program is designed to encourage staff members to propose projects that respond to the United Nations' sustainability goals and, since 2019, to integrate the Company's "project humanity" spirit with the themes of education and the environment in the hope of making Acer a brand that we can be proud of and that demonstrates its corporate culture and spirit from the inside out.

The program continued to develop in 2020, focusing on major global events in addition to themes such as "education" and "the environment." The COVID-19 pandemic saw projects from throughout the Acer Group arise, utilizing Acer's core competencies and products to demonstrate the following: Making a social impact through themselves and their businesses; Collaborating with stakeholders to leverage ESG synergies; Active participation by Acer staff, boosting their identification and satisfaction with the Company. Especially in the midst of the dramatic changes and impacts of the global pandemic, Acer employees continue to care for the community and apply their core competencies by donating computers and helping with online learning support to enable students to continue to take part in distance learning at home, while also helping disadvantaged groups and small and medium-sized enterprises to connect to work from home and maintain their economic and operational capacity.

CSR Project Awards Highlights

In 2020, Acer's more than 100 business units worldwide invested resources, manpower, money, and materials in various areas to exert social influence and appeal through their own capabilities and those of the Company, giving back to the community and all stakeholders while creating ESG synergy, generally speaking, in the following areas:

Environmental

	Acer Thailand	Adopt appropriate waste recycling models and management so that old products or electronic waste can be properly recycled and treated to reduce the risk of environmental pollution.
	Acer India	
	Acer Taiwan	Promote vegetarianism to employees and reduce the use of disposable tableware to achieve the goal of reducing plastic use and carbon emissions.
	Acer Taiwan	Cooperate with eco-friendly farming organizations to "adopt" organic rice, while also advocating for environmentally friendly farming among our employees and calling on them to join in.
	Acer Netherlands	Company cars will be replaced with electric cars and ten new dual-charging bays will be added to the Company's parking lot, giving practical expression to our smart city plan.
	Acer Germany	We have built a solar power system on the Company's roof to produce our own green solar energy and reduce our dependence on external energy suppliers. We expect to generate more than 381,700 kWh of electricity per year and thus reduce our CO ₂ emissions by 228,628 kg/year.



Acer Netherlands



Acer Taiwan

Education

	Acer Iberica	During the pandemic, we worked in tandem with various stakeholders to support students' continued participation in distance learning at home through donations of computers and support for online learning.
	Acer America	
	Acer Malaysia	
	Acer Japan	Collaborating with other industry partners, we helped provide high school students in Toba City, Japan, with learning opportunities to create VR content that introduces the special environment and culture of the area, attracting new migrants or developing the tourism businesses to counterbalance the aging of the local population.
	Acer Philippines	Donating Acer products to the Manila Public Library to bridge the digital divide and promote public learning.



Iberica



Japan

Philanthropy

	Acer Taiwan	Collecting used computers for repair and donating them to disadvantaged groups to maximize the benefits of product recycling.
	Acer America	Partnering with the Gateway Foundation to donate Chromebook products and cash to underprivileged groups, as well as working with social welfare organizations to recruit more young people to contribute to society.



Taiwan



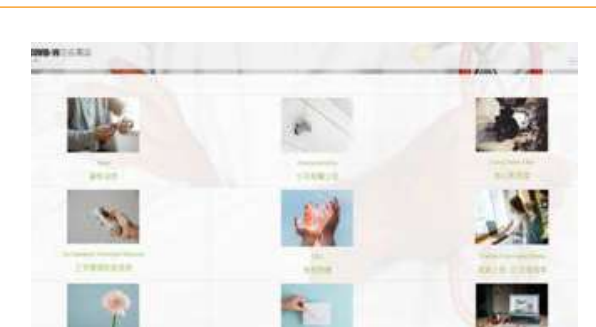
America

Pandemic Response

	Acer Taiwan	Creating a pandemic information platform to provide real-time information on government policies and supporting measures relating to the pandemic, as well as important health and safety information for employees and statistics on the health status of internal employees.
	Acer America	
	Acer France	Donating products and medical supplies to disadvantaged groups or medical units in need due to the pandemic.



France



Taiwan

Health

	Acer Lugano, Switzerland	Promoting vegetarianism and the concept of healthy eating through the cultivation of green plants and vegetables to employees. Promoting staff engagement in more outdoor activities and experiencing the sustainable balance between the environment and people that can be found venturing into forests.
--	--------------------------	--



Lugano, Switzerland



Acer Lugano, Switzerland

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

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. In 2020, Acer Group's social projects around the world made use of Acer's core competencies and products to support disadvantaged or needy communities. For more case studies, please refer to the CSR Project Highlights section of this report.

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.



"The Truth About Entrepreneurship" event



Longterm Smile Internet of Beings Competition

After fierce competition, the results of the third Longterm Smile Internet of Beings Competition, organized by the Acer Foundation, were announced in February 2020 through a combined online-offline approach. We held an award ceremony, inviting the chairman of the Foundation, Stan Shih, the convener of the competition, National Taipei University of Science and Technology Distinguished Professor Lee Da-sheng, and chair of CommonWealth Magazine's board Diane Yin as guests of honor. This year, due to the impact of the pandemic, and in line with the government's pandemic prevention recommendations, the ceremony was broadcast live online with one representative from each finalist team, allowing the winning teams to enjoy the glory of winning an award while also keeping everyone safe.

