

acer

Acer Sustainability Report 2021



COVER STORY: THE EMBODIMENT OF SUSTAINABLE MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2021, Acer launched the Earthion initiative. This initiative is aimed at helping solve the environmental challenges faced by modern humanity through innovative integrated solutions. That same year, Acer began to realize this commitment through the launch of its first environmentally friendly notebook, the Aspire Vero. Built around sustainability, expandability, and upgradability, it is a reflection Acer's commitment to sustainable operations.



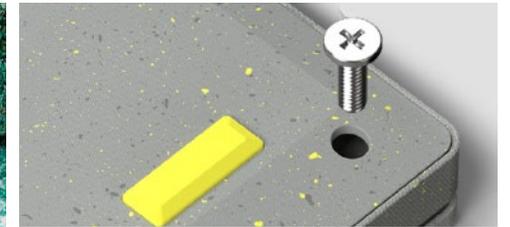
In this report, you can learn more about Vero:

- [Earthion Initiative](#)
- [Packaging Design](#)
- [Post-consumer recycled plastics](#)
- [Response to SDG12 Responsible Consumption and Production](#)



Post-Consumer Recycled (PCR)

Made from post-consumer resins, PCR plastics are eco-friendly, more sustainable, and reduce landfill waste.



Upgradable Laptop

For easy repairs, upgrades and recycling, we use standardized screws.



30% PCR Materials

From our top and bottom cover, screen bezel, and operating surface, we proudly use PCR.



Paint-Free

The paint-free chassis lowers the negative impact of VOCs.



50% PCR Keycaps

We were able to go a step further and raise the PCR content to 50% in our keycaps.



Reduce, Reuse, Recycle

Mirrored R and E keys reinforce the crucial message.



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MESSAGE FROM THE CHAIRMAN AND CEO

Acer continues to evolve with the industry and lifestyle changes, which we believe is the key to creating business growth and sustainability in the long term. A fundamental concern across all industries, the subject of climate change has become more critical than ever. In 2021 we declared our mission to help tackle environmental challenges with the Acer "Earthion" platform, that unites the strengths of our employees and supply chain partners, to effectively expand the social impact of our sustainability efforts. In the same year, we renamed our sustainability taskforce as "Acer ESG Office," which not only reflects how we embed environmental, social, and governance (ESG) into our corporate actions, but also how the office serves as a platform for collaboration with our stakeholders and a catalyst for sustainable innovation.

Many goals and commitments were set in 2021, among them, we joined the RE100 initiative and pledged to source 100% renewable energy by 2035. We set a goal to reduce average personal computer energy consumption by 45% by 2025, compared with 2016. As an advocate for circular economies, Acer launched the Vero line of green laptops, desktops, displays and accessories, which utilize recycled plastic, recyclable packaging, and ocean-bound plastic waste. These commitments also respond to the UN's SDG 12 for responsible consumption and production, and SDG 13 for climate actions. Since our adoption of the global disclosure system of the Carbon Disclosure Project (CDP) in 2008, to manage the environmental impacts of our supply chain, we have expanded the system to two tiers of supplier engagement and plan to expand to three tiers of suppliers in 2022.

For the fifth straight year, Acer's global ESG Project Awards highlighted the social responsibility initiatives and the passion from our employees worldwide. As a technology company, our projects sought to promote digital equity, and break barriers between people and technology. With focuses on education and the environment, Acer has been helping disadvantaged groups, such as providing computers for the blind and teaching them to use assistive technology, and refurbishing computers and providing literacy education for veterans to help them get into the work force. Our employees have also initiated various green actions such as planting tens of thousands of trees in collaboration non-profit groups to protect the environment.

"ACER BELIEVES THAT IT IS EVERYONE'S RESPONSIBILITY TO DO THE RIGHT THING FOR A GREENER ENVIRONMENT"

Jason Chen

In regards to geopolitical and social impacts, our priority is always the safety of our employees and their families. As the Covid-19 pandemic lingers on, our company has been working hard to help people cope with the challenges by providing them with the technology to stay connected for study, work, or in touch with their loved ones.

Acer's strategy to maintain sustainable operations by building multiple business engines continues to gain momentum and has seen viable growth, by contributing to 17.6% of Acer's overall revenues in 2021. Importantly, our shareholders have the opportunity to invest in the new engines as they go public, so that shareholders can have their share of voice and be part of the business development, and ensuring that we adhere to proper governance.

Our corporate responsibility efforts have consistently been recognized by global sustainability indices. We were awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook in both 2021 and 2022 for the top ESG scoring companies. We were listed in the MSCI ESG Leaders Indexes for the eighth year, and garnered the best rating of "AAA" for the first time that represents the top 2% in its category. And for the eighth consecutive year we have been listed in the Dow Jones Sustainability Indices Emerging Markets Index.

With our stakeholders' support we've navigated through these ever-challenging times and tested our company resilience. We will continue to communicate transparently and strengthen the resilience of our company.

Chairman and CEO



IMPORTANT ACHIEVEMENTS AND RECOGNITION



MSCI Leaders Indexes

Selected for MSCI Leaders Indexes for the eighth consecutive year



MSCI ESG Rating

MSCI ESG Rating: AAA

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

The Dow Jones Sustainability Emerging Markets Index

Chosen for the eighth consecutive year to join the Dow Jones Sustainability Emerging Markets Index as a component stock as well as ranking number five worldwide in THQ Computers & Peripherals and Office Electronics.

Sustainability Award Silver Class 2022



S&P Global

Acer received a Silver Award in the S&P Global Sustainability Yearbook 2021, the second consecutive year the Company has been so honored.

Our services are recognized by customers

Acer China

Acer China received the Service Brand of the Year 2021 award from Popular Computing Weekly, their 15th time being so honored

Acer Germany

First Place for Telephone and Email Service from the German Institute for Service Quality
First Place for Online Service and Support from the German Institute for Service Quality

Acer Switzerland

Acer Switzerland ranked in the Top 5 in the ServiceValue Service-Champions Awards for the second consecutive year

Acer Spain

Acer Spain won the Customer Service of the Year Award 2022, the sixth consecutive year they have been so honored

Acer Italy

Acer Italy received Migliori In Italia awards for excellence in notebook and desktop computer service



FTSE4Good

FTSE4Good

Chosen for inclusion in the FTSE4Good Emerging Index for the sixth consecutive year



FTSE4Good TIP Taiwan ESG Index

FTSE4Good TIP Taiwan ESG Index

Chosen for the fourth consecutive year to join the FTSE4Good TIP Taiwan ESG Index



Ecovadis Sustainability Rating

Received Platinum



WBA digital inclusion

Ranked 45th in WBA digital inclusion benchmarking



Taiwan Corporate Sustainability Awards (TCSA)

Received the Gold Award, Climate Leadership Award, Supply Chain Leadership Award, and Sustainability Report Award in the Taiwan Corporate Sustainability Awards (TCSA)



RE100 2021 Leadership Award

Finalist for the 2021 Leadership Award from the RE100 international renewable energy initiative



ISS ESG

Rated "Prime" ISS ESG Corporate Rating



World's Best Employers—by Forbes

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



Our products have received awards from all around the world

ESG PERFORMANCE HIGHLIGHTS

Environment

RE100

Joined the global RE100 initiative and pledged to use 100% renewable energy by 2035

45 %

45% renewable energy usage by Acer Group

15 million

15 million units used post-consumer recycled plastics

55 %

55% of critical suppliers completed science-based carbon reduction target (SBT) setting

Social

NT\$51.16 million

Global social philanthropy and community engagement investments total over NT\$51.16 million, accounting for 1% of profits

Second year

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

46,000 man-hours

Global investment in regional social projects totals over 46,000 man-hours

100 %

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

Digital Inclusion

Ranked 45th in the World Benchmarking Alliance's Digital Inclusion Category

14,300

143,000 people helped by Acer social projects

Governance & Economic

95 %

Percentage of positive customer evaluations reached 95%

Third

Ranked third in Taiwan for number of patents granted worldwide with 809

+15 %

Fiscal 2021 revenues up 15.1% year-on-year

91 %

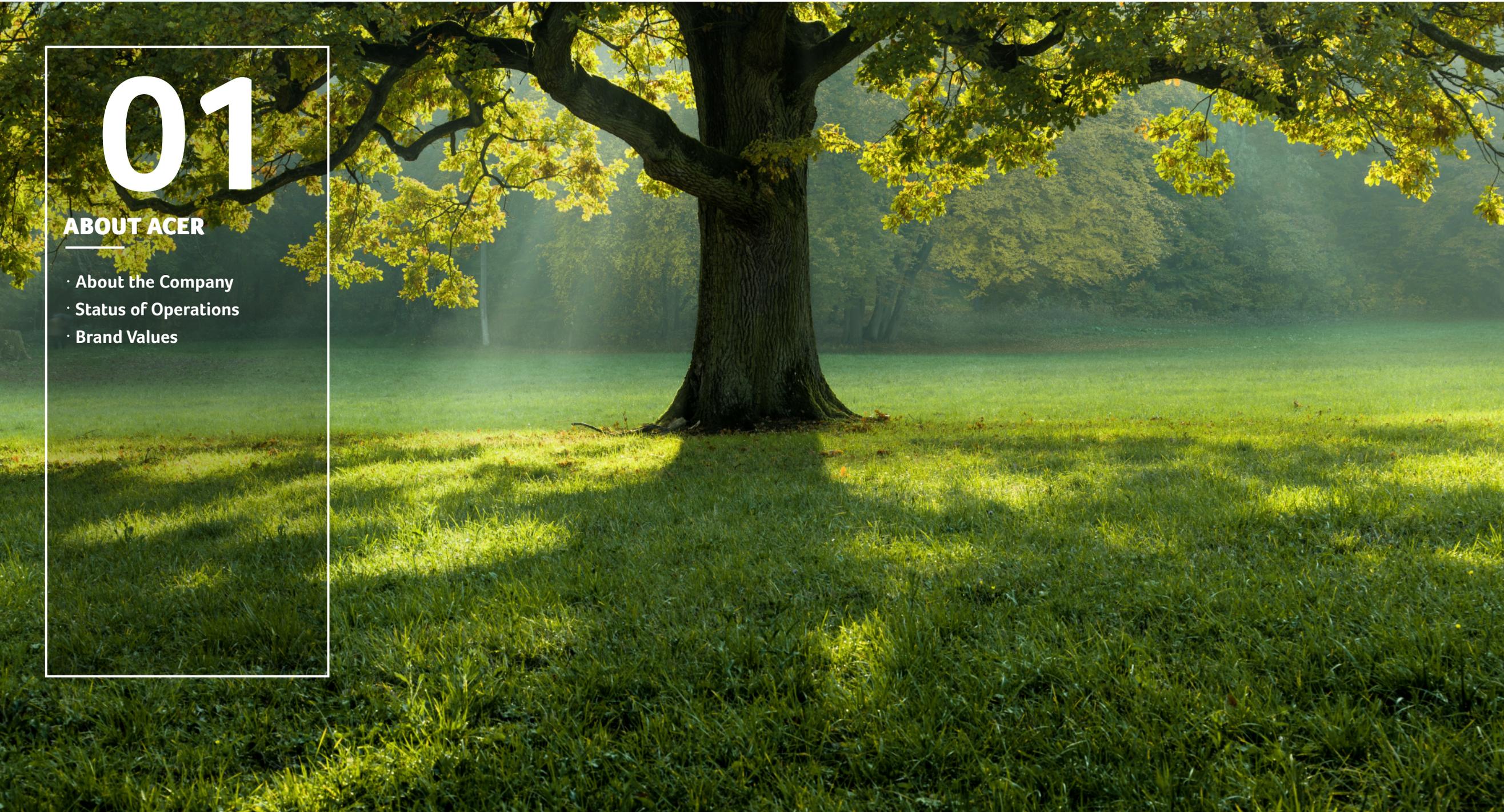
ESG education and training completion rate of over 91%



01

ABOUT ACER

- About the Company
- Status of Operations
- Brand Values





ABOUT THE COMPANY

Founded in 1976, Acer is one of the world's top ICT companies with a presence in more than 160 countries. As Acer evolves with the industry and changing lifestyles, it is focused on enabling a world where hardware, software and services will fuse with one another, creating ecosystems and opening up new possibilities for consumers and businesses alike. Acer's 7,700 employees are dedicated to the research, design, marketing, sale, and support of products and solutions that break barriers between people and technology.



Founded: **1976**
 Headquarters: **Taiwan**
 Employees: **7,700+**
 Retail touchpoints: **95,000**
 Sold in: **160+** countries

<p>NT\$319 billion</p> <p>Fiscal 2021 revenues up 15.1% year-on-year</p>	<p>7</p> <p>listed companies</p> <p>Including Weblink, ACSI, AEB, Aopen, Acer Medical, Highpoint Service Network, AST</p>
<p>82 %</p> <p>2021 revenues: 82.4% from PC + displays; 17.6% from other businesses (versus 15.4% in 2020)</p>	<p>100 %</p> <p>Pledged to source 100% renewable energy by 2035</p>
<p>Announced Earthion platform</p> <p>launched the Vero green product line</p>	<p>3rd</p> <p>Ranked top 3 in patent applications in Taiwan, 2021</p>

Business Scope

The company continues to push for innovation and environmentally-friendly designs in existing businesses, while expanding to new initiatives. In the PC and displays business, Acer is committed to strengthening the foundations with technological innovations such as by designing unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more.

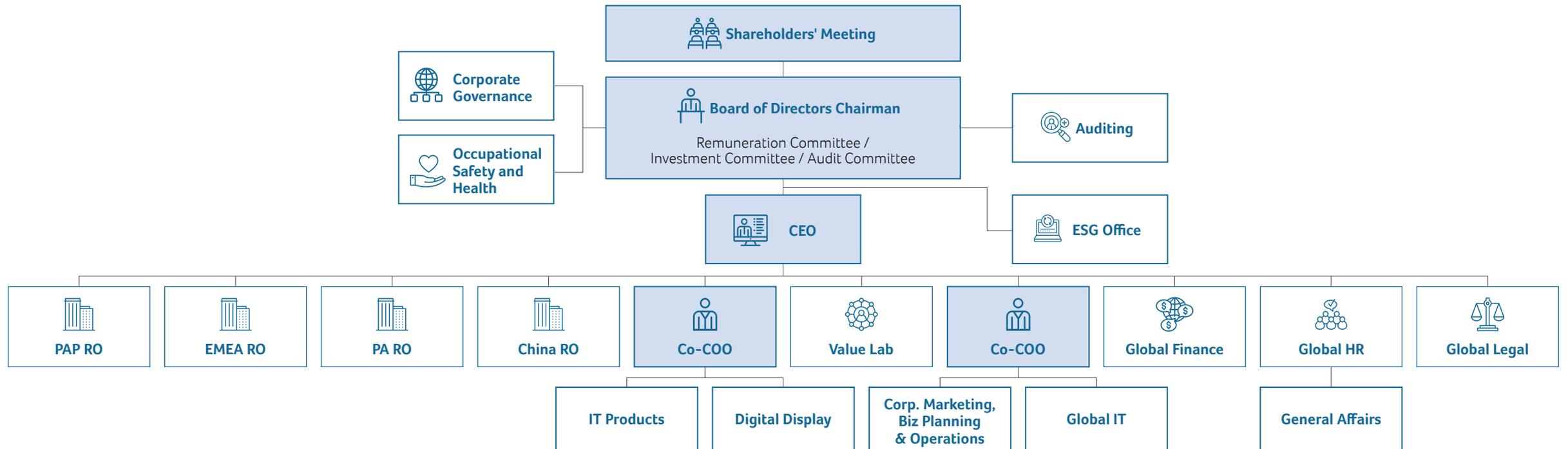
At the same time, its strategy to explore new initiatives such as solutions for smart cities, expand into PC-adjacent territories, and cultivate multiple business engines, is gaining momentum.

Current Products and Services

- | | |
|--------------------------------------|-------------------------------|
| Notebook PCs | Cloud services |
| Desktop PCs | E-business and services |
| Monitors | Commercial solutions |
| Projectors | Digital signage solutions |
| Gaming products and esports platform | Cyber security and datacenter |
| Gadgets and apparel | Beverages |
| Servers | Smart city |
| | AI medical |



Organization Chart



STATUS OF OPERATIONS

The Covid-19 pandemic remained throughout 2021, causing social and economic instability. To maintain its momentum and long-term sustainability, Acer continued to evolve with the industry and changing lifestyles by pushing for innovation and environmentally-friendly designs in existing businesses, while expanding to new territories. According to data, the global PC market in 2021 grew 14.8% year-on-year, achieving a record high since 2012. In market share, Acer ranked No. 5 with 7% share and 14% growth year-on-year. Keeping abreast of the market status and economic outlooks, Acer's swift decision making have enabled the company to maintain steady growth and demonstrate resilience during these times of high volatility. Acer is communicating with its suppliers on a daily basis of its needs and component availability to ensure it can do its best to fulfill customer needs to stay connected and productive during the pandemic. Acer reported 2021 consolidated revenues of NT\$319 billion, gross profits of NT\$14 billion with 58.5% margin, operating profit margin 4.4%, net income of NT\$10.9 billion and EPS of NT\$3.63.

Financial Performance

Consolidated Revenues

Unit: NT \$ Billion



Operating Profit (Loss)

Unit: NT \$ Billion



After Tax Earnings (Loss)

Unit: NT \$ Billion



Basic Earnings Per Share

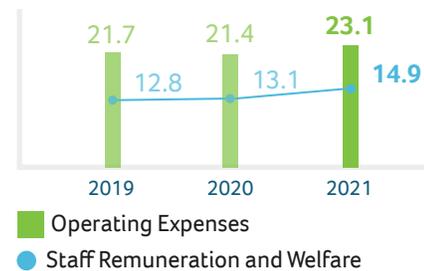
Unit: NT \$



Distribution of Economic Value

Operating Expenses/Staff Remuneration and Welfare

Unit: NT \$ Billion



Income Tax Expense

Unit: NT \$ Billion



Liability and Equity

Unit: NT \$ Billion



R&D

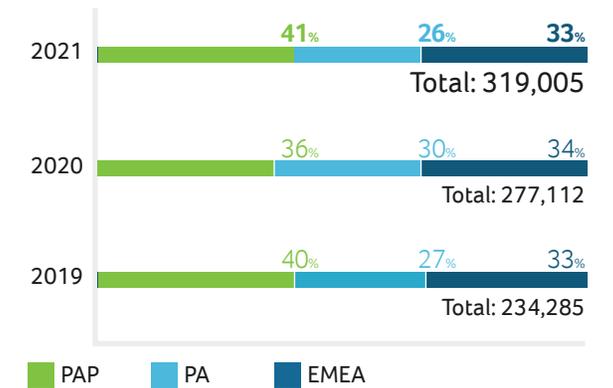
Unit: NT \$ Billion



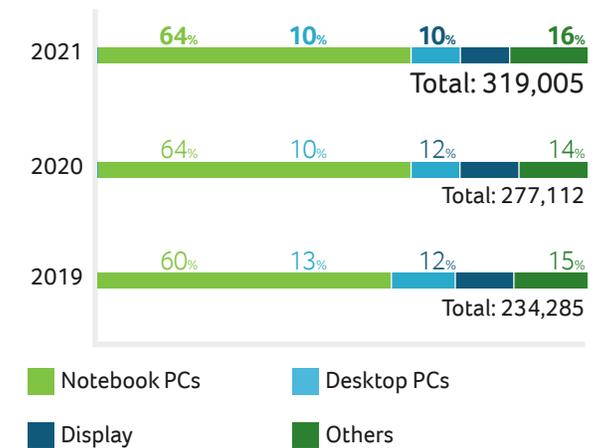
IT Products 2021

Unit: NT\$(Million)

Region



Product Category



BRAND VALUES

Acer is constantly evolving with the industry and changing lifestyles, and is guided by its long-term mission of breaking barriers between people and technology. Acer’s brand values of “human,” “progressive” and “curious” translate into a determination to change the world for the better.

The company continues to push for innovation and environmentally-friendly designs in existing businesses, while expanding to new initiatives. In the PC and displays business, Acer is committed to strengthening the foundations with technological innovations such as by designing unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more. At the same time, its strategy to explore new initiatives such as solutions for smart cities, expand into PC-adjacent territories, and cultivate multiple business engines, is gaining momentum.

With a commitment to environmental, social, and governance (ESG), Acer launched [Earthion](#), a platform that combines the strengths of its employees, supply chain partners, and consumers, to help tackle environmental challenges.

Through its Earthion platform, Acer launched a portfolio of sustainability-focused products, called [Vero](#), which utilizes post-consumer recycled (PCR) plastic, ocean-bound plastic waste, and recyclable packaging. In addition, they have been intentionally designed to be easy to disassemble, repair, and upgrade in order to extend their lifecycle.



Let’s ensure our business is built for the sustainability of our company and for the earth.

Jerry Kao
Co-Chief Operating Officer



I am so touched to see Acer employees and partners come together, knowing that they have the ability to make decisions to protect our environment for future generations.

Tiffany Huang
Co-Chief Operating Officer

Earthion is the culmination of several years of efforts and will continue to evolve.

What began as an idea to fight against climate change and digital divide, led to the birth of [Project Humanity](#), a company-wide initiative to raise awareness of intensifying global issues and encourage each employee to make positive changes. Acer then took its environmental commitments further with Earthion, a platform that combines the strengths of the company, its supply chain partners, and consumers. “Earthion” is the name Acer created to represent its mission to help tackle environmental challenges through innovative and integrated solutions.

The driving force behind Earthion is each member’s belief that its mutual collaboration can effectively create a positive impact on the environment.

Earthion’s primary topics of focus include Acer’s RE100 commitment to reach 100% renewable energy usage by 2035, the pursuit of greener product design, and to reduce the carbon footprint of Acer’s supply chain.

[Watch a video of Acer employees working on Project Humanity.](#)





MARKETING COMMUNICATIONS

Through a variety of mediums, the Acer Group brands and companies communicate their product and service value propositions, beliefs and other messages to their stakeholders. Through social media and websites, Acer hosts online events, announces new products, and runs marketing campaigns. Acer also holds or joins industry events, virtual or physical, such as its bi-annual global press conferences, esports tournaments, and tradeshows. In addition, by collaborating with social influencers, Acer engages with existing and new target audiences. All of Acer's global events in 2021 were [held online](#) due to the Covid-19 pandemic restrictions and in consideration of the safety of all stakeholders.

Supporting the Pandemic Needs

Besides the safety and health of employees as priority during the pandemic, Acer headquarters also collaborated with its local operations and partners to support local needs. In India, Acer donated oxygen generators, which were in serious short supply, and ozone antibacterial sanitizers for cleaning to a local hospital treating Covid-19 patients. Acer Medical, an Acer subsidiary, also joined the Taichung Veterans Hospital by providing AI-assisted medical solutions to physicians in the Republic of Nauru. The [VeriSee DR \(diabetic retinopathy diagnosis software\)](#) and [TeleMed \(video diagnosis and treatment software\)](#) solutions assisted physicians by enhancing their medical capacity.

Sustainability Efforts

Since Acer's announcement of its focus on developing sustainability-focused products in May 2021, the worldwide media has expressed much interest and praise for this course of action. Later in the year, Acer expanded its lineup of [eco-friendly Vero products](#) to commercial notebooks, desktop computers, monitors, and accessories.

Through sim (simulated) racing, Acer in EMEA collaborated with the RCCO World eX Championship and the R8G eSports team to boost awareness for the Aspire Vero notebook launch and encourage people to join the fight against climate change. The "Racing for the Climate" event combined motorsports, eSports and entertainment to promote sustainability, making it a powerful platform for strong and credible story-telling about the Aspire Vero among the green community.

The Aspire Vero eco-friendly laptop's green packaging design [earned a 2021 Red Dot Award for Brand & Communication Design in the "Packaging Design" category](#). This recognition is testament to the fact that Acer's products and initiatives consistently resonate with industry trends. Furthermore, in China, Acer won an ESG Pioneer 60 "Annual Social Responsibility Award" from Jiemian News and also a "Double Carbon" award from ZDNet. This is the first time for Acer to win ESG awards from Chinese media, demonstrating Acer's achievements in sustainability are being noticed.

next@acer

NEW PERSPECTIVES



02

ESG GOVERNANCE AND STRATEGY

- 2025 Sustainability Targets and SDGs
- ESG Policy, Strategy, and Governance
- Materiality and Stakeholder Engagement

Acer engages in ongoing review and promotion of important sustainability issues and strives to incorporate sustainable development policies into daily operations. We have established an ESG governance pipeline for the communication of relevant issues, implementing a variety of resolutions, and pursuing stronger governance. We review the overall environment and the expectations of our stakeholders to plan Acer ESG policy and more deeply integrate ESG into our overall value chain to boost ESG performance.



Setting 2025 Sustainability Goals



Renaming the Corporate Sustainability Office to the ESG Office

91%

Global ESG training completion rate

2025 SUSTAINABILITY GOALS AND SDGs

The United Nations Sustainable Development Goals (SDGs) cover important sustainability issues and challenges facing mankind. As a corporate citizen, Acer has the power to contribute to the sustainable well-being of mankind. Acer uses our core competencies to address social needs. We set sustainability goals for 2025, focusing on the following three aspects:

- **Climate Change:** Net-zero carbon emissions has become the global consensus, and it is also a mission and challenge we must shoulder.
- **Circular Economy:** As a strategy for climate change adaptation, circular economy not only reduces the burden on the environment, but also promotes innovative business.
- **Social Impact:** We exert social influence by raising awareness of and investment in environmental protection and social engagement among staff and working with various stakeholders.

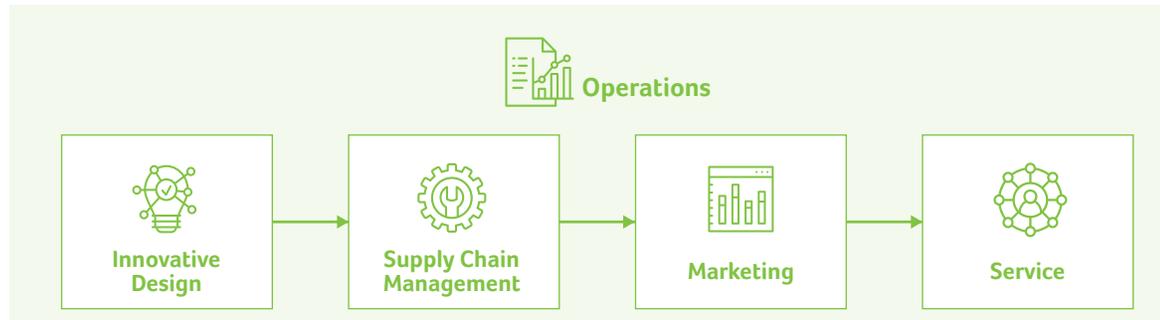
2025 Sustainability Goals and Status

Aspect(s)	SDGs	Strategic Direction	2025 Goals	Status as of 2021
CIRCULAR ECONOMY		Sustainable Design	20-30% of PCR plastics content in core products (notebooks/desktops/monitors)	16 % of PCR plastics content in core products (notebooks/desktops/monitors)
		Recycled Materials		
		Reduce Plastic Packaging		
				For more information+
CLIMATE CHANGE		Renewable Energy	Acer Group to reach 60% renewable energy *RE100 by 2035	45 % renewable energy usage
		Energy Efficiency	45% reduction in average personal computer energy consumption (2016-2025)	Notebook PC 40 % Desktop PC 34 % reduction in average personal computer energy consumption
		Carbon Reduction	80% of critical suppliers committed to RE 100 or set carbon reduction SBTs	55 % of critical suppliers committed to RE 100 or set carbon reduction SBTs
				For more information+
SOCIAL IMPACT		Environmental Friendliness	Over 90% of employees engaged in Project Humanity	Over 70 % of employees engaged in Project Humanity
		IT Education		
		Employee Engagement		80% of global employees are actively engaged in their work
				For more information+

Implementing SDGs in the Value Chain

In 2021, we continued to put our products and services to use in the Acer value chain, leveraging our core competencies to continue to address various social and environmental issues and implement the UN Sustainable Development Goals by promoting the universal and innovative application of technology through various programs and solutions.

Acer Value Chain



Value Chain / Relevant Chapters	Acer's Role and Actions
<ul style="list-style-type: none"> Innovative Products and Services COVID-19 Response Actions 	<p>Ensure people's health and well-being through our core products and services.</p> <ul style="list-style-type: none"> We created the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS), aided in accelerating vaccine development with AI, and created the International Pandemic Information Station, an artificial intelligence monitoring platform for the COVID-19 pandemic. By focusing on medical imaging analysis and emphasizing the use of AI in healthcare, the Company is improving the quality of care through efforts such as telemedicine systems and AI-based evaluation of macular lesions in diabetic patients. During the pandemic, Acer's offices in Taiwan, the Middle East, and Africa have provided employee health management and education platforms to help boost staff health. They have also used hardware, software, and services to build pandemic prevention measures that provide employees with stable, safe, and secure working environments. Acer has donated Acer Ozone Antibacterial Sanitizers to hundreds of kindergartens in Taiwan and over 100 hospitals around the world. Using negative pressure to dissolve ozone into water, a three-second rinse with which can eliminate 99.99% of bacteria, helping reduce environmental bacteria and viruses and thus infection.



Value Chain/Relevant Chapters	Acer's Role and Actions
<ul style="list-style-type: none"> Social Philanthropy and Digital Inclusion 	<p>Acer is committed to shrinking the digital divide and nurturing talent, firm in the belief that technology can inspire people and help tap their potential. To this end, we provide free digital education and donate computers to support various groups of disadvantaged people.</p> <ul style="list-style-type: none"> Acer Lugano, Switzerland's office donated computers to the elementary school Wirkstadt Schule. Acer America launched "Barrier Breakers," providing veterans with refurbished computers for them and their children ; working with businesses to provide digital training and networking; and donating computers to help the blind, communities for whom the pandemic has further widened the digital divide, and at-risk students and children. Acer India has long partnered with the Society to Create Awareness towards Life and Environment (SCALE) in India to provide computer equipment and help local students and working women with technology, bridging the gender digital divide. Acer Lugano, Switzerland, continues to assist SOS Children's Villages Nigeria with the Talent Without Borders program, helping ten young people in Lesotho to receive ICT training.
<ul style="list-style-type: none"> Operations and Environment GHG Inventory and Management GHG Reduction and Energy Management 	<p>We provide people with more efficient, sustainable, and safe energy usage and encourage our employees to use sustainable energy through our initiatives.</p> <ul style="list-style-type: none"> Acer Taiwan has achieved ISO 50001 certification, continuously improving energy efficiency Acer Lugano, Switzerland, offers employees incentives to purchase electric bicycles and automobiles Acer Germany builds and provides solar charging equipment Acer has been increasing its renewable energy ratio annually and has joined the RE100 initiative, with the Acer Group expecting to use 60% renewable energy by 2025 and RE100 by 2035.

