2024 | Acer TCFD Report

CONTENTS

Acer Net Zero Transition: Building Low-Carbon Competitiveness

The frequency and intensity of extreme climate events continue to rise, posing significant challenges to social structures, public safety, and the natural environment, while also having a profound impact on the stability of business operations and future growth. This shows the systemic risks and urgency of addressing climate issues.

Acer actively responds to the challenges of climate change, committing to using 100% renewable electricity by 2035 and achieving net-zero emissions by 2050. In 2024, we achieved 60% of electricity consumed from renewable sources and our carbon reduction targets were also approved by the Science Based Targets initiative (SBTi), established a science-based decarbonization pathway. At the same time, our operational carbon emissions (Scope 1 and Scope 2) decreased by 21% compared to the previous year and by 39.6% compared to the 2019 baseline. We signed a cooperation agreement with logistics partner Dimerco to adopt Cathay Pacific Cargo's Sustainable Aviation Fuel (SAF) solution, helping to reduce carbon emissions from air transport. At the 2024 COMPUTEX, we won the Silver Award for Sustainable Design Award, showcasing our achievements in green design and innovative practices. Furthermore, we were recognized as one of the Clean200, a global ranking of companies leading in revenue share from clean energy and from clean energy and green transition-related businesses. This recognition highlights sustainability as not only a corporate responsibility but also a vital driver of our core competitiveness.

To strengthen our risk management capabilities and reinforce our sustainability governance framework, we established the Risk Management and Sustainability Development Committee in 2024 to implement our sustainability governance system. We also formed a cross-functional IFRS Sustainability Disclosure Standards project team to initiate the adoption of IFRS S2, enabling better integration of climate-related risk and opportunity information into our financial disclosure framework. This improves transparency and supports stakeholders in making more informed decisions.

Looking ahead, we will continue to adhere to international standards, deepen climate governance, strategy execution and target management, and actively respond to the challenges and opportunities presented by climate change, steadily moving towards a low-carbon economy.

Blueprint for Low-Carbon Transition and Climate Strategy

While nature and climate issues have driven the transformation of the global low-carbon economy and innovative business models, Acer shoulders the mission of being a leader and promises to increase the share of renewables in energy consumption to 100% by 2035 and achieve net zero emissions by 2050, and we are also committed to achieve no net deforestation, no net loss (NNL), and increase the net positive impact (NPI). 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.

To achieve net zero carbon emission by 2050, Acer has announced the key strategies including 9 directions under 3 major pillars. We are committed to reducing carbon footprint and emissions with 3 dimensions of business operation, product and service, and value chain. In our business operations, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and implemented an internal carbon pricing mechanism to effectively manage climate risks and opportunities. We have set Science Based Targets (SBT) to align with the 1.5° C carbon reduction pathway of the Paris Agreement. Additionally, we have implemented various carbon reduction measures, signed long-term corporate power purchase agreements (CPPA), and conducted research on carbon offsetting, including carbon credit development, carbon capture, and reuse.

In the realm of smart and green energy applications, we integrate the concept of circular economy and consider the product lifecycle to reduce environmental impact in research and design. We seek a balance between product management and environmental performance. We have introduced the eco-friendly Vero product line, which starts from raw materials and progressively incorporates sustainable materials, such as post-consumer recycled plastic (PCR) and OBP to reduce the carbon footprint of our raw materials. We are also committed to calculating the carbon footprint of and achieving carbon neutrality for this series of notebook computers according to international standards. Additionally, we have launched the Climate Lab initiative, which aims to collaborate on envisioning an innovative ecosystem for sustainable products and services. With sustainability as the core concept, we will promote research and innovation in Conscious Technology.

In the value chain, since "Project Humanity" in 2017, Acer has been implementing environmentally friendly actions and laying the foundation for a net zero carbon emission strategy with global employees for a low-carbon supply chain. In 2021, we launched the "Earthion" project to promote carbon reduction action to suppliers and work closely with suppliers and partners in projects such as energy, product design, packaging design, manufacturing, logistics and recycling. We join hands with the suppliers to execute low-carbon transformation where collaboration can bring a positive impact on the environment and create a cleaner and more sustainable future life.

In addition to the above strategies, to ensure the completeness and effectiveness of our sustainability and climate-related disclosures, and to meet the global demand for consistent and comparable sustainability information, in 2024 we established a cross-departmental IFRS Sustainability Disclosure Standards project team to initiate the first phase of the IFRS S2 implementation. This ensures that information on climate-related risks and opportunities disclosed in this report to better align with financial reporting, can more effectively serve as reference for decision-making by general-purpose financial report users.

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 Offset

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

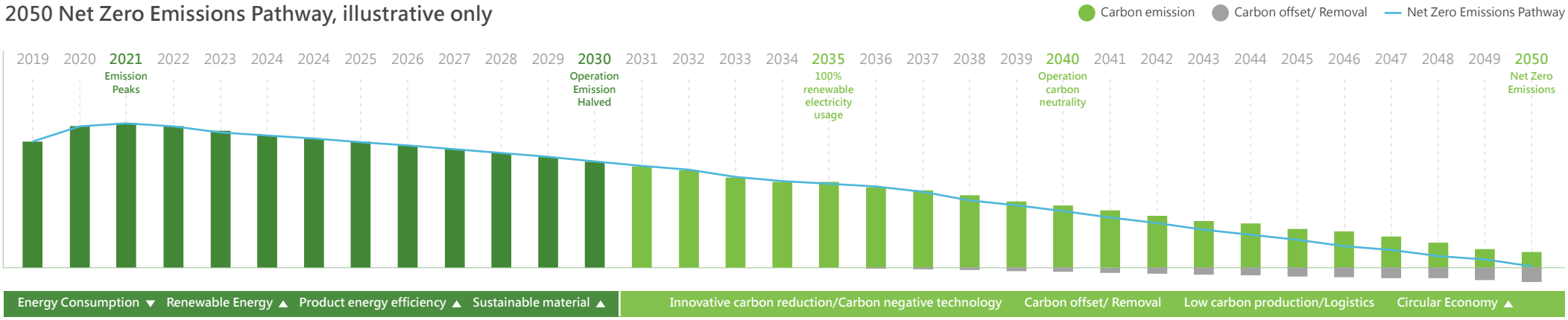
Green Manufacturing and Logistics

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

Realize a Low Carbon and Circular Economy

Material circularity, DaaS (device as service) business

2050 Net Zero Emissions Pathway, illustrative only



Acer's Milestone in Response to Climate Change

2008

- Initiated greenhouse gas inventory in global operating bases
- Joined CDP Supply Chain Project

2011

- Started purchasing green electricity

2012

- Established a Risk Management Working Group to conduct ESG risk identification and assessment
- Implemented third-party verification of global carbon emissions

2013

- Incorporated supplier climate and energy management into supply chain management through supplier ESG scorecards

2015

- Achieved a 40% of electricity consumed from renewable sources

2018

- The Risk Management Working Group became a unit under the Corporate Sustainability Committee

2020

- Introduced the Task Force on Climate-Related Financial Disclosures (TCFD) framework into management procedures

2021

- Launched the Earthion Initiative
- Joined the RE100 Initiative

2022

- Established a Risk Management Committee to manage climate-related risks (Renamed to Risk Management Executive Committee in 2023)
- Commit to set Science Based Targets (SBTs)
- Introduced internal carbon pricing mechanism
- Launched Earthion Mission: 21-Day Challenge
- Signed up to be TCFD supporters
- Use of sustainable marine fuel (SMF) for product transportation

2023

- Risk Management Committee was approved and became the functional committee under the Board
- Commitment of the value chain net zero emissions by 2050
- Taiwanese operation signed a long-term renewable energy corporate power purchase agreement
- Developed a low-carbon exhibition in COMPUTEX
- Released the first TCFD Report
- Commit to achieving carbon neutrality for the Aspire Vero laptop line
- Launched the Climate Lab initiative to foster research and innovation in the field of Conscious Technology

2024

- Risk Management Committee was assigned responsibilities related to sustainability and renamed the Risk Management and Sustainability Development Committee (RMSDC)
- Carbon reduction target validated by the Science Based Targets initiative (SBTi)
- The 2024 COMPUTEX booth was awarded a Silver Award for Sustainable Design
- Selected for the Carbon Clean 200®
- Signed the Sustainable Aviation Fuel (SAF) solutions agreement
- Partnered with the Plastic Bank to recycle 50 metric tons of plastic waste
- Achieved a 60% of electricity consumed from renewable sources
- Established a IFRS Sustainability Disclosure Standards project team

2025

- The newly launched Aspire Vero 16, a carbon-neutral laptop, is the world's first laptop made with bio-based oyster shell material*

*Note: Based on Acer's internal market analysis as of January 2, 2025

Governance

Acer's corporate philosophy is based on the ultimate goal of "sustainable development." We believe that rigorous and pragmatic risk management not only reflects Acer's persistent commitment to our customers, employees, supply chain partners and investors, but also to our long-term commitment to ensuring sound business performance and compliance of corporate social responsibility.

In 2020, we officially implemented 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-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.

By implementing TCFD, we aim to enhance our ability on climate governance, climate-related risks and opportunities identification and gain a deeper understanding of the impact on operations and products caused by the climate issue. We can develop strategies and adaptive measures to reduce climate risks and strengthen our resilience to climate change accordingly. At the same time, we actively embrace the global trend of transitioning toward a green, low-carbon economy and developing the new business models driven by climate change. We continue to improve energy efficiency and increase the use of renewable energy, while integrating existing and emerging business groups to formulate low-carbon, sustainable smart strategies. Through these efforts, we develop concrete products and solutions that create sustainable value and transform it into a source of competitive advantage.

Climate-related Governance Structure

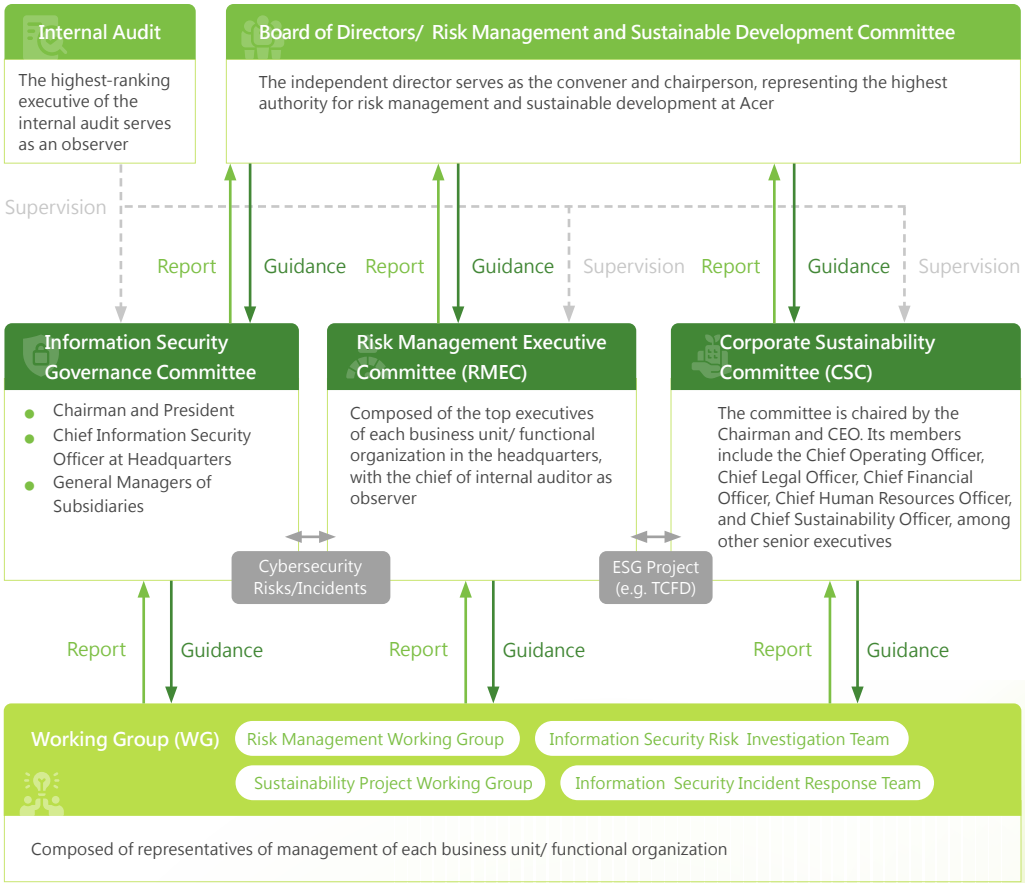
The Board of Directors is the highest governance body of the company. Under the board, the Risk Management and Sustainable Development Committee as a functional committee to implement the Board's resolutions regarding climate-related issues. In November 2024, the Board acknowledged that risk management and sustainable development are inherently two sides of the same coin. resolved to transform the existing "Risk Management Committee (RMC)" to the "Risk Management and Sustainable Development Committee (RMSDC)." This change assigns the committee with responsibilities related to sustainable development, thus enhancing the company's sustainable governance.

The Risk Management and Sustainable Development Committee is the highest authority responsible for risk management and opportunity development in the company, reporting to the Board of Directors and submitting proposals to the Board for resolution. The committee comprises several subordinate units, including the Risk Management Executive Committee and its working groups, the Corporate Sustainability Committee and its working groups, the Information Security Governance Committee and its working groups, as well as other task forces established in response to legal requirements or relevant circumstances, to assist the Risk Management and Sustainable Development Committee in implementing various initiatives.