The Acer Foundation has been supporting entrepreneurship for over three decades, encouraging and supporting many creative and passionate entrepreneurs each year. Under the banner of "IoT World, Smart Taiwan," put forward by Acer Foundation Chairman Stan Shih, the Foundation's entrepreneurship competition renamed the Longterm Smile Internet of Beings Competition and has spawned a number of teams of talented entrepreneurs over the past three years, injecting diverse ideas and new blood into Taiwan.

This year's teams were disrupted by the pandemic, but some surprising ideas and highlights stood out nonetheless. The team from National Cheng Kung University's Graduate Institute of Industrial Design not only made it to the final ten with their "Smart Health Promotion Services System," designed for the "Responding to Health and Recovery Needs in an Aging Population" theme, but actually came out on top, taking the NT\$1 million in venture funding. With a product that was smart, customizable, and gamified, they provided recovery suites of a variety of strengths to enable users the ability to undertake effective and interesting remote recovery programs at home.

The COVID-19 pandemic, which erupted at the end of 2019, has had a tremendous impact on the world economy, and Taiwan is no exception. Factors in the larger environment have only amplified the trials and tribulations of starting a business. The Longterm Smile Internet of Beings Competition landed during a time when the pandemic was hitting at its hardest, and the teams had to prepare against it while still actively seeking to perform on their entrepreneurial journey. Inevitably, however, the pandemic had an impact on the competition, and even some teams that made it to the final round had to withdraw because their business model was severely tested during the market research phase.



The award ceremony for Longterm Smile Internet of Beings Competition.

BeingLife Creativity Competition

The 4th BeingLife Creativity Competition was held in February 2020 at the National Taiwan Science Education Center. The award ceremony was held at a time when the impact of COVID-19 was particularly strong, and although the event was still held physically, masks were worn throughout, leaving interesting behind-the-scenes group photos that highlight the global situation of the time.

This year the competition attracted a record-high number of entries collected, and the content of the competition focused on issues such as the environment, community care, and home security. The teams that took part made use of the concept of the Internet of Beings to propose ideas and creative works that solve everyday problems. In addition, this year, for the first time, students from non-school-based experimental education participated in the competition, demonstrating the unique achievements of diversified education.

This year marked the final time the BeingLife Creativity Competition would be held in its current incarnation. The Acer Foundation founded the Digital Creation Awards in 2004. In 2016, after 12 years, these awards transitioned into the BeingLife Creativity Competition. During the four years of the competition, thousands of entries have come in from junior and senior high school students from all over Taiwan in categories including project proposals, videos, and practical creations. In total, nearly \$3 million in prize money was given away. At the same time, seed schools were selected and provided with technical guidance and subsidies to help cultivate innovative talent. In the past two years, this has expanded further to include Internet of Beings camps which offer teams a chance to learn from industry experts and exchange ideas.

After over a decade of evolution in technology education, the phased tasks of the BeingLife Creativity Competition will now be coming to an end. The implementation of the 2019 syllabus has added a new science and technology curriculum which has become the focus of secondary school technology education, and has further developed students' technological literacy and IT-related skills as part of national compulsory education. More importantly, though, we believe that through this, students have developed their creative abilities, which is the core spirit of this competition.



The award ceremony for the BeingLife Creativity Competition.



Deepening the Application of Technology to Education

Chromebook industry chain launches “Taiwan Education Digital Transformation” project

In 2020, due to the pandemic, various industries have accelerated their digital transformation processes, and traditional teaching limitations have been put to the test, creating a “new normal” in education and making digital transformation a top priority. In view of this, Acer has joined the Chromebook industry chain initiated by Google, which includes a number of computer brands and manufacturers, and announced the launch of the “Taiwan Education Digital Transformation” project, which will see a comprehensive integration of resources in the tech ecosystem. Through this program, we have donated 500 Chromebooks to elementary and high schools in need, as well as creating Chromebook-specific IoT experimental courses and integrating free Chromebook and G Suite training courses for recipients to help schools and teachers effectively use digital tools for teaching and management, laying an important foundation for the digital transformation of education in Taiwan. Students were also invited to interact with teachers in a distance learning session to experience the convenience and effectiveness of integrating technology tools into the classroom.

Chairman and CEO Jason Chen said Acer’s corporate mission is to break the barriers between people and technology and to focus on the needs of the education market on a long-term basis. Faced by the pandemic, work styles and education patterns are changing, and distance learning is shaping new lifestyles and teaching sites, and Acer is committed to helping digital transformation and bridging the digital gap. As a member of the Chromebook industry chain, Acer works with global partners to help nurture Taiwanese talent. In the future, Acer will continue to develop innovative products and customize computer devices for the education industry.



Digital Literacy Initiative

In 2018, the Acer Foundation launched the Acer Digital Literacy Project, sowing seeds for the future and advocating for the importance of digital literacy. 2020 marked the third year of the project. Building on the workshops and seminars of 2019, and with online learning sweeping the globe in response to the COVID-19 pandemic, the Acer Foundation produced three online seminars, inviting experts in science, education, and psychological counseling to provide education in three major issues of digital literacy—digital mindset, protecting privacy, and digital interpersonal skills. These seminars aimed to offer parents practical strategies to best guide their children in building positive digital learning habits and becoming good digital citizens.