Value Chain/Relevant Chapters	Acer's Role and Actions
<ul style="list-style-type: none"> Materiality and Stakeholder Engagement Responsible Supply Chain Attracting and Developing Talent 	<p>We Promote inclusive and sustainable economic growth, employment, and decent work for all.</p> <ul style="list-style-type: none"> We donate in support of RMI-Pact's partnership to provide economic alternatives to cobalt mining for youth in the Democratic Republic of the Congo aged 15-17 through vocational training programs, providing recipients and their families with safer work opportunities and breaking the cycle of poverty. At the core of Acer's supply chain management is the idea of putting people first. As such, we strive to protect the human rights and health of labor and provide a safe workplace, performing on-site audits, which affected some 220,000 employees in 2021. Every member of Acer's staff is treated with dignity in accordance with the principle of fairness. We strive to protect personal privacy, provide channels for the free and safe communication of opinions, and offer a safe, healthy working environment
<ul style="list-style-type: none"> Innovative Products and Services Social Philanthropy and Digital Inclusion 	<p>Through software, hardware, and service products, Acer makes the cities where we live more friendly, inclusive, and accessible.</p> <ul style="list-style-type: none"> Acer subsidiary Acer ITS develops smart transportation and related electronic payment applications, as well as its own technologies for integration of multiple payment platforms and products for mass transportation usage Acer ITS develops smart parking business, integrating diverse payment options, vehicle detection, license plate recognition, and the Parking Lot App to provide smart parking solutions for on-street, parking lot, and other private transportation parking needs. Acer Lugano, Switzerland, and Acer Germany encourage employees to engage in green commuting through various measures and facilities, aiming to make urban life more sustainable and reduce its impact on the environment.
<ul style="list-style-type: none"> Social Philanthropy and Digital Inclusion Responsible Supply Chain 	<p>Acer leverages and implements its core competencies to collaborate and create value with all stakeholders</p> <ul style="list-style-type: none"> More than 2,300 ESG projects between stakeholders and offices around the world Launched the Earthion platform, working with our suppliers partners toward sustainable environmental and societal development

Value Chain/Relevant Chapters	Acer's Role and Actions
<ul style="list-style-type: none"> Circular Economies and Product Life Cycle Innovative Products and Services 	<p>Coordinate supply chain stakeholders to implement responsible production/consumption, sustainable management and effective use of natural resources, and reuse/recycling systems.</p> <ul style="list-style-type: none"> Launched Aspire Vero, an eco-friendly computer made from post-consumer recycled plastic Require the supply chain to ban or restrict the use of chemical substances in the manufacturing process Using recycled materials for packaging Continuously promoting global recycling programs
<ul style="list-style-type: none"> Responsible Supply Chain Greenhouse Gas Reductions and Energy Management 	<p>Acer is actively implementing climate change response strategies, including drafting low-carbon, sustainable strategies</p> <ul style="list-style-type: none"> 55% of critical suppliers have completed setting of carbon reduction targets in accordance with SBT methodology We invite suppliers to participate in the Earthion platform to help solve climate and environmental challenges with innovative and integrated solutions We joined the RE100 initiative and have committed to realizing RE100 by 2035 Acer UK partnered with Ecologi to plant trees for every Acer Aspire Vero laptop sold. As of May, 2022, the actual number of trees planted for the Vero initiative alone has exceeded 40,000.
<ul style="list-style-type: none"> Responsible Supply Chain 	<p>Acer is implementing responsible supervision and management of conflict minerals, working to end all forms of child exploitation, and promoting a peaceful and inclusive society.</p> <ul style="list-style-type: none"> Acer continues to focus on the human rights impacts of our business development, advocate responsible mineral sourcing, and publish responsible minerals reports. Acer is also taking care of the safety and relocation of affected employees and their families in the wake of the Russia-Ukraine war that broke out in 2022

ESG POLICY, STRATEGY, AND GOVERNANCE

Sustainable Acer

Acer’s sustainability mission aligns the Company’s ESG strategy with the Company’s new development direction and the core spirit of the brand:

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

ESG Policy



Integrated Sustainable Governance

Deepen ESG governance and stakeholder engagement, and strengthen integrated management and transparent disclosure of financial and non-financial performance



Pioneering Green Innovation

Incorporate low-carbon, sustainable, and recycling innovation technologies and concepts in products and services to lead in smart cities and develop a new green economy



Comprehensive Sustainable Impact

Creating real corporate value and leveraging our influence on vendors and partners to help the overall industry move toward a sustainable future

Acer ESG Development Process

The foundations of Acer’s ESG development were laid between 2008 and 2010 as we began building our ESG management mechanisms; 2011 through 2014 was our strategic promotion period, during which sustainability concepts were incorporated into all of our operating mechanisms and compliance with international trends in sustainability became a focus. This is now being followed by our 2015 to 2024 value creation period, during which we are reviewing the overall environment and the expectations of our stakeholders to plan the implementation of Acer ESG policy. We hope this will further reinforce its integration into the organization and value chain, improving ESG performance and gradually building toward strong governance and innovation development goals that serve as a model for the industry.

Acer’s sustainable development strategy for ESG focuses on the following three areas:

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



ESG Governance

Acer takes a proactive attitude to reviewing and promoting important sustainability issues and strives to incorporate sustainable development policies into operation. And we discuss and make decisions on critical sustainable issues.

The Corporate Sustainability Committee (CSC) is the highest sustainable management organization. The chairman and CEO serves as chair. The ESG office is as the secretariat. Members of the Corporate Sustainability Committee include high management, such as the chief operating officer, chief legal officer, chief financial officer, chief human resources officer, and corporate sustainability officer. They regularly report to the Board of Directors.

Under the CSC are main working groups: Corporate Governance, Risk Management, Innovation and Product Life Cycle, Environmental Policy and Management, and Supply Chain Management. Each is responsible for setting and implementing goals for important cross-departmental sustainability issues. The committee convenes two meetings each year, reviewing the actions and implementation status of each taskforce and workgroup, responding to stakeholders' expectations and demands, reviewing annual sustainability goals, and setting medium- and long-term goals.

The Acer ESG Office is our dedicated ESG management unit, led by the Chief Sustainability Officer. The office is as the executive Secretary of CSC and also regularly provides reports to the CSC on trends, influence, and performance with regard to these issues. The ESG Office plays an important role as a communications bridge between the various working groups and the CSC. To facilitate effective communication across global locations, we have put in place executive secretaries for sustainability in each regional headquarters who are tasked with implementing our sustainability agenda.



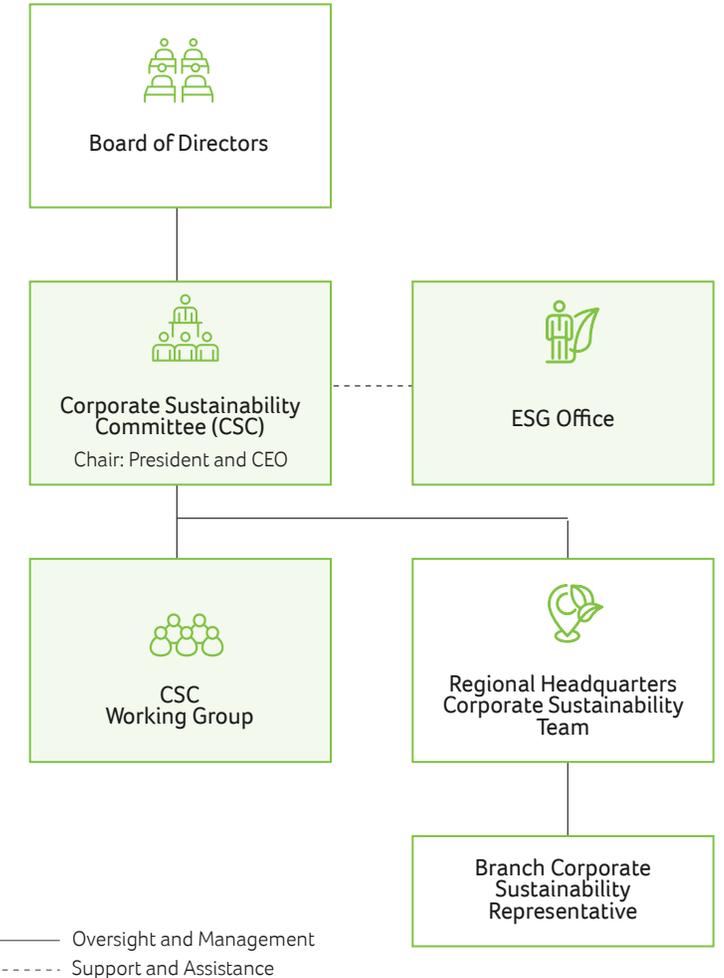
In November 2021, CSC members and senior managers took part in carbon education courses.

Important 2021 Resolutions of the Corporate Sustainability Committee:

- Review the 2025 Sustainable Strategy Goals
- Review the Science-Based Carbon Reduction Targets (SBTs)
- Develop and Establish a Risk Committee
- Review 2021 Material Issues
- Review Results of Task Force on Climate-related Financial Disclosures (TCFD)
- Stakeholder Responses and Feedback



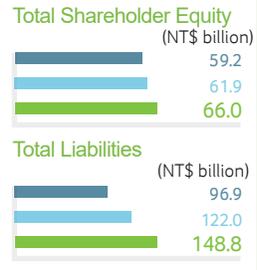
Acer Sustainability Governance Organization



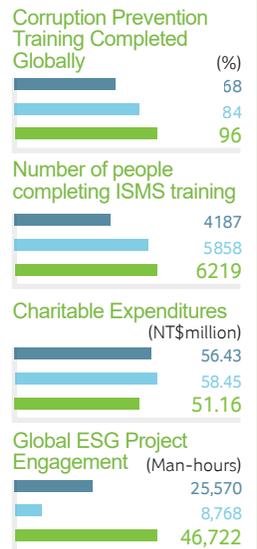
Sustainability Value

■ 2019 ■ 2020 ■ 2021

Financial Capital



Social and Relational Capital



Intellectual Capital



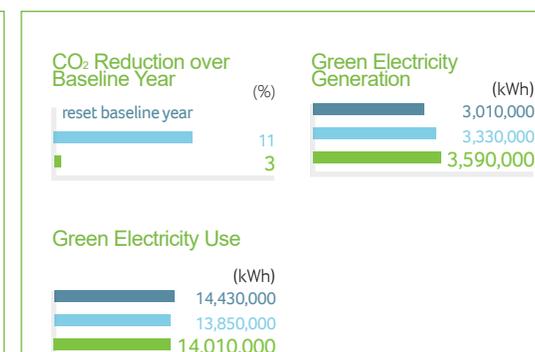
Social Value



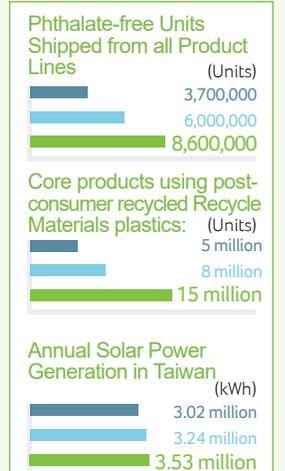
Economic Value



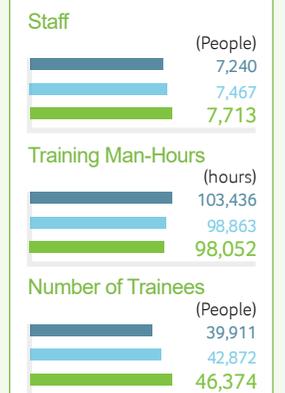
Environmental Value



Natural Capital



Human Capital



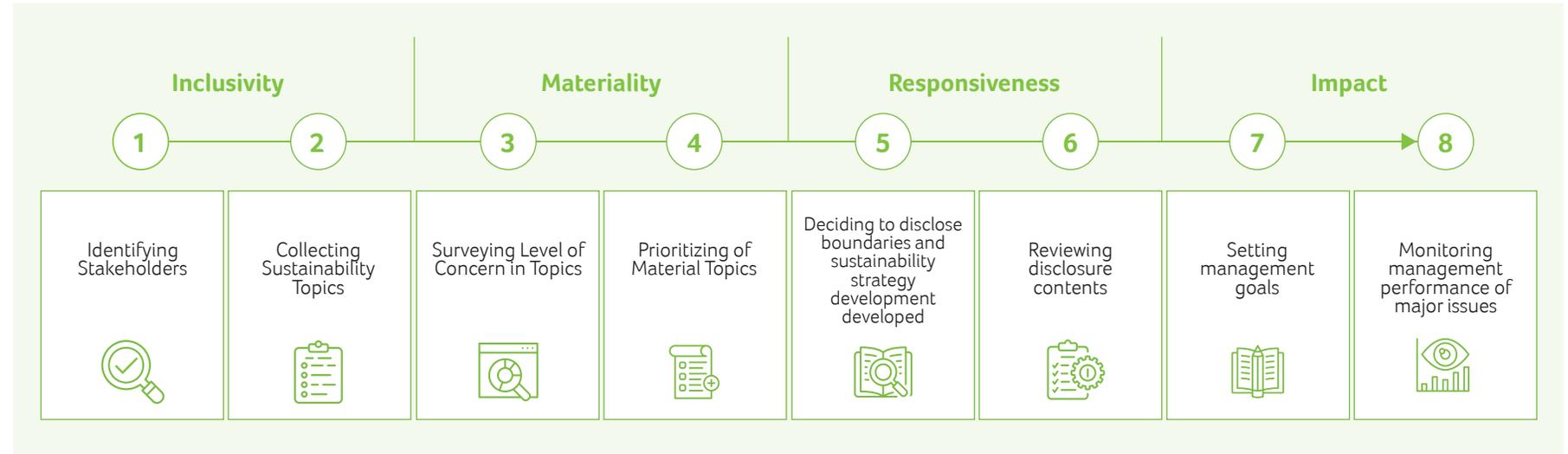
Manufactured Capital

Equipment, Machinery, and Facilities for Global Branches and Retail Channels

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Identification of Important Issues and Boundaries

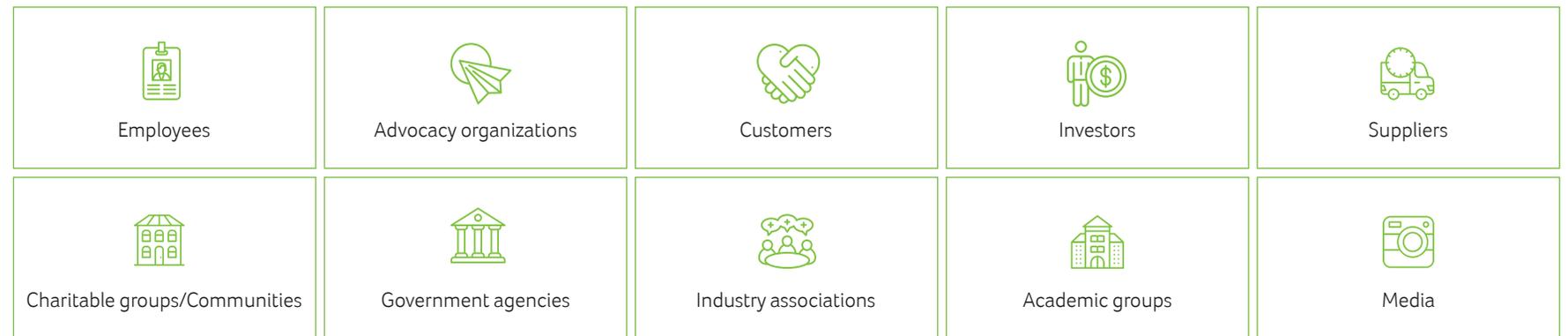
Acer refers to the Global Reporting Initiative Standards and AA 1000 Accountability Principle: 2018—Inclusivity, Materiality, Responsiveness, and Impact—in establishing a management structure for ESG information disclosure that is responsive to stakeholder expectations.



Identifying Stakeholders

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

10 types of stakeholders



Inventorizing and Collecting Sustainability Topics

Enumerating sustainable development issues relating to Acer and the ICT industry, drawn from material issues from the GRI Standards, UN Sustainable Development Goals (SDGs), the RBA Code of Conduct, the TCFD, the UN Global Compact, the Dow Jones Sustainability Indices (DJSI), survey items, the Sustainability Accounting Standards Board (SASB), and the Global e-Sustainability Initiative (GeSI), we have grouped issues listed with similar content into three headings: governance/economy, society, and environment. This year, these groupings have resulted in 18 topics, steady from 2020.

Material Topics Investigation

In addition to the opinions of 888 stakeholders, we conducted an online survey in 2021, including the opinions of the chairman and CEO, co-chief operating officer, chief financial officer, chief legal officer, chief human resources officer, chief sustainability officer, and business group general managers. The importance ratings of the issue from the managers and the importance ratings of the issues are used to verify the senior executives' views on sustainability issues.

Ordering of Material Topics

Based on the analysis of the survey results, a matrix of material topics was compiled, with the topics verified through a two-stage process. The results are first reviewed according to the sustainable development, industrial environment, and current situation of the Company, and then examined by the corporate sustainability officer and confirmed by the Corporate Sustainability Committee. The three most important corporate issues were found to be corporate governance and codes of conduct; information security and privacy protection; and innovation, R&D, and product responsibility, with an increase in the following issues in 2021 compared to 2020: circular economies and product life cycle; human rights, diversity, and inclusiveness; energy and climate change; social philanthropy and digital inclusion.

Identification of Material Topics and Boundaries & Review

Confirmed the 16 material topics selected and subject to medium to high levels of concern and importance, then, with reference to the GRI Standards, identified the indicators and boundaries for disclosure. These were then disclosed in the annual sustainability report and verified by an external third party.

Setting management goal and monitoring the performance

Long-term goals are set for major issues and are regularly monitored and reviewed by the Corporate Sustainability Committee and disclosed in the Sustainability Report, which reports the results of ESG actions to the public.

Results of Analysis of Material Topics^{Note}



- | | |
|--|--|
| 1 Corporate Governance/Code of Conduct | 10 Talent Attraction, Retention, and Development |
| 2 Information Security and Privacy Protection | 11 Occupational Health and Safety |
| 3 Innovative R&D and Product Responsibility | 12 Large-scale Infectious Disease Outbreaks |
| 4 Supplier Environmental and Social Management & Performance | 13 Social Philanthropy and Digital Inclusion |
| 5 Circular Economies and Product Life Cycle | 14 Environmental Policy and Management |
| 6 Risk and Crisis Management | 15 Customer Management |
| 7 Human Rights, Diversity, and Inclusiveness | 16 Water Resource Management |
| 8 Transparency and Disclosure | 17 Conflict Minerals |
| 9 Energy and Climate Change | 18 Public Policy and Initiatives |

■ Governance/Economic ■ Environmental ■ Social

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

Prioritizing of Material Topics

■ Governance/Economic
 ■ Environmental
 ■ Social

Material Topics	Topic Importance
1 Corporate Governance / Code of Conduct ▲ 2	Corporate governance and the Standards of Conduct serve as Acer's guidance and management mechanisms, including the setting of Company operating targets, monitoring reaching of targets and operational performance, and protecting the legal rights of shareholders and the interests of other stakeholders.
2 Information Security and Privacy Protection ▼ 1	Ease of information flow and sharing rests on the security of the infrastructure, applications, and software. Robust information security management protects user information from exposure to risk. Additionally, privacy protection is considered a universal fundamental human right, as well as being a key part of consumer rights. Customer data protection measures are essential to the responsible management of the Company and to keeping the brand strong.
3 Innovative R&D and Product Responsibility ■ 3	Innovation is one of Acer's core values. Through innovative research and development, we differentiate ourselves, gain an edge in the market, and create comprehensive innovation with value.
4 Supplier Environmental and Social Management & Performance ▲ 8	Acer views our relationship with our supplier partners as a symbiotic one, and we continue to work with them to reduce environmental risks through Acer's responsible supply chain management mechanism and actively pursue improved environmental performance in the overall supply chain, building on a foundation of respect for human rights and sharing social and environmental responsibility with the supply chain.
5 Circular Economies and Product Life Cycle ▲10	Through product lifecycle management, Acer is able to both manage our products and reduce their potential impact on the environment. We actively strive to find a balance between product management and environmental performance in order to make our products more environmentally and commercially competitive.
6 Risk and Crisis Management ▼ 5	Sustainable development and risk management are inextricably linked. Only through ongoing identification and analysis of changes and trends in risk and implementing relevant risk management strategies can we ensure that the Company's hard-won results are maintained and our development goals achieved.
7 Human Rights, Diversity, and Inclusiveness ▲12	The Acer Group is a company with a global presence, and we place a special emphasis on equal opportunity. All units or companies under the group must not engage in discrimination or harassment, and all employees must be treated equally on the basis of any factors unrelated to work performance.
8 Transparency and Disclosure ▲ 4	Transparent disclosure of information on the Company's performance and future goals regarding all aspects of sustainable development ensures that all stakeholders can enjoy a better understanding of the Company's efforts and achievements in this direction.
9 Energy and Climate Change ▲15	Climate change is now the most important risk facing business operations. As a leading brand in the ICT industry, Acer has sales and operating locations all over the world, and so responding to climate change is an unshirkable responsibility for us, as well as being both a risk and an opportunity.

Material Topics	Topic Importance
10 Talent Attraction, Retention, and Development ▼ 6	Talent is key to continuously improving market competitiveness and an important asset to the Company. Creating a working and learning environment for employees in which they can dare to dream, while also providing an excellent experience for all staff and candidates, will attract and cultivate top talent and create benefits for the Company. Through systematic training, Acer hopes to create the power to change the world.
11 Occupational Health and Safety ▼ 7	Our staff are important assets for the Company. We believe that providing a safe and healthy working environment and strengthening staff health management are vital to maintaining the Company's competitiveness.
12 Large-scale Infectious Disease Outbreaks ▼ 9	The global pandemic has affected the world in every way, and Acer, as a global citizen, has an important responsibility to uphold
13 Social Philanthropy and Digital Inclusion ▲14	Acer understands that technology can make life better and open up new opportunities for different groups. To this end, we put our core capabilities to use to respond to and solve social and environmental issues facing humanity through concrete action, not only reducing costs to society, but also indirectly reducing the business risks faced by the Company. At the same time, such actions help promote the coexistence of business, society, and the environment
14 Environmental Policy and Management ▼13	Acer is committed to upholding our corporate social responsibility and protecting the planet. As such, we continue to pay attention to electricity usage, water usage, waste management, and other such issues, as well as working to mitigate environmental impact through various management measures.
15 Customer Management ▼11	Being user-oriented is core to the Acer spirit. With a foundation on a global scale and end-to-end holistic thinking, we have established a customer management system that helps us elevate both the brand and our customers' experience.
16 Water Resource Management ■16	Please see the "Environmental Policy and Management" Explanations
17 Conflict Minerals ■17	Conflict minerals are minerals extracted in areas of armed conflict and human rights abuses, and responsible sourcing of minerals is an important concern for companies in order to respect human rights and eliminate adverse impacts on human rights. Companies need to implement policies, due diligence, bans on the use of raw materials from conflict mineral producers, and information disclosure measures to practice respect for human rights.
18 Public Policy and Initiatives ■18	Corporate involvement in public policy making (e.g. lobbying or white to influence the development of public policy)

▲ Increase in importance compared to 2020.
 ▼ Decline in importance compared to 2020.
 ■ Comparable with 2020 ranking.

Note: Some issues have been reclassified to align with the classification of the issues of interest to stakeholders.

Material Topics and Boundary Setting

★ Directly Created

☆ Through business practices

● Indirectly contributes to

	Topic	SDGs	Page	GRI Standards/Acer Issue	GRI Standards/Acer Indicator	Level of Organizational Involvement with Impact	Company-Internal Boundary		Company-External Boundary			
							Headquarters	Regional Headquarters/Subsidiary	Customers	Suppliers	Community	
Governance/ Economic	Innovative R&D and Product Responsibility		80-86	Innovative Technology and Applications, Innovative Platforms and Cooperation, Acquisition and Maintenance of IP Rights and Patents	Acer EC4 ~ 6	★	●	●				
	Risk and Crisis Management		40-43	Strategy and Analysis	102-14 ~ 102-15	★	●	●				
	Customer Management		49-52	Customer Service	Acer EC2 ~ 3	★	●	●	●			
	Corporate Governance/ Behavior Standards	Governance		31-39	Governance	102-18 ~ 108-26	★	●	●			
		Corruption Prevention		38	Corruption Prevention	205-2, 205-3	★	●	●	●	●	
		Anti-Competitive Behavior		39	Anti-Competitive Behavior	206-1	☆	●	●		●	
		Management Approach (Complaints Mechanism)		37	Management Approach (Complaints Mechanism)	103-2	★	●	●	●	●	●
Transparency and Disclosure		129-130	Information transparency across all aspects	Covers all indicators	★	●	●	●	●	●		
Environmental	Supplier Environmental and Social Management & Performance		57-60	Supplier Environmental Assessment Supplier Social Assessment	308-1 ~ 2 414-1 ~ 2	☆	●			●		
	Energy and Climate Change		96	Energy	302-1 ~ 302-5	☆	●	●			●	
			95	Emissions (GHG)	302-1 ~ 302-5	☆	●	●	●		●	
	Environmental Policy and Management		95	Emissions (Air Pollutants)	305-1 ~ 3	★	●	●			●	
			79	Sewage and Waste Products	306-1 ~ 5	★	●	●			●	
Circular Economies and Product Life Cycle		72	Raw Materials	301-3	★	●	●	●	●			

Material Topics and Boundary Setting

★ Directly Created

☆ Through business practices

● Indirectly contributes to

	Topic	SDGs	Page	GRI Standards/Acer Issue	GRI Standards/ Acer Indicator	Level of Organizational Involvement with Impact	Company-Internal Boundary		Company-External Boundary		
							Headquarters	Regional Headquarters/ Subsidiary	Customers	Suppliers	Community
 Social	Information Security and Privacy Protection		47	Customer Privacy	Acer EC1 418-1	★	●	●	●	●	
	Product Responsibility and Customer Safety		72	Health and Safety of Clients	416-1 Acer EN1	★	●	●	●	●	
	Social Philanthropy and Digital Inclusion		117-124	Social Philanthropy and Digital Inclusion	Acer-SO1 Acer-SO2	★	●	●			●
	Large-scale Infectious Disease Outbreaks		53-54	COVID-19 Response Actions	Acer-SO4	★	●	●	●	●	●
	Talent Attraction, Retention, and Development		106	Overall Compensation and Incentives System Establishment of and Investment into Talent Pool	Acer SO4 405-2	★	●	●			●
			108-111	Training and Education	404-1 ~ 3	★	●	●		●	
	Human Rights, Diversity, and Inclusiveness		138	Minimum Notice Period for Operational Changes	402-1	★	●	●			
			104-105	Diversity and Equal Opportunity	405-1 405-2	★	●	●			
			104, 98-100	Non-discrimination	406-1	★	●	●		●	
			101	Freedom of Association and Collective Bargaining	407-1	★	●	●		●	
108-111			Training and Education	404-1 ~ 3	★	●	●		●		
Occupational Health and Safety		112-115	Occupational Health and Safety	403-1 ~ 2	★	●	●		●		



Stakeholder Engagement

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



Importance to Acer	Main Communication Channels and Frequency	Topics of Concern / Our Response	Report Section
<p>Employees</p> <p>As the Company has undergone its transformation, Acer's internal staff communication channels have helped build consensus and commitment among staff and get everyone on the same page regarding our transformational efforts.</p>	<ul style="list-style-type: none"> • Acer Good News (occasional) • Acer Daily News (daily) • Chairman & CEO's message (occasional) • Internal Website (My Acer/Company intranet) (occasional) • External Website (Acer Group) (as needed) • Labor-Management Meetings/Employee Representatives Organization (quarterly) • Employee Benefits Committee (as needed) • Email Bulletins (as needed) • Internal Investigations (as needed) • Education and Training (annual) • Pandemic Prevention Team Mailbox (as needed) 	<ul style="list-style-type: none"> • Information Security and Customer Privacy Our Response: Continued implementing global information security education training, with 6,219 participants and completing the training, and completed global phishing mail tests in Q3 and Q4 • Occupational Health and Safety Our Response: We maintain occupational health and safety management performance. Acer Taiwan continues to pass ISO 45001 certification and building a safe and healthy working environment. In 2021, there is no major occupational disasters or accidents. • Large-scale Infectious Disease Outbreaks Our Response: In response to the impact of the pandemic, we set up a pandemic prevention area online where employees can go at any time to understand the Company's policy direction. We provided supervisors with the "Overcoming Work-from-Home (WFH) Management Challenges—Winning Tips for Acer Supervisors" handbook to assist with remote management. Acer offices in various locations held training sessions related to pandemic prevention measures and staff care 	<ul style="list-style-type: none"> • Information Security and Privacy Protection • Health and Safety in the Workplace • COVID-19 Response
<p>Customers</p> <p>Creating value for customers is one of Acer's core values. We start from a user-centric perspective and work to provide solutions and services that meet their needs perfectly.</p>	<ul style="list-style-type: none"> • Email and Telephone Contacts (as needed) • Questionnaires and Surveys (yearly) • Acer Sustainability Website (as needed) • Sustainability Report (annual) • Corporate Responsibility mailbox (cr@acer.com) (as needed) • Acer Official Website—Support page • Customer Service Line (as needed) • Online chat (as needed) • Social Networking Software (as needed) 	<ul style="list-style-type: none"> • Information Security and Customer Privacy Our Response: Ensuring that customers' personal data is safe and informing customers of the relevant regulations and precautions before accepting equipment for repair. We received no complaints regarding infringement of customer privacy or of loss of customer information. • Philanthropy and Digital Inclusion Our Response: The UK office launched a digital transformation initiative entitled the Acer Green Rewards Program to help customers respond to sustainability challenges together. • Large-scale Infectious Disease Outbreaks Our Response: In response to the pandemic, set out a classification of various strategies to help protect our staff and maintain the operation of the service system. We also released special instructions for product cleaning to address customers' concerns 	<ul style="list-style-type: none"> • Information Security and Privacy Protection • Customer Service • Social Philanthropy and Digital Inclusion • COVID-19 Response