In relation to climate-related risks and opportunities, the Risk Management and Sustainable Development Committee is responsible for overseeing all climate risk and opportunity information for the Acer Group. This includes reviewing the company's operational dependencies and environmental impacts and the resulting risks and opportunities. The committee also evaluates the establishment and implementation of climate-related risk and opportunity goals, oversees and promotes the company's sustainable development and climate transition strategies, monitors the implementation of these strategies, oversees the company's external communications on climate issues, and proposes necessary improvement recommendations. The committee reports to the Board of Directors at least once a year. Additionally, the Committee may establish the follows units for assistance of promotion its plans:

(1) The Risk Management Executive Committee and its working group are responsible for the planning, preparation, and execution of risk management-related affairs.
(2) The Corporate Sustainability Committee and its working group are responsible for the planning, preparation, and execution of sustainability development-related affairs.
(3) The Information Security Governance Committee and its working group are responsible for the planning, preparation, and execution of information security-related affairs.
(4) Other task forces may be established as necessary in response to legal requirements or related circumstances to accomplish specific missions.

Acer's Climate-Related Governance Management Organization Chart



In 2024, we established a cross-departmental IFRS Sustainability Disclosure Standards project team to initiate the first phase of the IFRS S2 implementation. This ensures that information on climate-related risks and opportunities disclosed can more effectively serve as reference for decision-making by general-purpose financial report users. Acer's IFRS Sustainability Disclosure project team was established under the Board of Directors and the Risk Management and Sustainable Development Committee. It is co-led by the Chief Accounting Officer and the Chief Sustainability Officer, with the Head of Internal Audit serving as an observer. The members of the team include representatives from operations, legal, information security, risk management, finance, sustainability, and project management functions.

Through cross-functional collaboration, we have preliminarily identified the gaps between our current TCFD disclosures and the IFRS Sustainability Disclosure Standards as of 2024. Based on these findings, we have developed a corresponding implementation plan that leverages the expertise of each function to carry out the phased tasks of the implementation. Our mission is to progressively integrate the IFRS Sustainability Disclosure Standards into our day-to-day operations.

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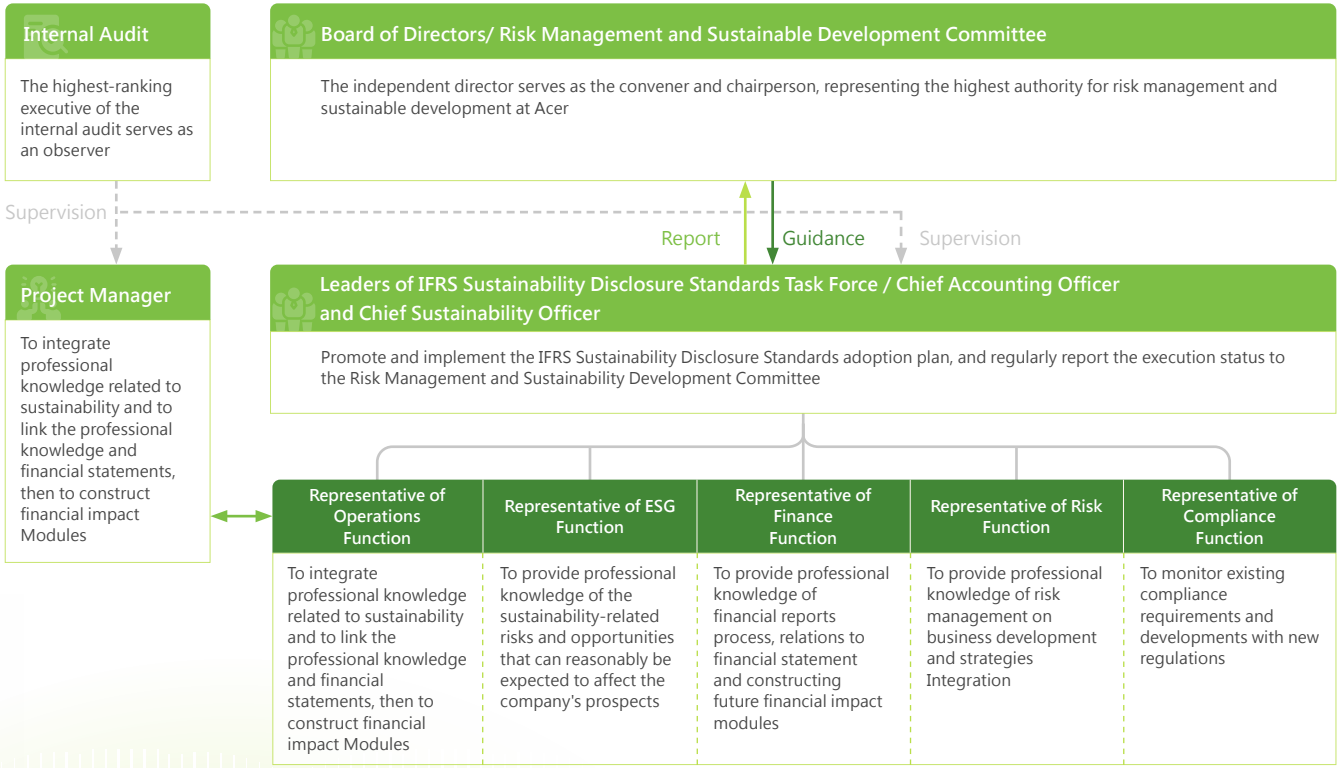
Acer's IFRS Sustainability Disclosure Standards Project Team Organization Chart



Management Position Responsibility for Climate-Related Issues

As for the climate-related issue at the operational level, we integrate our climate-related risk management into our risk management policies and operating procedures. Acer Risk Management Executive Committee is responsible for approving/declaring the environmental risk, risk management priorities, assessment results and related response measures, and supervises the continuous improvement of risk management and performance. The executive committee is composed of the top executives of each business unit/functional organization at the headquarters with the top of the auditing department as an observer to supervisor, managing risks including strategic risk, operational risk, financial risk, disaster risk, and climate change, and reports quarterly to the Board of Directors/ Risk Management and Sustainable Development Committee. Under the Risk Management Executive Committee, the Risk Management Working Group is the unit responsible for introducing the TCFD climate risk assessment framework and conducting climate risk identification, climate scenario and operational impact assessment, formulating climate risk prevention and mitigation measures based on the assessment and report to the reports to the Risk Management and Sustainable Development Committee.

On the management part, Acer's climate-related issues are led by the Chief Sustainability Officer (CSO), who is responsible for collecting and analyzing climate risk and opportunity information for the Acer Group. This includes identifying the company's operational dependencies and environmental impacts and the resulting risks and opportunities, as well as managing the establishment and implementation of the company's short, medium, and long-term climate-related risk and opportunity goals, formulating the company's sustainable development and climate transition strategies, promoting and implementing these strategies, and shouldering the company's mission of external communications on climate issues. The CSO regularly reports to the Risk Management Executive Committee on climate-related trends, impacts, and implementation performance, and coordinates important cross-departmental sustainability issues to strengthen the effectiveness of various climate-related risk management implementations.

In addition, the Chief Sustainability Officer also takes the role of connecting the Risk Management Executive Committee and the Corporate Sustainability Committee. Through the working groups on Corporate Governance, Innovation and Product Life Cycle, Environmental Management, and Supply Chain Management under the Corporate Sustainability Committee, the corporate sustainable development and risk management issues were integrated to strengthen the implementation effectiveness of various ESG-related risks.

Climate-Related Risk and Opportunity Competencies and Capability Building

Acer recognizes the company's impact on nature and climate-related issues. We enhance employee climate awareness through training programs and initiatives such as Project Humanity. By embedding the net-zero and RE100 commitments into our core corporate culture and actively implementing them, we aim to strengthen our long-term competitiveness in sustainable development

Board of Directors Training Status on Climate-Related Issue

To implement our corporate sustainability policy, Acer has established a BOD Diversity Policy and follows a nomination and selection process that ensures the appointment of directors with diverse professional backgrounds and skillsets. This diversity with different professional knowledge, for providing different perspectives and contributions to facilitate the Board function. We implement a diversified board of directors, with all members possessing relevant expertise in environmental sustainability, enabling them to competently handle the company's decision-making and management responsibilities regarding climate-related risks and opportunities.

In addition, we assess the Board's involvement in economic, social, and environmental issues through a performance evaluation mechanism, and regular communication is maintained with responsible departments to report on, review, and assess the implementation status and associated risks of sustainability-related matters. In 2024, our board members participated in the environmental and climate-related topics training, including Climate Change, Industrial Policy, and Risk Management, Carbon Trading Mechanisms and Carbon Management Applications, and Introduction to IFRS Sustainability Disclosure Standards and Trends in Domestic and International Carbon Neutrality. We are continually enhancing the Board’ s climate-related competencies required for their roles.

The Implement of the BOD Diversity Policy							
Category	Directors			Independent Director			
Name	Jason Chen	Stan Shih	Maverick Shih	Ching-Hsiang Hsu	Yuri Kure	Pan-Chyr Yang	Mei-Yueh Ho
Gender	Male	Male	Male	Male	Female	Male	Female
Nationality or Registration	R.O.C	R.O.C	R.O.C	R.O.C	Japan	R.O.C	R.O.C
Age	60~70	Above 80	50~60	60~70	40~50	70~80	70~80
Abilities and Skills							
Leadership	●	●	●	●	●	●	●
Decision-Making Power	●	●	●	●	●	●	●
International Market Outlook	●	●	●	●	●	●	●
Industry Knowledge	●	●	●	●		●	●
Financiall management	●	●	●	●			●
Risk Management/ Crisis Management	●	●	●	●	●	●	●
Environmental Sustainability	●	●	●	●	●	●	●
Social Engagement	●	●	●	●	●	●	●

Operational Level Employee Training and Sustainable Culture Practice

Acer formulates an annual training and education program for operational-level employees to enhance their professional and management skills. In order to enhance colleagues' understanding of the concept and associated actions of ESG, the ESG Office developed eLearning materials. These materials include chapters on ESG overview, supply chain management, environmental sustainability, and social engagement, and were made available on the My eLearning online platform for colleagues across regions such as Taiwan, Pan America, Pan Asia Pacific, and EMEA to participate in online learning.

Regarding to the climate issues, since 2023, we have partnered with external teams to conduct ISO 14064 internal audit training and ISO 14067 product carbon footprint education and training for employees of both our company and our subsidiaries. This program provided detailed explanations of climate-related regulations and shared actual inventory assessment examples. It helps our employees and supply chain manufacturers gain a deeper understanding of the GHG inventory process and required information. Participants learned to master implementation details, enhance their understanding and execution capabilities for carbon management, while simultaneously improving the accuracy and reliability of our carbon emission assessments

Improving Supplier Capabilities

Acer offers 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 ESG 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 ESG Communication Meetings, where we share the latest global trends in corporate sustainability, human rights issues, and climate mitigation and adaptation measures, along with Acer's requirements of and goals for supply chain ESG management performance.

In 2024, we conducted ISO 14067 product carbon footprint training for suppliers, providing comprehensive explanations of relevant product carbon footprint standards and sharing practical inventory case studies. For selected suppliers, we have partnered with external experts to actively carry out carbon footprint inventory on products and critical components, enhancing the accuracy of carbon calculations. This approach enables us to devise more effective carbon reduction strategies across all stages-from manufacturing and packaging to end-of-life recycling, thereby minimizing carbon footprints and promoting product decarbonization. It aligns with Acer's product vision of ''Conscious Technology,'' which centers on sustainable design for the future.

Climate Target Integration into Remuneration

To implement Acer's emphasis on long-term operational performance related to ESG and other factors, the Board of Directors authorizes the Chief Executive Officer to assess the annual performance of each senior executive based on their performance evaluations, the company's overall profitability, long-term indicators such as ROE/ ROA, and their strategic contributions. Additionally, this evaluation will reference the Wangdao Six Dimensions of Value (when creating value, one should consider "direct" versus "indirect," "tangible" versus "intangible," and "present" versus "future" simultaneously). The ESG goals is weighed at a total of ±10%, which is calculated in tandem with key indicators (consolidated revenue and after-tax profit).

ESG-related performance evaluation criteria and their respective weights: The ESG indicators, approved by the Board of Directors in August 2024.

Circular Economy Weight: 3.5%	• 20-30% of PCR plastics content in computers and displays: notebooks/ desktops/monitors
Climate Change Weight: 3.5%	• Acer Group to reach 60% renewable electricity usage • 45% reduction in average personal computer energy consumption (using 2016 as the base year) • 80% of critical suppliers committed to RE100 or set carbon reduction SBTs
Social Impact Weight: 3%	• Over 90% of employees engaged in Project Humanity • 80% of global employees are actively engaged in their work

We integrate ESG and climate-related goals and performance indicators into our compensation policies through clear incentive mechanisms and performance evaluation systems. This encourages our directors, senior management and relevant employees to actively contribute to the achievement of these targets, ensuring the effective implementation of our sustainability and climate-related objectives.

Strategy

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 risk management team referred to relevant international carbon management trends, TCFD recommendations, reports, and information released by other relevant domestic and global institutions to set a short, medium and long term timeframes related to our strategic decision-making timeframe, and introduced physical and transition risk scenarios such as RCP 2.6, RCP 8.5, IEA NZE 2050, and NDCs (Taiwan) to estimate the potential impact of climate change into overall operational considerations, evaluate the probability of risk occurrence and impact, and formulate climate risk prevention and mitigation measures.