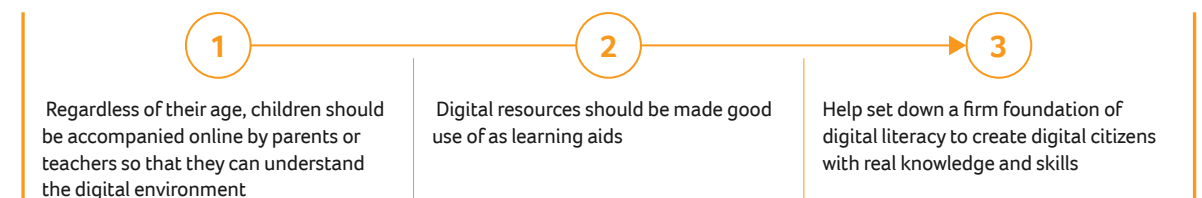
As for our own staff, we also set up special lectures and workshops to help them better understand the deeper core of the links between education and IT tools while also providing them with opportunities for further self-improvement and growth.



In addition to parents and students, the Acer Foundation also proposes solutions for other education stakeholders to enhance their digital and online learning abilities by offering an online workshop on “Teaching and Applying Digital Literacy,” inviting leading scholars who have long been involved in information literacy education to interact and share with teachers in a livestream format to start learning together on digital literacy teaching and cross-domain applications.

Through digital tools (computers, tablets, phones) and online information, interdisciplinary, unlimited learning models have become the most popular education topic during this pandemic year. With Acer being a computer brand, the Acer Foundation hopes to promote digital learning in Taiwan through the promotion of IT education and digital learning using IT tools, cultivating the capability of children to make skilled use of digital tools and advocating for care for society through practical actions.

Acer Foundation: advocates for digital literacy through three main actions



Friendly to the Environment

Acer Green Points Challenge

Through daily, weekly, and monthly goals, we hope to encourage our employees to continuously pursue environmental conservation, lifelong learning, and physical, mental, and spiritual health improvement. Staff members are encouraged to send messages of thanks, praise, and encouragement to their colleagues through the app every week, translating their care into words and indirectly shaping a heart-warming culture in Acer. In addition, offline marketing activities will be combined with online and offline channels to boost participation in the event.



Caitian Rice

In 2020, we continued to promote the Caitian Volunteer Experience Project. Through environmental education and farming experience with joint assistance of the Employee Benefits Committee and Caitian Social Enterprise, volunteers get close to the land and cleanse their bodies and minds, planting rice seedlings, plucking snails, and harvesting. Through this, they sow the seeds of care for the land among Jinshan's colorful fields and gain a deep understanding of the value of eco-friendly agriculture and the challenges involved.

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.



Embracing Nature Tree Care Day

We led our colleagues to Taiwan's only environmental trust site, Hsinchu Nature Valley and Luliaokeng Eco-Friendly Orchard, where they learned about the wealth of plant and animal species there and assisted in tree care work, removing foreign plants to nurture a better environment.



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 educations.



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 13 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 invite 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 ten years to deliver piping hot meals to residents in communities in Xizhi, Shenkeng, 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

Acer has held blood drives for 13 consecutive years, with four events held in 2020. Even during COVID-19, we encouraged our staff to donate blood to help patients in need. A total of 2,023 bags (250 cc/bag) were collected in 2020, while social enterprise goods were procured and sent to donors to promote the doing of good for society.

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 2020, these donations reached a total of NT\$605,000.

Acer continues to work with staff around the world to take concrete action on issues such as environmental protection, IT education, and charity, actively responding to the needs of society and playing the role of social influencer with a spirit of sustainability and altruism. In 2020, our results included:

Type	2020 Goals	2020 Results	Completion Status
	Organize environmentally friendly activities, with at least 2,000 corporate volunteers from around the world participating	Organize environmentally friendly volunteer activities, with 3,828 corporate volunteers participating in 2020	●
	Adopt at least 8,000 kg of environmentally friendly Caitian Rice from Jinshan, New Taipei City	Adopt at least 8,000 kg of Caitian Rice in 2020	●
	Global 3C Recycling Project: 5000 computers, 20 tonnes of batteries	We originally expected to launch our 3C recycling activities in both Taiwan and Thailand, but due to the COVID-19 pandemic, the Thai office area canceled, so the only results we gained are those from recycling done in Taiwan: 73 computers, 0.125 tonnes of batteries	○
	Support CSR in procurement to the tune of least US\$40,000	Purchase amount for 2020 was approximately US\$52,728.53	●
	Organize talks on IT education topics and train a total of 200 IT education volunteers	Organize IT education seminars and volunteer training activities with 111 participating in 2020. Due to the COVID-19 pandemic, some seminars and classes were postponed.	○
	Sponsor International Olympiad in Informatics through provision of at least 400 computers, worth a total of \$5.2 million	Due to the COVID-19 pandemic, the international competition was moved online, meaning there was no need for computer equipment, and only 20 computers were provided for sponsorship for the domestic competition, worth about \$260,000.	○
	Organize a rice-collecting campaign for underprivileged children, collecting at least 1,000 kg of rice	In 2020, provided 1,766 kg of white rice to disadvantaged children through direct donation and collection.	●
	Provide care for at least 200 underprivileged children	The number of children receiving care in 2020 was 301.	●
	Provide care for at least 60 elderly people through Chinese New Year's meals	A total of 71 Chinese New Year's meals were distributed to elderly people living alone in 2020.	●
	Hold blood drive, collecting at least 2,000 bags of blood	2,023 bags (250cc) of blood were collected in 2020	●
	Sponsor Wanjinshi Marathon with ICT equipment	Wanjinshi Marathon postponed to November 21, 2021, due to COVID-19 pandemic	○