Importance to Acer	Main Communication Channels and Frequency	Topics of Concern / Our Response	Report Section
 <p>Suppliers</p> <p>Acer considers our relationship with our suppliers a symbiotic one, and as such, we will continue to work closely with them to establish a responsible supply chain.</p>	<ul style="list-style-type: none"> Annual Vendor ESG Communication Meetings (annual) ESG Scorecard (annual) RBA On-site Examination (annual) Launch Second-tier Supply Chain RBA Management (document review, on-site spot-checks) (annual) On-site Education and Training (as needed) Business Review Meetings (quarterly) Supplier Surveys (occasional) Whistleblower Complaint Mailbox (as needed) 	<ul style="list-style-type: none"> Innovative Products and Services Our Response: Launched the Earthion initiative, inviting suppliers to work together toward a sustainable supply chain and provide products and services with sustainable impact. Occupational Health and Safety Our Response: Acer's suppliers must treat their staff in a respectful manner, using environmentally responsible manufacturing processes and providing safe working conditions. In 2021 RBA Code of Conduct on-site audit, the conformance on health and safety is 95%. Customer Management Our Response: We continued to carry out supplier ESG scorecard evaluations, including overall carbon management, carbon reduction results, and green energy adoption status, using this to further improve the ability of the overall supply chain to respond to climate change. And we conducted on-site audits of 88 supplier manufacturing plants in 2021 	<ul style="list-style-type: none"> Innovative Products and Services Responsible Supply Chain Health and Safety in the Workplace Customer Service
 <p>Investors</p> <p>Investors are among Acer's most important stakeholders, and as such, we should be responsible to our shareholders and work to protect their rights and interests.</p>	<ul style="list-style-type: none"> Regular Shareholders' Meeting/Institutional Investors' Conference Call (annual) Issue Regular Annual and Quarterly Corporate Reports, along with Sustainability Report Investor Mailbox (occasional) Investor Relations Webpage (monthly) Analyst Report (YouTube/video link) Investors Summits 	<ul style="list-style-type: none"> Information Security and Customer Privacy; Risk and Crisis Management; Corporate Governance and Code of Ethical Conduct; Occupational Health and Safety Our Response: We respond to material topics that investors care about, including those relating to corporate governance, the environment, and society. The results have been presented in various ESG evaluations in 2021. Innovative Products and Services Our Response: Hold annual shareholders meetings to explain Company's operating status and developmental trends. We also launch the important innovative products and service in the global press conference (GPC) annually. Transparency and Disclosure Our Response: Issue annual and quarterly reports, and promptly upload to investor relations page and we also complete Corporate Governance Evaluations with Financial Supervisory Commission 	<ul style="list-style-type: none"> Corporate Governance Legal Compliance and Codes of Conduct/Ethics Operational Overview Innovative Products and Services Information Security and Privacy Protection Risk Management Health and Safety in the Workplace
 <p>Community</p> <p>The true value of business lies in how it can create value for society. As such, we apply our core competencies to social participation, working together to create more opportunities.</p>	<ul style="list-style-type: none"> Acer Sustainability Website (as needed) Sustainability Report (annual) Acer Official Website (as needed) Acer Foundation Website (as needed) Volunteer Activities (regular times each year) Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> Social Philanthropy and Digital Inclusion Our Response: Continued to hold the Global ESG Project Awards; Besides educational and environmental themes, the 2021 awards also included COVID-19, encouraging Acer employees to make an impact on society through responding to and assisting with the needs of local communities. In 2021, Acer's ESG projects engaged more than 46,000 people, contributed a total value of more than NT\$51 million, and cooperated with more than 2,300 stakeholders. Large-scale Infectious Disease Outbreaks Our Response: We support local community to respond to COVID-19 by donating our core products and volunteer services 	<ul style="list-style-type: none"> Health and Safety in the Workplace Social Philanthropy and Digital Inclusion COVID-19 Response

Importance to Acer	Main Communication Channels and Frequency	Topics of Concern / Our Response	Report Section
<p>Government Agencies</p> <p>Gaining the trust, support, and cooperation of the government to help the Company create a positive external environmental and a foundation for further growth for Acer.</p>	<ul style="list-style-type: none"> Responding to Legal Advice (occasional) Policy Advice Meetings (occasional) Topic Meetings (occasional) 	<ul style="list-style-type: none"> Risk and Crisis Management: Corporate Governance and Code of Ethical Conduct; Transparency and Disclosure Our Response: Participation in Corporate Governance Evaluations; Annual uploading of sustainability reports to the Stock Exchange's Market Observation Post System for transparent disclosure of ESG performance. Large-scale Infectious Disease Outbreaks, Occupational Health and Safety Our Response: <ul style="list-style-type: none"> Acer Medical and Centers for Disease Control (under Taiwan's Ministry of Health and Welfare) have collaborated to develop the International Pandemic Information Station, building an efficient AI-based public opinion monitoring system to instantly monitor global pandemic development Implementing pandemic prevention measures in line with governmental safety standards Other important cooperations with the government Our Response: <ul style="list-style-type: none"> In concert with the Kaohsiung City Government, we invited Dr. Gunter Pauli, who introduced the "Blue Economy" philosophy to the world, and his experimental vessel the MS Porrima to moor at Kaohsiung Harbor to promote "learning from the sea" and new ways of thinking about technological innovation and environmental sustainability. Chairman Jason Chen was invited to participate in the ABAC (APEC Business Advisory Council) Digital Symposium 2021 in March 2021, where he provided advice on sustainable development and shared the smart water solution implemented by Acer Group subsidiary Acer Being Communication. 	<ul style="list-style-type: none"> Risk Management Corporate Governance Legal Compliance and Codes of Conduct/Ethics Innovative Products and Services
<p>Advocacy Organizations</p> <p>Advocacy organizations serve to motivate companies to implement sustainability, and can help to strengthen our own practice of sustainability.</p>	<ul style="list-style-type: none"> Acer Sustainability Website (occasional) Sustainability Report (annual) Questionnaires and Surveys (quarterly) Corporate Responsibility Mailbox (as needed) Complaints Mailbox (as needed) 	<ul style="list-style-type: none"> Transparency and Disclosure Our Response: Continuing participation in the Carbon Disclosure Project (CDP) supply chain program, inviting major suppliers to participate and fill out questionnaires Supplier Environmental and Social Performance; Environmental Policy and Management Performance Our Response: Inviting Suppliers into the Earthion Initiative Energy and climate change Our Response: <ul style="list-style-type: none"> We joined the RE100 initiative and have committed to using 100% renewable energy by 2035. We joined the Taiwan Climate Partnership, working with our supply chain on the international move towards net zero; we are also harnessing the collective strength of partners to expand our cooperation with international climate advocacy organizations Circular Economies and Product Life Cycle Our Response: Co-Chief Operating Officer Tiffany Huang and Corporate Sustainability Officer Grace Liu were invited to participate in the November 2021 Taiwan Circular Economy 100 forum "Practicing Dynamic Integration, Building a Circular Ecosystem, and Constructing a New Taiwan," providing suggestions for sustainable industrial development and net-zero transformation from the perspectives of global net-zero carbon emissions, transformation of production, supply chain linkage, and ecosystem building. 	<ul style="list-style-type: none"> Corporate Governance Structure Stakeholder Engagement Responsible Supply Chain Circular Economies and Product Life Cycle Responding to Energy and Climate Change

Importance to Acer	Main Communication Channels and Frequency	Topics of Concern / Our Response	Report Section
 <p>Media</p> <p>The media play an important role in information transfer and monitoring, shaping the public's understanding and awareness of Acer's latest R&D. Acer insists on communicating with the media with accuracy and in a timely manner.</p>	<ul style="list-style-type: none"> • Press Conferences (occasional) • Press Releases and Promotional Articles (as needed) • Social and Digital Media (as needed) • Corporate Websites (as needed) • Marketing and Media Communication Events (regular) 	<ul style="list-style-type: none"> • Transparency and Disclosure Our Response: We announced in May 2021 that we will focus on developing sustainability-focused products, an initiative that was met with great interest by the global media • Innovative Products and Services Our Response: We partnered with the RCCO World eX Championship and R8G eSports team to raise awareness of Aspire Vero laptops and encourage people to join the fight against climate change 	<ul style="list-style-type: none"> • Brand Values • Innovative Products and Services
 <p>Industry Associations</p> <p>Industry associations play an important role in industry consolidation, and can spur the development of Acer and the industry more broadly.</p>	<ul style="list-style-type: none"> • Participating in organizational conferences and fulfilling membership obligations (occasional) • Participating in cooperative events and meetings (occasional) • Email and telephone (as needed) 	<ul style="list-style-type: none"> • Innovative Products and Services Our Response: Ongoing participation in the Information Technology Industry Council's Environment & Sustainability affiliate group and three working groups. • Transparency and Disclosure Our Response: <ul style="list-style-type: none"> • Ongoing participation in the Responsible Business Alliance (RBA), as well as observing or participating in various RBA programs and working groups, such as the Responsible Minerals Initiative (RMI), Responsible Labor Initiative (RLI), Open Sourcing Working Group, and Environmental Sustainability Working Group. • Contributions supporting RMI-Pact's partnership to support alternative economies through vocational training programs • The engagement above is disclosed in this annual sustainability Our Response: Information Security and Customer Privacy. See Chapter 3: Information Security and Customer Privacy. 	<ul style="list-style-type: none"> • Innovative Products and Services • Information Security and Customer Privacy
 <p>Educational and Research Institutions</p> <p>Educational and research institutions provide companies with new ideas and perspectives, and industry-academia cooperation can help both stay on the pulse of industrial development, creating a win-win situation.</p>	<ul style="list-style-type: none"> • Industry-Academia Exchanges (occasional) • Surveys and Interviews (annual) • Conference Activities (occasional) • Acer Sustainability Website (occasional) • Sustainability Report (annual) 	<ul style="list-style-type: none"> • Innovative Products and Services <ul style="list-style-type: none"> • In 2021, the Institute of Environmental Engineering visited Acer, not only getting an insight into the Company's ESG operations, but also arranging for Acer Being Communication President Po Chan-ping to introduce the Company's innovative products. The two sides engaged in much discussion about how technology can be used to address social and environmental issues. • In November 2021, Acer's Corporate Sustainability Officer Grace Liu gave a lecture on ESG as the key to corporate sustainability at the Chung Yuan Christian University, as well as engaging with students and faculty on site. • Information Security and Customer Privacy See Chapter 3: Information Security and Customer Privacy. 	<ul style="list-style-type: none"> • Innovative Products and Services • Information Security and Customer Privacy



INTERACTION WITH STAKEHOLDERS

Responsible Business Alliance(RBA)

Acer continued its involvement in the Responsible Business Alliance (RBA), the largest multi-sector industry coalition dedicated to corporate social responsibility in global supply chains. Acer observes or participates in RBA's various initiatives and working groups, such as the Responsible Minerals Initiative (RMI), Responsible Labor Initiative (RLI), Public Procurement Working Group, Environmental Sustainability Working Group and its various subgroups.

In 2021, Acer continued its involvement in the RMI Smelter Engagement Team, on the Global Level 1 Research team. The primary responsibilities of the group are to reach out to alleged smelters to determine if they are true smelters and to provide details for inclusion the RMI's smelter database. This provided the necessary information to prepare the next SET team level for initial smelter outreach with the goal of gaining the smelter's participation in the Responsible Minerals Assurance Process.

Also, as part of its membership in the RBA, Acer contributed to the RBA Foundation along with other members and the RBA to support the RMI-Pact Partnership for Supporting Alternative Livelihoods Through a Vocational Training Program. The program, which was developed and coordinated by international NGO Pact, is operating in eight communities in Kolwezi, DRC and provides vocational skills training for youth aged 15-17 working at mine sites. The education and technical skills enable the recipients to take advantage of safer alternative work opportunities to cobalt mining, while allowing them to continue supporting themselves and their families. Since 2019, the program has trained 223 youth and has proven to be successful, with most apprentices not returning to mining and many of them starting their own businesses using their new vocational skills.

The current phase is seeking to train an additional 150 youth and provide continued support to 123 former graduates. The program continues to launch new phases and has made a positive impact in the DRC.

As part of the Environmental Sustainability Working Group, Acer continues to attend meetings and in 2021 joined the Circular Materials Taskforce and provided feedback on an effort to define "responsible recycling" at each phase of electronics-end-of-life processing. The definitions for responsible recycling, material tracking, and material origin/destination will feed into current and future RBA projects on ESG assurance and material tracking.

Due to the continued impacts of the global Covid-19 pandemic, the RBA and RMI membership meetings and conferences were held virtually again in 2021. Acer remotely attended the virtual event which included a summary of the state of the RBA and updates on the progress of the RBA's many initiatives and working groups. In addition, the event included breakout sessions which enabled discussions among industry peers and other stakeholders to share ideas on current and future supply chain issues.

[+For additional information on the program and Pact](#)

Fanny's Story

Fanny lost her parents when she was young and was raised by her uncle, who didn't have enough money to send her to school. As a result, she worked at a mine site in Tilwezembe, DRC, from age 13 to 17. She was selected to participate in Pact's apprenticeship program for cutting and sewing. "I'm happy to be a seamstress. When I worked at the mine, I spent painful moments sifting crushed stones," Fanny says. "Today, I have perfected myself in a profession that provides me with money to meet my family's needs. I can take care of myself, away from the dust of the mine."

[+More information](#)



Fanny in her workshop. She graduated from the Vocational Training program in 2020. Photo Credit: Pact



Information Technology Industry Council – Environment and Sustainability Group

In 2021, Acer continued its membership with the Information Technology Industry Council, Environment and Sustainability affiliate group. Acer continued to participate in three main working groups within the ITI Environment and Sustainability group that address green procurement, product stewardship, and energy efficiency, where members discuss emerging and existing tech policies and standards and provide industry expertise to guide the development and maintenance of these policies. Also in 2021, Acer joined a newly formed Right-to-Repair task group, which was convened to get feedback from membership and to develop a strategic approach to the many proposed laws and stakeholder pressures to address product lifecycle, spare parts availability, independent repair, etc. of electronic products in the United States and the European Union.

Due to the continued global Covid-19 pandemic, the ITI Environment and Sustainability membership meetings were held in a virtual format, but still enabled members to get the latest policy and organization developments from ITI and to share experiences with other members.

Communication with Government Departments

The Environmental Protection Division of Taiwan Power Corporation (Taipower) visited Acer's ESG Office to learn from the Company's ESG promotion practices and management model and accelerate Taipower's sustainable transformation. In the meeting, both sides discussed the challenges encountered in promoting ESG and how to transform these into opportunities by understanding and learning from each other's different strategies, environmental management, and renewable energy promotion policies, as well how each sets targets, pursues them, and manages assessment mechanisms.

Through face-to-face discussions with stakeholders of public institutions like Taipower, Acer is able to better understand the planning of future actions related to environmental protection and sustainable development, and ensure that such actions are more in line with the overall direction of national development. Through the sharing of each other's experience with issues and operations, we also gain more knowledge and a better understanding of trends across industries.



MAJOR ADVOCACY INITIATIVES AND PARTICIPATION

To facilitate more in-depth discussion of ESG-related issues and work with NGOs around the world on improving ICT industry sustainability. We have been a long-time member of organizations interested in issues of sustainability, striving to make use of Acer's influence to inspire other businesses to take more proactive measures in this regard. To demonstrate Acer's commitment to climate change, in 2021 Acer joined the RE100 initiative and the Taiwan Climate Partnership. For more information, please see [Chapter 6 of this report, Climate Strategy and Transformation](#).

Comprehensive Sustainable Development Issues

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

Human Rights

- Responsible Business Alliance (RBA)
- Public-Private Alliance for Responsible Minerals Trade (PPA)
- Responsible Minerals Initiative (RMI)

Environmental Trends/Carbon Management

- Carbon Disclosure Project Supply Chain Program
- Corporate Green Competitiveness Alliance
- [RE100](#)
- Taiwan Climate Partnership



03

OPERATIONS AND GOVERNANCE

- Corporate Governance
- Information Security and Privacy Protection
- Customer Service
- COVID-19 Response

Acer makes use of a comprehensive mechanism for coordinating the interests of the Company and those of our stakeholders, thus strengthening corporate governance. We also actively seek to understand and respond to the needs of our customers, value customer data and privacy protection, continue to introduce better and easier-to-use products, provide services that satisfy our customers and create greater value for them, and implement responsible management and corporate brand maintenance. Confronted with the COVID-19 pandemic, we took strategic actions to respond, relieve, recover, and build resilience, addressing the needs of all stakeholders.



93%

Standards of Business Conduct education and training completion rate

94%

Information security education and training completion rate

95%

Positive customer evaluations

CORPORATE GOVERNANCE

Business Management Strategy

- Establish Standards of Business Conduct and a robust and effective Board of Directors.
- Link performance evaluations and Standards of Business Conduct; implement a system of integrity management
- Require all manufacturing and service suppliers to comply with the [Responsible Business Alliance \(RBA\) Code of Conduct](#)
- Establish a channel for stakeholders to file reports or complaints; should they find Acer staff to be in breach of the Standards of Business Conduct, stakeholders are encouraged to make use of this channel to file a report or complaint

Evaluation Mechanism

- Set out Measures for Performance Evaluation of the Board of Directors and announce results of annual director performance evaluations on Company website
- Draft annual audit plans and regularly report to Audit Committee and Board of Directors

Corporate Governance and Code of Conduct

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Work toward strengthening the functions of the Board of Directors and boosting information disclosure and shareholder participation in line with corporate governance blueprint Link sustainable development with international standards, boosting our Environmental, Social and Governance (ESG) performance. Implement Acer Group transformation plan and pursue diverse avenues of development, listing suitable subsidiaries publicly Increase the number and strengthen the functions of independent directors 	Deepen effective communication between base-level staff and management and establish a friendly communications channel.	Strengthen communication channels with stakeholders and establish a mechanism for positive interactions with them	✓ We have updated our investment, stock, and ESG Office contact information, as well as the design of our stakeholder complaints channel, clearly locating them on the Company website to facilitate communication with our stakeholders.
	Set up Risk Management Committee to assist Board of Directors in communication, reporting, and recommendations on risk governance and strengthen Group's risk control mechanism	Create a robust Group-wide ESG operating environment and strengthen Acer's international competitiveness	✓ Integrate Company's operational strategy with ESG philosophy to launch eco-friendly Aspire Vero line of notebooks in 2021. Strengthened Group's ESG operating environment by restructuring the Sustainability Office and renaming it the ESG Office.
	95% of all employees worldwide should attend at least one training course on the Standards of Business Conduct	Improve Group's compliance system to address potential legal risks in different industries; as of 2021, 90% of global employees have undergone training at least once on the Standards of Business Conduct	✓ 93% Global staff Standards of Business Conduct education and training completion rate of 93%
	Gradually push the terms of the integrity pledge in a client-oriented direction, implementing mutual integrity commitments with clients and continuously strengthening our system of regulatory compliance	Require global partners to sign integrity commitments, achieving growth over the previous year	✓ All suppliers are required to sign the integrity pledge, with no vendor refusing in 2021.
<ul style="list-style-type: none"> Streamline internal and external personnel reporting pipelines and implement a whistleblower protection system. Use annual assurance statements issued by independent third parties as a basis for improvement 	Established a multilingual reporting and complaints platform (currently in English and Chinese) to optimize the smoothness of reporting for internal and external personnel	Review whether the handling of incidents is in accordance with the Procedures for Handling Incident Notification	✓ A total of 18 complaints were received in 2021, which were investigated by the internal audit unit and properly recorded and tracked.

Business Management Strategy

Regularly conduct overall assessments of potential internal and external risks to develop management strategies, implementation mechanisms, and organizational responses to ensure that key risks are effectively controlled and responded to appropriately

Evaluation Mechanism

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

Risk Management

Medium- and Long-Term Goals

Introduce comprehensive enterprise risk management (ERM)

2022 Targets

- Develop risk management policies and present them to the Board of Directors for adoption and implementation
- Assist in the establishment of the Risk Management Committee and the planning of its future operating mechanisms

2021 Targets

Select major hub warehouses in Taiwan for Emergency Response Plan and Business Continuity Plan (ERP and BCP) pilot, with plan/report produced and the pilot project gradually rolled out after validity verification through field tests

2021 Highlights/Results

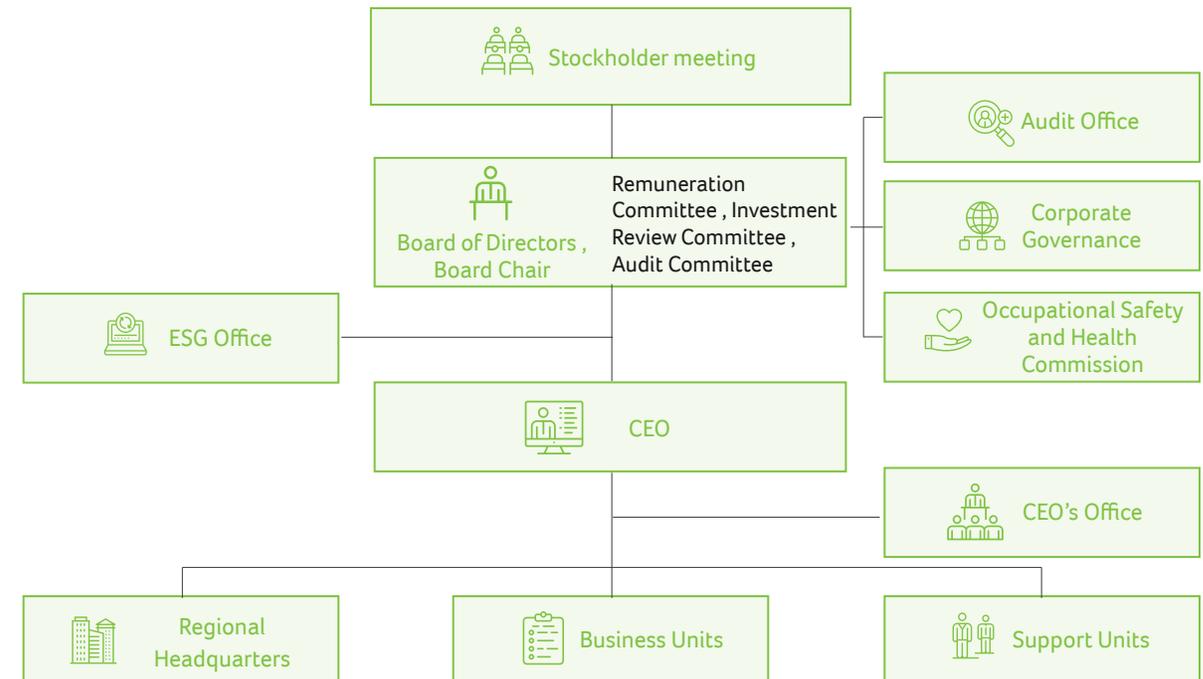
- ✔ This project was completed in the first month of FY2022, with on-site drills and verification completed at Acer's Taoyuan warehouse

★ Highlights
 ✔ Achieved
 ✘ Not Accomplished
 ▶ In Progress

Corporate Governance Structure

Board of Directors

Acer insists on transparency in its operations, with a focus on stockholder rights, and believes that a healthy, effective Board of Directors is fundamental to a strong company. As such, in addition to being qualified and experienced, board members not only must adhere to relevant legal requirements, they are also held to exceptionally high professional standards. Candidates for Acer directorships are elected at stockholder meetings and have all previously served in major positions with well-known companies, law firms, or other related industry positions. They are expected to have a wealth of experience in commerce, finance, accounting, law, and corporate operations. Directorships also span a range of nationalities and genders, adding further strength and diversity to the Board. When the current Board of Directors was up for re-election in 2020, Yuri Kure, Bruce Ji-Ren Lee, Simon Chang San-cheng, and Charles Ching-Hsiang Hsu were elected as independent directors. Through their world-class experience, professionalism, and intelligence, along with the diversity in nationality and gender, that they bring, we are able to realize stronger participation in and supervision of the Company's operational decision-making, while also putting in place stronger corporate governance and improving operational quality.



Acer's Board of Directors is made up of seven directors who, in accordance with the law, will hold their positions for three years, a term running from June 12, 2020 to June 11, 2023. More than two-thirds of the board members do not hold managerial positions with the Company (of the seven members, only one director is also a manager); of those Board members, four are independent directors, accounting for 4/7 of the Board of Directors, or more than one half. As a result, the current Board is more independent than ever. In terms of age brackets, the current Board is composed of 2 directors between 40 and 49 years of age, four between 60 and 69, and 1 between 70 and 79. Such a makeup ensures that the experience of these veterans can be more fully passed down and integrated with the dynamism of the next generation.

Board Diversity

Members of the Board of Directors^{note}



Jason Chen
Chairman



Stan Shih
Director



Maverick Shih
Hung Rouan Investment Corp.
Representative



Simon Chang
San-cheng
Independent Director



Bruce Ji-Ren Lee
Independent Director



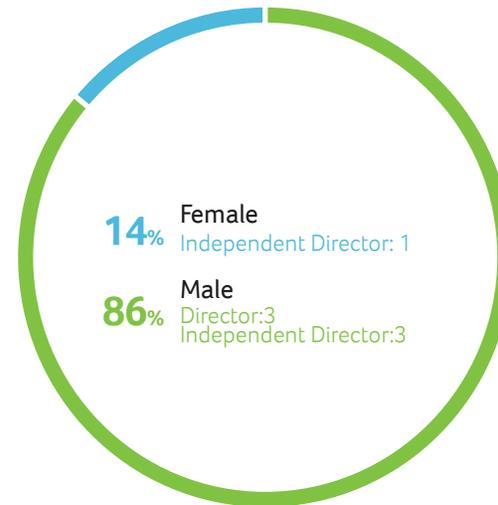
Charles Hsu
Ching-Hsiang
Independent Director



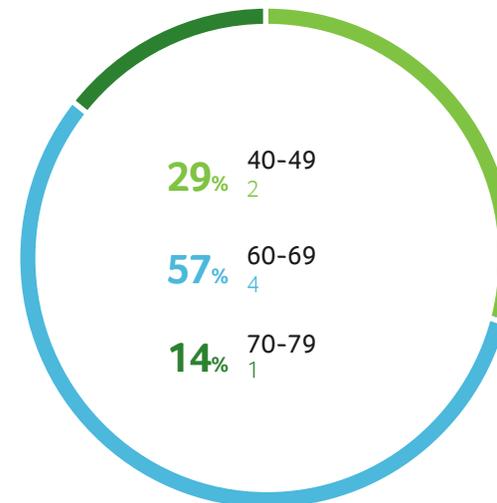
Yuri Kure
Independent Director

Note: For information on the academic experience and any other concurrent corporate positions, please refer to our [annual report](#).

Board Membership By Gender



Board Membership By Age Bracket



Acer has also amended the Rules for Board Meetings that deal with conflicts of interest. In accordance with these rules, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest with that of the Company, said directors may neither participate in discussions or votes, nor serve as a representative of another director in exercising their right to vote. Additionally, should an independent director oppose or express reservations on the record and/or in writing about any issue resolved by the Board, this should not only be recorded clearly in the minutes, but also be reported within two days of the meeting through the reporting website specified by management.

In line with the Corporate Governance Code of Practice for TWSE/GTSM Listed Companies, in August 2021 Acer revised its [Corporate Governance Code of Practice](#). With regard to the everyday business of Acer (including economic, the environment, and social matters), all matters, with particular specified exceptions, are to be handled in accordance with the decision of the Board. In order to ensure that actions are consistent with the results of board discussions and that investors are aware of how the Board is exercising its authority, attendance at board meetings is disclosed in the Company's annual reports. The Company shall also set up full- or part-time corporate governance units or personnel to be responsible for relevant matters and designate senior executives to supervise them.

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

Meeting Attendance by Board of Directors and its Committees in 2021

Board of Directors/Committee	Number of Meetings	Average Attendance Rate
Board of Directors Direct corporate strategy, oversee management, and are accountable to the Company and stockholder meeting		
Jason Chen Simon Chang San-cheng Stan Shih Bruce Ji-Ren Lee Yuri Kure Charles Ching-Hsiang Hsu Hung Rouan Investment Corp. Representative: Maverick Shih	6	95 %
Audit Committee Oversee the proper presentation of the Company's financial statements, the hiring/dismissal of CPAs and ensuring their independence and performance, the effective implementation of internal controls, Company compliance with relevant laws and regulations, and the management of existing or potential risks to the Company.		
Chair: Charles Ching-Hsiang Hsu Yuri Kure, Bruce Ji-Ren Lee, Simon Chang San-cheng	5	90 %
Salary and Remuneration Committee Formulate and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers, and regularly evaluate and set remuneration of the aforementioned personnel		
Chair: Bruce Ji-Ren Lee Simon Chang San-cheng, Charles Ching-Hsiang Hsu	4	92 %
Investment Review Committee Review new investment, joint venture, M&A, and strategic investment plans in advance, then submit proposals to the Board of Directors for approval; may execute the Board of Directors' resolutions on investment and other authorized matters		
Chair: Simon Chang San-cheng Yuri Kure, Bruce Ji-Ren Lee, Stan Shih, Jason Chen	3	100 %

In November 2021, Acer completed its Board of Directors' performance evaluation. This evaluation included self-evaluations in areas including the makeup and structure of the Board, board participation in corporate operations, improving board decision quality, internal controls, and director elections and ongoing improvement thereof. Each director also gave suggestions regarding which issues should be priorities for the Board in the coming year to aid in board operations and overall performance. In order to implement its sustainable development policy, the Company also reviews the involvement of directors in economic, social, and environmental issues through performance evaluations, as well as regularly communicating with dedicated units on economic, social, and environmental issues, receiving reports, reviewing implementation status, and evaluating risks. In order to maintain the professional strengths and capabilities of the directors, all seven current directors have participated in various courses, including "Current Domestic and International Economic Situation and 2022 Outlook," "Recent Updates in Securities Regulations and the Impact of Global Minimum Tax and Tax Transparency on Multinational Enterprises," "Ransomware and Business Risk Management," "Digital Transformation Trends and Applied Developments in Internal Auditing and the ICT Industry During the Pandemic," "Securities Regulations and Corporate Governance," "Analysis of Economic and Industrial Trends in the Post-Pandemic Era," and "Latest Developments and Practices in Fighting Money Laundering and the Funding of Terrorism." The average number of hours of annual training for current directors was 11.9 hours, as reported in the [Company's 2021 Annual Report](#).

Remuneration Policy for Directors and Senior Management

According to the Acer Principles Governing Remuneration for Directors, the objects of director remuneration do not include directors who also serve as managers so as to avoid repeated expenditure on remuneration, realize reasonable distribution of Company remuneration, and protect Acer's long-term development. In addition, the Principles Governing Remuneration for Directors also stipulate that directors are entitled to fixed remuneration. In addition to recognizing the service and participation in directors' meetings, this also enables directors to have the courage to share their opinions with Acer based on their professional knowledge, unaffected by the opinions of any other directors. This fixed remuneration enables Acer's Board of Directors to incorporate diverse viewpoints and promotes the Group's sustainable development. Finally, if the year is profitable, after paying legally required taxes, making up for losses, and setting aside relevant reserves, Acer's Articles Of Association stipulate that the upper limit of directors' remuneration cannot be higher than 8% of profits, so as to avoid excessive directorial compensation and to bolster the Company's continued expansion.

