acer

2022 ACER SUSTAINABILITY REPORT

Executive Summary

2022

Reuse, recycle for a sustainable future

Message from the Chairman and CEO

Acer has kept evolving with changing lifestyles, focusing on maintaining its business momentum. As we keep evolving with changing lifestyles and adjusting strategies dynamically for business needs, we are also focusing on maintaining business momentum and marching toward a more sustainable future. Throughout 2022, in addition to launching various innovative computer and display products, we expanded our Vero portfolio made with recycled materials, and significantly grew our numerous businesses other than computers and displays.

Also known as "new initiatives" these growth engines complement our existing computer and display business. The common objective shared by our initiatives and existing businesses is to explore new markets and broaden current boundaries, and ultimately to optimize operations, reach profitability, and contribute to Acer group's sustainability. Currently, we have subsidiaries in diverse scopes of business, including beverage, system integration, EV charging stations, gaming, apparel, home appliances, AI-assisted medical solutions, e-mobility, smart cities, cyber security, cloud solutions, and more.

We are committed to reaching net-zero carbon emissions by 2050 starting from three major aspects: operations, products and services, and value chain, and we will continue to work toward the goals of using 20-30% post-consumer recycled (PCR) plastic in our computers and displays by 2025 and sourcing 100% renewable electricity by 2035 for the Acer Group, for which we have reached 17% and 44% respectively in 2022. Since launching our eco-conscious Vero laptop that utilizes recycled plastic, recyclable packaging, and ocean-bound plastic, the line has expanded to desktops, monitors, displays, all-in-ones, Chromebooks, and even accessories. Acer's Vero portfolio offers consumers, businesses, and organizations more options to reduce their carbon footprint and join our advocate for circular economies.

We continued to respond to the United Nations Sustainable Development Goals (SDGs) with our existing businesses and new initiatives. For example, our AI-assisted medical solutions, including diabetic retinopathy diagnosis software, responds to SDG 3 for good health and well-being; we provide rainfall and flood control water storage systems that answer to SDG 11 for sustainable cities and communities; and our Vero devices respond to SDG 12 for responsible consumption and production as well as SDG 13 for climate action.

Acer's focus on environmental, social and governance (ESG) through transparent reporting and initiatives under our Earthion mission has gained increasing global recognition. We believe they have been instrumental in our growing inclusion in worldwide sustainability indices throughout 2022, and that third parties' score cards are a testament that our efforts are making a difference.

Chairman and CEO, Acer Inc.

Jason Chen

Important Achievements and Recognition

MSCI ESG Leaders Indexes

Selected for MSCI Leaders Indexes for the ninth consecutive year

MSCI ESG Rating

AAA

The Dow Jones Sustainability Emerging Markets Index

Listed for nine years and achieved its best ranking No.2 in THQ Computers & Peripherals and Office Electronics category

S&P Global Sustainability Year Book

Received top 5% of companies in the S&P Global Sustainability Yearbook 2023

FTSE4Good

Selected for inclusion in the FTSE4Good Emerging Index for the seventh consecutive year

FTSE4Good TIP Taiwan ESG Index

Selected for the fifth consecutive year to join the FTSE4Good TIP Taiwan ESG Index

Ecovadis Sustainability Rating

Received Platinum

Taiwan Corporate Sustainability Awards (TCSA)

Received Platinum of Sustainability Report Award in the TCSA

ISS ESG

Rated "Prime" of ESG Corporate Rating

World Benchmarking Alliance (WBA)

Included in the list of the 2,000 most influential companies (SDG2000)
Ranked 64th of Digital Inclusion benchmarking

World's Best Employer by Forbes

Named by Forbes as one of the World's Best Employers for the third straight year and joining the ranks as one of America's Best Employers for New Grads in 2022

World's Top Female Friendly Companies

Included in Forbes' List of the World's Top Women-Friendly Companies in 2022

ESG Performance Highlights

Environment

30 million — Over 30 million units used post consumer recycled plastics (2020-2022)

44% — 44% renewable electricity by Acer Group

60% — 60% of critical suppliers committed to RE100 or set SBT Carbon reduction target

Leadership Level — Rated a leadership level A- from the CDP climate change for 2 consecutive years

Social

100% — 100% of 3TG smelters conformant to/participated in third-party mechanisms for OECD Due Diligence Guidance

Digital Inclusion — Ranked 64th in the world benchmarking alliance's Digital Inclusion Category

Third year — Ranked among the world's best companies to work for third year in a row by leading financial magazine Forbes

11,554 — Acer global investment in regional social projects totals over 11,554 man-hours

Governance & Economics

Secon — Ranked No. 2 for patent applications in Taiwan.