○ Not Yet Accomplished ● Accomplished



Corporate Social Responsibility Management Overview

Economic

	Unit	2017	2018	2019	2020	GRI Indicators	Page No
Consolidated Revenue	NTD Billion	237.275	242.27	234.285	277.112	102-7、201-1	15
Operation Profit (Loss)	NTD Billion	3.670	3.738	3.078	8.936	102-7	15
After Tax Earnings (Loss)	NTD Billion	2.816	3.060	2.633	6.029	102-7	15
Basic Earnings Per Share	NTD	0.93	1.01	0.87	2.01	-	15
Operation Expenses	NTD Billion	(21.900)	(22.257)	(21.734)	(21.413)	102-7、201-1	15
Staff Remuneration and Welfare	NTD Billion	(13.094)	(13.457)	(12.848)	(13.112)	201-1	15
Dividends	NTD	0.70	0.77	0.77	1.50	201-1	15
Tax Income (Dividends)	NTD Billion	(0.642)	(1.350)	(1.144)	(2.759)	-	15
Liabilities	NTD Billion	99.637	95.003	96.901	121.967	102-7	15
Equity	NTD Billion	57.975	58.986	59.195	61.942	102-7	15

Environmental

	Unit	2017	2018	2019	2020	GRI Indicators	Page No
Total Input - Direct Energy Usage							
Natural Gas	m ³	1,389,526.08	365,256.82	443,287.84	333,864.00	302-1	99
Energy Consumption	GJ	51,760.21	13,605.91	16,512.59	12,436.52	302-1	99
% of total energy consumption	%	20.96	7.85	9.41	7.75	302-1	99
Gasoline	liters	530,496.61	561,054.43	631,662.83	643,651.27	302-1	99
Energy Consumption	GJ	17,877.74	18,907.53	21,287.04	21,691.05	302-1	99
% of total energy consumption	%	7.24	10.9	12.13	13.52	302-1	99
Diesel	liters	537,550.68	509,244.01	486,469.00	314,062.49	302-1	99
Energy Consumption	GJ	20,749.46	19,656.82	18,777.70	12,122.81	302-1	99
% of total energy consumption	%	8.4	11.34	10.70	7.55	302-1	99
Water ^{NOTE1}	m ³	197,774	199,102	190,048	173,805	302-1	102
Total Output - Indirect Energy Resource Usage							
Green Electricity ^{NOTE2}	kWh	21,532,095.79	17,572,656.98	17,436,550.58	17,174,784.18	302-1	98-99
Electricity Consumption ^{NOTE3}	kWh	43,490,527.48	33,679,435.45	33,018,640.19	31,734,912.68	302-1	98-99
Energy Consumption	GJ	156,565.90	121,245.97	118,867.10	114,245.69	302-1	98-99
% of total energy consumption	%	63.4	69.92	67.75	71.18	302-1	98-99
Total Output - GHG Emissions							
Scope 1	Tonnes of CO ₂ equivalent	5,568.69	3,413.95	3,540.217	3,004.034	305-1	98-99
Scope 2- market-based	Tonnes of CO ₂ equivalent	13,275.69	12,646.41	10,223.617	9,195.348	305-2	98-99
Total Output - Waste Water							
Sewage Discharge ^{NOTE4}	Tonnes	158,219	159,282	152,038	139,044	306-1	102
Total Output - Wastes ^{NOTE5}							
Total Generated	Tonnes	4,945.34	1,915.48	1,666.61	1,803.70	306-2	103
Total Recycled and Reuse	Tonnes	4,221.31	1,167.01	1,135.60	1,373.02	306-2	103
Recycled Resources	Tonnes	2,344.47	784.30	726.20	866.75	306-2	103
Electronic Waste	Tonnes	1,876.84	382.71	409.40	506.27	306-2	103
Non Recycled and Reuse	Tonnes	724.03	748.47	531.01	430.68	306-2	103
Municipal Solid Waste	Tonnes	724.03	748.47	531.01	430.68	306-2	103

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. From 2020 onward, water usage will incorporate well water, and the water consumption and sewage discharge figures for 2017-2019 have been thus revised.

NOTE2: Green electricity includes self-owned generation facilities and renewable energy certificates.

NOTE3: 2020 reduction in per-capita power consumption carbon emissions of approx. 4,250 kWh.

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.



Social

	Unit	2017	2018	2019	2020	GRI Indicators	Page No
Staff Employment							
Number of Employees	People	7,812	8,037	7,923	7,467	102-7	111
Average Age	Years	38.7	39.7	40.0	40.2	-	111
Average Seniority	Years	8	8.4	8.69	8.7	-	111
Turnover Rate	%	17.22	18.22	16.5	15.4	401-1	113
Hiring Rate	%	14.96	16.61	15.71	16.4	401-1	112
Applicants for Parental Leave	%	11.81	13.41	23.68	21.15	401-3	114
Post Parental Leave Return-to-work Rate	%	61.9	56.00	62.5	42.86	401-3	114
Post Parental Leave Retention Rate	%	88.89	76.92	57.14	80	401-3	114
Continuing Learning and Growth ^{NOTE4}							
Average Number of Training Hours for Staff Members	hours	10.5	13.1	13.23	13.30	404-1	115
Health and Safety in the workplace ^{NOTES}							
Disabling Injury Rate (IR)	-	0.36	0.67	0.25	0.53	403-2	122-123
Lost Day Rate (LDR)	-	3.93	11.27	1.76	9.6	403-2	122-123
Absence Rate	%	1.1	1.19	1.39	1.28	403-2	-
Community Engagement and Investment							
Financial Value of Community Engagement and Investment	10 thousand NT\$	4,934	4,262	5,643	5,845	-	125
Donation Type							
Cash	%	60	76	41	80	-	125
Time, Products, or Other in-kind Donations	%	40	24	59	20	-	125
Participation Type							
Community investment	%	54	53	62	58	-	125
Charitable Donations	%	29	28	25	21	-	125
Commercial Initiatives	%	17	19	13	21	-	125

NOTE1: Includes regular and dispatched staff.

