



Acer Corporate Responsibility Report Executive Summary

Every Decision Counts 2020



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. 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.

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. In addition, Acer continues to be recognized by global sustainability indices. It is also 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.

Chairman and CEO




Significant Achievements and Recognition in 2020-2021



Selected for MSCI Leaders Indexes for the seventh consecutive year



MSCI ESG Rating: AA



Chosen for the seventh consecutive year to join as a component stock



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



FTSE4Good

Chosen for FTSE4Good Index for the fifth consecutive year



FTSE4Good TIP Taiwan ESG Index: Chosen for the third consecutive year



Ecovadis CSR Rating: Gold



ISS ESG Rating: Prime



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



World's Best Employers by Forbes

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.

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

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

84%

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

91%

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

719

Global Patents Granted

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).

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.



Environmental

60%

Renewable energy usage in IT products business operations

3.24 million kWh

Acer Taiwan generated 3.24 million kWh of solar power in 2020

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

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

Full lifecycle inventory and analysis

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

60% carbon reduction

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



Supply Chain Management

45%

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

100%

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



Social

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

ranking 246th

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

Customer Recognition



100 MELHORES CLIENTE

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

Winner of best support and consulting of computer manufacturers in Germany

An award given by a local German media outlet and the German Institute for Service Quality, which Acer Germany has won every time since 2014



High Recommendation Award by Deutschland Test

Deutschland Test asked customers which brands they actually recommended in the past two years to their contacts and the High Recommendation award signifies recommendations above the industry average

Customer Satisfaction and Customer service

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



Customer Recognition

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



2025 Sustainability Goals

Aspects	Strategic Direction	2025 Goals	SDGs
 Circular Economy	Sustainable Design	20-30% 20-30% PCRs 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	80% 80% of our employees are actively engaged in their work	

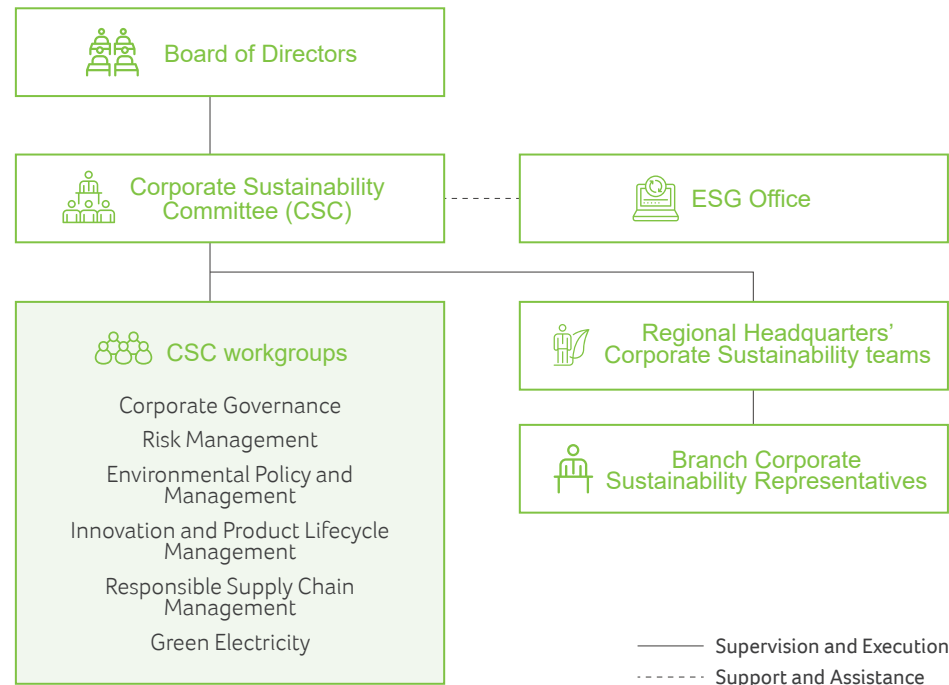
Sustainable Governance

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 task-forces. 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.

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.

Acer Sustainability Governance Organization



Advocacy Initiatives

Comprehensive Sustainable Development Issues



World Business Council for Sustainable Development (WBCSD)