41% — Vero portfolio Q4'22 revenues up 41.3% QoQ

MDR — Global introduction of MDR (Managed detection and response) threat detection response and compliance detection defense mechanism to significantly strengthen global information security defense capabilities

95% — Percentage of positive customer evaluations reached 95%

Customer Recognition
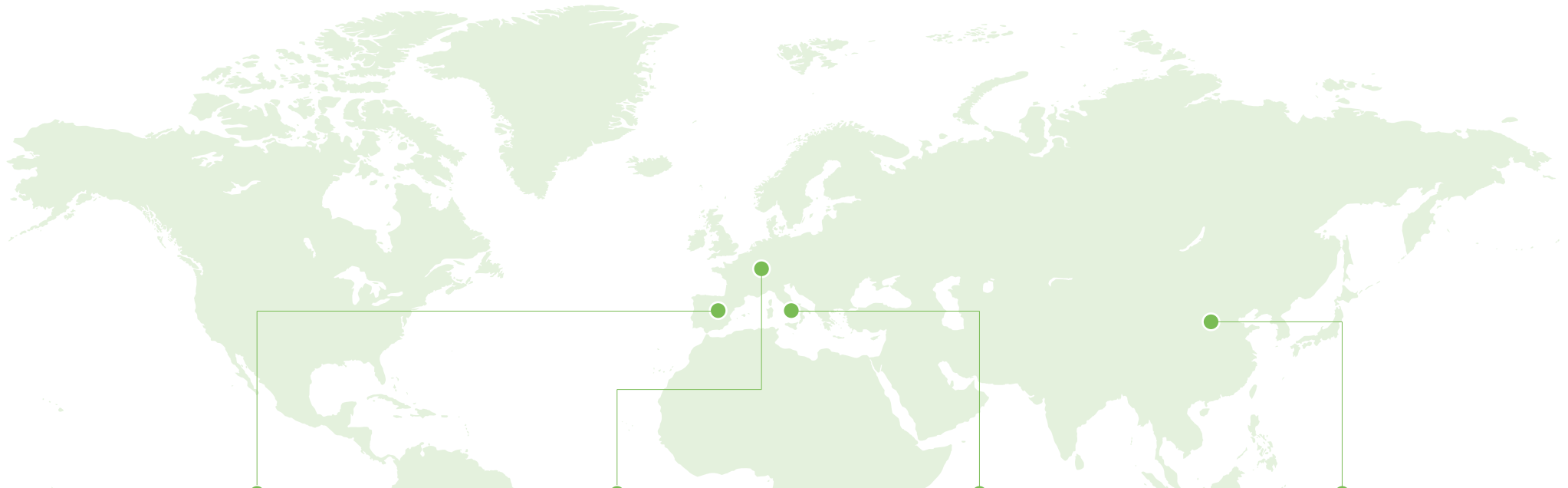
Acer Spain

For the fourth year in a row, Acer Spain has been voted as Customer Service of the Year in the Consumer Computing category.

Acer Switzerland

Acer Switzerland received the Top 3 Most Valuable Service Award for the third consecutive year (2020-2022)

Acer Italy

Acer Italy won the Service Excellence Award in "MiglioriIn Italia" - for laptops and desktops in 2022.

Acer China

Acer China has been awarded the Service Brand of the Year 2022 by Computer News. Since 2006, Acer China has received this honor for the 16th time.