NOTE2: This data represents the 2020 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, Asia Pacific regions; for the data, please refer to page 123

NOTE6: Including sickness leave (menstrual leave, occupational sickness leave, and special sickness leave) and personal leave. The statistical scope mainly covers Taiwan region staff.



Independent Limited Assurance Report



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號8樓(台北101大樓)
88F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.) Telephone 電話 + 886 2 8101 0066
Fax 傳真 + 886 2 8101 0067
Internet 網址 home.kpmg/tw

Independent Limited Assurance Report

To Acer Incorporated:

We were engaged by Acer Incorporated ("Acer") to provide limited assurance on the Corporate Social Responsibility Report of Acer ("the Report") for the year ended December 31, 2020.

Reporting Criteria

In preparing the report, Acer applied the Core option of Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board ("GSSB") and the Sustainability Accounting Standards for Hardware Industry issued by Sustainability Accounting Standards Board ("SASB") 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 global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



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 verify the report with supporting documents 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 2020 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, 2020 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 18, 2021

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.



Report Download



Greenhouse Gas Inventory

Statement TW21/00153GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2020 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 14064-1:2018

Direct emissions
3,004.034 tonnes of CO₂e

Indirect emissions
15,114.336 tonnes of CO₂e

Direct emissions and indirect emissions
18,118.370 tonnes of CO₂e

Authorized by

David Huang
Senior Director
Date: 15 June 2021
Version 1

TGP56A-15-6 2103
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 25

Statement TW21/00153GG, continued

The emission of each category is described as below: Unit: tonnes of CO₂e

Reporting Boundaries		GHG Emissions		
		Location-based	Market-based	
Direct emissions (Scope 1)		3,004.034		
Indirect emissions	Imported energy (Scope 2)	15,114.336	9,195.348	
	Transportation (Scope 3)	91,678.8100		
		819.3680		
	Products used by an organization (Scope 3)	43,731.496		
		40.5508		
	Associated with the use of products from the organization (Scope 3)	1,542,689.4200		
13,835.767				
545.8033				
Other sources		—		
Direct emissions and indirect emissions		1,711,459.5851	1,705,540.5971	
Purchased Renewable Energy Certificate(s) Information				
Site/Location	Type	Renewable Energy Source/Location	Imported energy emissions	
			Location-based	Market-based
Taiwan	I-REC	Hydro power /Taiwan	8,995.830	8,187.942
Pan American	REC I-REC	Wind/USA, Canada, Brazil and Mexico	910.666	0.000
EMEA	Green Electricity GO I-REC	Hydro power, Wind/Austria, Germany, Netherland, Denmark, Finland, Spain,	1,848.168	54.990

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 2 of 25



Statement TW21/00153GG, continued

		Switzerland, U.K., Norway, Czech Republic, Poland, Turkey		
Asia Pacific	I-REC	Solar/Thailand, Philippine, Malaysia, Vietnam, Indonesia, India	2,759.748	952.416
China	I-REC	Wind /China, Hong Kong	599.924	0.000
Global Total	--	--	15,114.336	9,195.348

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	2,873,580.00	-	61.23%
Acer Inc	6,154,003.60	1,600,000.00	
Acer Inc_ACCN	664,488.10	664,488.10	
Acer Inc_PA	2,825,894.19	2,825,894.19	
Acer Inc_EMEA	5,808,880.59	5,747,928.59	
Acer Inc_AAP, HSN, Servex	4,219,412.20	2,966,667.20	
Other Business Group			
Acer Third Wave	23,236.00	23,236.00	0.47%
ACTCQ	20,037.00	20,037.00	
AOPEN	278,035.50	-	
ASDI & APDI	4,189,336.60	-	
EDC	1,802,688.00	-	
E-TEN	424,739.00	-	
ISU	243,974.00	-	
Weblink	1,128,957.00	-	

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

Page 3 of 25



Statement TW21/00153GG, continued

ITS	254,729.10		
ACCSI	425,374.00		
AEB	397,548.00		
Total	31,734,912.88	13,848,251.08	43.64%

Self-Generation Company & Sites	Green Electricity in kWh
ASDI & APDI	3,181,057.0000
EDC	56,700.0000
Benelux(Holland)	88,776.1000
Total	3,326,533.1000
Self-Generation & RECs	17,174,784.1800

The emission of each site is described as below:

Unit: tonnes of CO₂e

Site	Direct emissions	Indirect emissions Category II (Location Base)	Total GHG emissions
Taiwan	216.773	8,995.830	9,212.604
Pan American	232.439	910.666	1,143.105
EMEA	1,410.103	1,848.168	3,258.271
Asia Pacific	1,144.718	2,759.748	3,904.467
China	0.000	599.924	599.924
Global Total	3,004.034	15,114.336	18,118.370

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

Page 4 of 25



Report Download



Acer 2020 Standards Index references two prominent reporting standards, the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