Climate Risk and Opportunity

Material Climate Risks and Opportunities

Acer refers 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 to list out relevant climate risk factors and make a climate risk checklist (Annex I). We conduct comprehensive considerations based on the "risk impact level", "potential risk vulnerability," and "risk probability" of each risk on the checklist. Climate risk classification is then conducted after these factors are multiplied to identify short-, medium-, and long-term climate change risks and Opportunities. Furthermore, to assess the financial impact of various risks and opportunities on the operations, Acer's IFRS Sustainability Disclosure Standards Project Team (led by the Chief Accountant/Chief Sustainability Officer) collaborated with the Risk Management Working Group to conduct a secondary assessment of the identified risks and opportunities based on the "level of financial impact" of each event. It helps us to identify the risks and opportunities that could reasonably be expected to affect our cash flow or cost of capital in the short, medium, or long term, and quantify or qualitatively present their potential impacts for reporting to the Risk Management Executive Committee.

Acer's Strategic Decision-Making Timeframe

Acer aligns its climate-related risk and opportunity timeframes with the internal strategic decision-making timeframes. The definitions of short-term, medium-term, and long-term, and their connections, are shown below:

Period	Definition	Relation to strategic decision-making processes
Short-term	Under 3 years	Acer's planning cycle for major internal decisions is approximately three years
Medium-term	From 3 to 5years	Acer commits to achieving a Science-Based Target (SBT) by 2030, which includes a 50% reduction in operations carbon emissions and a 35% reduction across value chain. We develop strategies based on this commitment
Long-term	Over 5 years	Acer commits to achieving net zero emissions by 2050 and increase the share of renewables in energy consumption to 100% by 2035. We develop strategies based on this commitment

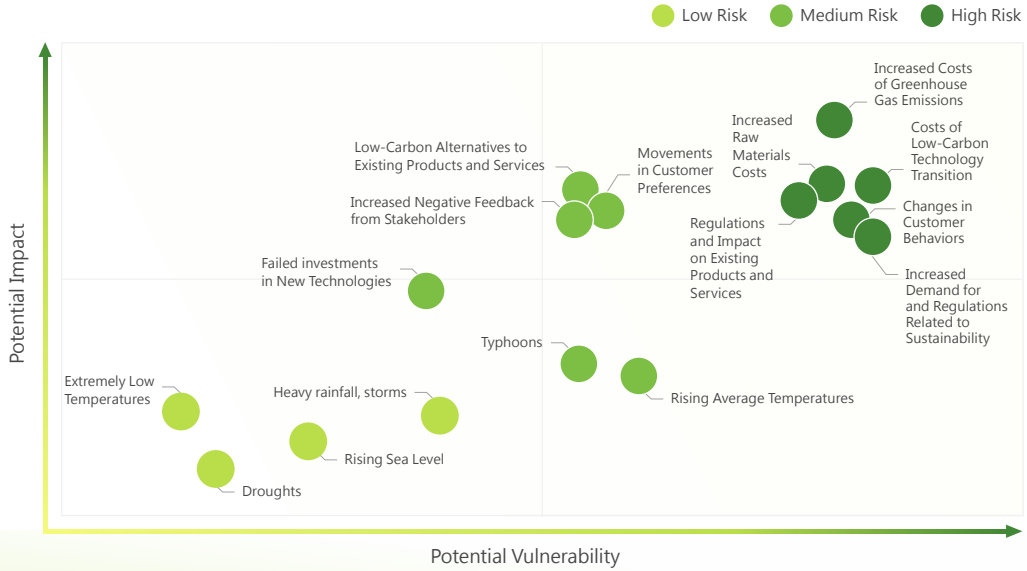
Significant Climate-related Risks and Opportunities Expected to Influence the Prospect

The latest findings show that government regulatory and policy actions have become Acer's biggest potential risks in response to the impact of climate change, with increased demand for and regulations related to sustainability, increased costs of greenhouse gas emissions, and regulations and impact on existing products and services. In addition, affected by the global net-zero emissions trend, governments around the world are promoting green economy and other related policies, or the development of green energy requires significant investment, which may drive up energy prices and intensify existing inflationary pressures, lead to rising prices, reduce people's purchasing power, and lead to "green inflation." Moreover, the implementation of carbon pricing will raise production costs for businesses, resulting in higher product prices. These led to the risk of green inflation are also reflected in the latest identification results, including the costs of low-carbon technology transition and the cost of increased raw materials, which have all risen to the high risk.

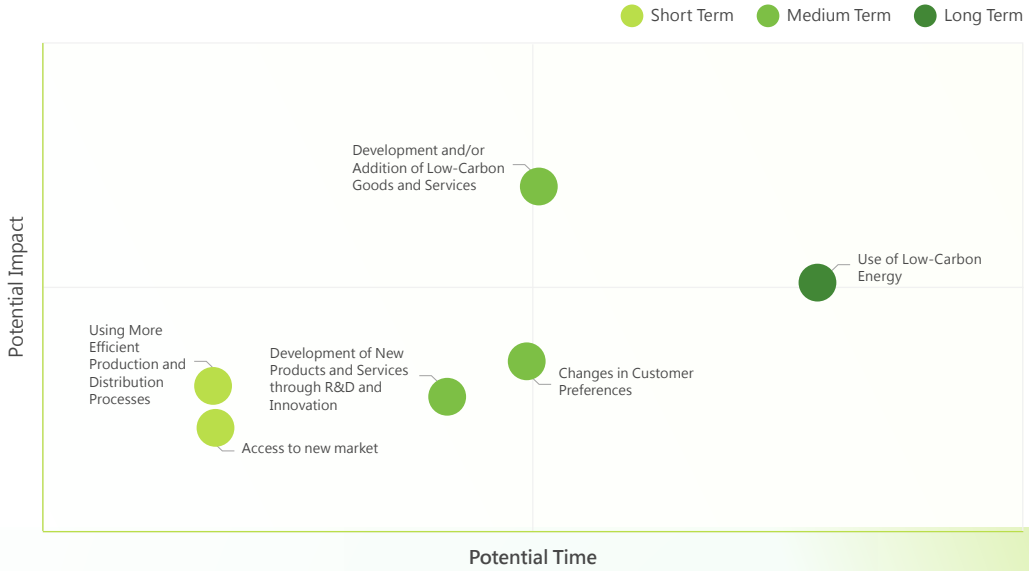
Regarding physical risks, even though Acer is actively investing in mitigation actions such as energy conservation, renewable energy, and energy optimization, and adopting response strategies including insurance planning and decentralized procurement, rising average temperatures are still considered highly likely happened. Furthermore, the highly correlation between Acer's electricity consumption at its locations and temperature fluctuations and could lead to an increase in our electricity usage and purchased electricity costs, resulting in this being identified as a medium risk and becoming our primary physical risk concern.

With regard to the identification of climate opportunities, we also compiled a checklist of Acer climate opportunities (Annex II) and used the similar approach to identify the possible climate opportunities for Acer are the development and/or increase of low-carbon products and services and the use of low-carbon energy. Low-carbon products and services can not only meet the recent environmental and carbon footprint requirements of various national policies and regulations, but may also mitigate future carbon tax increases under carbon tariffs or other ESG related taxes. The willingness to buy environmentally friendly products may also help us acquire orders and increase business revenue while increasing brand value, bringing multiple benefits. The use of low-carbon energy not only meets the expectations of institutional investors and stakeholders on carbon reduction trends and strengthens Acer's resilience to climate change and related regulations, but it is also in line with our target of using 100% renewable electricity (RE100) and net zero emissions, enhancing corporate ESG performance and reputation and has also become a possible opportunity for Acer.

Major Climate Risk Matrix



Major Climate Opportunities Matrix



Climate-related Management and the Response Measures

Acer incorporates the potential impacts of climate change into the overall operational considerations, assessing the potential impact duration and areas of risks and opportunities. It evaluates the potential effects and impacts on the responsible business units when climate-related transition risks and physical risks occur, based on the principle of materiality. The task force then formulates climate risk prevention and mitigation actions to address identified material climate issues with specific action plans.

To effectively manage climate risks and achieve our 2050 net-zero carbon emissions target, we have identified and prioritized high-risk areas, moderate-risk areas, and opportunities based on climate risk assessments. We further assess the impact of climate-related risks and opportunities on business models and value chains. Through the implementation of Acer's nine key net-zero strategies, we aim to achieve a profound impact on our value chain partners. Our focus is on reducing carbon footprints comprehensively through three strategic approaches: business operations, product services, and low-carbon supply chains. We have developed concrete action plans to address the identified climate-related issues. The significant risks and opportunities we have identified, and the responses are listed in the table below, "Acer's Climate Risks/Opportunities and Responses."

Acer's Climate Risks/Opportunities and Responses

Type	Dimension	Risk/Opportunity Item and Impact Description	Period	Affected areas	Description	Response Measures, Action Plans and Implementation Progress
Transition Risk	Regulation and Policy	**Increased Demand for and Regulations Related to Sustainability** Emerging sustainable product design specifications such as the Ecodesign for Sustainable Products Regulation, climate disclosure requirements (e.g. Taiwan listed company sustainability roadmap, EU Corporate Sustainability Reporting Directive), and renewable energy or environment-related regulations and policies may lead to increased operating costs for companies due to compliance with relevant regulations	Medium-term	Value chain upstream, midstream, and downstream	As global climate regulations become increasingly stringent and major markets increase their demands for corporate carbon reduction responsibilities, Acer reviewed climate-related regulations or policies that may have financial impacts, as well as our clear commitments to comply with relevant regulations, including (1) annual greenhouse gas inventory and verification, (2) annual sustainability report /EU Corporate Sustainability Reporting Directive (CSRD) / International Financial Reporting Standards (IFRS), (3) Science-Based Target (SBT) and the Net Zero Emissions Commitment, (4) RE100 Commitment, and (5) Carbon Neutrality Commitment for our Aspire Vero Laptop Line	• Acer Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. The Corporate Sustainability Committee establishes working groups on corporate governance, risk management, innovation and product lifecycle, environmental management, and supply chain management. These groups address significant sustainability issues across departments, facilitating communication, coordination, and planning for important issues. They also execute and monitor action projects to track progress and effectiveness. • On climate-related requirements and regulations, Acer's Chief Sustainability Officer leads the integration of climate-related regulations and policies, formulating the climate transition strategies. In 2024, we completed the annual sustainability report and the greenhouse gas emissions inventory with the third-party verification. Our carbon reduction targets were also approved by the Science Based Targets initiative (SBTi). Our renewable electricity usage reached 60%, and we obtained the carbon neutrality for our Aspire Vero Laptop. At the same time, we actively advanced the CSRD and IFRS disclosure planning, meeting the expected execution target.
		Increased Costs of Greenhouse Gas Emissions Trends in carbon valuation are gradually becoming clear (such as carbon taxes and carbon fees). The European Union Carbon Border Adjustment Mechanism (CBAM) is officially implemented in 2026. Taiwan's Climate Change Response Act will be officially implemented in 2025. Enterprises with annual greenhouse gas emissions exceeding 25,000 metric tons will be required to pay a carbon fee	Medium-term	Value chain upstream, midstream, and downstream	As global carbon tax, carbon pricing, and carbon trading systems mature, the costs associated with greenhouse gas emissions are increasingly coming to the forefront. Although Acer is currently not directly regulated by Taiwan's carbon fee or the European Union's Carbon Border Adjustment Mechanism (CBAM) on export trade carbon taxes, suppliers who are subject to such regulations may pass these costs on by adjusting their pricing. This cost pass-through could affect the products competitiveness in the market	• Acer shoulders the mission of being a leading brand and promises to achieve net zero emissions by 2050, 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 our commitment towards achieving our net zero goal by 2050, we have established SBTs for reducing carbon emissions, implemented an internal carbon pricing mechanism, and started the Earthion and Climate Lab initiatives to promote research, development, and innovation. We also took various other measures to achieve this goal, such as signing long-term CPPA, investing in sustainable energy sources, and conducting research on carbon offsetting, including carbon credits development, carbon capture, and reuse. Through the continuous increase in our use of renewable energy and the reduction of carbon emissions, we will fulfill our commitment. In 2024, our operational emissions (Scope 1, 2) were 8,319 tonnes, a reduction of 21.2% compared to the previous year and a decrease of 39.6% compared to the baseline year of 2019, meeting the expected reduction target
		Regulations and Impact on Existing Products and Services Additional requirements from environmental laws, energy labels (e.g. Energy Star, EPEAT, TCO, etc.), life cycle assessments, and product carbon footprint reports worldwide may increase our operational costs in order to meet market demands	Short-term	Value chain upstream, midstream, and downstream	As the market incorporates eco-labels and certifications into procurement evaluation criteria, Acer is actively increasing the proportion of recycled materials used and enhancing product carbon footprint assessment capabilities to obtain environmental labels and certifications such as EPEAT and TCO. This trend may not only increase our operating costs but may also lead suppliers to adjusted pricing in response to these new requirements	• In response to the global low-carbon trend, Acer, as a leading brand, is dedicated to offering consumers more sustainable and eco-friendly products, enhancing product competitiveness, and meeting customer demands. • As EPEAT and TCO Certified, Acer continues to track and collaborate with ODMs, evaluating and responding to new standards early to ensure that we have sufficient time to smoothly introduce changes to our products. In 2024, 16.3% of our products are EPEAT registered, and 15.8% of our products are TCO Certified. • Additionally, since 2019, Acer has been producing product life cycle assessment reports and carbon footprint reports for flagship products. Gradually, we have developed them for more notebook computers, desktop computers, and monitors. By analyzing detailed data on product carbon footprints, Acer aims to identify the carbon hotspots of its products and provide feedback to its upstream supply chain. The goal is to reduce carbon footprints and promote carbon reduction actions throughout the supply chain. In 2024, Acer completed product life cycle assessments or product carbon footprint reports for consumer notebook computers, commercial notebook computers (including Chromebooks), commercial desktop computers, and representative monitor products, with a cumulative disclosure of nearly 150 product carbon footprint reports.