Sustainability Goals and Accomplishments

CIRCULAR ECONOMY	CLIMATE CHANGE			SOCIAL IMPACT	
Sustainable Design Recycled Materials Reduce Plastic Packaging	Renewable Energy Energy Efficiency Carbon Reduction			Environmental Friendliness IT Education Employee Engagement	
2025 Goals	**2025 Goals**			**2025 Goals**	
20-30% of PCR plastics content in computers and displays	Acer Group to reach 60% renewable electricity usage * **RE100 reached by 2035**	45% reduction in average computer energy consumption in 2025, compared to 2016	80% of critical suppliers committed to RE100 or set carbon reduction SBTs	Over 90% of employees engaged in Project Humanity	80% of global employees are actively engaged in their work
2022 Accomplishment	**2022 Accomplishment**			**2022 Accomplishment**	
17%	**44**%	Notebook Computer : **39**% Desktop Computer : **35**%	**60**%	**71**%	**78**%
17% of PCR plastics content in computers and displays	Renewable electricity usage	Rate of reduction in average computer energy consumption	Critical suppliers commit to RE100 or set science-based carbon reduction targets (SBT)	71% of employees engaged in Project Humanity	78% of global employees are actively engaged in their work

ESG Governance

In accordance with ESG's mission and policies, Acer has established the Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. The committee members include: Chief Operating Offi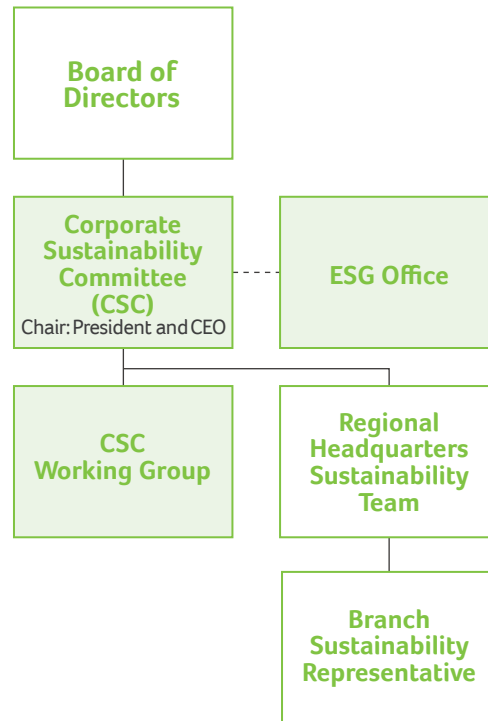cer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Sustainability Officer and other senior executives, who are responsible for approving sustainability visions, strategies and long-term goals, and reporting regularly to the Board of Directors.

2022 Sustainability Committee Key Resolutions

- **Consideration and approval of material ESG topics**
- **Reviewing the 2022 Sustainability Goals Performance and Action Plan**
- **Approval of 2023 Sustainability Goals**
- **Approval of Climate Change Vision, Strategy and Long-Term Goals**
- **Feedback from Stakeholders**

Board of Directors

Corporate Sustainability Committee (CSC)
Chair: President and CEO

ESG Office

CSC Working Group

Regional Headquarters Sustainability Team

Branch Sustainability Representative

——— Oversight and Management

------- Support and Assistance

Sustainability Initiatives and Participation

To facilitate more in-depth discussion of ESG-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, striving to make use of Acer's influence to inspire other businesses to take more proactive measures in this regard. In 2022, Acer joined Taiwan Nature Positive Initiative launched by the Business Council for Sustainable Development to further understand relevant international trends and to respond to stakeholder expectations in advance.

Responsible Business Alliance (RBA)

RE100

Taiwan Climate Partnership

Taiwan Nature Positive Initiative, TNPI

Responsible Minerals Initiative, RMI

Public-Private Alliance for Responsible Minerals Trade, PPA

Carbon Disclosure Project Supply Chain Program

Circular Economies and Innovation

For Acer, the most efficient way to reduce plastic trash and its negative impacts is to use PCR (post-consumer recycled) plastic on our products and replace virgin plastic usage. PCR plastic is made from plastic trash that is collected and recycled through various recycling channels. By using PCR plastic, we can save energy, reduce greenhouse gas emissions, conserve natural resources, and divert waste from landfills and oceans.

Acer has set a clear goal to reach 20-30% in total PCR plastic usage by 2025. In order to reach the goal, our strategy is to increase PCR plastic percentage step by step, to apply PCR plastic on more parts, and on more products.

In 2022 Sustainability Report, you can learn more about the application of PCR Plastics in the following chapters: Cover Story, Chapter 5 Circular Economy and Innovation.