Future Development of Corporate Governance

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

Ethics/Standards of Conduct and Legal Compliance

Standards of Business Conduct

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



Standards of Business Conduct

Standards of Business Conduct Implementation

Education and Training

Acer Group continues to require all employees to adhere to the Standards of Business Conduct and to carry out their daily business commitments with a legal, ethical, and honest conscience through a variety of training and everyday job coaching from management. In 2021, we implemented global employee training relating to the SBC to ensure that all staff are aware of its key elements. In 2021, the number of employees who received training on the SBC reached 5,098 worldwide, with a global completion rate of 93%.

2021 Standards of Business Conduct Education and Training

(Unit: People)



Note: The above statistics on education and training include resigned staff, except for those of Weblink, AOpen, Ankecare, Aker, Acer Synergy Tech, and Acer AEB.

Evaluation and Inspection

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

Internal Audits



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

Control Self-Assessment



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

Reporting and Protection

Acer has established the Stakeholder Grievance Mechanism and Anti-Bribery and Corruption Policy, set up a reporting and grievance mechanism, provided multiple reporting channels to stakeholders, and listened to voices from both internal and external sources through open channels to facilitate communication with Acer. All of this is aimed at protecting the rights of stakeholders and strengthening corporate governance. The internal audit unit serves as the liaison window for complaint reporting and handling within Acer. We consolidate the progress of the investigation of complaint cases on a quarterly basis, reporting the results to the Audit Committee and Board of Directors and disclosing the results of cases publicly in the Sustainability Report.

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

Reporting and Complaints Mechanism

Channels for Reporting and Complaints

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



Expected User(s)

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

Occasions for Use

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

Promotion of Channels for Reporting and Complaints

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

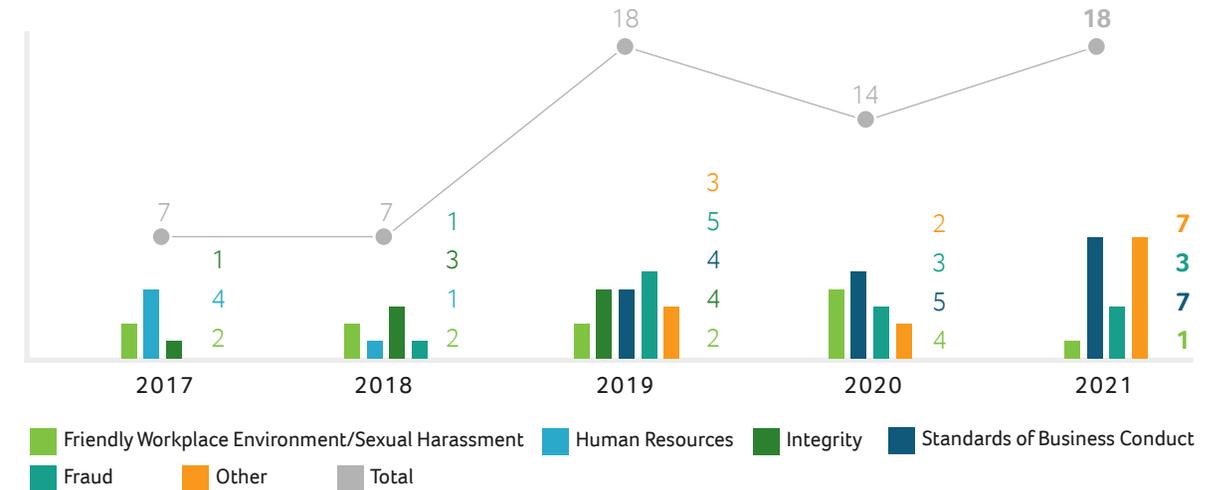
Procedures for Handling Reports and Complaints



Results of Reports and Complaints Handling

Acer received 18 reports/complaints in 2021, including 3 cases relating to fraud, 7 to the Standards of Business Conduct, 1 to workplace environment/sexual harassment cases, and seven other cases. All complaints were accepted for processing and investigation.

Reports and Complaints Received by Acer in 2021



Of the three corruption-related cases in 2021, only one was partially substantiated, with the other two unsubstantiated. Please refer to the following table for details on the content and follow-up of important cases substantiated by investigation:

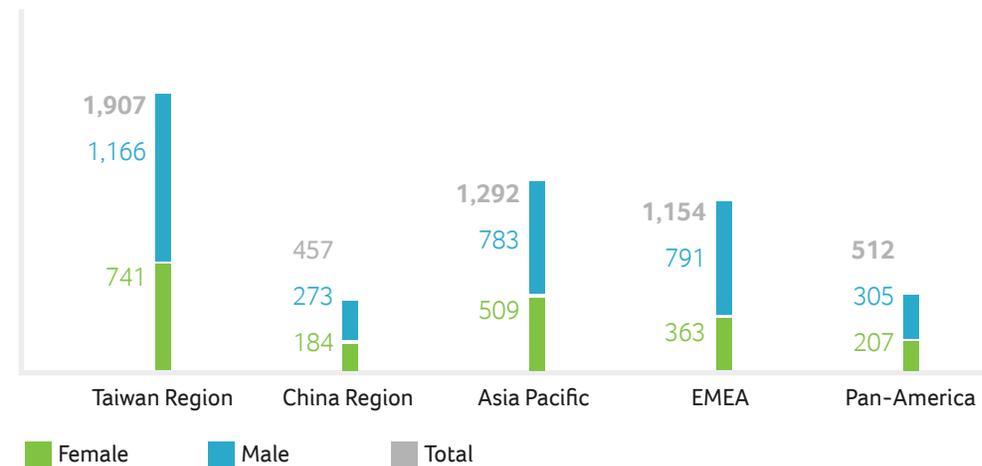
Zero Tolerance for Corruption

All Acer units are required to comply with the [Anti-Bribery and Corruption Policy](#), and the Company proactively conducts annual bribery risk assessments of its key subsidiaries worldwide. Financial, operational, and corruption indicators are comprehensively evaluated, and specific subsidiaries are selected for inspection according to their risk level. A total of 19 audits were conducted in FY2021, with an audit rate of approximately 15.6%, and no fraud or corruption was found.

The Company sends letters to suppliers and customers stating its anti-corruption stance and requesting that no improper gifts, hospitality, or even money be offered to Acer employees, all on the basis of their signed integrity commitment. In addition, in order to protect the rights of stakeholders, promote communication with stakeholders, and strengthen corporate governance, anyone who discovers any suspected fraud, corruption, wrongdoing or violation of corporate governance activities by the Company's personnel can file a complaint directly through the dedicated e-mail address (whistleblower.acer@acer.com). In March of 2020, the Board of Directors approved the revision of the Acer Anti-Bribery and Corruption Policy, which, in addition to expanding the application of the policy to appropriate conduct, also includes clarity and flexibility in application, facilitating its application in accordance with the laws of each country. In 2021, the number of staff who received training anti-corruption training (excluding temporary staff) reached 5,322 worldwide, with a completion rate of 96%; board members have also received relevant anti-corruption training during their term of office, with a percentage of 100%.

2021 Anti-Corruption Education and Training

(Unit: People)



96 %
Completion rate of anti-corruption training

5,322 人
Number of staff who received anti-corruption training

Note: The above statistics on education and training include resigned staff, except for those of Weblink, AOpen, Ankecare, Aker, Acer Synergy Tech, and Acer AEB.

Fraud Related (Partially Substantiated)

Senior management of one of our subsidiary was suspected of conducting fake promotional activities and transferring Company funds to specific agents as grants in the name of the subsidiary. Although no actual illegal cash flow was found, conversations about "Fake Promo" were found on staff communication software. A sample found that the subsidiary team had not accounted for the sales data of the promotional activities, and there was a risk of overproviding grants to agents.

Handling Method

A written warning letter has been sent to the senior management suspected of being involved in the case, reiterating that the Company's rules must be strictly followed and that those who violate those rules will be dismissed and held legally responsible.

Standards of Business Conduct (Substantiated)

The head of R&D for one of our subsidiary had a part-time job but did not inform us of this when he signed his Employee Ethics Pledge, in violation of Article 3 of the Pledge, which prohibits part-time jobs and requires avoidance and declaration of conflicts of interest.

Handling Method

After this had been verified, the employee had resigned from his outside position by February 2022 in accordance with the Company's regulations.

Standards of Business Conduct (Substantiated)

The high management of one of our local office chose his wife's Company as its main distributor for many years, but did not disclose his interest in this to the Company.

Handling Method

This manager had his position terminated in February 2022, with the appropriate person appointed to take over the position.



The revisions to the [Anti-Bribery and Corruption Policy](#) and [Standards of Business Conduct](#) have been announced on the Company's public website since the amendment date, and changes are regularly communicated to employees worldwide via e-mail. In addition, in-person training sessions are held from time to time for new and existing management and staff in an effort to keep all levels of the Company fully informed of changes to Company policy. These two have been unanimously approved by all directors and further include directors and representatives of the Company as applicable targets. These two provide guiding principles to be followed by all Acer Group companies, both internally and externally. There were no terminations or non-renewals of contracts with business partners due to corruption violations in 2021.

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

Anti-trust

The Acer Group has established the [Global Anti-trust and Fair Competition Principles](#), published on the corporate website. In addition to regular employee education and training every year, we have also produced an animated film for anti-trust and fair competition internal education and training. Through this film, the Company aims to prevent legal risks and negative impacts that employees may incur due to violations of anti-trust and fair competition laws. In 2021, a total of 4,628 people received such education and training, a global completion rate of 92%. In 2021 we were not litigated for any anti-competitive, anti-trust, or monopolistic behaviors.



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

2021 Anti-trust Related Education and Training

(Unit: People)



Legal Compliance

Acer has always prided itself on being compliant with the law, and as such, 2021 saw no incidences of:

- Receipt of any fines regarding environmental damage, nor any related disputes
- Receipt of any significant fines or non-monetary sanctions for breaches of the law
- Breaches of safety regulations or voluntary codes with regard to the impact on consumers' health and safety of any products or services
- Breaches of regulations or voluntary codes with regard to product or service information/labeling
- Or receipt of significant fines due to breach of regulations regarding the provision or use of products or services

COVID-19 Response

Acer's operations during the pandemic have been focused on complying with various laws and regulations and ensuring all transactions are still performed in accordance with contracts while simultaneously further evaluating and studying the feasibility of implementing information security and customer privacy protection through remote work or work-from-home models.

RISK MANAGEMENT

To realize our vision for sustainable development and create a risk-conscious corporate culture, all levels of the Company follow the risk management measures set out in the organizational management system and operational workflow. The Company is also committed to the ongoing improvement of our risk management practices through the participation of top-level management and the use of our Enterprise Risk Management framework and international standards as references. Acer's risk management policy was established and approved by the Board of Directors on March 16, 2022.

Acer takes a proactive and cost-effective approach to the assessment, prioritization, and boundary definition of risk appetite for potential risks related to strategy, operations, finance, disasters, and climate change that may affect any aspects of operations and profitability. Through this, we facilitate the development of corresponding risk management strategies and prevention/mitigation measures, enforcement mechanisms, and responsible organizations to ensure that key risks are effectively controlled and responded to appropriately. To continuously monitor and strengthen risk management practices and response measures, the Audit Committee assesses importance and urgency through risk prioritization, including this in the routine discussion agenda and determining the issues to be reported and the responsible unit. The Audit Committee regularly aggregates risk environment, risk management priorities, risk assessment results, and related response measures, with the chair reporting this to the board.

Acer's Risk Management Organizational Structure

Organizational History

2012	2018	2022
<p>A Risk Management Working Group is established</p> <p>with members from Legal, Finance, Human Resources, Supply Chain Management, Enterprise Communications, Marketing, QA & Services, IT, Environmental Safety & Health, and Asset Management Departments, all Product Business Groups, and the ESG Office. In regular meetings, the members of the working group are invited to identify, assess, and discuss potential and emerging risks in three major areas: economic, environmental, and social.</p>	<p>The former Global Corporate Social Responsibility Committee (GCSRC) is restructured into the Corporate Sustainability Committee (CSC)</p> <p>with the Risk Management Working Group as a unit under the CSC. We believe that this reorganization not only further strengthens our existing risk management practices, but also helps in building a corporate culture intensely aware of risk management through discussion with and participation by top-level management across departments and business units.</p>	<p>Acer formally establishes the Risk Management Committee and completes the formulation of Acer's Risk Management Policy.</p> <p>The establishment of the Risk Management Committee and the Risk Management Policy are approved by the Audit Committee at the March Audit Committee meeting and then submitted to the Board of Directors for approval.</p>

Acer's Risk Management Organizational Structure



Acer's Risk Management Organizational Structure

Board of Directors/Audit Committee

- The Company's highest unit responsible for risk management
- Promotes and implements the Company's overall risk management policy per the overall operating strategy and business environment to ensure effective risk management

Risk Management Committee

- Composed of the top executives of each business unit/functional organization at HQ, with the chief manager of internal auditing as an observer
- Reports to the Audit Committee and Board of Directors
- Aggregates risk environment, risk management priorities, assessment results, and related response measures
- Provides guidance for and approval of risk management priorities
- Supervises ongoing improvement of risk management
- Observers regularly review the implementation of risk management policies

Risk Management Working Group

- Composed of representatives of the management of each business unit/functional organization
- Identifies risks, assesses potential risk scenarios and operational impacts
- Plans and implements risk prevention and mitigation actions based on risk scenarios
- Collates enterprise risk management reports and reports to the Risk Management Committee
- Continually refines risk management practices and improves effectiveness
- Creates crisis management-related operational processes and conducts related exercises



Risk Management Organization: The Three Lines of Defense

Self-checking and process improvement

Each business unit



Procedure guidance and compliance

Each support department



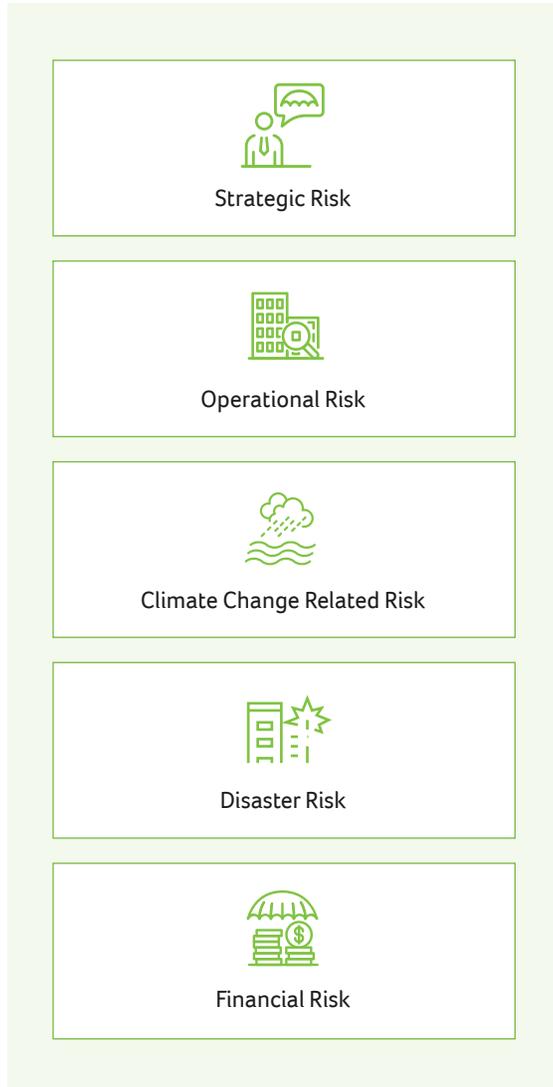
Audit management

Internal audit unit





Risk Management



Risk Management Procedure

Risk Owners in HQ Business Units

- The Risk Management Working Group serves as a platform to facilitate communication of risk across business units/functional organizations and promote the strengthening of risk control and mitigation programs within each business unit/functional organization
- The Risk Management Working Group runs the risk control program and regularly tracks the progress and effectiveness of the program to ensure continuous improvement of risk management.
- Each unit incorporates risk control into its annual internal control self-assessment review



The Risk Management Committee reports to the Audit Committee and Board of Directors at least once every year

The Risk Management Working Group aggregates risk environment, risk management priorities, assessment results, and related response measures, which are then approved/ruled on by the Risk Management Committee

Risk Management Working Group

Risk Management Working Group members identify risks and assess potential risk scenarios and operational impacts using relevant risk management assessment tools such as the Risk Analysis/Scoring Worksheet and risk map.

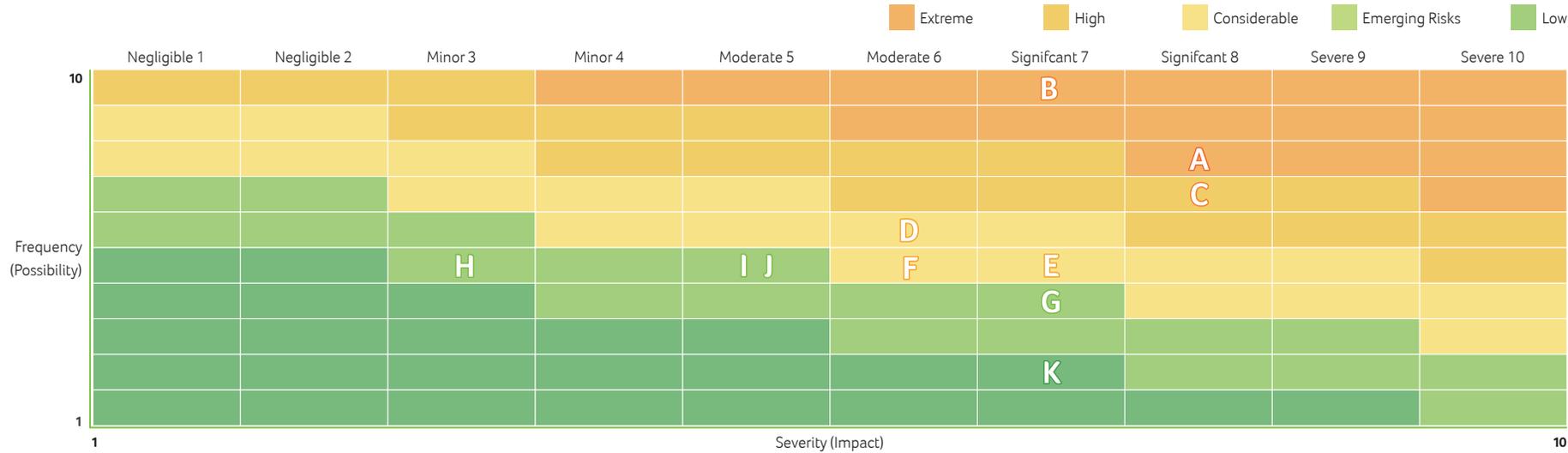
Effectiveness of Risk Identification and Management Effect in 2021

The Company's risk management organizations use risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further quantitative analysis of each risk item and examine whether there is a high correlation between risk factors.

The Risk Management Working Group aggregates the results of these analyses and tests, then drafting follow-up action plans and reporting to the group's convener. In 2021, the Risk Management Working Group identified a total of 71 risk items, of which 6, in areas including risk of interruptions to operations, information security risk, and extreme climate risk, were categorized as medium-high risk or higher. Designated personnel from the relevant departments are responsible for drafting follow-up risk management strategies and related implementation plans concerning risk items identified and analyzed, including commonly used response methods such as loss prevention, avoidance, separation & duplication, transfer, and retention.

In addition, they also assess appropriate resource inputs, execution priorities, methods for follow-up progress tracking. At the same time, incident response plans and crisis management mechanisms are developed to reduce the possible adverse effects of various potential risks on operations. Significant risk information is also reported to the Audit Committee. 2021 Annual Report content includes: Enterprise Risk Management Report-(1) Acer Group's Legal Compliance Planning; (2)Acer Group's Information Security Management; Acer Group's Customer Credit Risk Management; Post-Pandemic Inventory Risk Management.

Bringing together all of the above, we continue to actively implement relevant risk management practices, employing a forward-looking outlook on prevention and a cautious approach to the risks and challenges facing the Company both now and in the future. The Audit Committee aggregates risk environments, risk management priorities, risk assessment results, and corresponding response measures, with the chair reporting to the board.



Emerging Risks

The Risk Management Working Group identified several emerging risks between 2021 and early 2022, including information security risks, extreme climate risks, large-scale infectious disease, supply chain-related risks, and geopolitical risks, and we have invited the relevant departments for in-depth discussions. We hope that through group discussions and focused thinking, we can assess the potential negative impact of each emerging risk item on the Company's future operations. In response to information security risk, the Risk Management Working Group summarizes patterns of potential losses, including loss of goodwill, interruptions to operations, data leakage, and ransomware. The group also works with the IT Department to consolidate basic information security principles and work toward ongoing refinements, helping us earn ISO 27001 international information security certification in 2020. In addition, Acer has continued to purchase cyber insurance since 2018 and regularly reviews the completeness of the overall coverage every year. Beyond risk transfer considerations, Acer also seeks further assistance and resources from external information security experts through the international cyber insurance market.

- | | |
|---|--|
| <p>A Information security risk
Losses arising from leaks of personal information, malicious programs, computer viruses, or hackers</p> | <p>G Interest rate risk
Impairment of property value due to exchange rate fluctuations</p> |
| <p>B Market/inventory management risk
Including risks arising from slowing market demand and slow inventory turnover</p> | <p>H Labor-related risk
Risks such as labor shortages or loss of high-level management talent</p> |
| <p>C Extreme climate risk
Risks due to climate change and various extreme weather phenomena</p> | <p>I Liability risks for directors and managers
Potential liability risks produced by the execution of directorial and managerial duties</p> |
| <p>D IP and litigation risk
Includes patent litigation filed by competitors regarding intellectual property</p> | <p>J Supply chain related risk
Risks related to supply chain due to shortage of materials and labor, or logistics service providers due to shortage of containers and port congestion; supplier environmental and labor human rights risks; etc.</p> |
| <p>E Business interruption risk
Losses due to interruption of business caused by accidents</p> | <p>K Credit risk
Risks relating to payee's ability or willingness to repay</p> |
| <p>F Climate-related transition risk
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 the region, meet public sector procurement specifications, or remain competitive in terms of products</p> | |

Note: 1. The risk identification/analysis process begins in Q4 each year and is completed in Q1 the following year.
2. The risk map is based on the results of the assessment of risk levels of 2021 risk items.
3. Some risk items are presented by category.

With the rapid development of information technology and continuous investment into various innovative applications, we will continue to pay attention to the development of trends in information security risk (e.g., information security risks arising from the use of remote working models) to continuously review and improve the relevant information security principles and appropriate risk transfer measures.

- Review externally oriented services
- Make use of the principle of least privilege and encryption
- Identify and protect endpoint security
- Pay attention to application security
- Educate users
- Find and protect the weakest link
- Pay attention to the latest information security standards and attack methods



Acer continues to focus on the long-term trends and threats of global climate change and extreme weather phenomena, and will formally introduce the Task Force on [Climate-related Financial Disclosures \(TCFD\)](#) assessment framework in 2020. Our Supply Chain Management Department is currently assessing changes in low temperature that may be encountered during transportation along particular routes, discussing and cooperating with shipping companies to enact feasible preventive measures based on the type and characteristics of products. In addition, in response to the interruption of infrastructure services and other operation-related risks (e.g., typhoons, floods, fires, etc.) caused by storms or blizzards like those that have struck Texas, Acer has begun developing a basic incident response/business continuity plan (IR/BCP) for our global warehousing locations in 2021, starting with a pilot project at our headquarters in Taiwan. (This project was completed in January 2022, and on-site exercises and validation were completed at Acer's Taoyuan warehouse.) In the future, the program will be evaluated and gradually incorporated into implementation/improvement efforts and regular audits based on the resource situation at each global warehouse location, or further incorporated into the evaluation program for the selection of warehouse service providers, thus strengthening warehouse logistics management risk resilience in a gradual and orderly manner.

With regard to future development trends and potential negative impacts of supply chain-related risks and geopolitical risks, such as trade protectionism, related barriers and economic & financial sanctions between countries, or supply chain-related risks due to shortages of materials and labor, or logistics service providers due to shortage of containers and port congestion, the Risk Management Working Group has collated the types of losses that may occur (including a decline in sales or market share due to political/economic instability, labor-related costs due to migration or of production bases, and so forth). We will closely monitor the long-term development trends in related risks and their subsequent impacts, diversifying our upstream components suppliers, and continue our efforts to develop new niche markets and sales channels to distribute operational risks and reduce the impact and uncertainty caused by changes in supply chain, logistics, and global political/economic conditions.

With the rapid development of the SARS-CoV-2 ([COVID-19](#)) pandemic in early 2020, Acer Global Headquarters quickly established an Emergency Response Committee and instructed operations worldwide to similarly set up local response committees to facilitate prompt risk assessment and internal communications for work relating to pandemic response. To ensure the health and safety of company staff during the pandemic, the Emergency Response Committee also set out temporary restrictions and safety regulations for cross-border business travel, requiring company employees to declare daily contact history and travel history on internal systems and instructing them to strengthen access control management measures to minimize the opportunities for contact between company employees and outside personnel. In addition, Acer has continued to evaluate how to maintain smooth operations through remote systems via “work from home” measures while ensuring the data and system security should another pandemic occur in the future; we have also conducted drills to confirm that prior planning and arrangements can be implemented in the event of unforeseen circumstances. During this pandemic, Acer is also keeping a close eye on the potential impact of COVID-19 on supply chain management staff and partners, monitoring the resumption of work and production along with contingency plans. In this way, we aim to ensure a suitable inventory of key components and finished products, minimizing the subsequent negative impact of COVID-19.





INFORMATION SECURITY AND PRIVACY PROTECTION

Management Strategy

- Under the core framework of ISO 27001, we have established an Information Security Management System (ISMS) and provided a platform for the improvement of information security practices, strengthening and improving implementation through information asset inventory, risk assessment, and operational impact analysis.
- We apply the ISO 27701 Personal Information Management System (PIMS) standard to the protection and management of personal data, thus meeting the rising demand for the protection of personal privacy.
- Formulated and put into practice global Acer Group Personal Data Protection Management Policy and Principles for the Management of Personal Information

Evaluation Mechanism

- The ISO 27001 certification audit is conducted annually by an impartial third-party organization, and we also have in place an internal and external ISMS audit mechanism. Information security drills, stress tests, and data recovery drills are conducted regularly during non-audit periods to ensure organizational information security.
- Carry out regular personal data inventory, risk assessment and equipment security controls.
- Occasionally conduct education and training in personal data processing and implement information security testing exercises and monitoring of outsourced suppliers compliance with personal data protection regulations.

Information Security

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Rigorous implementation of information security policies and customer privacy protection measures to ensure customer safety and information security. 	<ul style="list-style-type: none"> Add Acer Store system to the scope of ISO 27001 validation at headquarters. EMEA IT begins to incorporate ISO 27001 compliance. 	In addition to the ISO 27001 standard, we make good use of existing ISMS management systems and mechanisms, and strengthen the security of external information service systems to improve information security in response to the possibility of malicious attacks, and to fully implement information security protection.	<ul style="list-style-type: none"> Acer experienced attacks by hackers, but with the implementation of the usual information security controls and continuous operational drills, we were able to quickly resume normal operations without paying any ransom. Global IT was reorganized, establishing a dedicated Corporate Information Security Management Office and IT ISO & ITSM Office to ensure the implementation of information security measures. Continued review of Acer's ISO 27001 validation.

Protecting Privacy

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Set up personal information protection management organizations or network information security organizations at Group headquarters and each regional operating headquarters to supervise data protection, as well as establishing corresponding norms and implementation procedures in accordance with relevant personal information standards and regulations. 	Implement and enforce the systemization of personal information management operations, and enhance the functions and orientation of personal information management, records, and inquiries.	Continue to regularly promote and provide employee privacy-related education and training.	<ul style="list-style-type: none"> Personal information protection and privacy issues are integrated into the education and training of new employees Promoting and reminding staff of the importance of personal information protection through physical and electronic posters Continues to set out the importance of customers' right to privacy and its protection We hold education and training courses on the Personal Information Protection Law of the People's Republic of China
	Zero significant customer privacy violations.	Maintain zero significant customer privacy violations.	<ul style="list-style-type: none"> Zero significant customer privacy violations.
	Continue to promote strengthening of personal information and privacy awareness and enhance the depth & breadth of education & training	Plan Company PIMS to enhance personal information management, records, and inquiries.	<ul style="list-style-type: none"> Completed personal information inventory, and, in accordance with relevant management standards, established a personal information management system

Information Security

Information Security Policy

In pursuit of sustainable operation and the protection of our customers' trust in us, Acer began implementing an information security management system in 2019. At the foundation of this ISMS is Acer's information security policy, helping ensure the security of information assets and the continuity of information services, thus mitigating the threat from and impact of information security incidents.

This policy applies when accessing Acer IT's information assets, IT systems, and infrastructure. It applies to all executives and employees of Acer IT, including contractors, consultants, temporary staff, trainees, and any other third parties working for Acer IT (referred to hereafter as "staff").

- Ensure that Acer's information assets are protected from any external interference, destruction, attacks, or any impact from other destructive or negative behaviors.
- Ensure Acer is compliant with relevant laws.
- Ensure the continuity of information services.

The policy framework follows and is based on the following regulations:

- Trade secrets laws, e.g., the US Defend Trade Secrets Act (DTSA), Taiwan Trade Secrets Acts, and similar laws in other jurisdictions.
- Privacy protection laws, e.g., the EU General Data Protection Regulation (GDPR), Taiwan Personal Information Protection Act, and similar laws in other jurisdictions.

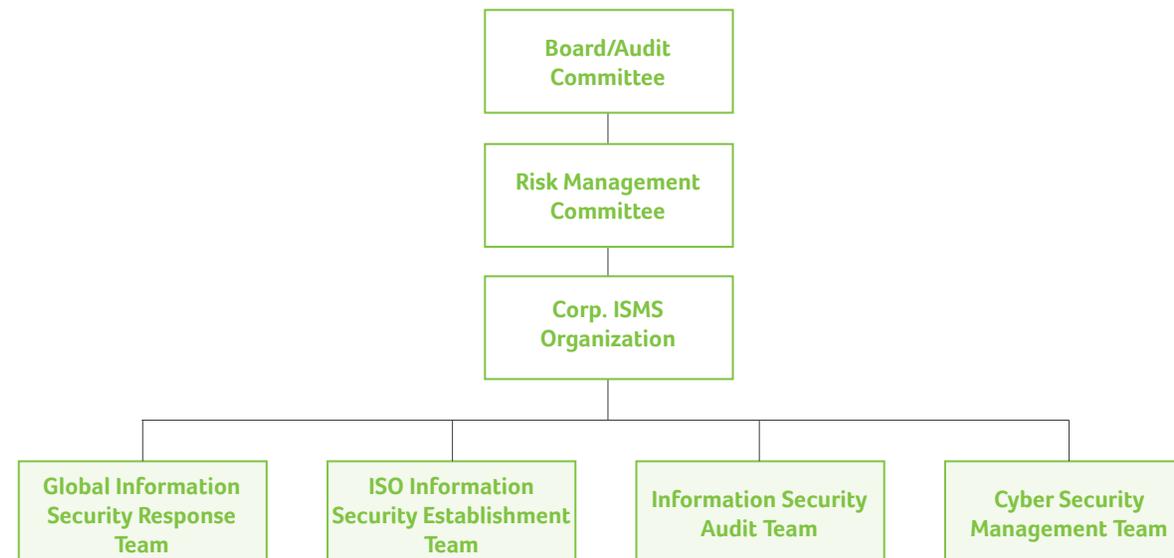
This policy is reexamined at least once a year to check for legal compliance with the latest technology and business developments.