Type	Dimension	Risk/Opportunity Item and Impact Description	Period	Affected areas	Description	Response Measures, Action Plans and Implementation Progress
Transition Risk	Market	**Increased Raw Materials Costs** Increased demand for renewable energy facilities/equipment, low-carbon circular materials (such as PCRs) due to climate change may result in increased productions costs, affecting the price of profitable products and potentially impacting revenues	Medium-term	Value chain upstream, midstream, and downstream	Acer shoulders the mission as a brand leader committing to delivering more sustainable and environmentally friendly products to consumers. We continuously increase the proportion of recycled materials used in products, investments in low-carbon technology-related equipment and management systems, manufacturing process adjustments, use of renewable energy, and technological R&D, these may increase production costs and potentially impact the profit margins of product sales	• Acer strives to establish a more comprehensive circular economy model and actively uses post-consumer recycled plastic in its products. The company determines the types and ratios to be used during product planning and carefully selects vendors. For products using postconsumer recycled plastics, we ensure that the raw material formulation is as close as possible to the physical properties of the virgin plastic. When necessary, we add strength and reliability design to the product design process to ensure product quality. Users can not only enjoy the same quality of products as virgin plastic, but also support the reuse of resources together with Acer to strengthen the concept of circular economy. • In 2024, 18.6% of post-consumer recycled plastic were used in our computer and monitor products. Over the period of 2020 to 2024, we have incorporated post-consumer recycled plastic into more than 50 million units of our computer and monitor products. • In addition, we place significant emphasis on addressing the problem of marine plastic debris. We make use of recycled ocean-bound plastic and convert it into recyclable materials. The OBP is used in the production of OceanGlass touch panels for notebook computers and bags. By adopting post-consumer recycled plastic and OBP, our objective is to minimize the improper disposal of plastic waste and raise consumer awareness of environmental issues.
	Technological	**Costs of Low-Carbon Technology Transition** The electronics industry chain faces technical challenges in low-carbon transition, from the development and use of low-carbon materials and optimization of system energy efficiency, to the development of electric and hydrogen energy, carbon-negative technologies, and so on. International brands will also require their suppliers to invest more in addition to the cost of their own low-carbon transition, resulting in increased capital capital due through low-carbon technology R&D	Short-term	Our operation and upstream		
		Failed Investments in New Technologies The emerging technologies, such as IoT and AI or low-carbon solutions (including carbon capture and storage, biofuels, or energy management systems) may result in capital expenditure losses if these technologies fail to be successfully commercialized, face delays during implementation, perform inefficiently, or are not well accepted by the market. These challenges could lead to underutilized assets and reduced operational efficiency	Long-term	Value chain upstream, midstream, and downstream	The deployment of emerging technologies in which Acer current or future investments may result in financial losses if these technologies are replaced by other low-carbon innovations due to high carbon emissions, poor energy efficiency, or low market acceptance, ultimately leading to the failure of the invested	• 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 demonstrate the benefits of our patents while also establishing a set of strict patent measures to protect our R&D achievements. In 2024, Acer's patent applications primarily focused on several key technological domains including artificial intelligence (AI), AI PCs, wireless communications, thermal management, audio processing devices, antenna systems, and power management. These patents not only demonstrate Acer's technological innovation capabilities but also establish a solid foundation for the company's future development. As of December 2024, Acer has secured 6,761 valid patents worldwide, with over 2,622 patents in Taiwan and over 1,510 patents in the United States. • In addition, Acer actively promotes low-carbon transition as part of its sustainable development strategy. Acer invests in long-term strategic investments and energy-saving equipment to develop business in the renewable energy industry, smart energy management systems, and energy storage facilities. In 2024, the Board of Directors approved an increase in investments for energy storage sites within a budget not exceeding NT$4 billion. These investments have further strengthened Acer's presence in the upstream and downstream sectors of the energy storage industry, enabling us to offer total solutions from manufacturing to application and from the front-end to the back-end. These efforts will contribute to our energy transition and fulfill our commitment to achieve the net-zero goal.
Physical Risk	Long -term Risk	**Rising Average Temperatures** The World Meteorological Organization (WMO) has confirmed that 2024 as warmest year on record at about 1.55° C above pre-industrial level. According to the IPCC's AR6 report, global warming has led to an inevitable rise in temperature by 1.5° C between 2021 and 2040. The average temperature rise will lead to a significant increase in operational electricity consumption, which will not only consume more electricity usage but also lead to an increase in carbon emissions	Long-term	Value chain upstream, midstream, and downstream	The average temperature rise will lead to a significant increase in air conditioning system power consumption at Acer's cloud server rooms, offices, and supply chain product assembly sites, not only consuming more power, but also leading to increased carbon emissions. In addition, Acer's product assembly plants may be affected by higher demand, unstable electricity infrastructure, insufficient backup capacity, local government power limiting measures, or large-scale power outages, resulting in adverse impacts on product shipment and finances	• We continue to implement the energy efficiency program including (1) implementing energy-saving projects, (2) Setting the RE100 goal by 2035, (3) Establishing our solar PV power generators, and (4) Investing in renewable energy development, and exploring the feasibility of new power-saving measures. In 2024, we implemented multiple energy-saving initiatives, including the replacement of chiller and air conditioners, water dispensers, and energy-efficient lighting, and installed a 390 kW solar power system at our Taoyuan site in Taiwan to reduce reliance on purchased electricity. • For the risk adaptation of our existing offices, we focus on indoor temperature management. We take measures, such as the use of thermal insulation materials, the use of natural ventilation, and sunshade facilities. In addition, we make internal temperature-setting guidelines for our offices to follow and take climate adaptation measures, such as evaluating the thermal comfort, humidity, temperature, and ventilation of the office, and encouraging employees to wear clothing made of breathable and comfortable materials, etc. As for the new operations, we will take our due diligence and start a process to examine the related risk. After that, we will consider an overall plan to adapt to potential physical and transition climate risks. Additionally, in 2024, three Acer subsidiaries - Acer AEB, ACSI, and Weblink - relocated to the Acer Building in Nangang. This building holds a Gold Level Green Building certification, with infrastructure components including the building envelope, air conditioning systems, and lighting systems meeting energy efficiency standards. The facility is equipped with an energy management system that monitors electricity, air conditioning, and lighting usage.

Type	Dimension	Risk/Opportunity Item and Impact Description	Period	Affected areas	Description	Response Measures, Action Plans and Implementation Progress
Climate-Related Opportunities	Products and Services	**Development and/or Addition of Low-Carbon Goods and Services** Facing global low-carbon transitions and trends, developing or enhancing the application value of low-carbon products or related low-carbon services, can help boost business revenue	Medium-to-Long	Value chain upstream, midstream, and downstream	As net-zero emissions become a major driver shaping international policies and industrial development, corporate clients tend to seek products and services with lower environmental impacts as well as suppliers with a similar awareness. Green procurement requirements are gradually being incorporated into the evaluation criteria for securing orders. At the same time, consumer demand for energy-efficient products is increasing, and preferences for green products are steadily growing, which is progressively reflected in their purchasing decisions	• As a human-centric company, our mission is clear – driving the development and innovation of "Conscious Technology" with humans at heart and the planet in mind. Acer employs the concept of circular economies and strives to reduce the impact of our products on the environment throughout their life cycles, to respond to consumer preferences for low carbon products. • In the design phase, we have introduced the concept of circular economy and actively promoted material innovation, choosing materials with low impact on the environment, such as post-consumer recycled plastics used in computers and monitors. We have also expanded their use to various product lines in the Vero series, including projectors, computer peripherals, and suitcases. Additionally, we have adopted OBP (Ocean Bound Plastic) in the touchpads of notebook computers and Acer Vero Ocean Series apparels. • In the manufacturing phase, we collaborate with suppliers to enhance resource utilization efficiency, reduce carbon emissions, and ensure proper waste management. We also drive manufacturing process transformation to increase renewable energy adoption rates, effectively reducing greenhouse gas emissions throughout the production process. • In the product transportation phase, we work closely with our logistics partners and formulate a sustainable logistics strategy, with a focus on transitioning to low-carbon transportation, including the use of Sustainable Aviation Fuel (SAF) and Sustainable Marine Fuel (SMF) to reduce carbon emissions in the transportation process, and the promotion of slip sheets to replace wooden pallets to enhance the efficiency of transportation and further reduce the environmental impact. • In the product use phase, we have set a target to achieve a 45% reduction in the average energy consumption of personal computers by 2025, compared to 2016. • And the last, in the product disposal phase, we offer various recycling channels to ensure proper recycling and disposal by qualified recycling and processing partners.
	Energy source	**Use of Low-Carbon Energy** By switching to low-carbon emission energy to replace coal-fired electricity and reducing energy consumption in production and delivery, we can reduce carbon emissions and bolster our resilience to climate change and related regulations	Medium-to-Long	Value chain upstream, midstream, and downstream	Acer joined the RE100 initiative in 2021, committing to achieve 100% renewable energy usage by 2035. We believe that the use of low-carbon energy not only meets the expectations of institutional investors and stakeholders for carbon reduction trends, strengthens company resilience to climate-related regulations, but also enhances the our ESG reputation and brand value	• Ace strives to achieve 100% renewable electricity use at our operational sites by 2035. Through collaboration with our supply chain partners, we aim to expand participation in renewable energy and energy storage system investments, seize opportunities in renewable energy adoption, and build a low-carbon supply chain. In 2024, we used 18,620,000 kWh of renewable electricity (including RECs) in our operations, achieving our interim target of 60% renewable electricity one year ahead of schedule and continuing to progress toward our 100% renewable electricity usage target by 2035. • In addition to renewable electricity, to further reduce carbon emissions during transportation, since 2022, we have piloted the use of Sustainable Marine Fuel. In 2023, we continued to partner with logistics providers KUEHNE+NAGEL and Expeditors to use SMF In 2024, we expanded our scope to include Sustainable Aviation Fuel and added logistics suppliers DSV and Dimerco. Overall, the carbon emission reduction from using these new energy sources increased by 38% and reduce 667 tons carbon emissions tons compared to 2023. In terms of land transportation, we continue to use electric vehicles for delivering laptops in Chongqing. We work closely with suppliers, aiming to further reduce carbon emissions during the transportation phase through various new energy solutions.

Climate-related Scenario

In order to assess the financial impact of climate impact, Acer sought external cooperation to develop financial quantitative and situational analysis, to carry out an assessment of the potential financial impact of Acer's climate-related transformation risks, physical risks, and climate opportunities to accurately measure the amount and distribution of resources to be invested. In order to effectively assess the financial impact of various risks and opportunities through scenario analysis, Acer conducts a secondary assessment of the identified risks and opportunities based on the "level of financial impact" of each event. It helps us to identify the risks and opportunities that could reasonably be expected to affect our cash flow or cost of capital in the short, medium, or long term, then, appropriate scenarios are introduced for analysis of the selected risks and opportunities.

Acer's climate scenarios make reference to climate scenarios published by international organizations, including RCP 2.6 from the Intergovernmental Panel on Climate Change (IPCC), RCP 8.5, NZE 2050 by International Energy Agency (IEA), and Taiwan's Nationally Determined Contributions (NDCs Taiwan). Additionally, under these scenarios, we further assume reference to the Announced Pledges Scenario (APS) of the IEA, which involves developed economies, emerging markets, and developing economies committing to net-zero emissions. Additionally, based on a study commissioned by the Environmental Protection Administration and conducted by the London School of Economics (LSE), we estimate the carbon fee prices in Taiwan according to the "Carbon Pricing Options for Taiwan" research report. We estimate the financial impacts Acer may face in the year 2030, including the carbon fees and compliance expenses at each operational location in Taiwan, the costs transferred from upstream suppliers due to greenhouse gas emission fees, and potential carbon border tariffs on products exported to carbon-taxing countries.

Increased Demand for and Regulations Related to Sustainability

With the development of international sustainability trends, governments and markets are imposing increasingly stringent ESG requirements on companies. The continuous increase of sustainable related compliance policies and disclosure standards, including the European Union's Corporate Sustainability Reporting Directive (CSRD), International Financial Reporting Standards (IFRS S1 and S2), emerging sustainable product design regulations, and renewable energy or environmental-related regulation and policies may lead to increased operational costs for companies as they strive to meet these regulatory requirements.

In response to climate-related sustainability regulations, Acer conducts an inventory of the climate-related regulations that may potentially impact on our financials, our commitments to comply with these regulations and then perform qualitative or quantitative assessments of the financial impact. For specific climate-related sustainability regulations, we conduct in-depth analysis to explore the feasibility of reasonably be expected to affect our cash flow or cost of capital. In 2024, we prioritized our commitment to achieving zero emissions at the operational level (Scope 1 and Scope 2) by 2040 as the basis for our analysis. This assessment takes into account factors such as electricity demand growth, energy-saving measures, renewable electricity usage, and carbon credit purchases. We simulate the additional costs required to achieve this target to concretely understand the potential financial impact of the net-zero transition on the company's financial performance.

Scenario Assumptions and Results

Scenario 1 which is a proactive carbon reduction pathway (SSP1-RCP2.6)

- Aiming to limit global warming to within 1.5 to 2° C above pre-industrial levels and referencing the International Energy Agency's (IEA) Net Zero Emissions by 2050 pathway, it is assumed that the share of renewable electricity globally will reach approximately 90% by 2050.

Scenario 2 which is the worst-case mitigation scenario (SSP5-RCP8.5)

- Is characterized by rapid economic growth with a high dependence on fossil fuels. In this scenario, global warming is projected to exceed 4° C above pre-industrial levels. By 2050, the share of renewable electricity is expected to be approximately 20% to 30%, while greenhouse gas emissions continue to increase.