GRI Standards Index Comparison Table

General Disclosure 2016

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Organizational Profile			
102-1 Name of the organization	About the Company	11	Assured by KPMG
102-2 Activities, brands, products, and services	About the Company, Brand Values	11-15	Assured by KPMG
102-3 Location of headquarters	About the Company	11	Assured by KPMG
102-4 Location of operations	About the Company	11	Assured by KPMG
102-5 Ownership and legal form	About the Company	11	Assured by KPMG
102-6 Markets served	About the Company	11	Assured by KPMG
102-7 Scale of the organization	About the Company, Status of Operations, Attracting and Developing Talent	11, 15, 111	Assured by KPMG
102-8 Information on employees and other workers	Attracting and Developing Talent	111-112	Assured by KPMG
102-9 Supply chain	Responsible Supply Chains	56-67	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 2020.	Assured by KPMG
102-11 Precautionary Principle or approach	Risk Management	45-53	Assured by KPMG
102-12 External initiatives	Stakeholder Engagement, Responsible Supply Chains	33, 56-67	Assured by KPMG
102-13 Membership of associations	Stakeholder Engagement	33	Assured by KPMG
Strategy			
102-14 Statement from senior decision-maker	Message from the Chairman and CEO	4	Assured by KPMG
102-15 Key impacts, risks, and opportunities	About the Company, Risk Management, Responding to Energy and Climate Change	11, 45-53, 97-99	Assured by KPMG
Ethics and Integrity			
102-16 Values, principles, standards, and norms of behavior	Ethics/Code of Conduct and Legal Compliance	40-42	Assured by KPMG
102-17 Mechanisms for advice and concerns about ethics	Corporate Governance Structure	41-42	Assured by KPMG
Governance			
102-18 Governance structure	Corporate Governance Structure	37-39	Assured by KPMG
102-19 Delegating authority	CSR Policy, Strategy and Governance	19	Assured by KPMG
102-20 Executive-level responsibility for economic, environmental, and social topics	CSR Policy, Strategy and Governance	19	Assured by KPMG



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Governance			
102-21 Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Structure, CSR Policy, Strategy and Governance, Attracting and Developing Talent	37-39, 18-19, 111-120	Assured by KPMG
102-22 Composition of the highest governance body and its committees	Corporate Governance Structure	37-39	Assured by KPMG
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	38	Assured by KPMG
102-25 Conflicts of interest	Corporate Governance Structure	38	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	37-39, 45, 19	Assured by KPMG
102-27 Collective knowledge of highest governance body	Corporate Governance Structure, CSR Policy, Strategy and Governance	38-39, 19	Assured by KPMG
102-28 Evaluating the highest governance body's performance	Corporate Governance Structure	39	Assured by KPMG
102-29 Identifying and managing economic, environmental, and social impacts	Corporate Governance Structure, CSR Policy, Strategy and Governance	38-39, 45-53, 19	Assured by KPMG
102-30 Effectiveness of risk management processes	Corporate Governance Structure, CSR Policy, Strategy and Governance	38-39, 45-53, 19	Assured by KPMG
102-31 Review of economic, environmental, and social topics	Corporate Governance Structure, CSR Policy, Strategy and Governance	38-39, 45-53, 19	Assured by KPMG
102-32 Highest governance body's role in sustainability reporting	CSR Policy, Strategy and Governance	19	Assured by KPMG
102-33 Communicating critical concerns	Corporate Governance Structure, CSR Policy, Strategy and Governance, Human Rights Management	37-39, 29, 109-110	Assured by KPMG
102-34 Nature and total number of critical concerns	Corporate Governance Structure, CSR Policy, Strategy and Governance, Human Rights Management	37-39, 29, 109-110	Assured by KPMG
102-35 Remuneration policies	Corporate Governance Structure	39	Assured by KPMG
102-36 Process for determining remuneration	Corporate Governance Structure	39	Assured by KPMG
Stakeholder Engagement			
102-40 List of stakeholder groups	Stakeholder Engagement	24-33	Assured by KPMG
102-41 Collective bargaining agreements	Human Rights Management	109	Assured by KPMG
102-42 Identifying and selecting stakeholders	Stakeholder Engagement	24	Assured by KPMG
102-43 Approach to stakeholder engagement	Stakeholder Engagement	24-32	Assured by KPMG
102-44 Key topics and concerns raised	Stakeholder Engagement, Customer Service	29-33	Assured by KPMG
Reporting Practice			
102-45 Entities included in the consolidated financial statements	About this Report	Please refer to Acer's 2020 annual report for details on the Company's related entities	Assured by KPMG
102-46 Defining report content and topic Boundaries	Stakeholder Engagement	26-28	Assured by KPMG
102-47 List of material topics	Stakeholder Engagement	25	Assured by KPMG
102-48 Restatements of information	About this Report	Restatement of information provided in previous reports	Assured by KPMG



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
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	3	Assured by KPMG
102-51 Date of most recent report	About this Report	3	Assured by KPMG
102-52 Reporting cycle	About this Report	3	Assured by KPMG
102-53 Contact point for questions regarding the report	About this Report	3	Assured by KPMG
102-54 Claims of reporting in accordance with the GRI Standards	About this Report, GRI Standards Index Comparison Table	3, 139-145	Assured by KPMG
102-55 GRI content index	GRI Standards Index Comparison Table	139-145	Assured by KPMG
102-56 External assurance	About this Report, Independent Limited Assurance Report	3, 136	Assured by KPMG
Management Approach			
103-1 Explanation of the material topic and its Boundary	Stakeholder Engagement	26-28	Assured by KPMG
103-2 The management approach and its components	Material topics and management approaches in chapter 2-chapter 7	17, 35-36, 55, 69-70, 85-86, 105-106	Assured by KPMG
103-3 Evaluation of the management approach	Material topics and management approaches in chapter 2-chapter 6	17, 35-36, 55, 69-70, 85-86, 105-106	Assured by KPMG