30 million

Over 30 million units used post-consumer recycled plastics (2020-2022)

17%

In 2022, 17% of PCR plastic content in computers and displays

20 - 30%

20-30% PCR plastic content in computers and displays by 2025

Smart Cities and Eco-friendly Lifestyle

Acer complies with the UN's Global Goals for Sustainable Development, continues to develop several software and hardware application technologies and products, and commits to sustainability with innovative and environmentally friendly technologies and applications.

Acer outlines the new look of smart cities where subsidiaries provide innovative solutions in various fields for daily life.

Energy Storage Systems

Smart Air Quality Monitors

Service & Repair

AI-Assisted Medical Diagnostic Software

Air Purifiers
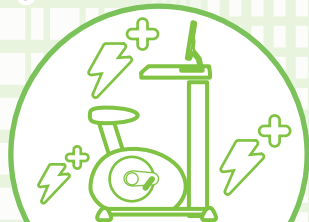
Bike Desks with Kinetic Energy Conversion

Vero Products Made with Recycled Materials

Smart Rainwater Storage and Flood Control System

Smart Parking & EV-Charging Stations

Medical System (Computers, Displays, Accessories)
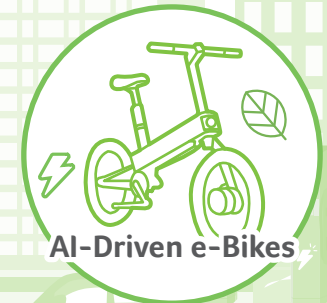
AI-Driven e-Bikes

Smart Parking

- Smart parking solution helps drivers to find roadside parking spaces easily, and integrates payment and EV charging features

Smart Medical

- AI-assisted software speeds up the diagnosis of patients with diabetic retinopathy
- Facial recognition systems predict mood changes in people with dementia

Healthy Living

- Air purifiers with air quality sensors detect suspended particles and filter out harmful substances to improve air quality
- Ozone antibacterial sanitizer produces ozonated water for cleaning items.
- Systems designed for the medical environment with features such as being waterproof, dustproof, antimicrobial coated, and more

Green Energy Application

- The bike desk converts kinetic energy generated by users' pedaling into electricity
- E-scooters offer eco-friendly travel options
- AI-driven e-bike adapts to riding conditions and preferences for the optimal riding experience
- Mobile power systems
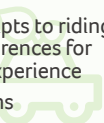
Circular Economy

- Vero devices are built with recycled materials like post-consumer recycled (PCR) plastic
- Service and repair for multi-brand products

Smart Water Usage

- The rainwater storage and flood control system has the function of regulating rainwater flow
- Smart water meters attached on traditional meters process the reading and transmit data to the water company

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Climate Strategy and Transformation

While climate issues have driven the transformation of the global low-carbon economy and business models, Acer shoulders the mission of being a leader and promises to achieve net zero emissions by 2050 and increase the share of renewables in energy consumption to 100% by 2035. It also looks to integrate existing and new business groups to formulate low-carbon sustainable business strategies, create ESG value and ultimately improve corporate competitiveness.

Acer's Net Zero Emissions Strategy

Operations

Minimize Energy consumption

Set energy-saving targets, use high-energy efficient equipment, choose electrification, and low (or carbon neutral) fuels

Use Renewable Energy

Install renewable-energy generation facilities, sign power purchase agreement (PPA), purchase renewable energy certificates

Carbon Removal and Offsets

Purchase and develop carbon credit, research on carbon capture, utilization, and storage (CCUS)

Products and Services

Low-Carbon Products and Services

Boost product energy efficiency, reduce the carbon footprint of products and services

Choose Sustainable Materials

Use post-consumer recycled (PCR) plastics and ocean-bound plastics (OBP) in products