Response Measures and Action Plans

Acer's Chief Sustainability Officer leads the integration of climate-related regulations and policies affecting the company, formulates climate transition strategies, and, depending on the specific requirements and issues related to climate matters, regularly reports to either the Risk Management Executive Committee or the Acer Corporate Sustainability Committee (CSC). On the topic of the net-zero emissions commitment, the CSC serves as the highest decision-making body for approval, oversight, evaluation of results, and related response measures. The CSC is chaired by Acer's Chairman and CEO, with the ESG Office acting as the executive secretariat. Under the CSC, Acer has established working groups dedicated to corporate governance, risk management, innovation and product lifecycle, environmental management, and supply chain management. These groups address significant sustainability issues across departments, facilitating communication, coordination, and planning for important issues. They also execute and monitor action projects to track progress and effectiveness.

In 2024, we completed the annual sustainability report and the greenhouse gas emissions inventory with the third-party verification. Our carbon reduction targets were also approved by the Science Based Targets initiative (SBTi). Our renewable electricity usage reached 60%, and we obtained carbon neutrality for our Aspire Vero Laptop. At the same time, we actively advanced the CSRD and IFRS disclosure planning, meeting the expected execution target.

Increased Cost of Greenhouse Gas Emissions

We identified the risk caused by changes in transition climate parameters and focus on the two risks of increased sustainability-related demand and regulations and increased costs of greenhouse gas emissions. As for renewable energy, under the International Energy Agency (IEA)NZE 2050 scenario, renewable energy will become the main energy source. By 2050, nearly 90% of power generation will come from renewable energy. These governments may drive companies to use renewable energy through regulations, such as the Renewable Energy Development Regulations in Taiwan, or increase the non-renewable energy fee. In addition, global carbon tax, such as Carbon Border Adjustment Mechanism (CBAM), will be the requirement for product export to the EU. Countries such as the USA, Japan, and Taiwan will introduce their internal carbon trading scheme to control the total emission under the national target.

Quantification of Acer's financial impact in different scenarios under the climate risk of rising greenhouse gas emissions costs by 2030, including carbon fees and other related regulations in regard to Taiwan's carbon fees and other relevant requirements at each business location, along with expenses incurred by low-carbon transition and the passing along of costs incurred with relation to greenhouse gas emissions by upstream suppliers. This, along with the export of products to the US, China, and countries in the EU which levy carbon tariffs, may result in increased financial costs.

Scenario Assumptions and Results

Scenario 1 is Taiwan's nationally determined contribution scenario (NDCs Taiwan)

- Committed to reducing the greenhouse gas emissions of BAU (business as usual) by 50% by 2030. With reference to the International Energy Agency's Announced Pledges Scenario (APS), this scenario assumes that all climate commitments made by governments around the world, including NDC and long-term net-zero targets, will be fulfilled on time.
- According to Taiwan's nationally determined contribution scenarios (NDCs Taiwan), the US and EU carbon prices refer to the IEA's Announced Pledges Scenario (APS). The developed economies with net zero commitments are expected to be US$135 per ton in 2030. The emerging markets with net-zero commitments such as China, and the carbon price is expected to be US$40 per ton in 2030.

Scenario 2 is the IEA's Net-Zero Emissions (NZE) scenario

- Assuming the global energy sector will achieve net-zero CO2 emissions by 2050.
- According to the IEA NZE scenario, the prices of the developed economies with net-zero commitments such as the EU and the US, and the carbon price is expected to be US$140 per ton in 2030. The emerging markets with net-zero commitments such as China, and the carbon price is expected to be US$90 per ton in 2030.

Response Measures and Action Plans

Acer shoulders the mission of being a leading brand and promises to achieve net zero emissions by 2050, increase 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.

We announced our net-zero strategy outlining nine directions under three major pillars of operations, products and services, and value chain. The nine strategies are: minimize energy consumption; use renewable energy; carbon removal and offsets; low-carbon products and services; choose sustainable materials; smart, circular and renewable applications; commit to carbon reduction targets, green manufacturing and logistics; and realize low carbon and circular economies to reduce the overall carbon footprint.

Set science-based carbon reduction target

Acer has committed to reduce its operational carbon emissions (Scope 1, 2) by 50% compared to the baseline year of 2019 by 2030, and value chain carbon emissions (Scope 3) by 35% compared to the baseline year of 2020. These targets align with the Paris Agreement's 1.5° C temperature control objective and have been validated by the Science Based Targets initiative (SBTi). Furthermore, we firmly believe that collaboration with stakeholders can achieve greater impact, which is why we have established a goal for 80% of our critical suppliers to commit to RE100 or set carbon reduction SBTs by 2025, working together with our supply chain towards a low-carbon transition.

CDP Supply Chain Program and Earthion Initiative

Acer commits 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. Since 2008, Acer has joined the CDP supply chain, and has been using the ESG scorecard to further review suppliers' overall carbon management, carbon reduction achievements, and renewable energy usage. We manage the environmental impact of the supply chain and incorporate suppliers' scores into the procurement evaluation. To encourage the whole supply chain to enhance its ability to cope with climate change. Starting from 2019, second-tier suppliers were invited to join the CDP Supply Chain. In 2022, Acer formally started inviting third-tier suppliers to participate in the climate questionnaire to identify suppliers' climate risks and opportunities through their responses to the questionnaire. In 2024, among the suppliers invited by Acer to respond to the CDP climate questionnaire, 90% disclosed their operational carbon emissions, 81% have reported on their active targets, and 88% have reported on their use of renewable electricity. We will continue to build a lower-carbon supply chain, reinforcing our commitment across the value chain.

Additionally, in 2021, we brought together our employees and supply chain partners to expand the reach of sustainability efforts by launching the Earthion initiative, with the goal bringing everyone together to create a better future and achieve our ambitious goal of a clean planet. Through the Earthion Sustainability Platform, we share the spirit of sustainability with our partners and suppliers, helping to address the environmental challenges of our generation through innovative and integrated solutions. To this end, we are focused on innovative green product design, chemical substance management in production processes, renewable energy use, low-carbon emission logistics, packaging materials and design, and product recycling & reuse, combining the efforts of our suppliers and partners to accelerate the development of green designs and processes and completely minimize our environmental impact.

Acer CDP Supply Chain Program Achievements over the 5 years

	2020	2021	2022	2023	2024
Supplier CDP Average Level	C	C	C-	C-	B-
First-tier Suppliers CDP Average Level			B-	B-	B-
Full version of the CDP questionnaire, Global Supplier Average Level	D	C-	D	D	C-
Critical suppliers committed to RE100 or sciencebased carbon reduction targets (SBTs)	45%	55%	60%	76%	81%

Regulations and Impact on Existing Products and Services

Where products may not comply with regional low-carbon product specifications or standards or ones that may be promoted on the customer end in the future (e.g., product energy consumption standards, product carbon footprint information, etc.), this may result in an inability to sell in a particular region, meet public sector procurement specifications, or remain competitive in terms of products Considering current product sales and profitability, we are focused on commercial/Chrome notebook, desktop, and display products and quantifying financial impacts based on major sales markets in various regions of the world. With reference to the requirements of EU Green Public Procurement and the US' Federal Acquisition Regulation, we have formulated the following scenarios to quantify financial impact.

Scenario Assumptions and Results

Assuming that countries and regions give priority to purchasing products with circular economical design or low environmental impact, Acer products without EPEAT registration or other related certification will be unable to participate in bidding or sell in various places, which may affect annual revenue; Additional design verifications, product certifications, and parts replacement to meet specifications or standards will also incur costs associated with R&D and production.

Response Measures and Action Plans

Acer has formulated a comprehensive green products strategy, carefully considering environmental impact in every stage of our products' life cycles. This includes everything from selecting materials during design, through packaging and shipping, to usage and recycling. Our hope is that in this way we will be able to work with consumers to reduce our collective environmental load. In response to the needs of our customers for products or tenders with circular economical design or low environmental impact, we consider product planning and sales in various regions and provide more product choices, including products that meet EPEAT, TCO verification and product carbon footprint reports.

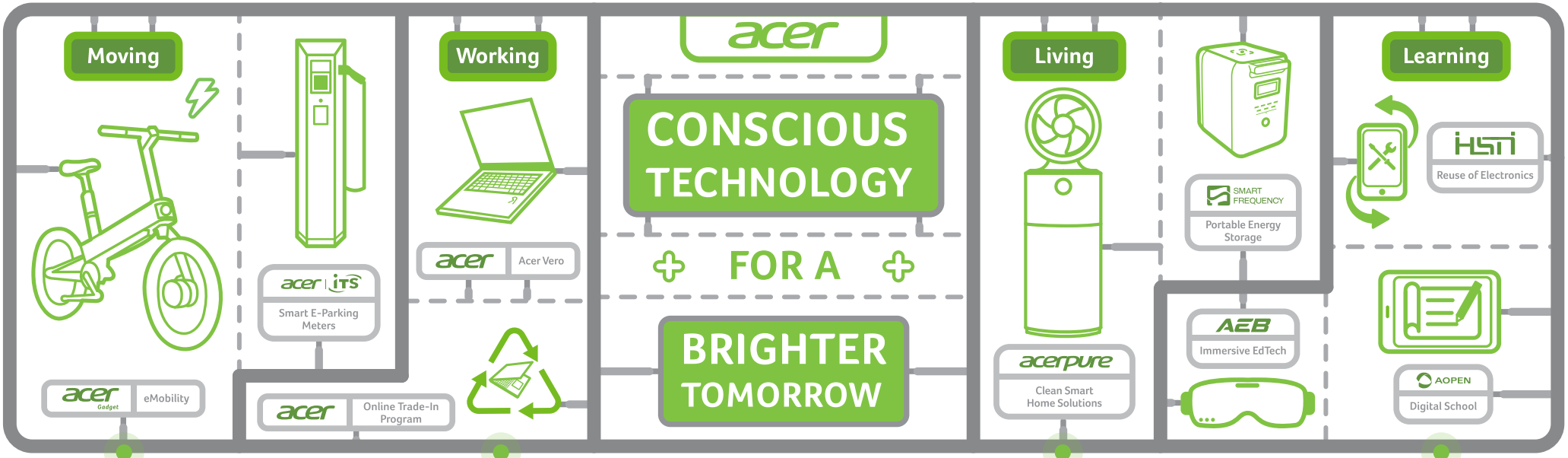
In 2024, we continuously expand the coverage of the Modern Standby power management mode, we are also incorporating additional display power saving technology. Simultaneously, we continue to increase the selection of devices supporting power-saving modes that enter lower power states during idle periods, while improving standby efficiency of power adapters to meet ENERGY STAR 9.0 Computer requirements. As a result, 66.6% of our computers and monitors are U.S. ENERGY STAR certified. The average energy consumption of notebook computers decreased by 43.9% compared to 2016, and the average energy consumption of desktop computers decreased by 45% compared to 2016, which also represents a reduction in the carbon footprint of our products during usage. This progress brings us closer to our goal of reducing the average energy consumption of personal computers by 45% by 2025.

As EPEAT and TCO Certified, Acer continues to track and collaborate with ODMs, evaluating and responding to new standards early to ensure that we have sufficient time to smoothly introduce changes to our products. In 2024, 16.3% of our products are EPEAT registered, and 15.8% of our products are TCO Certified. Additionally, since 2019, Acer has been producing product life cycle assessment reports and carbon footprint reports for flagship products. Gradually, we have developed them for more notebook computers, desktop computers, and monitors. By analyzing detailed data on product carbon footprints, Acer aims to identify the carbon hotspots of its products and provide feedback to its upstream supply chain. The goal is to reduce carbon footprints and promote carbon reduction throughout the supply chain. In 2024, Acer completed product life cycle assessments or product carbon footprint reports for consumer notebook computers, commercial notebook computers (including Chromebooks), commercial desktop computers, and representative monitor products, with a cumulative disclosure of nearly 150 product carbon footprint reports.

- **Climate Lab: Dedicated to Driving Innovation**

Acer envisions a sustainable future through continuous innovation to help overcome the climate challenges. In 2023, the Climate Lab was established as a dedicated hub for innovation, exploring sustainability across four modes of life-Working, Living, Moving, and Learning. Acer introduced its "Conscious Technology" vision, showcasing its ongoing sustainability efforts to help tackle climate change. In 2024, Acer continued to drive sustainable innovation by facilitating collaborations between its subsidiaries across various products and services to develop green technology solutions. By creating and pioneering sustainable products and services, Acer aims to reduce environmental impact while inspiring a new generation of eco-conscious consumers.