Information Security Management Organization

Acer implements various information security activities via the Corporate Information Security Management Organization and hosts management review meetings periodically to examine and decide information security guidelines and policy. The performance of information security management and related issues are also presented in these meetings to ensure the effectiveness of the ISMS, the protection of the Company's intellectual properties, the protection of customers' data, and the enhancement of staff's information security awareness.

The Corporate Information Security Management Organization is supervised in terms of information security strategy by the Chairman & CEO and the Board via reporting in routine meetings, as well as by the Risk Management Committee. Through this, Acer is able to boost the efficiency of policy announcements and the mechanisms of cross-functional communication.

The Corporate Information Security Management Organization is led by the Head of Global IT, who has assigned the IT ISO & ITSM Office the primary role in implementing the ISMS and the Corporate Information Security Office the primary role in enhancing cyber security. AVPs and senior directors are assigned to be members of the Information Security Committee that appoints representatives to the Global Information Security Response Team, ISO Information Security Establishment Team, Information Security Audit Team, and Cyber Security Management Team, continuously optimizing the internal management of information security.



Information Security Training

Acer's Human Resource Security Guidelines serve as the management basis for urging all staff to understand the importance of information security and various potential information risks. These guidelines provide the rules for training and communication in information security and its management.

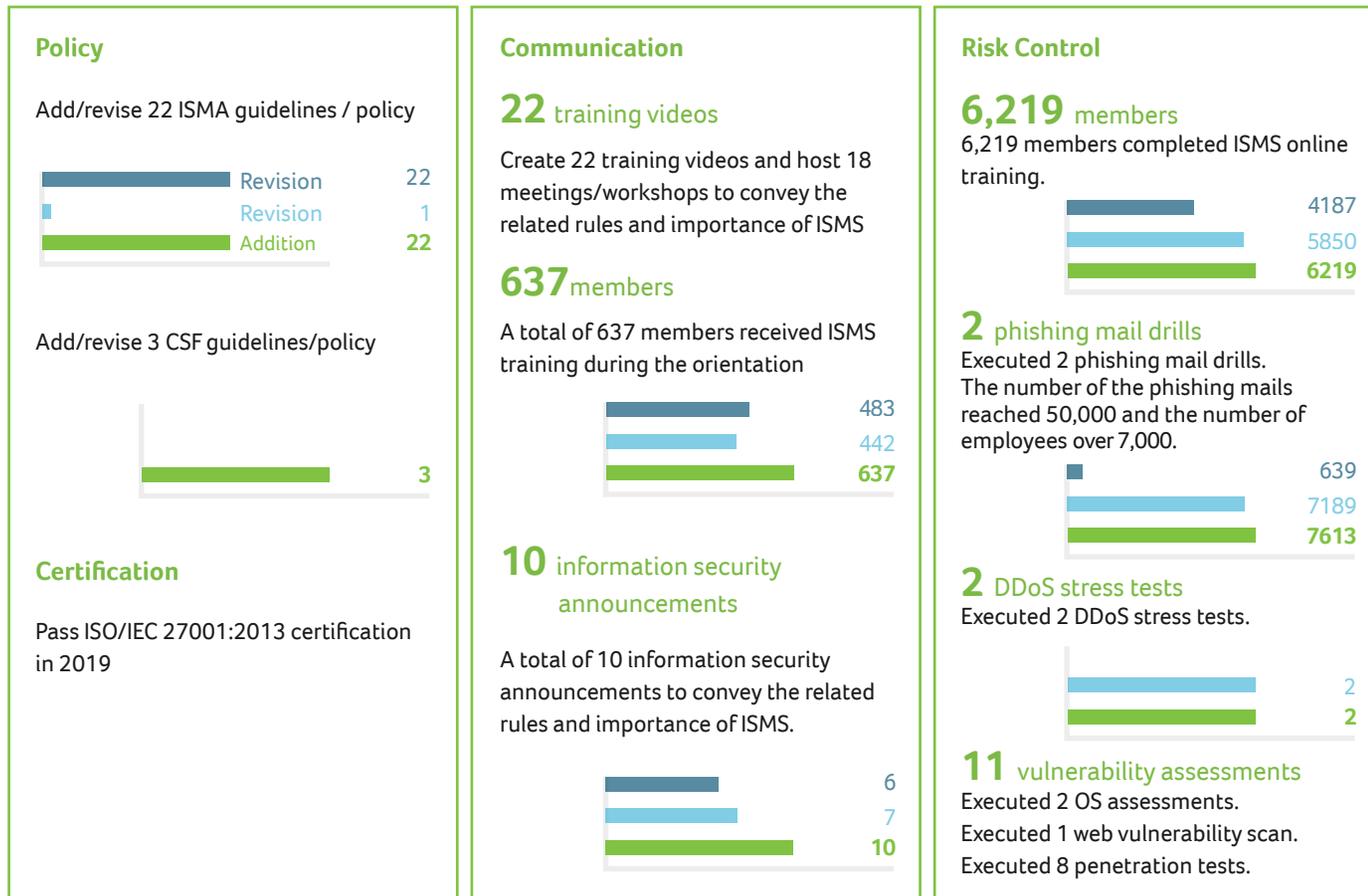


Information Security Drill

To ensure staff can respond promptly to and handle issues resulting from the impact of major system failures, negative human factors, or natural disasters, Acer holds annual vulnerability scans, penetration tests, and business continuity drills to examine the risk coefficient of all processes and establish recovery plans that strengthen the Company's emergency response capability and tolerance against cyber attacks.

Performance of Information Security Implementation in 2021

■ 2019 ■ 2020 ■ 2021

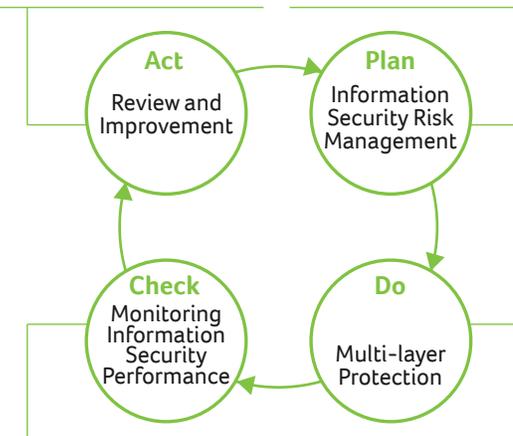


2022 Information Security Management Focus

- Renewing ISO 27001 certification and continuing to maintain the ISMS and implement the PDCA framework to optimize management and ensure that information security can be put into effect in our daily practices.
- Expanding the scope of ISO 27001 management and certification to overseas branches of Acer, raising the level of global information security to improve Acer's image and reach sustainable operation targets.
- Raise staff's information security awareness and management capability via various information security training efforts.
- Keep implementing information security scenario drills and enhance staff's tolerance against cyber attacks and capability to respond to information security incidents.

Corporate Information Security Risk Management and Continuous Improvement Framework

- Review and improvement of information security measures
- Staying current with threats and techniques
- Training and communication in information security
- Risk assessment
- Risk management and countermeasures
- Follow ISO27001 and NIST
- Mechanism for protection of customer data



- Continuous monitoring
- Index assessment
- Cyber attack drills
- Assessment of information security maturity level
- Passing international standards
- Cloud security
- Account management
- Monitoring and operation
- Cyber security
- Device security
- Application security



Protecting Privacy

Acer understands the importance of the protection of personal information and privacy to our clients, and as such we consider our policies on personal information protection and privacy to be a priority. All Acer employees are required to carefully protect confidential or proprietary information provided by customers, and our products make use of data security technology. However, both techniques and risks of network hacking and intrusion are always evolving, and as such, in addition to constantly reviewing the necessity of customer information requests and strengthening information security measures in line with Acer's privacy protection practices, we also continue to purchase and maintain Cybersecurity insurance to provide an additional layer of protection for customer privacy.

Acer's Privacy Protection Measures and their Status in 2021

Regulatory Compliance

The collection, use, and management of personal information must comply with local personal information protection regulations and the basic principle that subjects of said information have the right to know what information is being held and access, correct, and delete that information.

Implementation of internal controls and education & training

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

Improved information security measures

To deepen information security culture and awareness in the Company, in 2019, we obtained ISO 27001 certification, and we have passed routine annual certifications in 2020 and 2021. We have continued to strengthen the deployment and updating of information security protection software and hardware in 2021.

Improved customer problem handling mechanism

We have established a protection mechanism for personal information relating to customers. If there are suspicions of a customer data security problem or incident, the notification mechanism is activated immediately to protect against risk and minimize the harm caused to the relevant stakeholders.

Other concrete actions for protection of privacy

- For business cooperation between subcontractors and our customers, we require that the personal information involved should be handled and used in accordance with the relevant regulations on personal information protection, and that this should be explicitly set out in the contract.
- We hold regular personal information protection courses for those within the Group to raise their awareness of personal information protection and to reduce the incidence of any related problems.

Complaints Regarding Infringement of Customer Privacy or Loss of Customer Information

The number of substantiated complaints from external parties and the number of substantiated complaints from regulatory parties for 2017 through 2021 is 0.



The number of substantiated
complaints for 2017 through 2021

0

About hacking incidents

March 2021

No violation of customer privacy

Acer constantly reviews the status of its information systems, and most cyberattacks are adequately defended against. The Company is routinely targeted by a variety of attacks, and we have notified law enforcement and information protection authorities in several countries of recent anomalies. This event did not have a material impact on the Company's financial operations. We also continue to enhance our information security framework to maintain operational continuity and data integrity. At the same time, enterprises and organizations are reminded to follow information security principles and be more alert to unusual network conditions.

October 2021

No violation of customer privacy

During this incident, Acer detected an attack against the Indian after-sales service system. The group subsequently launched an attack against the Taiwan system. After detecting the anomaly, the information security response procedures were immediately activated. The Taiwan system attacked in the incident also had no involvement with customer information. The incident has been reported to the local law enforcement authorities and relevant government units, has not caused any disruption to the Group's operations, and has had no material impact on the financial operations of the Company.



Product Security

In designing our products and services, Acer strives to comply with the highest safety standards. To protect our customers and their data more thoroughly, we welcome security researchers, academic staff, and others from the security community to provide any information about potential security vulnerabilities that they may have. We work with those who raise major security vulnerabilities and confirm all relevant reports.

We work with partners, industry, and the security community to resolve vulnerabilities. When notified of a suspected vulnerability, we conduct a thorough investigation and, if confirmed, work with the person who submitted the issue to remedy it, while also coordinating the public release of the information. Generally speaking, security vulnerabilities mostly arise from independent hardware suppliers (IHVs) such as Intel, AMD, and Nvidia, or Microsoft operating systems and applications. Upon receiving reports, Acer will provide consumers with ways to patch vulnerabilities. Our website at community.acer.com also provides us with various ways to respond to information security weaknesses. For example, researchers identified a vulnerability in the Baseboard Management Controller (BMC) that could be exploited by attackers to accomplish remote code execution. Acer works closely with suppliers to limit risk through security best practices, restricted privileges, and updates the BMC and CMC firmware to address BMC firmware vulnerabilities affecting certain products.

Acer uses only the latest software versions available on our website to verify reproducible vulnerabilities. In 2021, through this website we received 45 vulnerabilities related to Acer [websites](#) or software, of which four were confirmed to be genuine and fixed immediately. In addition, we have also published information and solutions on our website in response to Intel's announced security vulnerability.

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

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

Hardware

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

Software

In terms of software, 2021's Acer ProShield Plus provides a secure personal storage area and file encryption and destruction. Users can set up alerts to record invalid logins, and the system will also send e-mail alerts. Once access is disabled, the user will be regarded as an intruder and their image recorded by camera and logged in the security report. Users can set the protection status for each browser (Edge, Chrome, Firefox) and once Windows Hello authentication fails, the user's data (bookmarks, accounts, passwords) will be locked. On the software side we continue to work to protect customer information with, Acer Control Center and [Acer Care Center](#), enabling users to connect to the Acer support infrastructure for all their support needs, including a full range of services, inspections, and updates to ensure equipment is up-to-date and running smoothly; Acer Office Manager (AOM) enables offices without dedicated IT staff to effectively directly control and maintain the computers of various users across the company, as well as to monitor devices and platforms throughout the enterprise ecosystem; Norton Antivirus can detect potential threats and remove them; and, for desktop computers, there is a USB Device Filter that can set USB restrictions applied to company staff based on the needs of the particular company: read-only, mice/keyboards only, or no restrictions at all.

Firmware

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

CUSTOMER SERVICE

Business Management Strategy

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

Evaluation Mechanism

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

Customer Management

Medium- and Long-Term Goals

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

2022 Targets

- Percentage of positive customer evaluations reaching beyond 96%.

2021 Targets

Maintain average customer satisfaction survey results above 96%, with continued growth year on year.

2021 Status and Highlights/Results

- ✘
95 %
Percentage of positive customer evaluations reached
- More recognition for customer service

★ Highlights
 ✔ Achieved
 ✘ Not Accomplished
 ▶ In Progress

Acer's success depends on the trust our customers have in us. We provide the highest quality at all operational levels, from product design and manufacturing to after-sales service, and continue to promote innovation and improvement in technology and compliance with domestic and international regulatory requirements for consumer safety and performance.

Acer's vision is to become a leading company with sustainable operations that continuously improves the efficiency and quality of our services through innovative services and customer care. In order to satisfy our customers, we actively seek to understand their needs, introduce better and easier-to-use products, provide customer service that meets or exceeds their expectations, and create greater value for them.

Multiple Service Channels

Acer is devoted to helping customers understand the features of our products and services, and to using a variety of methods to understand what our customers need. Our customers should feel free to contact us at any time and provide comments and suggestions through the following channels:

- Acer Answers
- Social Media
- Online Chat
- Call Center
- D-port Repair



We have set up maintenance centers around the world, and cooperate with authorized service centers where required. The network is made up of Acer-operated service centers and authorized maintenance centers. The five main characteristics of this service model are:

Mixed Mode

Combining our own venues with partnered telephone service and maintenance centers.

"One Company, One System"

Providing service units with seamless, real-time linkage.

Multiple Brands

Consistently meeting customers' needs across different brands around the world.

Parts and Logistics

Our parts center and regional service centers, managed by a single system, along with parts centers in all corners of the globe, are ready to respond to customers' maintenance service needs.

E-service Application

With the Acer e-Service app upgraded to version 3.8, customers can easily get service information on their smartphones.

In China, we use computer health checks, run "Acer product fans," and work to build good relationships with companies, schools, and other institutions. This year, due to the COVID-19 epidemic, most of the campuses were closed and distance learning was used, but Acer China continued to provide free computer health checks, cleaning, and troubleshooting services to faculty, staff, and students at four universities despite the challenges.

Enhancing Service Quality

Improving Customer Service

Acer Taiwan In 2021, the Acer eStore launched a One-Year Extended Warranty Card, enabling customers to purchase products with a one-year extended warranty to meet their needs. We also continued to provide customized installation services for purchasers of Acer products, so that should a customer need to upgrade their services after purchasing Acer products, our repair centers or authorized third-party repair centers can provide relevant consultation and installation services.

In 2021, Acer America offered instant chat customer service for more than 10 Central and South American countries in English, French, Portuguese, and Spanish, handling inquiries from customers in not only the US and Canada, but also Central and South America, and handling customer questions online more promptly so as to reduce the hassle of sending products to repair centers. There are also plans to introduce WhatsApp customer service in Central and South America, enabling customers to directly access Acer customer service through an app on their phones. In Brazil, we continue to work with a dedicated customer service partner with whom we have worked with for seven years. In addition, as evidenced by the results of the customer satisfaction survey, Columbia's dedicated customer service line offered even better quality of service than the previous year.

Self-Testing System

Acer Care Center (ACC) is a software suite for optimizing Acer notebooks and desktops, helping users keep their devices in top condition. ACC can also link users to Acer's support team to get them the assistance they need. ACC provides comprehensive service, including checks and updates, ensuring users can keep their devices up-to-date and running smoothly.

Through the product support page's functionality, this system can offer a dedicated page for each product by model and country. Customers can go to the appropriate page to download the product manuals and drivers, reducing the need to waste time searching for product support services.



My system

Provides detailed hardware and software information, giving users an easy way to get information on system components including the operating system, CPU, graphics system, memory, and more.



Detailed Computer Checks

Using PC Checkup, users can get diagnostics and status reports for their hard drives, batteries, and networks. By providing them with the information they need, this helps them get an insight into whether their devices are running properly and how to unleash those devices' full potential.



Tune-Up

Using a disk cleaner, disk defragmenter, startup manager, and junk removal tools, Acer Care Center helps users keep devices in peak condition. These four services help users improve performance. Acer Care Center also provides Smart Tune-up functionality that enables the system to automatically optimize performance.



System Updates

Acer Care Center makes it easy for users to get the latest system updates. With the push of a button, they can download and install any available updates. Acer Care Center also offers updates to Acer software and drivers, as well as keeping detailed logs of versions and update dates.



Support Information

Using Acer Care Center, users can find the closest service center, access the Acer community, look through FAQs, and connect to Acer's support pages. Users can also view their serial numbers and product ID numbers, which can be used to get more information on their devices from the Acer website.



Recovery Management

Using Acer Care Center, users can backup or restore system settings and networking drivers to protect against the effects of system failures. The recovery management function assists users in reinstalling Windows 10 and can also help restore system settings



Online Communications, Prompt Responses : Acer Community

The Acer Community website provides customers with an online communications channel that enables them to post their problems at any time and receive prompt, accurate responses from other Acer Community members. In 2021, Acer Community reached a total of 470,750 members, 29,583 new posts discussing of problems, 138,854 posts sharing opinions, and over 5,200 solutions. A total of 10,182,304 visitors viewed the site some 22,862,826 times that same year. In addition, in 2021, our ACE team added 5 additional superusers, for a total of 40. The website supports multiple languages, including English, Spanish, German, Portuguese, and French, providing channels that span borders.

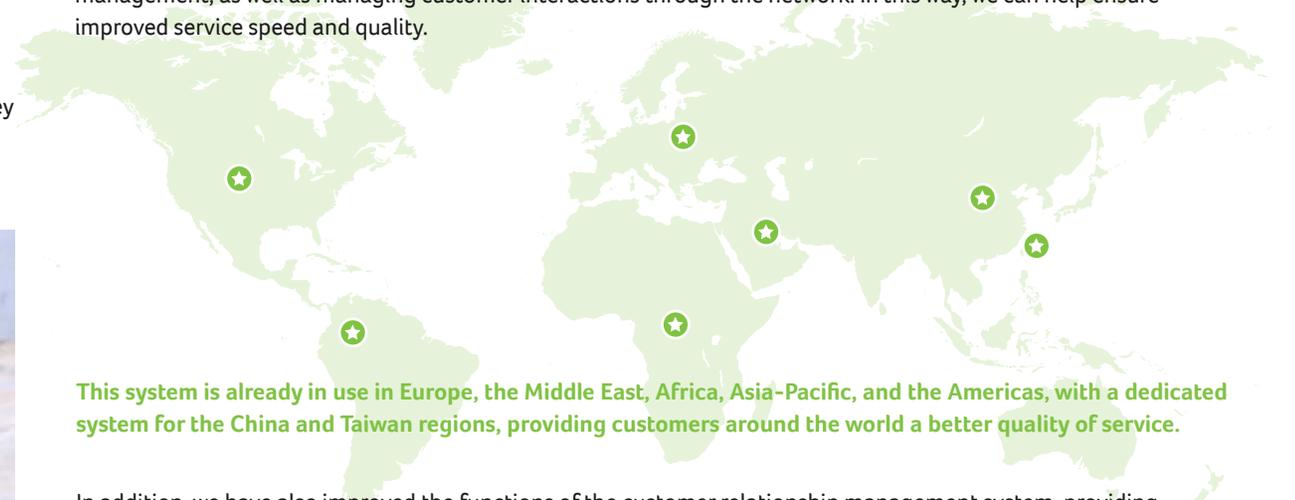
In addition, Acer Support has accumulated 61,700 subscribers on Youtube, regularly releasing in-depth videos to explain the use of Acer products and providing users with a quicker, more intuitive way to understand the products they are purchasing.



The Acer Product Evaluation Program (APEP) is a product testing program that allows expert members of the Acer Community to test out the latest products. Their feedback can then help us improve our products and be more innovative. Relevant departments, including the management team, marketing, and UX, evaluate and discuss user feedback and lay out plans for improvements.

Global Customer Relationship Management System

A good system is fundamental to excellent customer service. To improve customer service quality, we developed the Acer Customer Service System (CSS) to centrally manage Acer's directly-managed service centers, authorized service centers, professional maintenance companies, telephone service support centers, spare parts planning and warehouse management, as well as managing customer interactions through the network. In this way, we can help ensure improved service speed and quality.



This system is already in use in Europe, the Middle East, Africa, Asia-Pacific, and the Americas, with a dedicated system for the China and Taiwan regions, providing customers around the world a better quality of service.

In addition, we have also improved the functions of the customer relationship management system, providing customers with a mobile application through which they can make inquiries and can track service requirements. Technical service engineers can also work online. In order to improve maintenance quality and reduce maintenance time, all regional service centers also make use of the Acer Diagnostics Suite (ADS). With the introduction of the ADS into maintenance centers, the system returns test results to the CSS to provide the basis for repair work, thereby improving diagnostic accuracy and improving the rate of second repairs.

The new Global Customer Relationship Management System (Version 8) makes use of the latest technology to strengthen and integrate processes across regions. In 2021, this management system was smoothly put into use with maintenance centers in Central and South America. This system can also support a variety of service needs across product combinations and brands. In addition, Europe uses the new Version 8 system for corporate customers, improving the service and support provided to them and providing service for products beyond just computers.

To improve security, all Global CRM System applications have been upgraded to OS/SQL 2012 to support Acer's regional and service business needs in 2021.

Helping Service Staff Solve Problems Better

To facilitate our worldwide customer service staff's provision of the best customer advice and assistance, we established an online learning system (Acer E-Academy) to provide professional knowledge training in new products, resolution of common product queries, customer skills, and standard processes to front-line customer service employees and operating unit employees, including an online evaluation after the course has finished. In order to improve the user interface and upgrade the coverage, Acer Europe introduced the eLearning portal to provide professional training to internal staff on maintenance techniques and troubleshooting, with new courses covering a variety of areas continually being introduced. Through this system, we are able to provide staff with the latest product knowledge and enable them, in turn, to provide customers with better service. The courses aim to help users more effectively deal with customer inquiries through a set of standard methods and, through a virtual journey, gain a full understanding of each product even without physically seeing it. In the Taiwan region, we also held in-house training in 2021 to teach service center staff how to use maintenance tools and new technologies, helping them provide more efficient service and better solve customer problems.



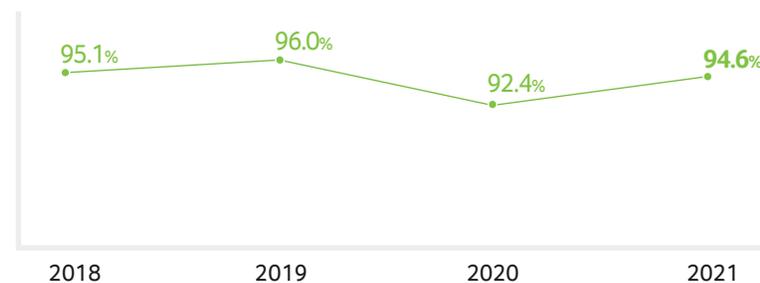
Customer Satisfaction Survey

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

To improve customer satisfaction, we conduct regular (weekly or monthly) reviews of authorized service centers; if a problem is found or an incident occurs, the center will also provide a corresponding corrective plan. Currently, the majority of both internal maintenance centers and partner authorized service centers, have successfully obtained relevant ISO certifications, such as ISO 9001 and ISO 14001.

In aggregate, our 2021 survey results show high global satisfaction, with positive customer evaluations accounting for 95% of total evaluations. Average customer satisfaction survey results grew slightly compared to last year, mainly due to the improvements in the pandemic situation. Most maintenance departments have returned to regular working hours, leading to a notable improvement over 2020 service times. However, overall, the variations remain within the normal range.

Global Customer Satisfaction



We have set the following goals for customer service improvement in 2022: Average positive customer evaluations of 96% or higher. Specific practices include:

- **Continued implementation of a fan management system** integrating sales and computer health clinics. Implement a bidding system for companies and schools, carrying out computer health clinics and establishing strong customer relationships.
- **Study and plan an application suite running on PWA** to provide instant messages related to products purchased by customers, so that customers can get BIOS, driver, and product-related updates immediately, as well as information on the nearest service center to their location, enabling them to contact Acer customer service centers more quickly when they need assistance.
- **Improve service center information systems** so that the customer service staff can better understand customers' records and reduce the time needed for service, boosting customer satisfaction. For example, Acer Europe makes use of the Unified Agent Desktop tool to make it easier for staff in the service center to get information on client machines and provide thorough service.
- **Continue to observe and reduce customers' second repair rates** to boost consumer satisfaction and loyalty.





COVID-19 RESPONSE

Pandemic Protection Measure

In view of the ongoing global COVID-19 epidemic in 2021, Acer Taiwan's emergency response team continued its work to ensure daily operations could be maintained. In addition to following the measures set out by governments in various countries, pandemic prevention measures were established in three areas—hardware, software, and services—and timely adjustments were made through a rolling response mechanism to provide employees with a stable, safe, and secure working environment.



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

Supporting the Community

Donating Acer Products

In May 2021, Taiwan experienced a severe outbreak of COVID-19 and had to transition to remote work and study to slow the spread. As conditions improved, many students returned to the classroom and resumed regular classes. To help provide better health protections to these students, Acer Group subsidiary Acer Being Communication and the Acer Foundation donated Acer Ozone Antibacterial Sanitizers to more than 100 kindergartens in Taipei and New Taipei Cities, hoping that the product's antibacterial functionality would help improve the water quality in the kindergartens and protect the children's health.



In February 2021, a surge in confirmed COVID-19 cases began in India. Acer donated 21 oxygen generators, 20 ozone sterilizers, five air purifiers, and 30 oxygen cylinders to the Indian government and various medical and social welfare organizations, providing antibacterial and health/safety materials during the pandemic and helping save the lives of Indian citizens.

In appreciation of the efforts of front-line medical professionals, the Acer Foundation and Acer Medical, a subsidiary of Acer Group, have donated 2,000 newly launched antimicrobial keyboard and mouse sets, with applications open to medical institutions throughout Taiwan at the regional level and above, as well as providing six months of free use of Acer [TeleMed](#) video diagnosis software and [VeriSee DR](#) AI-assisted ophthalmic diagnostic software. Acer TeleMed provides a link to the healthcare provider and then connects to a video clinic, reducing the burden of primary care appointments and the risk of exposure during the pandemic; VeriSee DR uses edge computing technology to effectively shorten the detection time of diabetic retinopathy.





Slowing the Spread

At Acer offices around the world, in addition to responding to COVID-19 outbreaks, we have also taken active measures to mitigate the impact of the pandemic. In the case of Acer’s U.S. office, for example, several measures were taken, including:

<p>Providing Bonuses to Encourage Vaccination </p> <p>We require employees to be vaccinated, keeping records of this with photographs of vaccination cards sent by staff to ensure they are fully vaccinated prior to entering the office. We have documented that every office employee has been fully vaccinated. For employees who refuse vaccinations, we require weekly monitoring of rapid test results and the wearing of masks, and continue to encourage vaccinations at resident clinics with a US\$100 bonus.</p>	<p>Providing Staff with Rapid Tests </p> <p>We provide any staff members showing COVID symptoms themselves, or with family members who are, with rapid tests, requiring the test results (RAT or PCR) be given to HR. After close monitoring of the situation by HR, a decision will be made regarding isolation or, if health conditions allow, work from home. Furthermore, another rapid test must return negative before they can return to work.</p>
<p>Establishing an Emergency Sick Leave System </p> <p>Acer America has a special 80-hour emergency sick leave to encourage employees to take more time off and stay at home when sick. Through a series of preventive measures, including requiring masks, contact tracing, isolating staff members who may be confirmed cases, and installing hand sanitizers at multiple locations, we have successfully prevented the spread of COVID-19 in the workplace.</p>	<p>Encouraging Staff to Get Flu Shots </p> <p>Acer EMEA has partnered with insurance agents and insurers to run a flu vaccination campaign for employees. Flu vaccination in the workplace has helped protect them from the negative impact of the flu on their business.</p>

Cheering Medical Staff

In June 2021, when Taiwan was at pandemic alert level 3, the people of Taiwan transitioned as much as possible to working from home. Medical staff, however, had to stay at their stations. Acer launched a campaign to raise funds for afternoon tea to show appreciation to the medical staff and thank Cathay General Hospital in Xizhi for their efforts to protect the health and safety of the local community. The Acer volunteer team send the meals and thank-you cards to the hospital.

Material Donations

Acer Ukraine office provided personal protective equipment and disposable supplies to the NODUS Neurological & Neurosurgical Rehabilitation Research Centre to help medical staff deal with COVID-19. We worked with the Kran Charitable Fund, which assisted in the purchase and delivery of all necessary materials to the NODUS Centre.



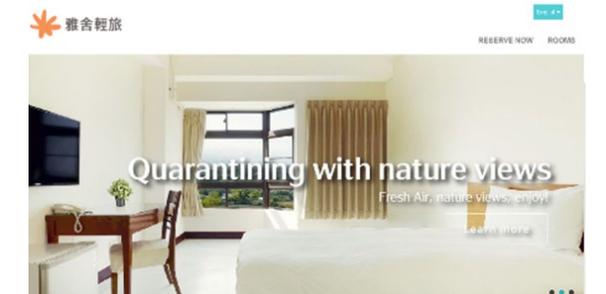
Enhancing Operational Resilience

Management that can Adapt to the Future of Work

We have provided management with our “Overcoming Work-from-Home (WFH) Management Challenges — Winning Tips for Acer Supervisors” handbook to assist with remote management.