Smart, Circular and Renewable Applications

AI, IoT, circular, renewable energy storage and creation

Value Chain

Commit to Carbon Reduction Targets

CDP, science-based targets (SBTi), RE100

Green Manufacturing and Logistics

Save energy, use low (or carbon neutral) fuels, optimize processes

Realize a Low Carbon and Circular Economy

Material circularity, DaaS (device as service) business

Emission Reduction Target and Status of Achievement

2022	2025	2030	2035	2050

Renewable Energy

RE100 | °CLIMATE GROUP | CDP

Rate of Renewable Electricity Usage

| **44%** | **60%** | **80%** | **100%** | |

Carbon Reduction

Scope 1, 2 carbon emission reduction compared with the base year of 2019

| **16.5%** | | **50%** | | NET ZERO |

Scope 3 carbon emission reduction compared with the base year of 2020

| **17.7%** | | **35%** | | NET ZERO |

Product

Reduction in average computer energy consumption

Notebook Computer :
39%

Desktop Computer :
35%

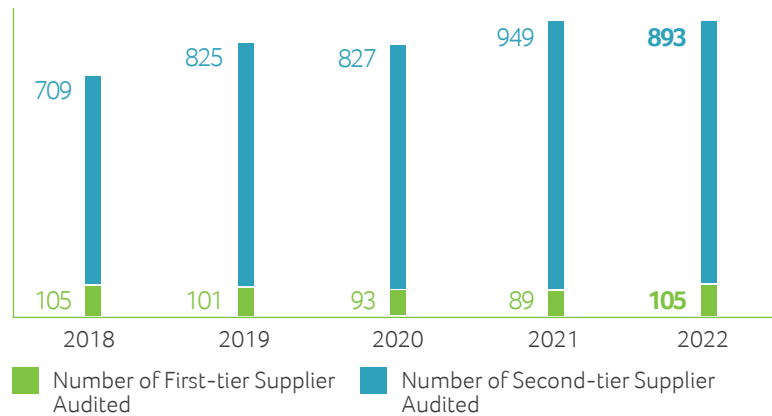**45%**

Core Elements of TCFD

In 2020, Acer has officially implemented the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board of the United Nations and disclosure its core elements in brief as follows:

Governance

The Board of Directors/Audit Committee are the highest authorities responsible for the Company's risk management. The Risk Management Committee approves/declares the environmental risk, risk management priorities, assessment results and related response measures, supervises the continuous improvement of risk management and performance, and reporting to the Audit Committee and Board of Directors at least once a year. The risk management team of the Risk Management Committee is the unit responsible for introducing the TCFD climate risk assessment framework and conducting climate risk identification, climate scenario and operational impact assessment, and formulating climate risk prevention and mitigation measures based on the assessment.

Strategy

Acer's risk management team takes the potential impact of climate change into overall operational considerations, evaluates the probability of risk occurrence and impact, and formulates climate risk prevention and mitigation measures. We referred to relevant international carbon management trends, TCFD recommendations, and reports and information released by other relevant domestic and global institutions and introduced physical and transition risk scenarios such as RCP 2.6, RCP 8.5, IEA NZE 2050, and identified short-, medium- and long-term climate change risks with considerations in its business characteristics and evaluated the potential impact of the climate-related risks and opportunities and carry out corresponding transformation and adjustment methods to expand the Group's business and implement the daily management of climate issues.

Core Elements Of TCFD

Risk Management

Acer incorporates climate risk identification and assessment into the enterprise risk management (ERM) process, through the three lines of defense of the risk management organization. We integrate the ERM implementation with the daily operating procedures of each department/unit and the Company's business Objectives and integrate the ESG and climate factors into the decision-making process. Through the PDCA cycle, we conduct regular reviews on the effectiveness of the risk management plan and the improvement possibility during the working group meeting for continuous adjustment/improvement.