Innovations for the Environment and Society: Conscious Technology



Moving	Working	Living	Learning
Smart Parking Solutions	Acer Energy Solutions	Cleaner Patient Journeys	Cleaner Air in Classrooms
E-Mobility Power System	Device Lifecycle Management	Clean Smart Home Solutions	E-Repair Skills
Smart E-Parking Meters	Pedal-Powered Office	Reuse of Electronics	Immersive EdTech
Smart eBike	Online Trade-In Program	Eco-Conscious Technology	Digital School
Smart eScooter	Energy-Saving System	Paperless Digital Integration	Digital IT Learning
	Portable Energy Storage	AI smart building management	

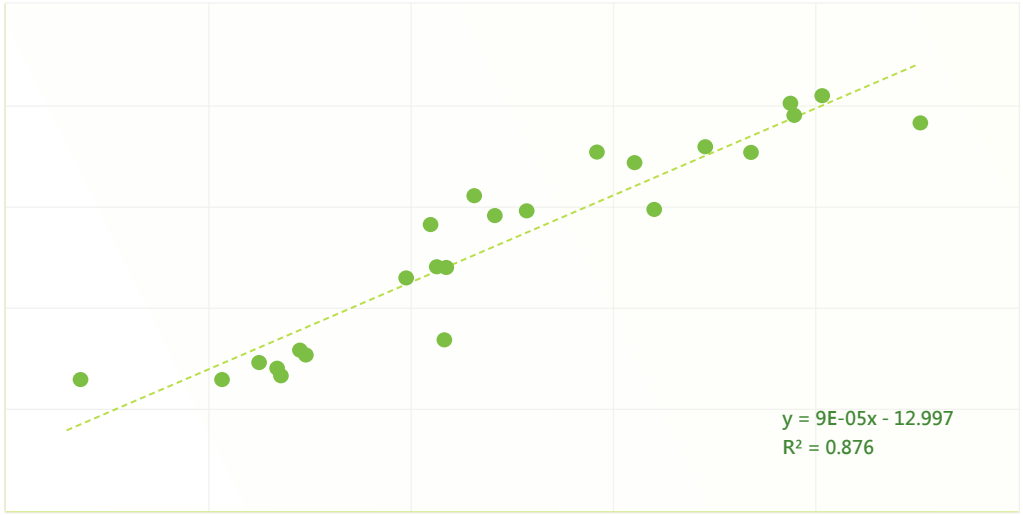
Increased Average Temperature

According to the IPCC's AR6 report, global warming has led to an inevitable rise in temperature by 1.5° C between 2021 and 2040. The rise in average temperature directly impacts our data centers, office buildings, and supply chain product assembly plants in terms of electricity consumption. This increase not only leads to higher electricity usage and costs but also results in higher carbon emissions. Analysis of Acer's Xizhi headquarters' electricity consumption and temperature data over the past two years shows a significant positive correlation between rising temperatures and electricity demand. This indicates that temperature is a key factor for our electricity usage. In addition, Acer's product assembly and key component plants may be affected by higher demand, unstable electricity infrastructure, insufficient backup capacity, local government power limiting measures, or large-scale power outages, resulting in adverse impacts on product shipment and finances.

Scenario Assumptions and Results

Acer used the Taiwan Climate Change Protection Information (TCCIP) 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. As for the risk of an increase in average temperature, based on the data from TCCIP, under the RCP2.6 scenario, the annual average daily temperature in Taiwan may increase by 0.64~1.64° C from 2021 to 2040; under the RCP8.5 scenario, in 2036~2065, the annual average daily temperature in Taiwan (headquarters) may increase by 0.64~1.64℃ and 1.5~2℃ . Based on the Taiwan Energy Bureau's data, it is estimated that every 1-degree decrease in air-conditioning temperature will increase electricity consumption by 6%, resulting in an annual 12% increase in electricity consumption.

Analysis of Electricity Used and Temperature in Acer Xizhi Building



Period: January 2023 to December 2024

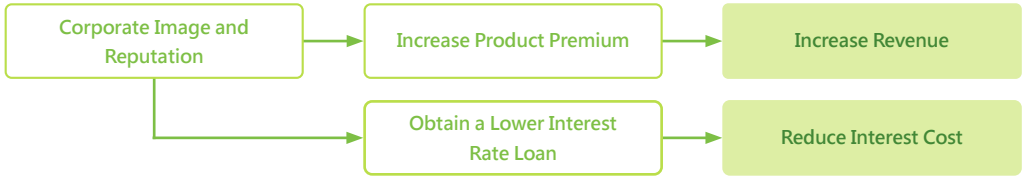
Response Measures and Action Plans

We continue to implement the energy efficiency program including (1) implementing energy-saving projects, (2) Setting the RE100 goal by 2035, (3) Establishing our solar PV power generators, and (4) Investing in renewable energy development, and exploring the feasibility of new power-saving measures. In 2024, we carried out a series of energy-saving initiatives, including replacing chillers, air conditioners, water dispensers, and lighting with energy-efficient models; completing rooftop thermal insulation upgrades; enhancing insulation and aluminum cladding for rooftop chilled and hot water pipelines; and installing a 390 kW solar power system at our Taoyuan site in Taiwan to reduce reliance on purchased electricity. In spite of 1,213 (+15.5%) employee growth and the expansion of 16 new office sites, the total electricity consumption decreased by 0.15% compared with 2023.

For the risk adaptation of our existing offices, we focus on indoor temperature management. We take measures, such as the use of thermal insulation materials, the use of natural ventilation, and sunshade facilities. In addition, we make internal temperature-setting guidelines for our offices to follow and take climate adaptation measures, such as evaluating the thermal comfort, humidity, temperature, and ventilation of the office, and encouraging employees to wear clothing made of breathable and comfortable materials, etc. As for the new operations, we will take our due diligence and start a process to examine the related risk. After that, we will consider an overall plan to adapt to potential physical and transition climate risks. In 2024, three Acer subsidiaries - Acer AEB, ACSI, and Weblink - relocated to the Acer Building in Nangang. This building holds a Gold Level Green Building certification, with infrastructure components including the building envelope, air conditioning systems, and lighting systems meeting energy efficiency standards. The facility is equipped with an energy management system that monitors electricity, air conditioning, and lighting usage. Subsequently, during interior renovations, each company selected energy-efficient and eco-labeled lighting fixtures and implemented automatic lighting shutdown systems, among other measures, to further achieve electricity reduction targets.

Use of Low-Carbon Energy

Using low-carbon energy can reduce carbon emissions in production and transportation, strengthen resilience in response to climate-related regulations, and meet the expectations of stakeholders and institutional investors on the carbon reduction issue. It can directly or indirectly increase our company's image/reputation, thereby enhancing the overall product sales and revenue. Furthermore, we may further obtain low-interest loans from banks (such as green bonds, green loans, sustainability-linked loans, etc.) to reduce interest expenses.



Scenario Assumptions and Results

We use a variety of scenarios to calculate our benefits in using low-carbon energy, including (1) According to a research report by the University of Pennsylvania, in 2021, 76%~88% of respondents are willing to pay 10% more for green products, that is 30% growth than the year 2019. Therefore, we take 10% as the price increase rate of the green products acceptable to consumers. (2) As for low-interest loans, since 2019, a number of banks have launched Sustainability-linked Loans based on various conditions such as their own regulations, corporate industry characteristics, ESG operating activities, and customer credit risks. We assumed these loans were one yard less than the general interest rate. (3) In terms of reducing product carbon footprint, we assume that our product carbon footprint will be reduced by using low-carbon energy in the production and transportation process leading to a reduction payment in carbon tariff regulations.

Response Measures and Action Plans

Acer joined the RE100 initiative in 2021, committing to achieve 100% renewable energy usage by 2035. We believe that the use of low-carbon energy not only meets the expectations of institutional investors and stakeholders for carbon reduction trends, strengthens company resilience to climate-related regulations, but also enhances our ESG reputation and brand value. We are committed to achieving our goal of sourcing 100% renewable electricity for our operations by 2035. We continue to increase the proportion of renewable electricity used at our operational sites and look forward to expanding our investment in green energy and energy storage system through collaboration with our supply chain, seizing opportunities to utilize renewable energy and building a low-carbon supply chain.

• Increase in Renewable Electricity Usage

Acer is committed to achieving 100% global operations using renewable energy by 2035. We are increasing the proportion of renewable energy used by the group through a strategy of self-built solar power systems and the purchase of renewable energy. In 2024, we used 18,620,000 kWh of renewable electricity in our operations, achieving our interim target of 60% renewable electricity one year ahead of schedule and continuing to progress toward our 100% renewable electricity usage target by 2035. The sources of renewable electricity include on-site solar power self-consumption at sites, long-term corporate power purchase agreements (CPPAs) with renewable electricity suppliers, and renewable energy certificates (RECs) from the local locations where our operates worldwide in accordance with the RE100 technical criteria including, Including International Renewable Energy Certificates (I-RECs), Guarantees of Origin (GOs).

Business Group & Company	Electricity Usage (kWh)	Renewable electricity (kWh)	Percentage of renewable energy
Notebook, Desktop, and Monitor Related Business Group ICT product operations including the Acer Inc. headquarters, EMEA/ Asia Pacific/Pan America, and data centers	19,159,614	15,302,336	79.9%
Other Business Group non-ICT product operations or subsidiaries	11,712,558	3,322,021	28.4%
Total	30,872,172	18,624,357	60.3%

• Reduction of Carbon Emissions through Adoption of New Energy Sources

In addition to renewable electricity, in order to further reduce carbon emissions during transportation, since 2022, we have piloted the use of Sustainable Marine Fuel. In 2023, we continued to partner with logistics providers KUEHNE+NAGEL and Expeditors to use SMF. In 2024, we expanded our scope to include Sustainable Aviation Fuel and added logistics suppliers DSV and Dimerco. Overall, the carbon emission reduction from using these new energy sources increased by 38% and 667 tons of carbon emissions compared to 2023. In terms of land transportation, we continue to use electric vehicles for delivering laptops in Chongqing. We work closely with suppliers, aiming to further reduce carbon emissions during the transportation phase through various new energy solutions.

• Increase in Investments in Sustainable Energy

Acer actively promotes low-carbon transition as part of its sustainable development strategy. In addition to self-built solar power generation systems, Acer invests in long-term strategic investments and energy-saving equipment to develop business in the renewable energy industry, smart energy management systems, and energy storage facilities. This includes a partnership with GreenHarvest, a solar and energy management company, in 2022 to acquire a smart energy management system BOT project of the Shalun Smart Green Energy Science City. Together, we established a chartered company called Chih He Chin Tan Co., Ltd. with a capital of NT$120 million to develop solar power generation equipment, energy storage equipment, smart grids, and energy management centers. This initiative will promote energy generation, storage, conservation, and the integration of smart systems for energy transition. In 2023, Acer invested up to NT$1.85 billion in Haoju Electric, a company developing energy storage systems, and spent NT$330 million to acquire approximately 11% equity in C-LiFe Technologies, a major manufacturer of lithium iron phosphate cells, officially entering the energy storage sector. The Board of Directors approved an increase in investments for energy storage sites within a budget not exceeding NT$4 billion, and invested NT$32 million in Aurosi Precision Co., Ltd., a battery solutions provider. Beyond the energy storage industry, in the energy generation sector, with a budget not exceeding NT$115 million, Acer invested in Shenghe Energy Technology Co., Ltd. in 2024, a company focused on rooftop solar photovoltaic projects. Acer also participated in a bid for a floating solar project in Malaysia with its partners. In addition to energy storage and solar projects, Acer also invested NT$217 million in Solming Green Energy Co., Ltd., a company specializing in site construction and maintenance operations. These investments have further strengthened Acer's presence in the upstream and downstream sectors of the energy storage industry, enabling us to offer total solutions from manufacturing to application and from the front-end to the back-end. These efforts will contribute to our energy transition and fulfill our commitment to achieve the net-zero goal.

Risk Management

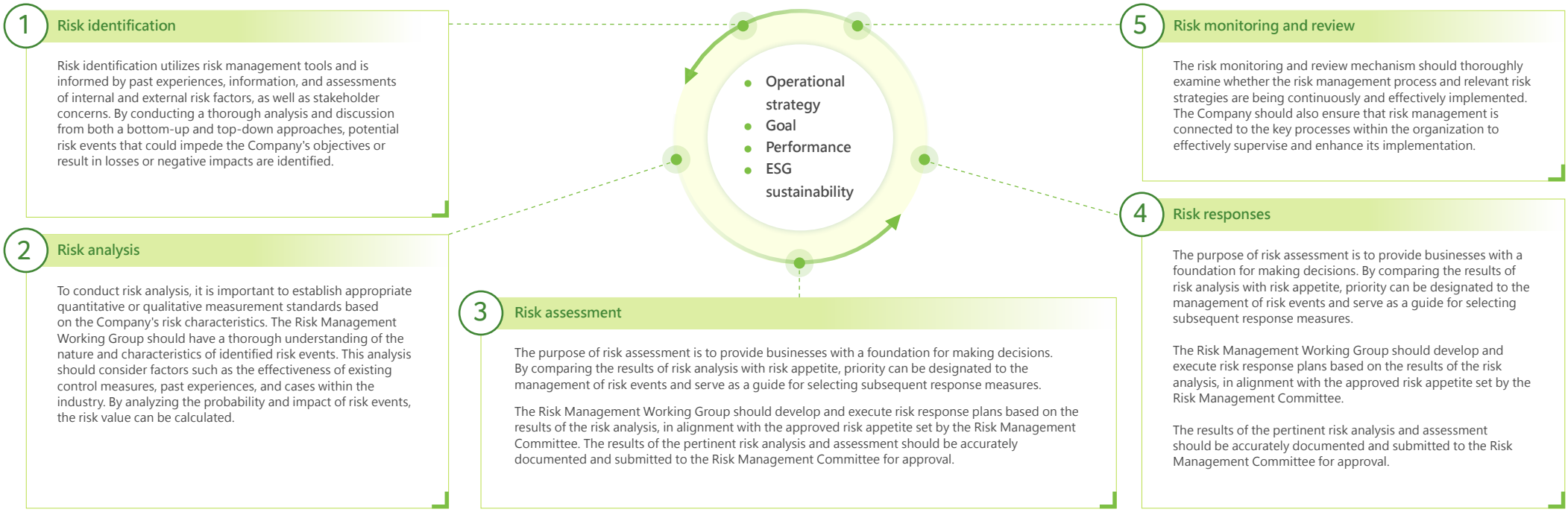
Acer's corporate philosophy is based on the ultimate goal of "sustainable development". We believe that rigorous and pragmatic risk management not only reflects Acer's persistent commitment to our customers, employees, supply chain partners and investors, but also to our long-term commitment to ensuring sound business performance and compliance of corporate social responsibility. It is also a concrete act of ensuring sound business performance and fulfilling corporate social responsibility. The relationship between sustainable corporate development and risk management is intricate. Only by continuously identifying risks and assessing the short-term dynamic changes and long-term trends of risks and implementing relevant risk response plans, and by establishing a corporate culture that takes account of both the effective use of opportunities and the balance of risks through frank internal communication and training programs, can we ensure our hard-earned business results and achieve our goal of "sustainability".