Specific Standard Disclosures: Economic

Economic Performance - 2016			
201-1 Direct economic value generated and distributed	Status of Operations, Social Philanthropy and Digital Inclusion	15, 125-132	Assured by KPMG
201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, Responding to Energy and Climate Change	49-53	Assured by KPMG
201-3 Defined benefit plan obligations and other retirement plans	Attracting and Developing Talent	114	Assured by KPMG
Indirect Economic Impacts - 2016			
203-1 Infrastructure investments and services supported	Philanthropy and Digital Inclusion	125-127	Assured by KPMG
203-2 Significant indirect economic impacts	Philanthropy and Digital Inclusion	125-127	Assured by KPMG
Anti-corruption - 2016			
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	7, 119	Assured by KPMG
205-3 Confirmed incidents of corruption and actions taken	Ethics/Code of Conduct and Legal Compliance	42	Assured by KPMG
Anti-competitive Behavior - 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics/Code of Conduct and Legal Compliance	44	Assured by KPMG



Specific Standard Disclosures: Environmental

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Materials - 2016			
301-3 Reclaimed products and their packaging materials	Circular Economies and Product Life Cycle	94-96	Assured by KPMG
Energy - 2016			
302-1 Energy consumption within the organization	Corporate Social Responsibility Management Overview	134	Assured by KPMG
302-2 Energy consumption outside of the organization	Responding to Energy and Climate Change	98-99	Assured by KPMG
302-3 Energy intensity	Corporate Social Responsibility Management Overview	134	Assured by KPMG
302-4 Reduction of energy consumption	Our Operations and Environment	101-102	Assured by KPMG
302-5 Reductions in energy requirements of products and services	Circular Economies and Product Life Cycle	For example, the TMP 614, a high-end business notebook, performs better than the Energy Star requirements, saving approximately 21% in electricity (about 5.45 kWh per unit).	Assured by KPMG
Water - 2018			
303-3 Water Withdraw	Corporate Social Responsibility Management Overview	The main source of water is the municipal supply, and there is no significant impact on this source, so the water pressure area and water quality are not further identified.	Assured by KPMG
Emissions - 2016			
305-1 Direct (Scope 1) GHG emissions	Responding to Energy and Climate Change, Corporate Social Responsibility Management Overview	98, 134	Verified by SGS
305-2 Energy indirect (Scope 2) GHG emissions	Responding to Energy and Climate Change, Corporate Social Responsibility Management Overview	98, 134	Verified by SGS
305-3 Other indirect (Scope 3) GHG emissions	Responding to Energy and Climate Change	99	Verified by SGS
305-4 GHG emissions intensity	Responding to Energy and Climate Change	98-99	Verified by SGS
305-5 Reduction of GHG emissions	Responding to Energy and Climate Change	98-99	Verified by SGS
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Responding to Energy and Climate Change	Acer's global operations are primarily focused on product sales and customer service, and its facilities are largely office buildings; as such, the company produces no volatile organic compounds.	Assured by KPMG
Effluents and waste - 2016			
306-2 Waste by type and disposal method	Our Operations and Environment, Corporate Social Responsibility Management Overview	103	Assured by KPMG
Non-compliance with environmental laws and regulations - 2016			
307-1 Non-compliance with environmental laws and regulations	Ethics/Code of Conduct and Legal Compliance	44	Assured by KPMG
Supplier Environmental Assessment - 2016			
308-1 Supplier Environmental Assessment	Responsible Supply Chains	57-63	Assured by KPMG
308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chains	61-63	



Specific Standard Disclosures: Social

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Employment - 2016			
401-1 New employee hires and employee turnover	Attracting and Developing Talent	112-113	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	114-115	Assured by KPMG
401-3 Parental leave	Attracting and Developing Talent	-	Assured by KPMG
Labor/Management relations - 2016			
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 - 2018			
403-1 Occupational health and safety management system	Health and Safety in the Workplace	121	Assured by KPMG
403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety in the Workplace	121	Assured by KPMG
403-3 Occupational health services	Health and Safety in the Workplace	122-123	Assured by KPMG
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety in the Workplace	122	Assured by KPMG
403-5 Worker training on occupational health and safety	Health and Safety in the Workplace	122	Assured by KPMG
403-6 Promotion of worker health	Health and Safety in the Workplace	123	Assured by KPMG
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety in the Workplace	121-124	Assured by KPMG
403-8 Worker covered by an occupational health and safety management system	Health and Safety in the Workplace	121	Assured by KPMG
403-9 Work-related injuries	Health and Safety in the Workplace	123	Assured by KPMG
403-10 Work-related ill health	Health and Safety in the Workplace	123	Assured by KPMG
Training and Education - 2016			
404-1 Average hours of training per year per employee	Attracting and Developing Talent	115	Assured by KPMG
404-2 Programs for upgrading employee skills and transition assistance programs	Attracting and Developing Talent	117-120	Assured by KPMG
404-3 Percentage of employees receiving regular performance and career development reviews	Attracting and Developing Talent	120	Assured by KPMG
Diversity and Equal Opportunity - 2016			
405-1 Diversity of governance bodies and employees	Corporate Governance Structure, Attracting and Developing Talent	38,111-112	Assured by KPMG