Metrics and Targets

Acer commit to achieving net zero emissions by 2050, increasing the share of renewables in energy consumption to 100% by 2035 and set Science Based Targets (SBT) aligned with the 1.5°C carbon reduction pathway. By 2030, Acer aims to reduce carbon emissions by 50% in organizational operations compared to 2019, and reduce the value chain emissions by 35% compared to 2020. In addition, by 2025, the Acer personal computer product average energy consumption will be reduced by 45% compared to 2016 and the computer and displays product will reach to 20-30% post-consumer recycled plastic material content.
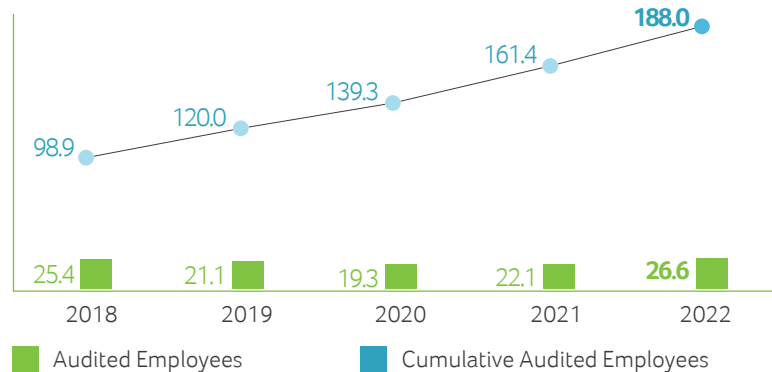
Responsible Supply Chains

In 2022, we conducted a total of 105 audits, 100% of which were on-site audits. These include two new suppliers that began production of Acer products in 2022. Meanwhile, one supplier that failed to meet Acer's social and environmental requirements was removed. In 2022, more than 260,000 direct Supplier employees were audited and 4,318 direct employees were interviewed, with more than 80% using the RBA Validated Audit Process (VAP).

Supplier Audit Categories and Number of Audits, 2018-2022

Number of First-tier Supplier Audited: 105 (2018), 101 (2019), 93 (2020), 89 (2021), 105 (2022)
Number of Second-tier Supplier Audited: 709 (2018), 825 (2019), 827 (2020), 949 (2021), 893 (2022)

- ■ Number of First-tier Supplier Audited
- ■ Number of Second-tier Supplier Audited

Manufacturing Supplier Direct Employees and Cumulative Direct Employees Audited, 2018-2022

(Unit: 10 thousand employees)

Cumulative Audited Employees: 98.9 (2018), 120.0 (2019), 139.3 (2020), 161.4 (2021), 188.0 (2022)
Audited Employees: 25.4 (2018), 21.1 (2019), 19.3 (2020), 22.1 (2021), 26.6 (2022)

- ■ Audited Employees
- ■ Cumulative Audited Employees

Environmental Management: Supply Chain Climate Engagement

Acer's zero-carbon commitment represents not only Acer's determination to promote zero-carbon emission, but also its vow to collaborate with the supply chain to take positive actions to achieve low-carbon transformation. We are committed to reducing value chain carbon emissions by 35% by 2030 compared to the 2020 base year through supplier climate initiatives, supplier climate capacity building, and supply chain greenhouse gas management strategies.

Supply Chain Greenhouse Gas Management

Acer has joined the CDP supply chain system since 2008, and has further used the ESG scorecard to review suppliers' performance in overall carbon management, carbon reduction results and renewable energy usage, and to manage the environmental impact caused by the supply chain, and to include supplier scores in procurement evaluations to promote the overall supply chain to improve its ability to respond to climate change.

In 2022, Acer has been ranked A- on the CDP Supplier Engagement Rating (SER) for three consecutive years, and 60% of our Critical Suppliers have committed to RE100 or science-based carbon reduction targets (SBT), in line with expected targets.

Social Management: Responsible Sourcing of Minerals

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

In 2022, Acer's responsible minerals sourcing program continued to include 3TG, cobalt, and mica 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. In 2022, Acer issued its fifth consolidated responsible minerals report, outlining the steps taken to conduct due diligence on all of its priority minerals.

Our Actions

2022 Responsible Minerals Report

Inclusive Workplace and Society

Acer was named to Forbes Magazine's "2022 Global Best Employers" and "2022 Global Best Women-Friendly Companies" lists. This is the third consecutive year that Acer has been named a Forbes Global Employer of the Year, and the ranking has improved each year. That demonstrates that the Group is among the top companies in the world in terms of corporate influence and image, talent development, gender friendliness and corporate social responsibility. We are committed to improving employee engagement, enhancing operational growth momentum, and continuing to provide the best workplace experience for Acer employees.

Named by Forbes as one of the World's Best Employers for the third straight year

Included in Forbes' List of the World's Top Women-Friendly Companies in 2022

Employee Engagement Surveys

Acer conducted a 2023 Employee Engagement Surveys from January to February 2023 to understand the organizational climate and to conduct in-depth communications and interviews to address key issues and develop improvement plans.