Risk Management Policies and Procedures

To achieve our vision of sustainable development and establish a corporate culture that prioritizes risk awareness, the Company not only adheres to organizational management systems and operational procedures at all levels to implement relevant risk management measures, but also strives for continuous improvement in our risk management practices through the active involvement of senior executives. We rely on international standards such as the ISO31000:2018 Risk Management System and the Enterprise Risk Management - Integrated Framework (COSO ERM 2017), as recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to guide our efforts. In line with this commitment, the Company has developed risk management policies, which was approved by the Board of Directors and implemented on March 16, 2022.

On climate risk, we incorporate climate risk identification and assessment into the enterprise risk management (ERM) process, through the three lines of defense of the risk management organization, self-assessment and process improvement of each business unit, procedural guidance and legal compliance of each support department, and the audit management procedures of internal audit unit. We integrate the ERM implementation with the daily operating procedures of each department/unit and the Company's business targets, 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.

Risk Management Procedures



Scope of Risk Management

The Company's scope of risk management encompasses major risk aspects of strategic risks, operational risks, financial risks, disaster risks, information risks, climate change-related risks, and other emerging risks. We strictly adhere to the provisions of relevant laws and regulations and follow a cyclical process of identifying, analyzing, evaluating, responding to, monitoring, and reviewing risks in order to effectively manage them. We are committed to continuously enhancing our risk management practices through ongoing learning and experience.

Strategic risk	Operational risk	Financial risk	Disaster risk	Risks associated with climate change

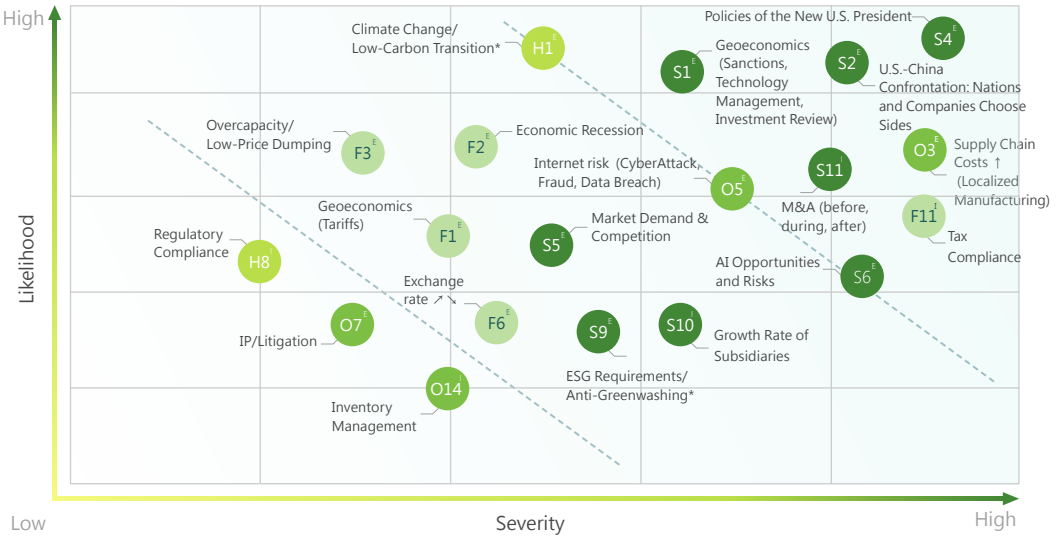
The Prioritization of Climate-Related Risks Relative to Other Risks

Acer actively manages risks across various areas in a cost effective manner, including strategies, as the scope of risk management covers the aspects of strategies, operations, finance, disaster and climate change. Regular general assessments are conducted for both internal and external business environments. The external business environment assessments also incorporate external international risk reports and reports and research results from the insurance sector and risk management consultants so as to ensure the completeness of risk perception. These assessments form the basis for establishing a risk radar. In 2024, Acer's risk radar identified a total of 49 risks through the aforementioned procedures, comprising 18 internal risks and 31 external risks. Of these, 22 were identified as ESG-related risks.

The risk management organization utilizes risk map, risk impact scenario analysis/risk assessment table, and other risk management tools to assess the potential threats posed by various risks to the Company's future operations. This assessment is based on the likelihood of risk occurrence and the severity of potential losses. Risk levels are designated to determine the priority and resource allocation for subsequent risk control measures. Sensitivity analysis and stress test are also adopted to quantitatively analyze the risks and examine the degree of correlation among the risk factors. The risk items in the 2024 risk matrix classified as medium-high or above include the policies of the new U.S. president, tax compliance, increased supply chain costs (localization of manufacturing), mergers and acquisitions (before, during, and after), U.S.-China tensions/national and corporate alignment, geoeconomics (sanctions, technology management, investment review), AI opportunities and risks, and information security risks (cyber attacks, fraud, data breaches), totaling eight items (refer to the 2024 risk map for details). Climate Change/Low-Carbon Transition risk are classified as medium-level severity risks within the high-likelihood category.

2024 Acer Risk Map

Risks are ranked based on their severity/likelihood. The more severe a risk is, the further to the right it is placed on the risk scale. Likewise, the higher the likelihood of a risk, the higher it is placed on the risk scale.



Climate-related Risk and Opportunity Identification Procedure

Acer refers 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 to list out relevant climate risk factors and make a climate risk checklist. We conduct comprehensive considerations based on the "risk impact level", "potential risk vulnerability," and "risk probability" of each risk on the checklist. Climate risk classification is then conducted after these factors are multiplied to identify short-, medium-, and long-term climate change risks and Opportunities. Furthermore, to assess the financial impact of various risks and opportunities on the operations, Acer's IFRS Sustainability Disclosure Standards Project Team collaborated with the Risk Management Working Group to conduct a secondary assessment of the identified risks and opportunities based on the "level of financial impact" of each event. It helps us to identify the risks and opportunities that could reasonably be expected to affect our cash flow or cost of capital in the short, medium, or long term, and quantify or qualitatively present their potential impacts for reporting to the Risk Management Executive Committee.

In terms of climate-related opportunities, we conduct a workshop, through the integration of upstream and downstream value chains, including ESG demand customers/distributors, OEM, and components suppliers, and consider 5 dimensions including products and services, market conditions, resource efficiency, energy sources, and resilience, and a total of 14 categories of climate opportunities recommended by TCFD, to identify the significance of each category. Senior executives and subsidiaries' executives are responsible for assessing their business perspective considering factors such as the impact level, potential business opportunity, potential financial impact, and opportunity occurrence period, and ranking the significance score to obtain, the opportunity occurrence period (X-axis) and the potential impact degree (Y-axis). As a result, the company can further analyze its climate strategy and action plan. This will help formulate future development directions, engage climate operators, expand the group's business, and effectively manage climate issues on a daily basis.

Climate-related Risk and Opportunity Identification Procedure

Step 1.	Completing Risk Inventory	Study international trends, technology industry benchmarks, and reports and information released by domestic and international organizations to complete a climate risk inventory
Step 2.	Ordering by Materiality	Firstly, conduct interviews to understand and identify potential climate risks and impact areas related to Acer's value chain. After this, climate risk prioritization by materiality questionnaires are distributed to relevant units for assessment through risk identification workshops
Step 3.	Results and Reporting	Based on the contents of the questionnaire, a risk matrix is generated based on the criteria of risk impact level, risk potential vulnerability, and risk likelihood. This is then reported to the Corporate Sustainability Committee
Step 4.	Response Strategies and External Disclosure	After confirming the risk factors that Acer should strengthen mitigation of and continue to focus on, specific response measures or monitoring mechanisms are prepared and disclosed to stakeholders in the Company's annual corporate social responsibility report

Process for Managing Climate-related Risks

Acer's climate risk management process adheres to the company's overall risk management system, which encompasses five procedures: risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review. During the risk identification phase, risk management tools are employed, and potential risk events that could prevent the company from achieving its objectives or cause losses or negative impacts are comprehensively identified through both "bottom-up" and "top-up" analytical discussions, based on past experiences, information, consideration of internal and external risk factors, and stakeholder concerns. In the risk analysis phase, appropriate quantitative or qualitative measurement standards are formulated according to the company's risk characteristics to serve as the basis for risk analysis. The risk assessment phase determines which risk events require priority handling, providing a reference for subsequent response measure formulation. In the risk response phase, risk mitigation strategies are selected and implemented, establishing prevention, contingency, crisis management, and business continuity plans as necessary to effectively control risks while balancing objective achievement and cost-effectiveness. Finally, during the risk monitoring and review phase, the risk management process and related risk strategies are reviewed to ensure continued effective operation and to confirm that risk management is linked to key organizational processes, thus effectively monitoring and enhancing the benefits of risk management implementation.

Climate-related Risk Management on Supply Chain

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 corporate responsibility implementing and share in the practical experience of its members. With the implementation of Acer Responsible Supply Chain Management (ARSM), all Acer manufacturers and service providers are required to comply with both the RBA Code and local regulations, with no regional differences. We encourage and require suppliers to take corporate responsibility and manage the social and environmental responsibilities within their supply chains. We advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

Supply Chain Social and Environmental Management Process

On the 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 suppliers 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. 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 suppliers pass a social and environmental responsibility risk assessment and sign an RBA Code of Conduct compliance statement before they become official suppliers.

*Note1: Risk management: Initially screen supplier risks based on country risk, industry risk, product risk, and importance to filtered suppliers.

*Note2: Risk Assessment (Desk Assessment): Consider based on the supplier's self-assessment, results of previous audits, the risk level of the factory location, and the supplier's business relationship with Acer, and the concerns of stakeholders. It is carried out through desk assessment, supplemented by remote audits conducted via phone or video conferencing.

Supplier Screening and Evaluation

On the supply chain GHG 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 response to the rapidly evolving environmental and climate-related requirements, we continue to promote on-the-job training for suppliers and their employees, comprehensively implementing ESG education and training for all suppliers. In 2024, we conducted climate-related courses covering topics such as carbon management, carbon disclosure, carbon tariffs, and product carbon footprint (ISO 14067). In the future, we will continue to promote on-the-job education and training to consistently update and strengthen ESG-related knowledge among suppliers' employees.

In addition, we implement Supplier ESG scorecards to review Supplier ESG practices and performance. This score of the environmental category includes the greenhouse gas reduction targets, carbon management performance, greenhouse gas emissions and allocation, energy and renewable energy use, carbon footprint, hazardous substance control, environmental regulatory compliance, waste management, and biodiversity. The result is included in the quarterly business review (QBR) for key product lines and critical components and is presented to Acer and Supplier senior executives to create a driving force in the business relationship.

In order to expedite and improve suppliers' sustainability management performance, Acer has established a supplier incentive and elimination mechanism based on quarterly evaluation results. Six dimensions are considered through quarterly evaluation, including supplier core competencies and sustainable development. Suppliers are rated on a five-level scale to identify those demonstrating sustainable and outstanding performance. Their procurement share will be increased, and they will be given opportunities for new product collaborations. Poor-performing suppliers will be eliminated to enhance and improve the company's supply chain.

Metrics and Targets

Acer shoulders the mission of being a leading brand and promises to achieve net zero emissions by 2050, increase 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.

Climate-related Targets and the Performance

	Climate-related Targets		2024 performance
	Near term	NET-ZERO	
Greenhouse Gas Emissions	Acer Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. (SBTi-approved)	Acer Inc. commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2019 base year.	39.6%
	Acer Inc. also commits to reduce absolute scope 3 GHG emissions 35% by 2030 from a 2020 base year. (SBTi-approved)	Acer Inc. also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2020 base year.	38.8%
Renewable Electricity	100% renewable electricity usage by 2035		60.3%
Low Carbon Product	45% reduction in average computer energy consumption in 2025, compared to 2016		Computer: 43.9% Desktop Computer: 45%
	20-30% of PCR plastics content in computers and displays by 2025		18.6%

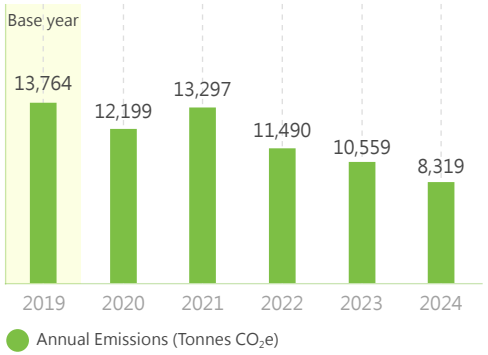
Status of Climate-Related Indicators

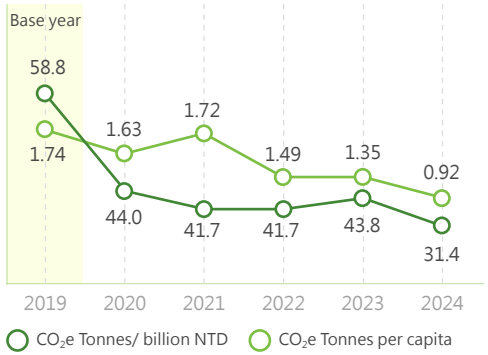
Greenhouse Gas Emissions

Since 2011, we have conducted annual GHG inventories in accordance with the GHG Protocol, using the operational control approach, and in line with the Group's consolidated financial reporting boundaries. We also commissioned a third-party verification agency certified by Taiwan's Environmental Protection Administration to undertake greenhouse gas emission verification for both direct and indirect categories, i.e., Scope 1, Scope 2, and Scope 3, and acquired the ISO 14064-1: 2018 Greenhouse Gas Verification Opinion.