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Diversity and Equal Opportunity - 2016			
405-2 Ratio of basic salary and remuneration of women to men	Attracting and Developing Talent	114	Assured by KPMG
Non-discrimination - 2016			
406-1 Incidents of discrimination and corrective actions taken	Responsible Supply Chains, Attracting and Developing Talent, Human Rights Management	58-59,107-108,112	Assured by KPMG
Freedom of association and collective bargaining - 2016			
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 2020, there were no cases where human rights issues were reviewed by the local government.	Assured by KPMG
Child Labor - 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chains, Attracting and Developing Talent, Human Rights Management	No significant risk of the use of child or youth labor	Assured by KPMG
Forced or Compulsory Labor - 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chains, Human Rights Management	In 2020, there were no cases where human rights issues were reviewed by the local government.	Assured by KPMG
Human Rights Assessment - 2016			
412-2 Employee training on human rights policies or procedures	Human Rights Management	108	Assured by KPMG
Supplier Social Assessment - 2016			
414-1 New suppliers that were screened using social criteria	Responsible Supply Chains	-	Assured by KPMG
414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chains	59-62	Assured by KPMG
Public Policy - 2016			
415-1 Political contributions	-	Acer made no political contribution in 2020.	Assured by KPMG
Customer health and safety - 2016			
416-1 Assessment of the health and safety impacts of product and service categories	Circular Economies and Product Life Cycle	The main products are managed by our quality assurance department and are 100% compliant with RoHS and product safety related regulations	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	44	Assured by KPMG
Marketing and labeling - 2016			
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	44	Assured by KPMG
417-3 Incidents of non-compliance concerning marketing communications	Ethics/Code of Conduct and Legal Compliance	44	Assured by KPMG



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Customer Privacy - 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	In 2020, we received no evidence of infringement of customer privacy or of loss of customer information	Assured by KPMG
Socioeconomic Compliance - 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	Ethics/Code of Conduct and Legal Compliance	44	Assured by KPMG






Other Standard Disclosure

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Customer Service			
Acer-EC1 Information Security Governance	Customer Privacy Protection and Information Security	81-83	Assured by KPMG
Customer Service			
Acer-EC2 Multiple service channels	Customer Service	76	Assured by KPMG
Acer-EC3 Enhancing service quality	Customer Service	77-80	Assured by KPMG
Innovative Research & Development			
Acer-EC4 Innovative technology and application	United Nations Sustainable Development Goals, Innovative Products and Services	71-75	Assured by KPMG
Acer-EC5 Open source and collaborative innovation	Innovative Products and Services	72-75	Assured by KPMG
Acer-EC6 Acquisition and protection of intellectual property rights	Innovative Products and Services	71	Assured by KPMG
Product Responsibility and Customer Safety			
Acer-EN1 Halogen-free products launched	Circular Economies and Product Life Cycle	91	Assured by KPMG
Corporate citizenship and philanthropy			
Acer-SO1 Activities of corporate citizenship and philanthropy	Social Philanthropy and Digital Inclusion	125-132	Assured by KPMG
Acer-SO2 Digital Inclusion activity	Social Philanthropy and Digital Inclusion	127-128	Assured by KPMG
Conflict Minerals			
Acer-SO3 Publish of Smelter List and annual Conflict Minerals Report	Responsible Supply Chains	66-67	Assured by KPMG
Pandemic			
Acer-SO4 Pandemic Response Actions	Message from the Chairman and CEO, COVID-19 Response Actions, Risk Management, Customer Service, Health and Safety in the Workplace, Ethics/Standards of Conduct & Legal Compliance, Innovative Products and Services, Social Philanthropy and Digital Inclusion	4, 8, 48, 80, 124, 44, 73	Assured by KPMG



SASB Standards

Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Chapter	Page No.	External Assurance
Product Security 			
TC-HW-230a.1 Description of approach to identifying and addressing data security risks in products	Product Security	83	Assured by KPMG
Employee Diversity & Inclusion 			
TC-HW-330a.1 Percentage of gender and racial/ethnic group representation for (1)management, (2) technical staff, and (3) all other employees	Attracting and Developing Talent	111-112	Assured by KPMG
Product Lifecycle Management 			
TC-HW-410a.1 Percentage of products by revenue that contain IEC 62474 declarable substances	Circular Economies and Product Life Cycle	90	Assured by KPMG
TC-HW-410a.2 Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Circular Economies and Product Life Cycle	90	Assured by KPMG
TC-HW-430a.3 Percentage of eligible products, by revenue, meeting ENERGY STAR® Criteria	Circular Economies and Product Life Cycle	90	Assured by KPMG
TC-HW-430a.4 Weight of end-of-life products and e-waste recovered, percentage recycled	Circular Economies and Product Life Cycle	90	Assured by KPMG
Supply Chain Management 			
TC-HW-430a.1 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	On-Site Audits	59	Assured by KPMG
TC-HW-430a.2 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	On-Site Audits	61	Assured by KPMG
Material Sourcing 			
TC-HW-440a.1 Description of the management of risks associated with the use of critical materials	Responsible Supply Chains -Social Management	66	Assured by KPMG

Note1: Uses SASB hardware standards for the technology and communication sector, version 2018-10


Note2: With regard to the Sustainability Accounting Standards Table 2 Activity Metrics TC-HW-000.A, TC-HW-000.B and TC-HW-000.C, our description is as follows: Acer's business model is primarily focused around product sales and customer service. In general, we disclose the revenue share of each product in our quarterly institutional investors' conference call. Acer's financial reports and presentations can be found at: <https://www.acer-group.com/ag/zh/TW/content/quarterly-reports>

acer

If you have any comments, please contact us at cr@acer.com

 www.facebook.com/Acer

 twitter.com/Acer

 www.youtube.com/user/Acer

 community.acer.com