Business Model Transformation

In response to the global impact of the pandemic, Aspire Youth, part of the Aspire Park, was transformed into quarantine hotel, providing employees or their families with quarantine accommodation services upon their return to Taiwan.



04

RESPONSIBLE SUPPLY CHAINS

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

Our suppliers are our most important partners. Beyond the economic value that our supply chain brings, we are also focused on social and environmental impact, building on a foundation of respect for human rights and working diligently toward a sustainable supply chain. Through the Acer Responsible Supply Chain Management (ARSM) mechanism, we jointly shoulder our responsibilities toward society and the environment alongside our supply chain, expanding out from our first- and second-tier suppliers to the third tier and gradually working toward the realization of sustainability goals.

220,000

supplier direct employees audited, 2021

100%

smelters in compliance with/participating in third-party mechanisms for OECD Due Diligence Guidance

949 suppliers

Expanded supplier management to 949 second-tier suppliers

Acer's Supply Chain

Acer is working together with our suppliers to provide customers with valuable products and services. Our first-tier suppliers include ODM/OEMs, key components and assigned suppliers.

We identify critical suppliers based on purchase spending; non-substitutability; strategic material, product, or business; and leading technologies.

We support striking a balance between local procurement and supply chain diversification, reducing overall supply chain carbon emissions and creating local employment opportunities while also reducing overall supply chain risk.



Percentage of Critical and Non-Critical Suppliers



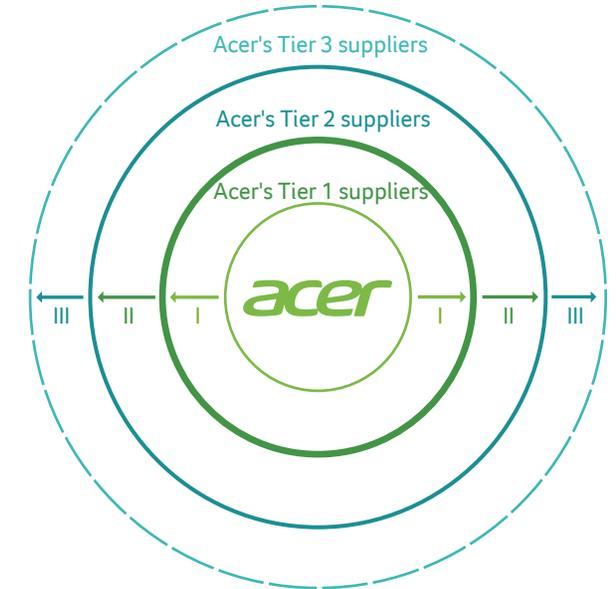
Manufacturing suppliers are distributed around the globe, including Taiwan, China, Malaysia, Thailand, the Philippines, Vietnam, Singapore, Japan, South Korea, India, Brazil, and Hungary, although our primary production base is China.

SUPPLY CHAIN MANAGEMENT MECHANISMS

Acer Responsible Supply Chain Management (ARSM) Mechanism

Acer has been a member of the Responsible Business Alliance (RBA) since 2008 and actively participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in ESG and share in the practical experience of its members. With the implementation of the Acer Responsible Supply Chain Management (ARSM) mechanism, all Acer manufacturers and service providers are required to comply with both the RBA Code and local regulations, regardless of any regional variation. We also carry out annual on-site RBA Code of Conduct supplier audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the staff. We encourage and require suppliers to uphold their corporate responsibility by ensuring that their suppliers implement socially and environmentally responsible management and advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

With the ARSM system, we have not only set out the social and environmental responsibilities of our first-tier suppliers, but are also rolling this out to second- and third-tier suppliers in phases. The goal of this is to further expand the reach of our social responsibility and influence. Acer requires first-tier suppliers to implement risk assessment and management of second-tier suppliers based on the RBA Code of Conduct. For higher-risk suppliers, we also carry out on-site audits and tracking of improvements. We have also integrated performance in these into our supplier ESG scorecard assessments, realizing and expanding the environmental and social responsibility of our supply chain. We have selected some ODMs for expansion of the scope of responsible supply chain management to third-tier suppliers, and we plan to formally roll this into routine management activities from 2021.



I: 2008~ II: 2016~ III: 2021

We continue to communicate with suppliers and enhance their ability to respond to sustainability issues, as well as encourage suppliers to incorporate sustainable development matters into their management agendas. In line with Acer's sustainable development strategy, we hold a variety of supplier sustainability conferences, and in our annual supplier ESG communication meetings, we provide information on the latest in ESG developments and trends, as well as analyzing important supply chain matters and potential actions that we can take together. These meetings also provide an opportunity for two-way communication between Acer and suppliers, strengthening the supply chain's environmental and social responsibility and deepening our ESG-related cooperative relationships. In December of 2021, we convened our annual ESG Communication Meeting with suppliers. The proceedings took place online with over 250 supplier participants in attendance.



Key Points from 2021 Supplier ESG Communication Meeting

Environmental Responsibility

- Inviting suppliers into the Earthion initiative
- Sharing the risks and opportunities that supply chains may encounter regarding climate issues
- Inviting third-tier suppliers to participate in the CDP (formerly the Carbon Disclosure Project) in 2022 and ask them to set specific carbon reduction targets

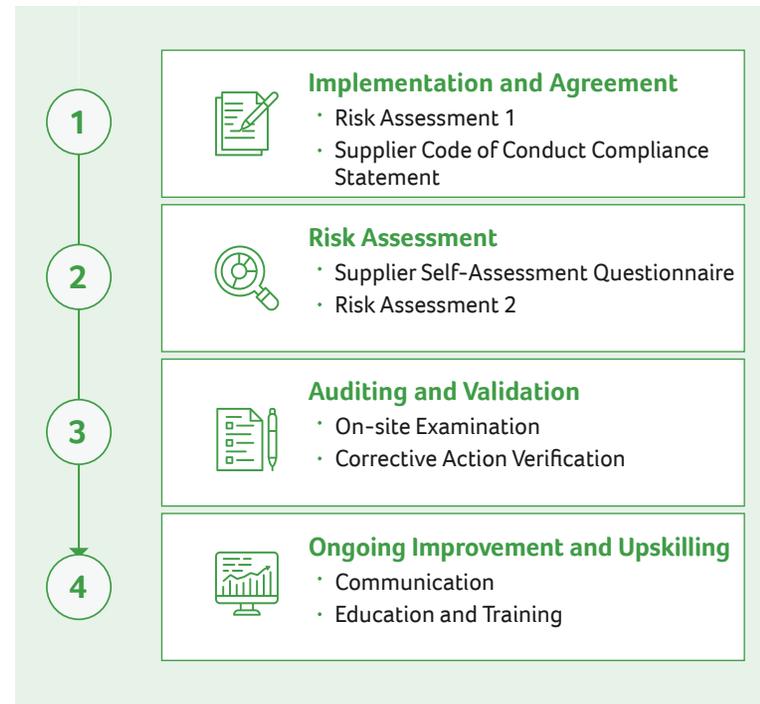
Social Responsibility

- In 2022, we will continue to follow international trends and actively cooperate with organizations such as RBA, the Swedish Confederation of Professional Employees (TCO), and the Green Electronics Council and their Electronic Product Environmental Impact Assessment Tool (EPEAT) to promote issues such as energy management systems and the restriction/prohibition of chemicals in manufacturing processes.
- Minerals currently prioritized for regulation include tantalum, tin, tungsten, gold, cobalt, and mica. Suppliers are required to conduct due diligence and management in accordance with OECD guidelines and follow Responsible Minerals Initiative (RMI) tools for regular reporting.

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, and through management measures at every stage, Acer and our suppliers are able to work together effectively to establish a sustainable supply chain with a focus on environmental and social issues. New suppliers pass a social and environmental responsibility risk assessment and sign an RBA Code of Conduct compliance statement before they become official suppliers.

Supply Chain Social and Environmental Management Processes



Supplier ESG Scorecard

We carry out supplier ESG scorecard evaluations, reviewing ESG implementation among our suppliers and performance therein. These are part of quarterly business review meetings focused on major product lines and key components and provided to senior management of Acer and our suppliers, serving as a driving influence behind our bilateral business relationships.

Supplier ESG scorecard assessments include the following:

 Corporate Sustainability Management	 Environment, Energy, and Climate Change Management	 Labor, Ethics, Health, and Safety Management
<ul style="list-style-type: none"> <input type="checkbox"/> Corporate Governance <input type="checkbox"/> Stakeholder Communication <input type="checkbox"/> Supply Chain Management 	<ul style="list-style-type: none"> <input type="checkbox"/> GHG Inventory <input type="checkbox"/> GHG Reduction <input type="checkbox"/> Carbon Disclosure Supply Chain Program Ratings and Scores <input type="checkbox"/> Usage of Green Electricity and Renewable Energy <input type="checkbox"/> Status of Science-based Carbon Reduction Targets <input type="checkbox"/> Environmental Issues 	<ul style="list-style-type: none"> <input type="checkbox"/> Management Systems Certifications <input type="checkbox"/> Conflict Minerals Management <input type="checkbox"/> RBA Code of Conduct Audit Scores

Overall, the overall performance of suppliers on the ESG scorecard in 2021 continued to improve, with 59% of suppliers achieving an “excellent” standard and 30% at the “medium” level. We also use quarterly business reviews and other communication methods to demand underperforming suppliers implement appropriate actions to improve their ESG performance. This mechanism will continue in the future, and according to internal and external issues and past performance, we will make any necessary adjustments to weighting or items to be assessed.

ON-SITE AUDITS

Acer’s suppliers must treat their staff in a respectful manner, using environmentally responsible manufacturing processes and providing safe working conditions. We have adopted the latest version of the RBA Code of Conduct, which covers the five major aspects of labor, health and safety, the environment, ethics, and management systems. This system is used in our on-site audits of suppliers with regard to both social and environmental responsibility. Through different auditing methods adopted based on the particular nature of the supplier’s operations and their implementation of the RBA Code of Conduct, we can verify any lapses we may find in the aforementioned five areas and require suppliers to take corrective steps by a given deadline. Thus we are able to continually improve the social and environmental responsibility of Acer’s supply chain.

2021 On-Site Audit Results

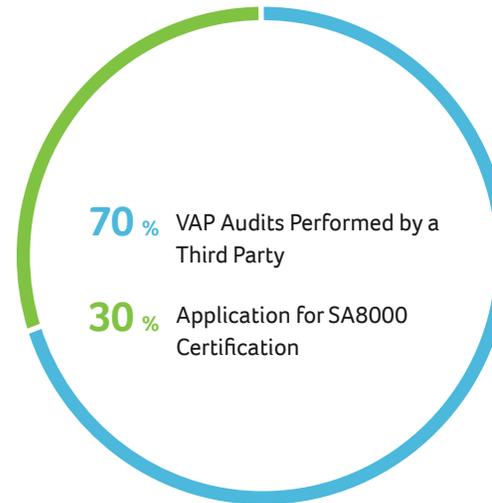
Acer uses risk assessment results as the basis for on-site audits and assessments. We examine the country risk, manufacturing processes, and products of each supplier, along with results of previous audits, as well as taking into account the concerns of stakeholders when setting out our annual audit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

In 2021, we conducted a total of 89 audits, 100% of which were on-site audits. These include new suppliers that began production of Acer products in 2021. The approach covers third-party audits (CMA or AMA), RBA Validated Audit Process (VAP), BSCI, SA-8000, accreditation, etc. We particularly encourage suppliers to undergo the Validated Audit Process (VAP) themselves, resulting in a broader scope of application of audit results that can help boost overall industry responsibility and compliance. In 2021, more than 220,000 direct supplier employees were audited, and 4,070 direct employees were interviewed, with more than 80% using the RBA Validity Audit Process (VAP). Settlements were audited within the two-year validity period, with an overall implementation rate of 91.8%.

Percentage of first-tier suppliers audited by a third party out of all suppliers **91.8 %**

For the 2020 RBA audits, ten companies with total scores of less than 120 (out of 200) were listed as higher risk and were to be reviewed again in 2021. The actual number of factory audits was 7, and there were three other manufacturers that applied for SA 8000 certification. The total audit rate was 100%.

Percentage of Audits of Higher Risk First-Tier Suppliers



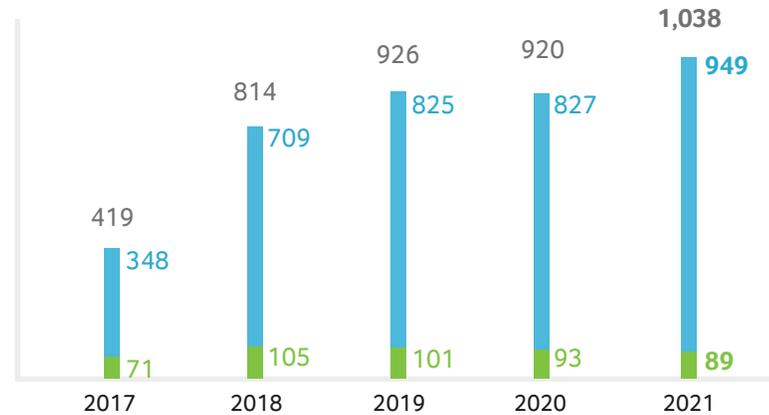
Per the above description, between 2008 and 2021, a cumulative total of 881 first-tier supplier audits have been carried out. In addition, to effectively improve implementation through the supply chain, Acer has required its first-tier suppliers to conduct pre-audit risk assessments of their next-tier suppliers of critical raw materials since 2017.

After aggregation, high-risk suppliers accounted for 6% of the total, with medium-risk suppliers at 21%. We continued to carry out auditing activities in 2021 along these lines, auditing a total of 949 second-tier factories. In 2021, we also further deepened our implementation across the supply chain, extending our auditing activities to third-tier suppliers, of whom we conducted 617 audits in the year. Considering that the third-tier supplier system is in the initial trial stage and has coincided with the COVID-19 pandemic, some of the audits have been conducted in the form of questionnaires in order to maximize the communication and implementation of Acer’s position on sustainability issues.

In 2022, despite the ongoing influence of COVID-19, we still plan to conduct on-site audits of 70 first-tier supplier manufacturing plants, covering 140,000 direct employees and interviewing 2,500 other employees. We have also set the following annual RBA Code of Conduct on-site audit conformance targets: labor: 87%, health and safety: 87%, environment: 95%, ethics: 95%, management systems: 95%. Likewise, we will continue to pursue auditing activities for second- and third-tier suppliers to actively improve the workforce and operating environment and deepen the long-term positive impact on the overall supply chain.

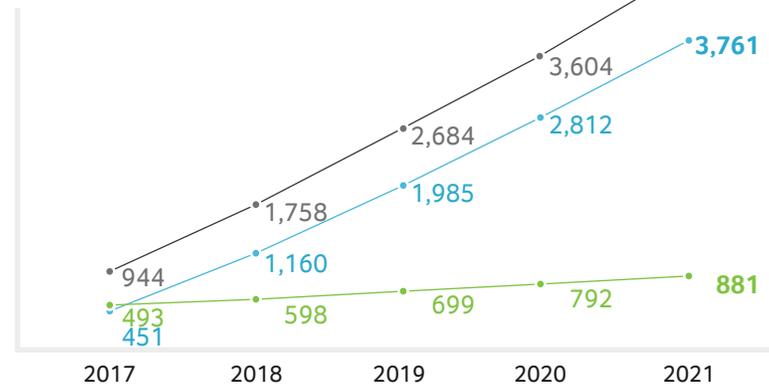
Supplier Audit Categories and Incidences, 2017-2021

Number of Supplier Audited



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

Cumulative Total Audits



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

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

Manufacturing Supplier Direct Employees and Cumulative Direct Employees Audited



- Direct Employees (10 thousand employees)
- Cumulative Direct Employees (10 thousand employees)

Manufacturing Supplier Employees and Cumulative Direct Employees Interviewed and Audited

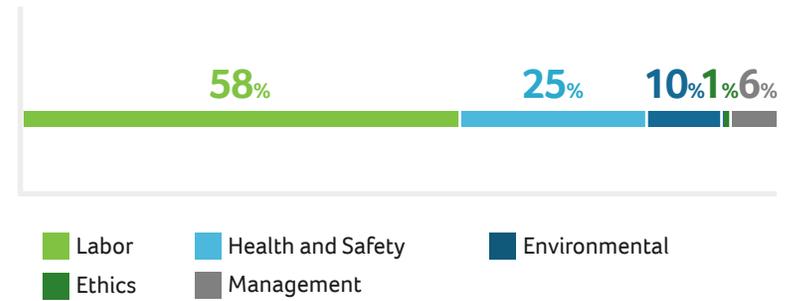


- Employees Interviewed
- Cumulative Employees Interviewed

2021 Audit Results Analysis

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

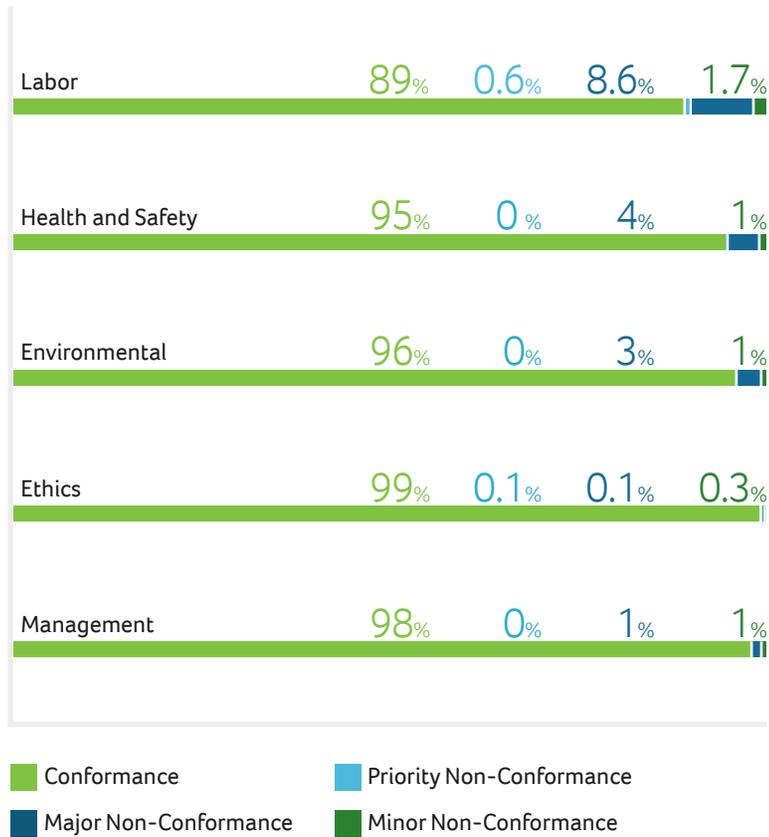
Distribution of Non-Compliance Found in Audits



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

Category	Significant Deficiencies	Other Deficiencies
Labor	0.6%	10.3%
Health and Safety	0.2%	5.2%
Environmental	0%	4.0%
Ethics	0.1%	0.4%
Management	0%	2.0%

RBA Code of Conduct Conformance



Note: Data covers all suppliers subject to audits by Acer management, third parties, and VAP, a total of 89

Important Issues and Tracking of Improvements in 2021

The main lapses in terms of labor rights were problems around working hours and pay. Other issues were related to lapses in the control of hazardous substances, potential hazard controls, and supplier audit management.

The deficiencies regarding working hours were mainly problems around overtime, with a few personnel on duty for long days. In particular, with the continued spread of COVID-19 and a lack of labor mobility in some regions, the need for flexible manpower scheduling has become a new and challenging issue, compounded by the combined effects of raw materials shortages and shipping delays. It has become common for suppliers to recruit additional manpower to address short-term manpower shortages. In view of this serious challenge, some manufacturers have switched to rolling rosters or training multi-skilled workers to bolster scheduling flexibility. Some manufacturers are continuing to promote the replacement of some manpower with automation.

With regard to labor wages and benefits, the main problem is that the basis for calculating social insurance coverage needs to be adjusted and optimized. At the same time, it is also necessary to provide appropriate insurance-related education and training to employees to enhance their personal knowledge and to cooperate with the promotion of insurance operations.

In terms of environmental safety and health deficiencies, these were mainly the omission of equipment guards and electrostatic equipment caused by new facilities and plant adjustments that need comprehensive inspection and boosted equipment to eliminate the potential for occupational hazards to the greatest extent possible.

In terms of hazardous substance management, safety labeling (including labeling of hazardous chemicals with names, composition, emergency disposal methods, emergency contact information, and manufacturer-related information) is not complete enough on secondary packaging and should be improved. Also, chemical liquids were not properly set up in secondary containers when stored so as to prevent the risk of leaks.

In terms of management systems, suppliers are more focused on the supply chain management of raw materials, often neglecting supporting service suppliers, such as the provision of temporary labor, canteen, cleaning, and security. With prompting and guidance, they can mostly be quickly incorporated into management and coaching.

Acer issues Corrective Action Reports (CAR) to higher-risk audited suppliers in response to any issues of non-compliance identified. Within 30 days of receiving such reports, suppliers must produce a written risk CAR of their own and submit it to Acer for approval by management personnel. These reports will be followed up on each month and verified against the on-site audit the following year. With regard to high-risk suppliers, as found in the audits, Acer will make the necessary adjustments to our purchasing strategy to manage the issue. As of the end of 2021, 222 deficiencies have been identified in higher-risk suppliers with VAP audit scores below 160 or priority non-conformance deficiencies, and as of December 31, 2021, 222 deficiencies have been tracked, and improvement measures have been implemented. A total of 21 deficiencies, including priority non-conformances, were listed, and all of them have been listed for corrective action. The other non-conformances have also been listed for corrective action.

Priority Non-Conformance and Other Non-Conformance Correction Rate **100%**

Main Issues and Corrective Actions & Mitigation Plan of On-Site Audit in 2021

RBA Code of Conduct / Main Issue	Corrective Action and Mitigation Plan
Labor	
A3.1 & A3.2 Working Hours	
Workweek exceeded 60 hours; workers were not allowed at least one day off in seven days	<ul style="list-style-type: none"> Strengthen multi-skill training to enhance manpower flexibility Promote system of accountability for management supervisors to reduce labor costs caused by management oversights and optimize scheduling mechanism Establish high performance output bonuses to replace long hours with high output performance Boost production lines with incremental recruitment to address manpower mobility impairment Introduce a rolling roster system Introduce an overtime control system with early warning notification and tracking functionality Purchase automated equipment to reduce dependence on manual labor Develop a “Work Hour Reduction Plan Progress Chart” and follow up on improvements with HR
A4.4 Wages and Benefits	
Correctly calculate payroll deductions or submit them to the government in lieu of deductions	<ul style="list-style-type: none"> Promote the meaning and importance of social insurance payments during the onboarding of new employees Encourage current employees to participate in social insurance in accordance with the law to ensure that all employees are insured in accordance with the law Adjust payment basis in a timely manner and in strict accordance with local regulations
A1.1 Freely Chosen Employment	
Labor which is not forced, forcibly confined, indentured or in bondage, trafficked, or enslaved	<ul style="list-style-type: none"> Medical examination fees will be borne by the employer to avoid advance or delayed payment Signing medical examination contracts with medical institutions to provide free examinations for employees

RBA Code of Conduct / Main Issue	Corrective Action and Mitigation Plan
Environmental	
C3.1 Hazardous Substances	
Use qualified suppliers for proper sorting, labeling, handling, storage, transportation, and disposal of hazardous substances/waste	<ul style="list-style-type: none"> Addition of hazardous materials disposal suppliers to improve efficiency of hazardous materials disposal Hazardous substance composition table must be updated and replaced, and included in inspections to prevent falling behind or being misplaced Harmful substances are to be stored according to the law in secondary containers to prevent leakage All dispensing bottles are to be labeled with safety labels with the following safety information: names, composition, emergency disposal methods, emergency contact information, and manufacturer-related information
Management Systems	
E12.2 Supplier Responsibility	
Adequate and effective processes to ensure supplier implementation of RBA guidelines	<ul style="list-style-type: none"> Scope of management is too narrow. Re-inventory and include suppliers of labor services (e.g., temporary labor, canteen, cleaning, security, etc.) in supplier management scope Recommend an effective control process to prevent incomplete supplier self-assessment reports and missing improvement reports
Health and Safety	
B1.2 Occupational Safety	
Proper design, engineering and management controls, and safe work procedures to control potential hazards workers may encounter	<ul style="list-style-type: none"> Assess the possibility of fall hazards and design appropriate guardrails Design and acceptance specifications of guardrails and ground clearance of safety ladders must be in line with the law Electrostatic equipment must be included in assessment of all chemical-related operations Safety latches and warning signs for risky facilities are to be included in regular inspections to address issues and fix leaks in a timely manner

ENVIRONMENTAL MANAGEMENT

Management Strategy

Formulating concrete environmental management practices and goals, and implementing environmental responsibility through audits, training, and communication with regard to the supply chain

Evaluation Mechanism

The Sustainability Committee's Responsible Supply Chains Team will regularly review the environmental responsibility practices and performance of the supply chain through ESG scorecard and RBA on-site audits..

Supplier Environmental Performance

Medium- and Long-Term Goals

Major suppliers commit to RE 100 or set carbon reduction SBTs. 2025 Goal: 80% of critical suppliers committed to RE 100 or set carbon reduction SBTs

Provide suppliers with RBA Code of Conduct on-site conformance audit percentages

2022 Targets

60% of critical suppliers commit to RE 100 or set carbon reduction SBTs

Set the following annual RBA Code of Conduct on-site audit conformance targets: Environmental: 95%

2021 Targets

50% of critical suppliers commit to RE 100 or set carbon reduction SBTs

RBA Code of Conduct On-Site Audit Conformance Target: Environmental: 95%

2021 Highlights/Results

55 %
 of critical suppliers have committed to RE 100 or set carbon reduction SBTs

92.6 %
 RBA Code of Conduct Conformance : Environmental

★ Highlights
✓ Achieved
✗ Not Accomplished
▶ In Progress

Inviting Suppliers into the Earthion Initiative

In 2021, we began bringing together our employees and supply chain partners to expand the reach of sustainability efforts by launching the Earthion initiative, with the goal of bringing everyone together to solve our environmental challenges with innovative and integrated solutions.

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, green energy use, low-carbon emission logistics, packaging materials and design, and product recycling & resource reuse, combining the efforts of our suppliers and partners to accelerate the development of green designs and processes and completely minimize our environmental impact.

Earthion's Mission Focus



Earthion

Acer has launched the 'Earthion' initiative, named for a combination of the words 'Earth' and 'Mission,' representing Acer's mission to protect the environment and tackle environmental challenges through innovative and integrated solutions. The Earthion platform unites Acer's internal staff and external supply chain partners in an effort to expand the impact of our sustainability initiatives. We welcome our suppliers working together with Acer to make a greater impact on sustainability.

Tiffany Huang, Acer Co-Chief Operating Officer



Earthion Website

Supply Chain Greenhouse Gas Management

Acer has been a part of the CDP (formerly the Carbon Disclosure Project) supply chain system since 2008, taking it a step further by auditing our suppliers' overall carbon management performance, carbon reduction results, and green energy adoption with ESG scorecards to manage the environmental impact caused by our supply chain and bolster the overall supply chain's ability to respond to climate change. In 2021, we maintained an A- rating on the Supplier Engagement Rating (SER) and expanded our reach through continuous communication with suppliers, with 153 Tier 1 and Tier 2 suppliers assembled, up 29% from the previous year.

In terms of supply chain responses, 90% of suppliers have included climate issues in their board-level stewardship, 86% have included them in their medium- to long-term goals, and 46 suppliers have set or committed to setting science-based reduction targets (SBTs) over the next two years, with seven setting goals of 100% renewable energy.

In 2022, we will continue to communicate with our first- and second-tier suppliers to promote positive reduction commitments such as RE100 and SBTs to gradually work toward total carbon reduction. In addition, we work with ODMs to further extend the reach of the CDP to third-tier suppliers, pulling together upstream suppliers and deepening carbon management in the industry chain.

Supply Chain Chemical Substances Management

We have adopted the RBA Code of Conduct and require our suppliers to employ effective chemical substances management systems and comply with local regulations to effectively classify, store, use, and dispose of chemicals, as well as to provide workers with appropriate protective equipment and training. In our Supplier ESG Communication Meetings, we ask our supply chain to ban or restrict the use in their processing of chemicals, including toluene, benzene, beryllium dust, chlorinated organic solvents, n-hexane, N-Methyl-2-pyrrolidone, and substances harmful to the ozone layer, as these could affect the external ecosystem or the health of workers. In the Supplier ESG Communication Meeting in 2021, we also coordinated with the RBA to revise the controlled chemical substances list and requested suppliers to comply with the new list. We will confirm the implementation of this effort through on-site audits in 2022. We also continue to pay attention to specifications set out by relevant industries, evaluate expanding the scope of this inventory, reduce the risks faced by workers and the environment, and strengthen both communication and checks in on-site audits.

Improving Supplier Capabilities

We offer information and training on the latest trends and developments in social and environmental responsibility, helping suppliers better confront the challenge of sustainable development. We continue to invite suppliers to participate in annual Supplier 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 communication meetings where we share the latest global trends in corporate sustainability, human rights issues, and mitigation measures, along with Acer's requirements of and goals for supply chain ESG management performance. In 2021, we focused on the Earthion initiative to bring together our supply chain partners and find more opportunities to collaborate on minimizing the environmental impact of our overall supply chain by integrating sustainability into our product development and daily life.



Earthion
Earth + Mission

SOCIAL MANAGEMENT

Management Strategy

- Adopted the RBA Code of Conduct and set out environmental and social management practices and guidelines for our suppliers, making use of our various communications channels to provide assistance to those suppliers in boosting their capabilities.

Evaluation Mechanism

- Carried out Supplier ESG Scorecard evaluations, reviewing ESG implementation and performance among our suppliers.

Supply Chain Social Performance

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Continue to enact auditing activities for second- and third-tier suppliers to actively improve the workforce and operating environment. 	RBA Code of Conduct On-Site Audit Conformance Target: Labor 89%, Health and Safety 95%	We have also set the following annual RBA Code of Conduct on-site audit conformance targets: Labor 87%, Health and Safety 87%	<ul style="list-style-type: none"> ✔ RBA Code of Conduct On-Site Audit Conformance Target: 89 % Labor 95 % Health and Safety ✔ Approximately 89 suppliers invited third parties to undertake on-site audits, covering 220,000 direct employees and 4,070 employee interviews

Management Strategy

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

Evaluation Mechanism

- We require qualified smelters that are compliant with third-party mechanisms in alignment with the OECD Due Diligence Guidance, including the RMI Responsible Minerals Assurance Process (RMAP), the London Bullion Market Association (LBMA), and the Responsible Jewellery Council (RJC) certification.