In 2024, the verified carbon emissions from operation (Scope 1, 2) were 8,319 tonnes, a reduction of 21.2% compared to the previous year and a decrease of 39.6% compared to the baseline year of 2019, meeting the expected reduction target. Among them, Scope 1 emissions were 2,145 tonnes, a reduction of 8.3% compared to the previous year and a decrease of 39.4% compared with the baseline year of 2019, resulting from the carbon reduction actions such as the significant reduction in the use of natural gas for heating in our European and American operations sites and the electrification of gasoline and diesel vehicles. Scope 2 emissions were 6,174 tonnes (market-based), a reduction of 24.9% compared to the previous year and a decrease of 39.6% compared to the baseline year of 2019. The decrease can be attributed to a dual effect of reduced electricity consumption and increased use of renewable energy. The operational carbon intensity, which measures carbon emissions per unit of revenue, was 31.4, a decrease of 46.5% from 2019. Additionally, the per capita emissions were about 0.92 metric tons, a decrease of about 46.9% compared to 2019.

Acer Group Annual Greenhouse Gas Emissions

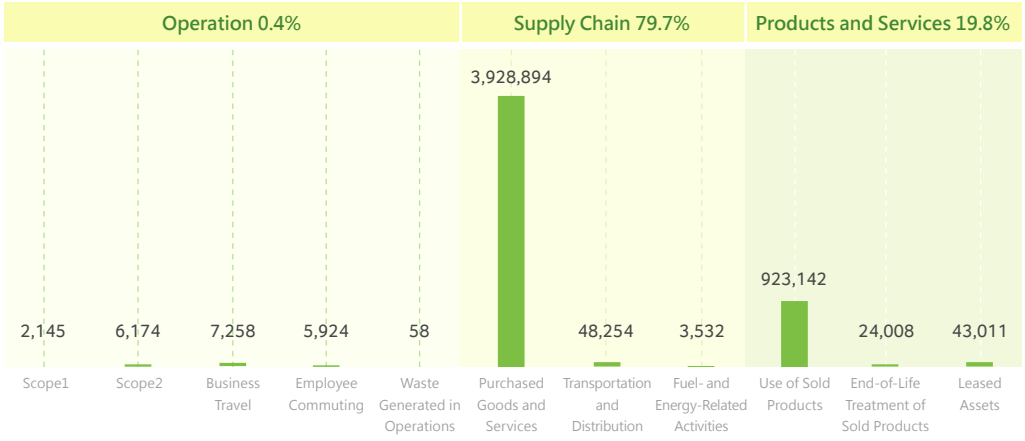




For Scope 3 emissions, we follow the principles of GHG Protocol Scope 3 and identify significant indirect emission sources of the company based on identification factors such as quantitative significance, impact, data availability and accuracy, and include other significant indirect emission sources into the scope of the inventory based on the results of the identification.

In total, Acer's verified value chain carbon emissions (Scope 3) in 2024 totaled 4,984,022 metric tons, a reduction of 14% from the previous year and 38.8% from the 2020 baseline year, mainly due to the low-carbon and reduced-carbon design of our products as well as a reduction in the number of PC products shipped. For the year 2024, our primary sources of emissions are in the supply chain, including Scope 3, Category 1, Raw Materials Purchases, Category 3, Fuel and Energy Related Activities, and Category 4, Transportation Stage, which account for 79.7% of our total emissions. The products and services sector accounted for 19.8% of total emissions, with the use of products in Scope 3 Category 11 being the largest, and leased assets being the second largest source of emissions in the products and services sector.

2024 Acer Carbon Emission (MT CO2e)



2020-2024 Acer Carbon Emissions

	2020	2021	2022	2023	2024
Emissions from Operating Activity (Tonnes CO_2e)	13,077	14,395	13,783	24,483	21,559
Emissions from Supply (Tonnes CO_2e)	6,550,901	7,108,184	5,550,554	4,869,449	3,980,622
Emissions From Products & Services (Tonnes CO_2e)	1,586,765	1,663,821	1,141,345	910,762	990,160
Annual Total Emissions (Tonnes CO_2e)	8,150,743	8,786,400	6,705,684	5,804,694	4,992,341
Scope 3 Emissions (Tonnes CO_2e)	8,138,544	8,773,103	6,694,195	5,794,135	4,984,022
Scope 3 Emissions compared to the base year of 2020 (%)	-	+7.8%	-17.7%	-28.8%	-38.8%

Renewable Electricity

Acer is committed to achieving 100% global operations using renewable energy by 2035. We are increasing the proportion of renewable energy used by the group through a strategy of self-built solar power systems and the purchase of renewable energy. In 2024, we used 18,620,000 kWh of renewable electricity in our operations, achieving our interim target of 60% renewable electricity one year ahead of schedule and continuing to progress toward our 100% renewable electricity usage target by 2035. The sources of renewable electricity include on-site solar power self-consumption at sites, long-term corporate power purchase agreements (CPPAs) with renewable electricity suppliers, and renewable energy certificates (RECs) from the local locations where our operates worldwide in accordance with the RE100 technical criteria including, Including International Renewable Energy Certificates (I-RECs), Guarantees of Origin (GOs), and others. Additionally, in the same year, we constructed a 390 kV solar power system at our Taoyuan site in Taiwan, which began supplying electricity to our data center to decrease the reliance on purchased electricity.

Low Carbon Product

Acer is committed to reducing the environmental impact of its products during the product life cycle by integrating the concept of circular economy. Product energy efficiency has been a key design indicator for us. We base our product design on the U.S. ENERGY STAR standard and will continue to offer consumers more products with low energy consumption. In addition to expanding the coverage of the Modern Standby power management mode, we are also incorporating additional display power saving technology. Simultaneously, we continue to increase the selection of devices supporting power-saving modes that enter lower power states during idle periods, while improving standby efficiency of power adapters to meet ENERGY STAR 9.0 Computer requirements. In 2024, 66.6% of our computers and monitors are U.S. ENERGY STAR certified.

The average energy consumption of notebook computers decreased by 43.9% compared to 2016, and the average energy consumption of desktop computers decreased by 45% compared to 2016, which also represents a reduction in the carbon footprint of our products during the usage. This progress brings us closer to our goal of reducing the average energy consumption of personal computers by 45% by 2025.

Sustainable materials play a vital role in Acer's comprehensive sustainability strategy. We are dedicated to minimizing the environmental and social impacts throughout the product life cycle. Our commitment begins with the use of post-consumer recycled plastics, increasing the incorporation of recycled materials, and actively avoiding sourcing materials from biodiverse regions. We actively use post-consumer recycled plastic in the products and determine the types and ratios to be used during product planning and carefully select vendors. For products using postconsumer recycled plastics, we ensure that the raw material formulation is as close as possible to the physical properties of the virgin plastic. When necessary, we add strength and reliability design to the product design process to ensure product quality. Users can not only enjoy the same quality of products as virgin plastic, but also support the reuse of resources together with Acer to strengthen the concept of circular economy.

In addition, we place significant emphasis on addressing the problem of marine plastic debris. We make use of recycled ocean-bound plastic and convert it into recyclable materials. The OBP is used in OceanGlass touch panels for notebook computers and Acer Vero Ocean Series apparels. By adopting post-consumer recycled plastic and OBP, our objective is to minimize the improper disposal of plastic waste and raise consumer awareness of environmental issues.
In 2024, 18.6% of post-consumer recycled plastic were used in our computer and monitor products. Over the period of 2020 to 2024, we have incorporated post-consumer recycled plastic into more than 50 million units of our computer and monitor products.

Internal Carbon Pricing

In order to implement carbon reduction and respond to the international carbon border tax (such as EU's Carbon Border Adjustment Mechanism, CBAM) and carbon fee mechanism under the trend of carbon pricing, Acer introduced an internal carbon pricing mechanism in 2022, which uses a shadow price mechanism, establishing a carbon price of US$ 63-127 per metric ton based on the recommendations of High-level Commission on Carbon Prices in support of the Paris Agreement goal of limit global warming rates to below 2° C. This ensures various departments and operating bases to actively carry out more carbon reduction action. The mechanism also acts as the evaluation basis for the Company's introduction of innovative low-carbon solutions such as nature-based solutions, hydrogen energy technology, carbon negative technology and other projects, and we hope that the internal carbon pricing mechanism will accelerate the upgrading to high-efficiency equipment and electrifying official vehicles in operating bases. This will enable the Company to invest in the renewable energy industry and smart energy management systems, facilitating Acer's low-carbon transition and its alignment with the climate-related disclosures of the International Financial Reporting Standards (IFRS S2).

Appendix I Acer Climate Risk Checklist

Risk Category	Risk Profile	Risk Items	Risk Definition
Transition Risk	Regulation and Policy	Increased Demand for and Regulations Related to Sustainability	Emerging sustainable product design codes, climate disclosure requirements (such as emissions disclosure), and renewable energy or environmental regulations and policies increase business operating costs for compliance.
		Increased Costs of Greenhouse Gas Emissions	As trends in carbon valuation become clearer (e.g. carbon taxes, carbon fees), greenhouse gas emissions or the passing on of supplier costs will increase operating costs.
		Regulations and Impact on Existing Products and Services	Environmental sustainability requirements for existing products or services due to new regulations or eco-label guidelines will lead to increased business operating costs.
	Market	Changes in Customer Behavior	Customer expectations for product sustainability are growing, and they are looking for low-carbon characteristics that exceed regulatory requirements or have high standards regarding low-carbon and energy-efficiency certifications.
		Increased Raw Materials Costs	Increased production cost risks arising from changes in the cost of raw materials required in the product manufacturing process due to climate change
	Technological	Costs of Low-Carbon Technology Transition	Low-carbon technological competition or low-carbon transition to improve energy efficiency, low-carbon technology R&D
		Low-Carbon Alternatives to Existing Products and Services	When the low-carbon product or service technologies appear among the competition, the product or service technologies our company employs will be replaced
		Failed Investments in New Technologies	Risk of investment in digital technology, new technology failure
	Reputation	Increased Negative Feedback from Stakeholders	Stakeholders' response to corporate energy saving and sustainable performance, such as investors listing climate change strategy as one of their evaluation criteria
		Movements in Customer Preferences	Risk of declining customer satisfaction or shifting preferences when climate-related risks create brand concerns among customers
Physical Risk	Extreme Risk	Typhoons, hurricanes, cyclones	Damage to operations or production plant or equipment, supply chain disruption, or inability of employees to get to work due to typhoons
		Droughts	Water supply shortages due to droughts, decreased production efficiency due to water restrictions, increased water acquisition cost, additional costs incurred due to development of system maintenance, etc.
		Heavy rainfall, storms	Events such as extremely heavy rainfall, storms, or flooding caused by changes in rainfall types may cause plant or equipment damage, disrupt the supply chain, or render employees unable to get to work.
		Extremely Low Temperatures	Sudden drops in temperature caused by low-pressure belts of cold air driven down from the Arctic to the central latitudes may cause weather phenomena like blizzards, rendering staff unable to travel to work and thus leading to operational interruptions and even damage to products and equipment.
	Long-term Risks	Rising Average Temperatures	Increased costs due to rising average temperatures resulting in gradual energy shortages, supply chain disruptions, and a reduced labor force.
		Rising Sea Level	Sea level rise may lead to the flooding of Acer’ s operating sites or those of our suppliers, leading to financial losses.

Appendix II Acer Climate Opportunity Checklist

Opportunity Profile	Opportunity Items	Opportunity Definition
Products & Services	Development and/or Addition of Low-Carbon Goods and Services	Facing global low-carbon transitions and trends, developing or enhancing the application value of low-carbon products or related low-carbon services, can help boost business revenue
	Development of New Products and Services through R&D and Innovation	Development of new products or services through R&D and innovation can help customers respond to or mitigate climate change, helping increase competitiveness and business revenue
	Diversification of Business Activities	Innovative technology, system integration, and software optimization can open up a diverse array of revenue sources
Market	Changes in Consumer Preferences	As low-carbon transition has risen as a trend, customer demand for energy efficient products and corporate climate resilience has increased. A prompt focus on high-efficiency product development and marketing can enable us to gain a competitive advantage, thus increasing revenues
	Access to New Markets	Early entry into emerging markets in a low-carbon transition can secure us a competitive advantage and expand the reach of our business, resulting in increased revenues
Resource Usage Efficiency	Use of Public Sector Incentives	Through participation in public sector programs, we can get relevant certifications or respond early to regulatory developments
	Using More Efficient Production and Distribution Processes	Increasing the efficiency of production and distribution processes, as well as machinery and equipment, can reduce operating costs and increase productivity
	Transition to More Efficient Buildings	Through energy smart buildings, electrifying new buildings, and the like, we can reduce both operating costs and carbon emissions
Energy Sources	Adopt More Efficient Modes of Transport	Through green logistics or transition to relatively low-carbon modes of transport, we can reduce carbon emissions
	Use of Low-Carbon Energy	By switching to low-carbon emission energy to replace coal-fired electricity and reducing energy consumption in production and delivery, we can reduce carbon emissions and bolster our resilience to climate change and related regulations
Resilience	Participation in the Carbon Market	Through participation in the carbon market or developing carbon credits, we can accumulate the carbon credits required to counterbalance future emissions
	Use of New Technologies	By applying, investing in, or developing new energy technologies, we can reduce carbon emissions while reducing energy costs
	Participating in Renewable Energy Projects	By investing in renewable energy grids, energy storage systems, and so forth, we can respond to renewable energy demand and drive energy transformation while reducing the impact of carbon pricing on operating costs
	Alternative/Diversified Energy Types	By strengthening the climate resilience of suppliers and customers, we can reduce duration disruptions and potential losses while boosting our ability to adapt to environmental challenges