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

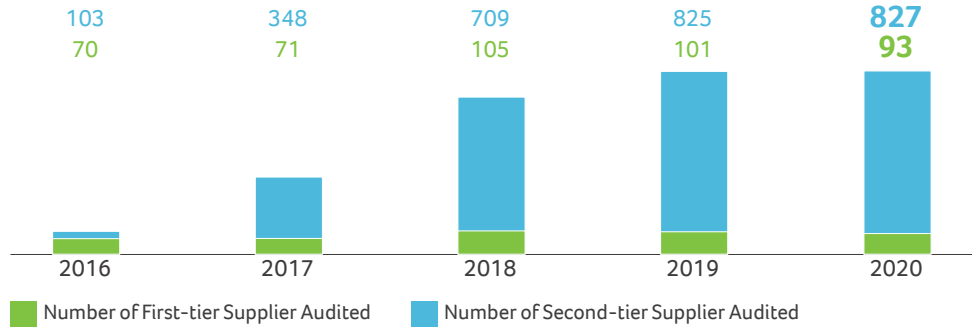
Responsible Supply Chains

On-Site Audit Results

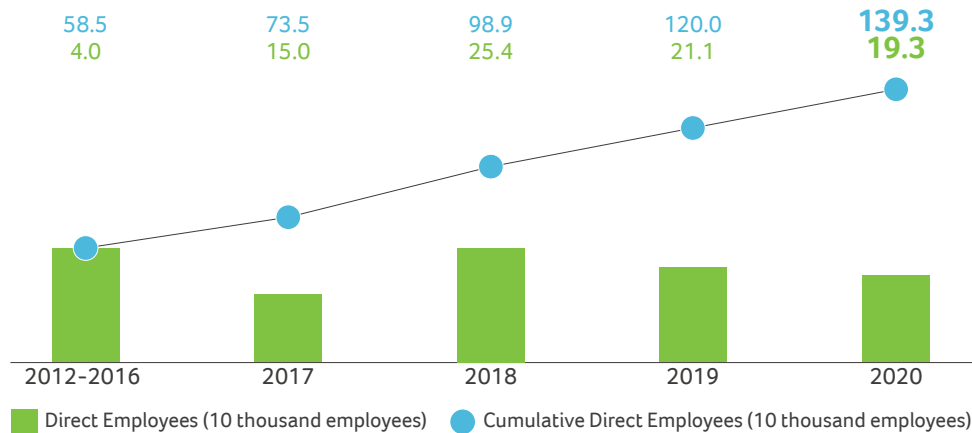
In 2020, we conducted a total of 93 audits. 87 of these were on-site audits, while the remaining six were conducted remotely through videoconferencing and document reviews. In 2020, more than 190,000 direct employees of suppliers were audited, 3,617 of whom were interviewed. More than 80% of audits were conducted using the RBA Validated Audit Process (VAP).

Supplier Audit Categories and Incidences

Number of Supplier Audited



Manufacturing supplier direct employees and progressive direct employees audited



Environmental

Compared to 2019, the response rate of second-tier suppliers in 2020 increased to 60%, the rate of incorporating climate change into business strategies increased to 82%, and the rate of setting emission reduction targets also increased to 61%.

Social

In 2020, 100% of smelters complied with/participated in third-party mechanisms for OECD Due Diligence Guidance.

Percentage Achieved by Supplier	2015	2016	2017	2018	2019	2020
Percentage of Conformant Smelters	71%	83%	83%	96%	97%	96%
Percentage of Conformant or Participating Smelters	83%	89%	87%	98%	99%	100%

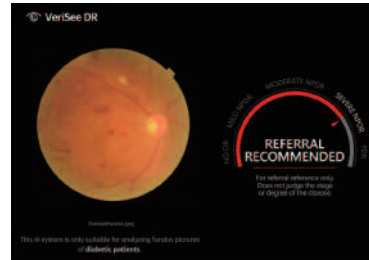
Supplier CSR Scorecard

The average performance of suppliers on the CSR scorecard in 2020 continued to improve, with nearly 61% of suppliers achieving an “excellent” standard and almost 37% of suppliers at the “medium” level. We also use quarterly business reviews and other communication methods to demand under performing vendors implement appropriate actions to improve their CSR performance.

Innovation and Service

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.

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.

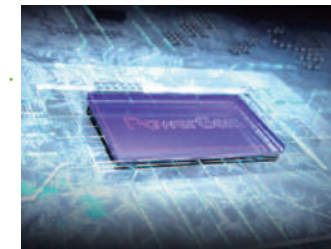


AI diagnostic aid: VeriSee DR

Ensure human health through technology



Acer Ozone Antibacterial Sanitizer
Antibacterial technology for water



Predator PowerGem Thermal Solutions
Better Heat Dissipation



The THAS monitors pandemic infections in health care facilities and collect national antibiotic resistance data



Combine green energy and vehicle networking technologies to develop battery management systems (BMS)



Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System



Battery Module for e-Bikes

Environment



Use Green Energy

Use over 17 million 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. In 2021, Acer announced that it has joined the RE100 initiative and also shared a pledge to achieve 100% renewable energy use by the year 2035.

RE100

CLIMATE GROUP



Reduce CO₂ Emissions of Transportation

By optimizing 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 312 tonnes of carbon emissions.



Manage chemicals in raw materials

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

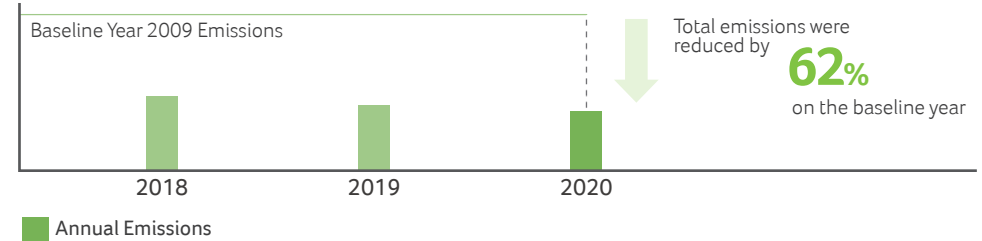


Use of Post-Consumer Recycled Plastics

In 2020, we again expanded the scope of this effort, with some 8.8 million products making use of PCRs, accounting for 24% of hardware revenues, further strengthen our implementation of the concept of circular economies.

The medium-term goal of 60% carbon reduction compared with baseline year of 2009 was accomplished in 2020.

Tonnes of CO₂ equivalent



Task Force on Climate-related Financial Disclosures

In 2020, Acer officially implements the Recommendations of the Task Force on Climate-related Financial Disclosures issued by the Financial Stability Board of the United Nations 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.

The two high-risk factors identified in the climate risk matrix are heavy rainfall and an increase in average temperature. We 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.



Heavy rainfall



Increase in average temperature

Social



Corporate Social Responsibility Project Awards

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. 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.

Environmental



Netherlands



Taiwan

Philanthropy Eopyy



Taiwan



America

Education



Iberica



Japan

Pandemic Response



France

Health



Lugano, Switzerland

Total Impact and Social Performance of Acer's Global CSR Projects

Man-Hours Invested	8,768
Total Monetary Value of All Contributions ^{Note3} (USD)	2,212,353
People Touched and Assisted	92,871
Partnered Stakeholders	601

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

acer

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