Conflict Minerals

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> 100% of smelters comply with third-party OECD Due Diligence 	100% are compliant or participating in the OECD third-party mechanism	98% of smelters are compliant with the OECD-coordinated third-party mechanism and 100% are compliant or participating in the OECD third-party mechanism	<ul style="list-style-type: none"> ✔ 100 % are compliant or participating in the OECD third-party mechanism



Labor Rights

At the core of Acer’s responsible supply chain management is the idea of putting people first. As such, we strive to protect the rights and health of labor and provide safe workplaces. We have established a complete system of supply chain labor rights management, including conducting risk assessments, on-site audit, and education and training for suppliers, as well as conducting supply-chain-focused human rights training for Acer employees in positions relating to supplier management. To ensure that the human rights of those throughout our entire supply chain are protected and that they are treated appropriately, we also adhere to the [California Transparency in Supply Chains Act of 2010](#), the [Modern Slavery Act 2015](#).

Supply Chain Labor Rights Management Processes

1

Supplier Risk Assessments

Acer’s risk assessment of its suppliers include the following items: results of supplier self-assessment, level of risk regarding plant location, supplier business relationship with Acer, and past audit results. We also strive to take into consideration the concerns of stakeholders.

2

Supplier Audits

After the risk assessment – based on the above criteria – has been conducted, Acer then draws up a list of suppliers that require an on-site social and environmental responsibilities audit to be undertaken by an accredited 3rd party verification agency. We also take part in RBA’s Validated Audit Process (VAP). Adopting a variety of audit models allows us to see the strengths and weaknesses of each model and more accurately uncover discrepancies in our suppliers’ implementation of their social and environmental responsibilities. We continue to improve the social and environmental responsibility in Acer supply chain.

3

Supplier Declaration

Acer requires all manufacturing suppliers to sign our Declaration of Compliance with RBA Code of Conduct. Suppliers must not only provide us with relevant information on social and environmental responsibilities, but must also verify that their own and their suppliers’ operations conform to Acer’s human rights standards, meaning that their workers are treated with respect and dignity.

4

Internal Professional Training

Acer requires all employees to comply with the Acer Group Standards of Business Conduct (SBC). The SBC includes provisions relating to supply chain issues, including the use of child and forced labor. Any offense or violation against the articles in the SBC will result in corrective action proceedings according to the gravity of the offense committed. Serious offenders will face disciplinary action or be asked to leave the company accordingly. This set of standards is the highest-level behavioral criteria for all Acer employees engaged in corporate activities and is incorporated in our employee performance assessment. Furthermore, all new employees are enrolled in orientation training and asked to honor these behavioral requirements when they first join the company. Procurement staff has to take environmental requirements training when they first join the company.

5

Supplier Training

In order to uphold our responsibility to educate our suppliers and help them understand international trends, Acer holds annual supplier ESG communication meetings and related training sessions. This not only communicates internal trends to the supplier, but also helps them uphold their own social and environmental responsibilities. Through our communication and cooperation with improvement in all aspects of labor rights.

Child Labor and Forced Labor

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

Student Workers and Interns

Student workers and interns comprise a high-risk group in terms of human rights in the electronics supply chain. Acer prohibits any form of forced labor in our supply chain, including forced labor involving students or interns. Taking our cue from the RBA’s Guidelines for Good Management of Interns (Student Workers) management framework, we have established our own five-stage “Management Steps for Student Workers and Interns” to be followed with students and interns in our supply chain. Student workers may not exceed 20% of total direct employees.

Supplier Working Hours Policy

Excessive working hours are one of the most common labor problems in the supply chain. Working too long can have a negative impact on the health and safety of employees, as well as on their work-life balance, productivity, and morale. As a member of the Responsible Business Alliance, Acer requires suppliers to comply with the RBA Code of Conduct and the [Acer Supplier Working Hours Policy](#). Through supply chain working hours policies, we communicate and cooperate with our suppliers to reduce excessive working hours in the supply chain and improve the health and morale of workers.

Living Wage

While addressing issues such as overtime and wages/benefits for staff, we believe that providing a living wage is important to improving the living conditions of those who work for us. As such, we continue to explore the issues and opportunities around introducing the concept of a living wage to the electronics industry.



RESPONSIBLE SOURCING OF MINERALS

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

Acer's responsible minerals sourcing program includes Conflict Minerals (3TG) from the DRC and its adjoining countries, and cobalt from the DRC as prioritized minerals in its responsible sourcing strategy. Acer also added mica for suppliers that apply coatings, which will be first reported in 2022. These determinations are based on the prevalence in our products and the sourcing from Conflict-Affected and High-Risk Areas (CAHRAs). Acer will continue to reassess its priority minerals as well as be involved in the refining of the procedures to identify CAHRAs. In 2021, Acer issued its fifth consolidated responsible minerals report, outlining the steps taken to conduct due diligence on all of its priority minerals.

Conflc Minerals

In 2021, we identified 262 unique smelters in our supply chain. The number was an increase of 13 smelters over the previous year. In 2021, the quantity of conformant and participating (RMAP-committed) smelters was 262, which is equivalent to 100% of the identified smelters in our supply chain. Due to Acer's determination to improve its performance year over year, it updated its goal to 100% conformance or participating rate for 2022.

	2017	2018	2019	2020	2021
Conformant	248	252	235	238	238
Participating Smelters	12	4	5	11	24
Smelters Requiring Outreach	38	6	2	0	0
Total	298	262	242	249	262
Percentage of Conformant Smelters	83%	96%	97%	96%	91%
Percentage of Conformant or Participating Smelters	87%	98%	99%	100%	100%

Acer also continued using the Standards Comparison and Risk Readiness Assessment (RRA) tools offered through the Responsible Business Alliance (RBA). The tool allows Acer to compare smelters' and mines' performance across many different standards, initiatives and certifications, improving our ability to assess and manage risk in our minerals supply chain. At the same time, it allows the smelter to connect with and have visibility of the downstream companies that use the materials that they place on the market. This helps to emphasize the value of the RMAP certification. At the time of the writing of this report, Acer has received 99 RRAs.

Acer continues to follow the OECD Due Diligence Guidance as the basis for its conflict minerals management program and seeks to implement program elements that strengthen Acer's conformance to those guidelines. We also continue to conduct smelter outreach and communicate smelter details and the results of our efforts to the Responsible Minerals Initiative (RMI) Smelter Engagement Team (SET), as we believe the smelter/refinery identification and disposition are critical components of our due diligence procedure and of maintaining RMAP smelter data. Acer is a member of the SET team and conducts research on global alleged smelters to help determine if they meet the definition of smelters and if they are eligible for the RMAP program.

We continue to hold meetings with suppliers to assess progress on the issue of conflict minerals, to explain Acer's commitments and supplier requirements, and to ensure they have a thorough understanding of this issue. We will also continue to publish the results of our surveys, and to work with government, industry, and civil-sector groups to resolve supply chain challenges and to support the use of legal, conflict-free minerals.

Cobalt

As part of its responsible minerals program, cobalt is a key focus for Acer due to the associated child labor issues in the DRC. In 2021, Acer reported the results of its third full cycle supply chain survey using the cobalt reporting template (CRT), which was used to gather information on cobalt policies, due diligence procedures and to identify the cobalt refiners in Acer's supply chain for 2020. Acer surveyed its suppliers of hard drives and lithium-ion rechargeable batteries, as well as original design manufacturers. Acer reported the identification of 31 unique cobalt refiners, an increase of 3 over the 28 refiners that were reported the previous year. Of the 31 refiners, 9 were RMAP-conformant and 17 were participating in the RMAP program, leaving only 5 that required outreach by Acer.

For the current 2021 data cycle we used the newly developed extended minerals reporting template (EMRT) which combines the CRT and the mica reporting template (MRT) into one template supporting both minerals. As a result of our cobalt due diligence measures and the collection of supply chain information, we were able to identify 62 unique cobalt refiners in our supply chain, and increase of 31 over the previous year. Also, the RMAP status improved to 23 RMAP-conformant, 15 participating and 24 that will require outreach. To review the results of those activities, please refer to Acer's most recent 2021 Responsible Minerals Report.

Mica

In 2021, Acer identified mica as a new priority mineral in its responsible minerals due diligence program, primarily for its presence in product coatings and began to include it in its supply chain surveys for the current cycle. Due to the potential that the mining and processing of mica contributes to environmental and social impacts, Acer considers mica an important part of its responsible minerals program. Given the early stages of both the industry focus and our efforts on tracing mica, we have only identified 3 processors, all of which will require outreach. As with other minerals in the program, it is expected that the number will increase as the program matures.

Public-Private Alliance for Responsible Minerals Trade

Acer continued its involvement in the PPA, a multi-sector and multi-stakeholder advocacy group that aims to publicize the issue of conflict minerals in the Democratic Republic of the Congo and the African Great Lakes Region and propose supply chain solutions. In 2021, Acer attended the annual multi-stakeholder membership meeting virtually. Members met to learn about and discuss the outcomes of the PPA's work in 2021, the forthcoming PPA grants to research DRC ASM cooperative governance models, findings from the access to finance pilot, and design elements and strategic objectives for a potential next phase of the PPA and a new MOU starting August 2022. In December of 2021, Acer attended the PPA Virtual Delegation to the Great Lakes Region. The PPA members and U.S. Government (USG) embassy/mission representatives operating in the Great Lakes Region (GLR) met virtually to learn more about one another's guiding priorities and objectives, and explore opportunities for collaboration and regional and country-level action. The goal of this first session was to support introductions and information exchange between the PPA's global membership and PPA government-member representatives in the GLR to foster greater coordination and cooperation towards shared goals.



Acer's Policy on Responsible Minerals Sourcing | Our actions on responsible sourcing of minerals | Responsible mineral report download



05

CIRCULAR ECONOMIES AND INNOVATION

- Circular Economies and Product Life Cycle
- Operations and Environment
- Innovative Products and Services

Through the implementation of the concept of circular economies, Acer is committed to reducing the impact of products on the environment during their life cycles. We actively pursue low-carbon recycling strategies such as innovative design, extending product life cycles, and effective use of materials in pursuit of a balance between product management and environmental protection. We are also committed to the research and development of products that are beneficial to people and the environment and have obtained patents to protect the Company's R&D achievements and strengthen its core competitiveness.



15 million units

Core products used post-consumer recycled plastics

ISO 50001

Xizhi Headquarters Passed ISO 50001 Certification

Third

Acer's rank in Taiwan by patents received

CIRCULAR ECONOMIES AND PRODUCT LIFE CYCLE

Management Strategy

- Minimizing the impact of our products on the environment, we have worked to implement the concept of circular economies, including improving the energy efficiency of our products and using recycled materials in our product packaging. We also regularly review the cradle-to-cradle environmental performance of our products.
- During the R&D phase, we provide safety requirements to our supply chain, and we are sure to include instructions for safe usage and appropriate warnings in our manuals and public documents, as well as offering a means of contacting us for assistance.

Evaluation Mechanism

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

Circular Economies and Product Life Cycle

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Sustainable Products: Products and services can be linked with United Nations SDGs. Product Lifecycle: Product lifecycle can be taken into account during development and design stages for all products, in turn increasing production levels supportable by product lifecycle assessments. Saving Energy, Recycling, and Reducing Consumption: Reduce product energy consumption and have products surpass energy conservation specifications. Increase the use of recycled materials to reduce environmental impact. Compared to 2016, Acer products are expected to consume 45% less energy by 2025. Sustainable Packaging: Ensure that 100% of product packaging comes from sustainable materials. Environmental Regulations: All commercial products receive EPEAT (IEEE1680.1 2018) silver certification. 	<ul style="list-style-type: none"> Keep generating carbon footprint reports for notebooks, desktops, and monitors Compared to 2016, the average energy consumption of notebook computers decreased by 41%, and the average energy consumption of desktop computers decreased by 37% 	<p>All products take product life cycle into account during the design and development stages; product sustainability is assessed for the reduction of environmental impacts</p> <p>Complete product lifecycle assessment for six categories of notebooks, selected for representative projects (Aspire, Chromebook, Gaming, Commercial, Swift, and Spin series)</p>	<ul style="list-style-type: none"> All products take product life cycle into account during the design and development stages, with design and evaluation undertaken with reference to ISO 14040 principles. Conduct thorough assessment of product life cycle for selected and complete product carbon footprint report. Compared to 2016, the average energy consumption of notebook computers decreased by 40%, while the average energy consumption of desktop computers decreased by 34%

Product Responsibility

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
<ul style="list-style-type: none"> Transparency and Supervision: Trace the source of materials and harmful substances to effectively control the risk of possible harm to the human body. Responsible Production: Priority is given to international regulations in the reduction of harmful substances/raw materials and gradual elimination of the use of environmentally sensitive substances. By 2025, 20-30% of core products will use post-consumer recycled plastics, including notebooks, desktops, and monitors 	<ul style="list-style-type: none"> Increased the use of recycled plastic in notebook products Application of bioplastics 17% of PCR plastics content in core products, including notebooks, desktops, and monitors 	<p>Work with others in the industry to monitor and reduce the use of hazardous substances in products and toxic chemicals in production. Promote the use of environmentally friendly substances to reduce environmental damage and protect employees from the risk of injury.</p> <ul style="list-style-type: none"> Continuing to have computers and monitors manufactured without PVC, BFRs, and phthalates in compliance with international regulations (EPEAT) Using PCRs in notebook products to comply with international standards (EPEAT) Using offshore recycled plastics in notebook products. 	<ul style="list-style-type: none"> 16% of PCR plastics content in core products, including notebooks, desktops, and monitors Incorporating marine waste plastics, and implemented OceanGlass touchpads in notebook



Acer's Circular Economy Model



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

Acer employs the concept of circular economies and strives to reduce the impact of our products on the environment throughout their life cycles. Through sound design, we make products that are more effective and have longer useful lives while also supporting the reuse of resources in manufacturing.

Innovative Design



We are replacing the purchase of hardware with the procurement (leasing) of services through innovatively designed business models such as Acer's launch of DaaS ("device as service") in the EMEA region. DaaS is a complete set of intelligent IT solutions. We enter into a simplified contract with consumers covering hardware, accessories and software solutions and monthly or quarterly payments. Companies using DaaS can quickly expand or downsize their equipment to meet changing demand. This gives companies more direct access to the latest technologies and equipment without the need for large investments. This not only achieves optimal use of resources but also reduces companies' expenditures on IT equipment.

Extending Product Life Cycle



By designing products that are easy to disassemble and maintain, as well as saving energy, along with providing repair and refurbishment services, we extend product life cycles. For example, Acer subsidiary HiPoint provides support in multiple countries and testing/maintenance authorized by the original factory for multiple brands. At all major stages of the product life cycle, from pre-purchase consultation, product function setting, warranty, maintenance, and even end-of-life, HiPoint can provide assistance to businesses and consumers, reducing the burden on them, improving product performance, and reducing environmental impact.

Effective Use of Materials



In addition to recycling in accordance with local regulations, we also have voluntary recycling programs, such as the Earth Recycling Program in Taiwan, through which Acer Service Centers across Taiwan collect notebooks, mobile phones, tablets, and batteries for recycling, with raw materials extracted from old lithium batteries and used in the manufacture of new products, reducing the disposal of heavy metals contained in batteries and motherboards. We also use post-consumer recycled plastic materials for new products to reduce the environmental pollution that may be caused by electronic products becoming indestructible plastic waste after end-of-life.

Acer Advocates for Marine Sustainability and Circular Innovation

At the end of 2021, Acer and the Kaohsiung City Government jointly invited Dr. Gunter Pauli, who introduced the “Blue Economy” philosophy to the world, and his experimental vessel, the MS Porrima, to moor in Kaohsiung Harbor to promote “learning from the sea,” get to know technology and gaining an in-depth understanding of how technological innovation can benefit sustainable operations in Taiwan.

The MS Porrima is the first ship to circumnavigate the world powered by solar energy. Its fourth round-the-world voyage started from Osaka and made Taiwan its first stop on its four-year journey. Through this visit, we hope to draw the attention of the Taiwanese people to the issues of marine pollution and the sustainability of marine resources and also to inspire entrepreneurs to create new business models.

The MS Porrima is an experimental zero-emissions environmentally-friendly ship, the world’s only 36-meter catamaran to incorporate many innovative green energy technologies, including the use of solar energy, AI kites, and using hydrogen drawn from seawater for propulsion. The MS Porrima features many futuristic technologies. These include capturing nano-plastic particles from the ocean through microfluidics; new fishing technology uses air bubbles, mimicking the way whales and dolphins hunt, and catching only males for ecological sustainability; extracting drinking water and hydrogen from seawater; and a 3D visualization system that can enable us to peer into the underwater world.

Go Green With Blue

In order to make domestic industry more aware of the influence of the blue economy, with the support of the Ministry of Economic Affairs’ Industrial Development Bureau, the Circular Economy Promotion Office and the Acer Foundation also organized the “Go Green With Blue: A Gift for the Future Forum on Maritime Sustainability and Circular Innovation.” The MS Porrima’s microfluidics expert Emmanuel Roy, wind power expert Stephan Wrage, Acer founder and honorary chairman Stan Shih, Taiwan Institute for Sustainable Energy (TAISE) chairman Eugene Chien, and relevant domestic industry experts were invited to discuss in-depth the circular sustainability and green energy of blue ocean business opportunities, and lead Taiwanese industry, government, academia, and research in jointly discussing how to deploy blue business opportunities.

Those present included Acer CSO Grace Liu and head of industrial design Huang Kai-hung, who shared how Acer recycles resources and adds value to marine waste; Hank Chen, director of Lite-On Technology’s Sustainability Committee, who shared their marine styrofoam waste circular economy plan; Semisils Applied Materials Chairman Arthur Ho, who talked about converting waste into hydrogen; and Taiwan Climate Partnership Secretary-General Peng Chi-ming, who discussed the carbon reduction opportunities for enterprises.



At the end of 2021, the MS Porrima, moored in Kaohsiung Harbor



We attach great importance to the issue of marine plastic pollution. In 2021, we introduced OceanGlass touchpads made of recycled marine waste plastics in the Chrome and Swift series of products. We will also continue to evaluate other parts of notebook products in 2022 and use marine waste plastics in ways that raise awareness among consumers on this issue.



“Go Green With Blue: A Gift for the Future Forum on Maritime Sustainability and Circular Innovation” seminar was held in December of 2021

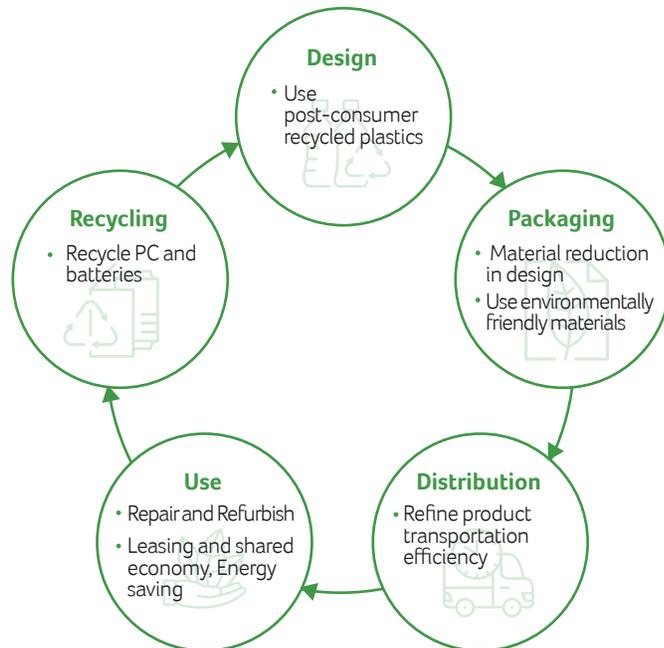


Product Lifecycle

Acer's Green Product Policies

- Using an approach based on the whole product life cycle, we provide outstanding products that are low in toxins, low pollution, energy-efficient, resource-efficient, and easy to recycle.
- Through green procurement and communication, we work with our suppliers to go above and beyond global environmental standards and establish a green supply chain.

Acer Product Life Cycle Management



Communicating and Disclosing Product Environmental Performance

To make a product sustainable, we must examine its impact on the environment and performance at various stages of development, using this as a basis for enhancing the sustainability of future products. As well as emphasizing product life cycle thinking in our green product policy, Acer has also, since 2018, introduced a life cycle assessment analysis into the development of hardware products across product lines in line with the revised ISO 14001 system. Through this, we gain an insight into the environmental impact of these products. Since 2019, in order to improve the competitiveness of products in commercial bidding, and in response to the low-carbon trend, quantitative life cycle assessment and calculation of product carbon footprint have been introduced for benchmark products. In 2020, in addition to desktop computers, we expanded this to all three major product lines, to complete life cycle assessment report and product carbon footprint report of a total of eight products. In 2021, in order to more efficiently understand the environmental footprint of more products in each stage of their life cycle, in addition to the comprehensive life cycle assessment report and product carbon footprint report of monitor products B247Y, B277, B248Y and notebook TMP614-52, we also evaluated to implement carbon footprint tools tailored for ICT products. In early 2022, we completed product carbon footprint reports for six major notebook computer products: Aspire, Chromebook, Gaming, Commercial, Swift, and Spin series.

Complete Life Cycle Assessment / Product Carbon Footprint Model List

Notebook Computers		Desktop Computers	Displays
TMP214-52	SP314-21	VX4660G	B246HYL
TMP215-52	C733	VM 6660G	B247Y
TMP614-51	AV15-51	VN6660G	B277
TMP614-52	CP713-3W	VS6660G	B248Y
A515-56	TMV15-51	VZ4660G	
SF314-511	TMB311		
AN515-57	CP513-1H		

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

As environmental labeling standards are revised, we continue to track and respond early to ensure that we have sufficient time to smoothly introduce changes to our products. For example, in the early evaluation and implementation of TCO 9.0, we also continued to track its progress and cooperate with ODMs to evaluate new specifications early, successfully completing the CB273U display TCO 9.0 certification by the end of 2021.

We use the US ENERGY STAR standard as the basis for energy-efficient product design and will continue to offer more products with low energy consumption to consumers. In 2021, the average energy consumption of notebook computer decreased by 40% compared with 2016, while the average energy consumption of desktop computers decreased by 34% compared with 2016, bringing us closer to our goal of a 45% reduction by 2025.

Environmentally Relevant Labeling and IEC 62474

	Shipment %
Products Containing IEC 62474 Declared Substances	100%
Products Applying for EPEAT or Equivalent Environmental Label	21%
Products Applying for ENERGY STAR	68%

Note 1: The above products include notebooks, displays, desktops, and all-in-one PCs

Note 2: Equivalent environmental labels: TCO and Green Mark (Taiwan)

Note 3: Basis for Data Calculation: The numerator is the shipments of models registered by the labeling agency, the denominator for EPEAT or Equivalent Label is global shipments, and the denominator for ENERGY STAR is shipments in the corresponding region.

Sustainable Product Design

Chemical Substances Management

To comply with regulatory requirements and customer standards, Acer integrates environmental and safety-related standards into the product R&D stage and, through rigorous review processes, ensures that the production processes of suppliers are also in line with environmental and safety requirements. And to help users fully understand the safe use of Acer products and how to properly recycle them, Acer includes explanations in product manuals and provides them for download on the Company's official website.

In order to protect the health and safety of users and reduce the potential risks of products to the environment, Acer carefully manages chemical substances in raw materials, and 100% of our main products are compliant with RoHS and product safety-related regulations. We refer to the IEC 62474 to divide chemical substances into three categories: "Banned Substances," "Restricted Substances," and "Disclosure Substances," and formulated the "Guidance of Restricted Substances in Products", which also includes REACH requirements and requires suppliers to comply and confirm compliance before mass production. In addition to adhering to regulatory restrictions on the use of chemical substances, we also proactively work to meet the needs and demands of each regional market, including those environmental certifications that focus on the limited use and traceability of listed substances, e.g., Taiwan's Green Mark, China Environmental Labeling, the Electronic Product Environmental Assessment Tool (EPEAT), and TCO Certified.

In 2021, more than 8.6 million units of phthalate-free products across product lines were shipped.

Use of Post-Consumer Recycled Plastics

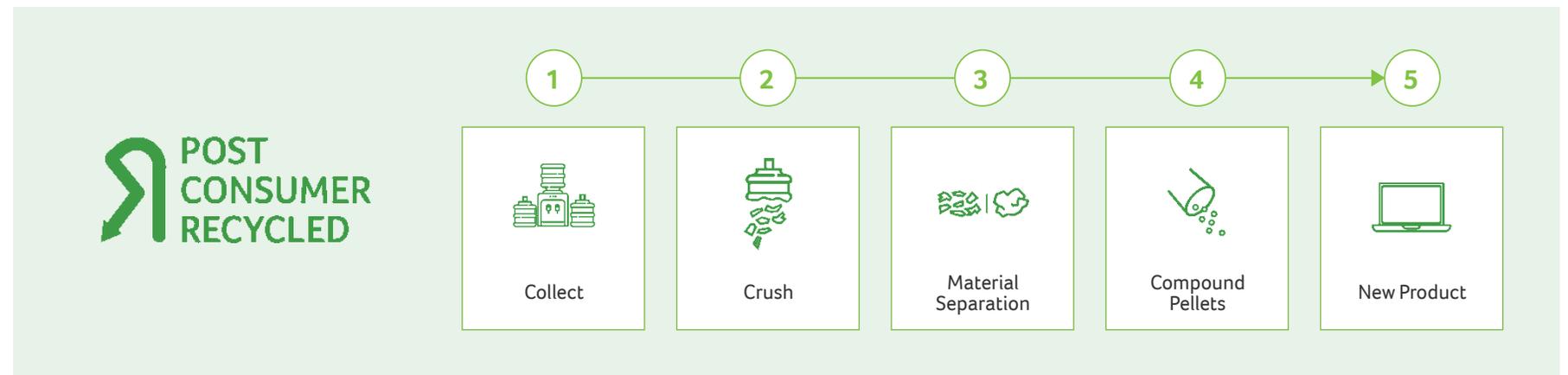
Acer not only supports the concept of resource recycling but also actively strives to use post-consumer recycled plastics (PCR) in our products. At the same time, with regard to the materials that are most likely to create problems of pollution or occupational safety in the recycling process, we encourage plastics manufacturers and upstream recyclers to conform to international standards of quality, environmental safety, occupational health and safety, and responsible recycling (R2), earning international export licenses and recycling service provision qualifications from local governments.

When deciding on machinery and proportion of PCR plastics during the planning of products, we are careful in our selection of plastics suppliers; for products using post-consumer recycled plastics, we strive to stay as close as possible to the physical properties of our materials during formulation; in the design process, we focus on improving strength and reliability, and in product testing, we have added stronger tests of strength, reliability, and lifespan to ensure product quality. This means that users can not only enjoy products made of quality recycled plastics but also join Acer in supporting the use of reused or recycled materials.

Since 2019, we have continued to introduce post-consumer recycled plastic materials into commercial notebook products (including Chromebooks), commercial display products, and all-in-ones. In 2021, we expanded this further, with a total of over 15 million units using PCRs, strengthening our implementation of the concept of circular economy.

In addition, we also attach great importance to the issue of marine plastic pollution. In 2021, we introduced OceanGlass touchpads made of recycled marine waste plastics in the Chrome and Swift series of products. We will also continue to evaluate other parts of notebook products and use marine waste plastics. For details on Acer's initiatives on marine sustainability and circular innovation efforts, please refer to the "Acer's Circular Economy Strategy" section.

PCR Manufacturing Process



Note: The Vero series uses recycled plastic in its products, and the PCR sources currently used in other Vero products include post-consumer recycled plastics (PCR), ocean bound plastics (OBP), ITE-derived post-consumer recycled plastics, and more.

Towards Sophisticated Packaging Design

Through the Acer Packaging Design Principles, we are able to examine the life cycle of our packaging and make informed decisions about the environmental impact of our packaging at every stage, from initial R&D into and selection of materials through fabrication and transportation, to use and eventual waste processing. For example: We actively pursue reductions in packaging volume and weight through principles like simplified packaging, unified dimensions, and minimized printing. These principles also help reduce the fuel consumption involved in transportation.

Green Packaging Policy

Recycle
Most Effective and Recyclable Packaging Designs

Reduce
Reducing Use of Materials

Reuse
Make Use of Reusable Materials

Reduction in Design

Acer’s packaging is designed around the concepts of limited resources and suitability, and as such, since 2016, we have been planning reductions in the size of our product cartons and the scale of our packaging. As part of this, we continually work on reducing our usage of iron, plastic, and paper. In 2021, we eliminated the external carton of laptop R&D prototypes, saving about 1,000 cartons. We also moved the Indonesian custom logo to a sticker, making the Indonesian cartons the same as the global version to reduce packaging samples and idle stock. In addition, the User Guide for high-end items was digitized to reduce physical paper printing, thus realizing the full digitization of such guides for our notebook computers. Remaining hardcopy is limited to simple single-sheet operating instructions, reducing our contribution to deforestation and overall environmental impact. As for desktops, the Vero series of mini desktops use cardboard boxes for the accessory outer packaging, reducing the use of plastics.

Use of Recycled Materials

The vast majority of product packaging becomes waste after it has finished its job of protecting the product(s) within. Acer carefully considers the materials we use in our packaging, with packaging design emphasizing recyclability and making use of easily recyclable materials a priority. In 2021, we changed our manual packaging for our notebook computers from PE shrink film to paper envelope bags using 60%+ recycled paper. The Vero series of desktop replacement notebooks use recycled PET for the main unit bag, recycled molded-pulp paper for the cushioning material, and kraft paper bags for documents and manuals rather than plastic wrapping.

In 2021, Acer continued to make use of environmentally friendly packaging for our notebook computers

<p>Cardboard Boxes</p> <p>90%</p> <p>Made from 90% recycled paper</p>	<p>Molded Pulp</p> <p>100%</p> <p>Made from 100% recycled kraft paper</p>	<p>EPE</p> <p>100%(LDPE)</p> <p>Made from 100% recycled low-density polyethylene (LDPE)</p>
<p>Posters</p> <p>FSC</p> <p>Made from FSC certified paper</p>	<p>Printed Matter</p> <p>40%</p> <p>Made from 40% recycled paper</p>	<p>Non-woven Fabrics</p> <p>100%</p> <p>Made from 100% recycled PET</p>

Reuse

We make things multi-purpose, so they don't need to be disposed of after a single use. For example, we designed the Acer Aspire Vero accessory box to be reusable and able to be converted into an adjustable notebook stand.