The global employee engagement surveys covers six dimensions. The coverage rate of the 2023 Employee Engagement Surveys reached 100%, with a response rate of 78.2%, a decrease of 7.8% from last year. The Global Employee Engagement Surveys uses a scale of 1 to 5 (i.e., strongly disagree ~ strongly agree), and respondents can also choose the "don't know" option if they do not have enough information or feelings about the question asked.

In addition, 78.16% of our global workforce are actively engaged with the company, up 5.16% from last year, and we plan to reach our goal of 80% global employee recognition by 2025.

The 6 Dimensions of Employee Engagement Survey

Working Environment	Caring	Team Work
Career Development	Job Satisfaction	Corporate Social Responsibility

🌐 Global ESG Project Awards

| 1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS |
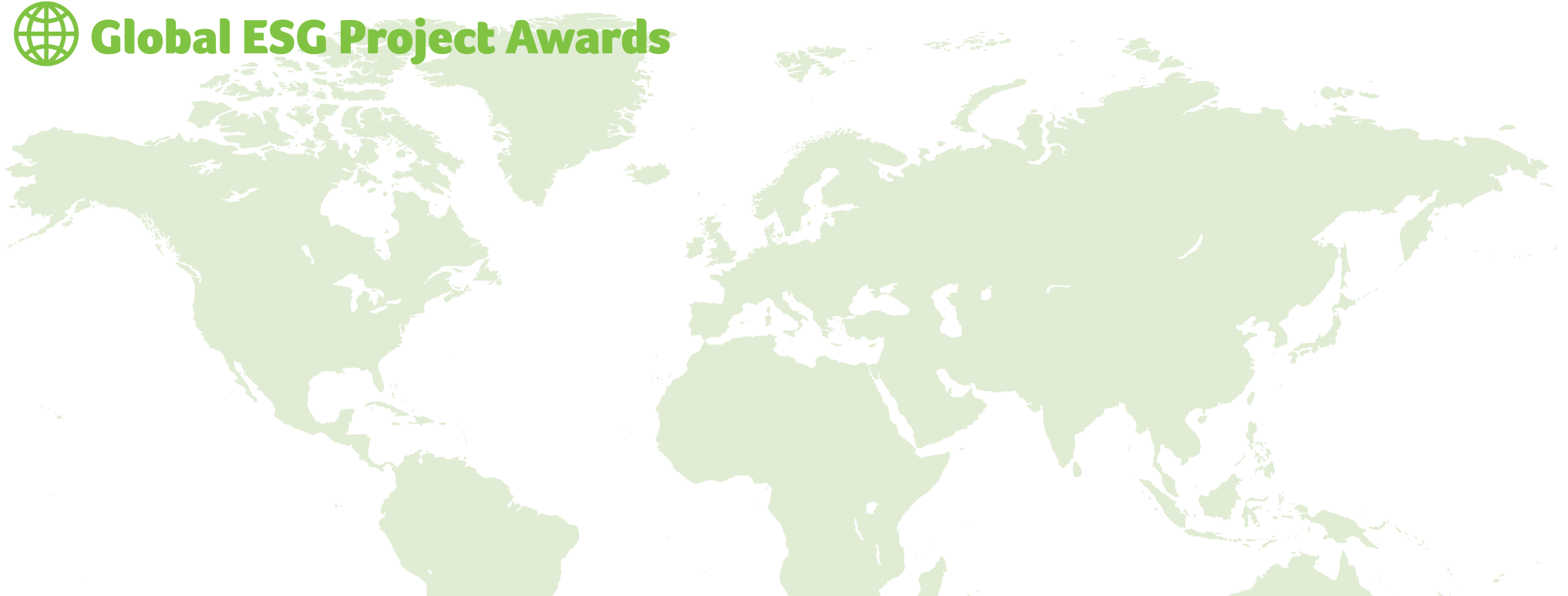
🌿 Environment

Acer Poland

Acer Germany

Acer Spain

Acer China

Acer America

Acer Vietnam

Acer Taiwan

📖 Education

Acer Taiwan

Acer Thailand

Acer Brazil

Acer America

🌱 Biodiversity

Acer America

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