Aspire Vero Notebook Green Packaging Design Wins Red Dot Packaging Design Award

The packaging concept of the Acer Aspire Vero originated from the modular design of its various product lines, product sizes, and packaging components. Its packaging carton is 80% to 85% recycled pulp, with the buffer made from 100% recycled molded pulp, replacing the traditional styrofoam or corrugated cardboard. Paper sleeves are also used to replace plastic protective bags for cable packaging. In addition, notebook computer sleeves and screen protectors are made of 100% recycled PET. These ingenious designs can reduce deforestation and more than 99% of the need for virgin plastics without affecting the safety and durability of the packaging. The overall packaging is made of 100% recyclable materials, and the inner partition of the carton can even be reused, able to be converted into a simple notebook stand in just a few simple steps.



reddot winner 2021
packaging design

Aspire Vero

Improving Product Shipping Efficiency

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

Changing Shipping Modes and Improving Supply Chain Management

In 2021, due to the impact of the COVID-19 pandemic, the proportion of global shipping of products accounted for by sea freight decreased by 6.9%, air freight increased by 5.7%, and rail freight increased by 1.3% compared to 2020. Shipping of notebook computers by rail from Chongqing to Europe increased by 47% for a total on shipping costs of US\$68.576 million.

In addition, we worked closely with our logistics partners to further optimize our land transportation operations for notebooks from Chongqing. 92% of our 20-foot containers and 68% of our 20-foot and 40-foot containers were transported to Shenzhen by LTL shipping during the year, saving approximately US\$3.16 million in transportation costs and 308.85 tons of carbon emissions (saving 763 trips over 1,600 kilometers each).

Adapting to Product Recycling

The Acer Group continues to be committed to working for sustainable lifestyles and a sustainable environment. To this end, we pursue the recycling of limited resources and good mechanisms for recycling waste in hopes of creating new value for our products. We actively support a variety of measures promoting recycling around the world, along with Individual Producer Responsibility (IPR), and are committed to working with stakeholders, including governments, consumers, and channels/retailers, to shoulder the responsibility for recycling and managing electronic waste. Around the world, Acer follows local government standards for various electronic product recycling programs and provides convenient recycling methods for consumers to improve the efficiency of waste recycling in the hope of contributing to resource sustainability.

In 2021, we recycled a total of 7,522 tons of electronic products in the Taiwan, Australia, Japan, and North America regions.



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

In Taiwan, Acer has long participated in the recycling program of the Environmental Protection Administration of the Executive Yuan. According to information from the Environmental Protection Statistics Website in 2021, the total recycling volume of desktop computers (including servers and workstations) was approximately 9,343 metric tons, while 506 metric tons of notebook computer products were recycled throughout Taiwan. Acer's desktop product category accounted for 1,482 metric tons of recycling, while our notebook category accounted for 93 metric tons, for a total of 1,575 tons. Acer reached 75% recycling in the desktop product category and 32% in the notebook category, with total recycling at 69%.

In Australia, electronic waste is managed by the National Television and Computer Recycling Scheme (NTCRS), a national scheme run by the Australian federal government, which handles the recycling of televisions, computers, printers, computer parts, and peripherals. The main goals of the NTCRS are to reduce waste that ends up in landfills, increase recycling rates, and provide Australian consumers and small businesses with convenient channels for recycling. Acer recycles waste electronic products by partnering with NTCRS-approved Ecycle Solutions recyclers.

In addition, Acer also continues to work with Japan's [PC3R Promotion Association](#) computer recycling organization, enabling consumers to register items for recycling online or by email and then send them in by mail. The Association also organizes for the reuse of any products collected that can still produce cyclical value. In Japan, Acer has set up PC Recycling Centers in hopes of encouraging customers to recycle long-used products and upgrade to newer products still in their usable lives. At the same time, this project also ensures that customers' information security is protected. In 2021, we recycled a total of 68.72 tons of ICT goods. For information on Acer product recycling in Japan, please refer to this [website](#).

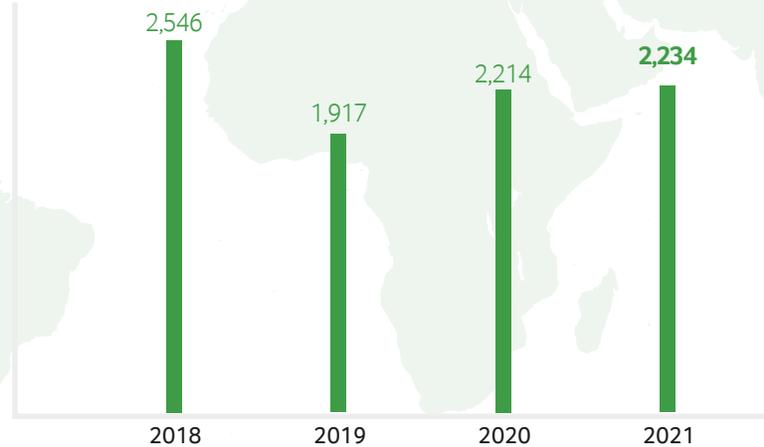
Recycling in Taiwan

Units: Metric Tons



Recycling in Australia

Units: Metric Tons

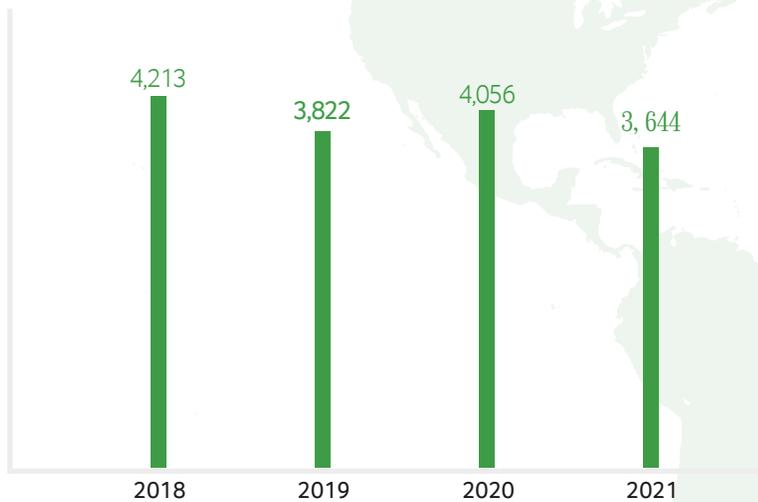


Notes: Acer recycling rate = Acer recycling volume / Acer waste volume

Acer continues to use in-house recycling for waste electronic products in North America, providing this in response to regulatory requirements and enabling consumers to make a more environmentally sustainable choice by recycling products in a simple and easy way. Compared with 2020, recycling volume in 2021 decreased due to the reduction of the recycling rate by some state governments and the impact of the pandemic. In 2021, we recycled a total of approximately 3,644 tons of electronic products in North America.

Recycling in North America

Units: Metric Tons



In 2021, Acer provided a trade-in program for consumers who purchased newly launched eco-friendly Aspire Vero products, with rebates up to US\$100 available. In addition to offering consumers a lower purchase cost, this also relieves them of the burden of ensuring their old products are properly recycled.



The Acer Tech Trade-up Project in North America continued in 2021, providing consumers with a simple and easy way to recycle products. This project has established a virtuous cycle, rewarding consumers for recycling and for purchasing new products while also putting the recycled waste electronic products back into the process to achieve effective use of resources and avoid misplacement of valuable resources in the recycling system. In 2021, with the effects of the pandemic still present, major educational institution customers prolonged time to asset retirement due to the requirements of remote work or at-home learning, not replacing older machines and resulting in the project showing limited results.

In light of the continuing global demand for lithium batteries, the necessary reliance on cobalt in their manufacturing process, and concerns about child labor associated with raw cobalt mining, in 2021, Acer continued making use of Call2Recycle and internal processes to recycle the lithium batteries contained in Acer mobile devices. In 2021, Acer North America collected some 1,000 kgs of waste batteries through this recycling process, accumulating a total of over 13 metric tons recycled over the three consecutive years from 2018 to 2021.

Worldwide, Acer Group is working to strengthen the environmental sustainability aspect of social responsibility through responsible recycling models. All recycling programs in the United States require the proper disposal and management of waste electronic equipment, components, and materials, as well as the destruction of any data on the equipment to ensure customer information security. We require all recyclers to comply with Acer's waste disposal standards for the management of end-of-life products, as well as requiring their suppliers to obtain Responsible Recycling (R2) or eStewards certification. We also continue to conduct audits of suppliers to ensure that their downstream processing methods follow responsible and compliant with standards. In response to the pandemic, audit operations that could not be performed on-site were changed to online audits. Our aim is to ensure that Acer's recycling program meets the recycling requirements of the latest version of EPEAT and the IEEE 1680.1- standard. For more about recycling programs in the region, please refer to [Acer America's recycling website](#).

Acer also carefully follows the European Union Waste Electrical and Electronic Equipment (WEEE) Directive with regard to products, batteries, and packaging, aiming to pursue recycling and reduction and providing consumers with information on local recycling channels through their respective national Acer websites.

OPERATIONS AND ENVIRONMENT

Business Management Strategy

- Require all staff to understand their roles and responsibilities; continue to communicate and collaborate with partners and suppliers to achieve our commitments to environmental protection.
- Meet or exceed relevant laws, industry regulations, and voluntary commitments.

Evaluation Mechanism

- Regulatory compliance
- Passed ISO 14001 and ISO 50001 Verification

Environmental Policy and Management Performance

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Highlights/Results
Increase global environmental management system coverage to 95%	Global environmental management system coverage up to 95%	Global environmental management system coverage up 92 %	Global environmental management system coverage up 92 %
2030: 50% Carbon Reduction Compared with Baseline Year of 2019	12.6% Carbon Reduction Compared with Baseline Year of 2019	8.4% Carbon Reduction Compared with Baseline Year of 2019	Carbon Reduction Compared with Baseline Year of 2019 3.39 %
10% Reduction in Water Consumption in 2025 Compared with 2018	1% Reduction in Water Consumption Compared with 2021	1% Reduction in Water Consumption Compared with 2020	Reduction in Water Consumption Compared with 2020 5 %

Highlights

Achieved

Not Accomplished

In Progress

Environmental and Energy Management Systems

As a global information product marketing service company, Acer pursues a balance between economic, environmental, and social development, setting sustainable goals for environmental protection and energy conservation and committing ourselves to continuously implementing environmental protection and energy conservation performance improvement measures to create an environmentally friendly working environment. To fulfill our corporate social responsibility, Acer Taiwan continues to promote environmental management systems every year. To further reduce office energy consumption, improve energy efficiency, and reduce carbon emissions, our Xizhi Headquarters passed ISO 50001 energy management system verification in 2021, and to be friendly to the global environment, we set goals for electricity, water, and waste management every year, enacting them with the participation of all employees.

Environmental and Energy Management Policy



Environmental Management Policy

- Compliance with relevant regulations and voluntary commitment to exceeding industry norms.
- Commitment to preventing pollution, improving energy efficiency, reducing waste, and increasing resource productivity.
- Implementing green design and careful selection of both materials and suppliers to provide products that are both safe and low in environmental impact.



Energy Management Policy

- Improving energy efficiency and reducing unnecessary waste of energy.
- Compliance with energy management regulations and implementation of energy conservation improvement actions.
- Prioritization of procurement of energy-efficient products and supporting green energy-saving design.
- Strengthening energy conservation awareness communication and continuous improvement of energy performance.



Power Usage Management

Acer's main source of energy consumption is office electricity, of which air conditioners, lighting, and information equipment are the primary sources. For effective management, we use systematic data collection to understand the usage situation, stay on top of changing trends, and encourage each office to implement energy-saving measures such as optimizing equipment electricity consumption and strengthening electricity consumption management. We also encourage the use and production of green electricity in the hope of reducing office power consumption each year.

In 2021, Acer built two large solar power generation sites in Longtan Aspire Park. Statistics show that total power generation for the whole year was about 3.53 million kWh, accounting for about 10% of Acer's total global power consumption. In comparison to 2020, this amounts to an increase of about 350,000 kWh.

To systematically manage electricity consumption and further improve energy efficiency, the Xizhi headquarters received ISO 50001 energy management system accreditation in 2021, and we will continue to evaluate the effectiveness of existing energy-saving measures and explore the feasibility of other measures every year. This year, we have proposed to the Building Management Committee that we evaluate a number of energy-saving actions, such as installing a high-efficiency air-conditioning system, building a large solar power generation system, and setting up an electric vehicle charging area. We look forward to bringing together a diverse array of resources to reduce the impact of electricity consumption in the park area.

In 2021, Acer's main energy-saving measures included replacing old air conditioning units, switching to energy-saving lighting, and using systematic management at Aspire Park to provide insights into the condition of each building's electrical and mechanical equipment, facilitating appropriate adjustments. Additionally, our Xizhi office has made changes to the hours in which air conditioning is operational and put in place an automated system to turn off lighting during afternoon breaks and after working hours.

Acer Taiwan's 2021 Main Energy Saving Measures

Goal(s)	Type	Energy Saving Measures	Office Area Implemented	Measure(s)	Benefits (annual)
 Green Electricity Usage	Production of Green Electricity	Solar Power Generation	Acer Taiwan Longxian Solar Power Station	○	Generation of approximately 3,336,000 kWh of power
			Acer Taiwan Aspire Park Aspire Resort	○	Generation of approximately 23,000 kWh of power
			Acer Taiwan Aspire Park Aspire Research Complex	○	Generation of approximately 116,000 kWh of power
			Acer eDC Longtan Offices	○	Generation of approximately 57,000 kWh of power
 Optimized Electrical Equipment	Air-conditioning System	Updated Air Conditioning Equipment	Acer Taiwan Songxin Service Center	●	
			WebLink Taipei Office Area	●	
			WebLink Qingpu Warehouse	●	
	Lighting Equipment	Raised water cooler temperature Reduced Leakage of Cold Air from Data Center Air Conditioning Improved Cooling Tower Air Flow	Acer eDC Longtan Offices	○	Saving of approximately 31,000 kWh of power
			Acer eDC Longtan Offices	○	Saving of approximately 126,000 kWh of power
			Acer eDC Longtan Offices	○	Saving of approximately 180,000 kWh of power
			Changed to energy-saving lamps Changed to energy-saving lamps during office renovation	Acer Taiwan Xizhi HQ	●
WebLink Taipei Headquarters	●	Saving of approximately 8,700 kWh of power			
 Strengthened power usage management	Employed electricity monitoring	Using Energy Management Systems	Acer Taiwan Xizhi HQ	○	
			Acer Taiwan Aspire Park Aspire Resort	○	
			Acer Taiwan Aspire Park Dormitories	○	
			Acer Taiwan Aspire Park Aspire Research Complex	○	
			Acer Taiwan Aspire Park Zhizun Building	○	
			Acer eDC Longtan Offices	○	
	Adjusted hours of air-conditioner control system operation	Acer Taiwan Xizhi HQ	○		
Using UPSes	Shutdown settings	Acer eDC Longtan Offices	○	Saving of approximately 4,643,000 kWh of power	
Lighting	Using automated shut-off system	Acer Taiwan Xizhi HQ	○		

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

● New Measure(s) ○ Ongoing

Water Usage Management

With Acer's global business model primarily focused on product sales and customer service, with no involvement in production processes, there is not really any large-scale water use. The main source of water demand is the everyday water needs of office staff, with the main water source municipal water, having no significant impact on water resources; Our primary source of wastewater is regular sewage water, which is discharged in accordance with local regulations into the local sewer systems and processed by local treatment plants, thus posing no significant threat to the environment.

In 2019, Acer set a short-term goal of reducing its global water consumption by 1% per year and a medium-term goal of reducing water consumption by 7% by 2025 (compared to 2018). In order to achieve further water savings, after repeated analysis and evaluation, the 2025 medium-term goal was revised to a 10% reduction this year.

To achieve these goals, we collect global water use data and trends through systematic management and review progress toward these goals every year. At the same time, we encourage each office district to implement water conservation measures such as water recycling, improving water facilities, and strengthening water management.

In 2021, Acer used 164.324 million liters of water worldwide, with well water accounting for about 6.865 million of that. Total water consumption decreased by 5.4%, with reclaimed water accounting for about 19.7% of total water consumption, while the total amount of reclaimed water decreased by about 6.8 million liters compared to 2020.

Acer Taiwan's 2021 Main Water Saving Measures

Goal(s)	Water Saving Measures	Office Area Implemented	Benefits (annual)
Collection and Reuse of Water Resources	Using Reclaimed Water for Irrigation of Greenery	Acer Taiwan Aspire Park	Recovery of approximately 48 million liters of water
	Waste Water from Swimming and Paddling Pools Collected, Passing Through Filtration and Ozone Sterilization, and Reused	Acer Taiwan Aspire Park Aspire Resort	Replenishing of approximately 4,071 million liters of dissipated water
	Recycling and Reusing Air Conditioner Condensate and Dehumidifier Drainage Water	Acer Taiwan Aspire Park Aspire Resort	Recovery of approximately 605,000 liters of water
	Rainwater reuse and recycling	Acer eDC Longtan Offices	Recovery of approximately 4.3 million liters of water
	Recycling and Reusing Dehumidifier Drainage Water	Weblink HY Life Zhonghe Store and Taoyuan Store	
Improving Water Using Facilities	Using Water Pre-tank Filtration System to Reduce Water Consumption from Frequent Cleaning	Acer Taiwan Aspire Park Aspire Resort	
Strengthened water usage management	Regularly inspecting water-using facilities	Acer Taiwan Offices	
	Promotion of water conservation	Acer Taiwan Offices	

Waste Management

Lacking manufacturing plants of our own, Acer's main source of waste is general waste. In order to reduce waste output, we encourage our employees to reduce the use of disposable plastic, tableware, and paper cups, and to strengthen waste reuse through the implementation of various resource recycling and regular business waste recycling management methods.

As for the disposal of that waste, we are committed to regulatory specifications and the Company's environmental policy, with the disposal of general household waste contracted by the building or in cooperation with local cleaning teams to transport to local incinerators. Recyclable resources are collected and transferred by local recycling vehicles. Business waste, which is primarily waste batteries, light bulbs, cases, and scrap metal, is disposed of by qualified contractors after collection to ensure that transportation and processing do not harm the environment.

To reduce the impact of the waste incineration process on the environment, starting this year, the destruction of confidential documents will be done with a water-based process instead.

In order to strengthen office activity waste management, we continue to pursue insights into the relevant management models and verification trends of the industry. This year, our Xizhi headquarters began promoting the UL 2799 waste conversion verification assessment, and we look forward to achieving effective further reductions and recycling with the help of external professional guidance.

Statistics show that in 2021, Acer Taiwan's workforce increased by approximately 2.4% over 2020, while total waste production decreased by approximately 7.7% in the same time.

Item	Scale of Reduction
Ordinary Garbage	▼ 17.0 %
Resource Recycling	▲ 14.8 %
Waste Products	▲ 6.9 %
Total	▼ 7.7 %

Note1: From May 16, 2021, to August 6, 2021, the COVID-19 pandemic saw staff divided into rotating shifts, resulting in reduced general waste output.

Note2: From August 2021, the destruction of confidential documents is being done through a water-based process rather than incineration, and the total weight of such destruction has amounted to about 17,305 kilograms. This measure will reduce general waste output and increase resource recycling output.

INNOVATIVE PRODUCTS AND SERVICES

Business Management Strategy

- Committing to R&D, patent acquisition, and other core competitivenesses, and providing targeted product and service models
- Providing open-source solutions to promote shared social innovation.

Evaluation Mechanism

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

Innovation & Research and Products & Services

Medium- and Long-Term Goals

- Customer Center: Listen to customers and keep up with the demands of the market
- Diversity of Innovation: Combine product features and transformative technologies to achieve greater diversity of innovation
- Solution Orientation: Provide innovative solutions across software, hardware, services, and processes
- Creation of Demand: Incorporate new technologies into products to meet new market requirements

2022 Targets

- Composite Cooling for VGA Card (Dragon Breathing)
- Optimal Battery Charging

2021 Targets

- Be committed to creating greater profits through innovation with value
- More sophisticated audiovisual experience (extreme stereo sound, specified audio signal lock): Efficient dynamic noise reduction for teleconferencing driven by AI technology.
- Cooler, quieter cooling management system:
 - Fanless desktop computers
 - Aluminum extrusion desktop heat dissipation system

2021 Status and Highlights/Results

- ✓ Improve call quality for video conferencing and address audio and background noise issues when working from home.
- Pyramid-like design with effective heat dissipation using a single material, reducing resource consumption and facilitating recycling and reuse

★ Highlights ✓ Achieved ✗ Not Accomplished ▶ In Progress

Innovative Design Thinking

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



We are dedicated to understanding the needs and behaviors of users and are eager to solve human problems through technology. At the same time, though, we must bear in mind both technological and commercial feasibility. Acer's innovative R&D process is built around learning through testing and cooperation across fields, bringing together outstanding talent with backgrounds in products, UI, graphic design, and engineering to maximize the value of Acer's products and bring users the best possible experience from concept development and prototyping through to final testing.

Continuous innovation is a core value for Acer, as through it, we can gain a competitive edge. Our patent strategy is to invest resources in continuous innovative R&D, build 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.

Acer's Patent Protection Measures

Regular patent education and training



General staff have specialist knowledge in their own fields, but to ensure that all have a basic knowledge and understanding of intellectual property rights, Acer regularly holds internal training on patent-related issues.

Occasional patent seminars



In response to changes in patent laws and regulations or the influence of litigation practices of major foreign companies, Acer invites foreign patent attorneys and industry professionals to give patent seminars to help the Company keep pace with the international situation.

ePatent system management of patent case information



Acer has long established an ePatent system to manage all of our patents electronically. In addition to allowing all patent cases to be filed through it, the ePatent system can also be used to check basic information regarding patent cases and stay on top of patent status.

Establish an electronic management system for R&D logs



Having dealt with the challenges of managing, preserving, and querying paper-based R&D logs, Acer decided to establish an eBook system in 2019 as a replacement, enabling each member of the R&D team to set up their own log by logging into the system, with subsequent management, preservation, and querying a much simpler matter.

Encourage staff to engage in innovation and creativity



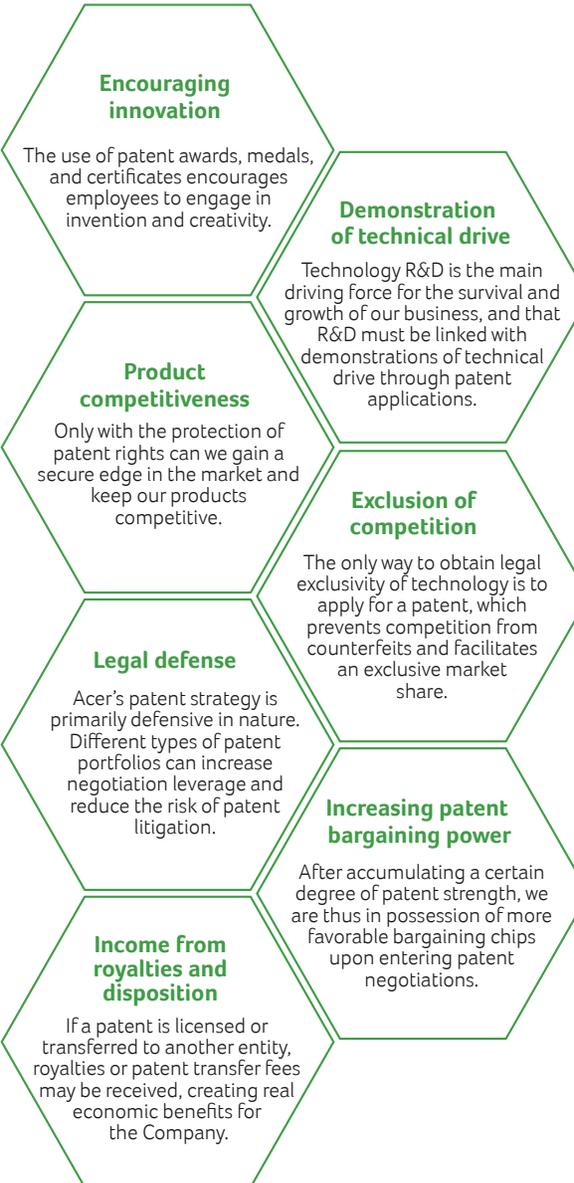
To encourage employees to engage in inventive and creative work, Acer has established the Invention Incentive Scheme. In addition to a general patent application bonus and approval bonus, specific awards include an annual patent excellence bonus, providing an additional incentive.

Control patent quality



After an inventor submits a "concept disclosure," a search for prior art is conducted by patent engineers to screen out patentable elements that are novel and progressive. For patents with high innovation and product application value, the country of patent application will be decided by committee through patent evaluation meetings.

Patent Benefits of Acer's Patent Strategy



In order to protect Acer's R&D and innovation achievements, the Company continues to conduct a global patent layout every year. As of the end of December 2021, we had obtained more than 7,000 patents in various countries around the world, including at least 3,000 issued in Taiwan and 1,200 in the US. Acer's number of patent applications and patents issued in Taiwan have kept the Company in the top five Taiwanese corporations in this regard for three consecutive years.

In line with the Company's development focus, we have filed a number of patent applications. The Company announced in 2021 that we have joined the RE100 initiative, committing to 100% renewable energy by 2035, and more actively developing the Vero product line. Post-consumer recycled plastics (PCR) are used for many parts of devices in this line, while the external packaging also uses 100% recyclable materials. The Vero line also uses standardized screws to greatly simplify the body disassembly process, which is conducive to rapid repair, upgrade, and recycling. They also employ VeroSense™, an intelligent battery management application, to improve energy efficiency. For all of this, Acer has filed a number of related patent applications.

In addition, Acer Group subsidiary Acer Medical uses AI and big data analysis technology to cooperate with medical centers and the international medical industry across domains, focusing on the development of a series of AI-assisted diagnosis software and smart medical end-to-end platforms. Acer Medical's AI-assisted ophthalmic diagnosis software VeriSee DR is the first such software in Taiwan to obtain an AI ophthalmic medical device license from the Taiwanese Ministry of Health and Welfare's Food and Drug Administration. The software links to fundus imaging cameras to view and store color fundus imaging, then employs AI technology to assist in the diagnosis of diabetic retinopathy. VeriSee DR has been introduced into 11 medical centers and dozens of medical institutions at all levels in Taiwan and has successively obtained medical device licenses in Thailand, Indonesia, and the Philippines, marking its successful launch onto the international market. In terms of ophthalmic applications, artificial intelligence, image processing, and productized platforms, Acer currently has more than 180 patents issued or pending.

Innovation and Services that Respond to Social and Environmental Needs

In 2021, Acer obtained 809 patents around the world, with patents obtained for the year in the China, Taiwan, EMEA, Asia Pacific, and Pan America regions growing over 2020. In terms of patent approval, Acer ranks third in Taiwan.

Patents Obtained in 2021 No. of Incidences	Patents Obtained in 2020	Growth Over 2020
TAIWAN		
411	389	▲ 5.7%
EMEA		
56	53	▲ 5.7%
Asia Pacific (China)		
192	152	▲ 26.3%
Pan America		
150	125	▲ 20.0%
Total		
809	719	

Notes: In these statistics, Acer Taiwan has 411 patents approved, while the Intellectual Property Office announced 408. The difference between the two derives from these statistics, including three shared patents where the first applicant is StarVR rather than Acer Inc.

With the onslaught of the global pandemic, human society has found an increased need for telemedicine, antibacterial technology, and work-from-home measures to minimize the chance of contact with sources of infection. In 2021, Acer's related innovative products helped people tackle challenges in real-time, while at the same time, through product design and manufacturing, we were also able to accomplish our sustainability goal of reducing environmental impact. Acer continues to develop a number of software and hardware application technologies and products, covering various aspects such as smart medical care, smart cities, and circular innovation. These products, services, and technologies also respond to the United Nations Sustainable Development Goals, including SDG3, SDG12, and SDG11.



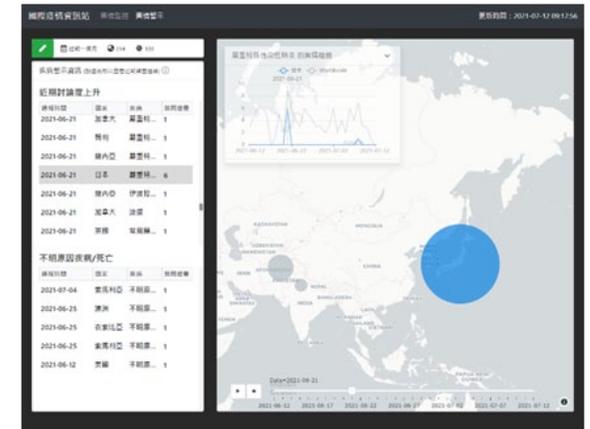
Smart Medicine

Relevant SDG(s): Good Health and Well-Being

Creating the International Pandemic Information Station Monitoring Platform

Over the past two years, COVID-19 has spread across the world. To monitor and warn of possible risks to humans caused by infectious diseases, Acer Group subsidiary Acer Medical has collaborated with the Centers for Disease Control (under Taiwan's Ministry of Health and Welfare) to develop the International Pandemic Information Station, an efficient AI-based public opinion monitoring system to instantly monitor global pandemic development and assist pandemic control personnel to stay on top of infectious disease events in various countries in the world. In this way, it serves as a reference for adjusting pandemic decision-making and prevention measures and has become an important tool in combatting the pandemic.

The collection of global pandemic information in real-time has become an essential national strategic action for national health agencies, as has the sharing of the latest information with the World Health Organization (WHO) and the websites of health organizations in various countries so that all can stay current on global public opinion. The monitoring of public opinion through the collection, analysis, and summary of thousands of news items across the Internet requires a lot of manpower. The International Pandemic Information Station developed by Acer Medical makes use of AI and automated processes to quickly filter and screen for news that needs attention and provides public opinion monitoring functions to help pandemic prevention personnel quickly grasp public opinion in various countries worldwide, along with an alert function to assist in the early detection of infectious disease with potential transmission risk.



For more information >



3 GOOD HEALTH AND WELL-BEING



Smart Medicine

Relevant SDG(s): Good Health and Well-Being

Smart Medical Software Launched in Overseas Markets

Acer subsidiary Acer Medical has created an AI-assisted ophthalmic diagnosis software called VeriSee DR. In 2020, this software received a license from the Food and Drug Administration of Taiwan and was put into use in a number of medical centers and institutions.

According to data, more than 1/3 of people with diabetes worldwide will develop diabetic retinopathy. The risk of diabetic retinopathy increases with the duration of the disease, and the early stages may be asymptomatic. As such, diabetic retinopathy testing in Thailand has long seen a low screening rate.

Acer's AI-assisted diagnosis software VeriSee DR uses edge computing to perform screening and interpretation without the need for a network. It can shorten detection time, effectively address the gap in medical treatment caused by the low number of ophthalmologists in Thailand, and achieve early detection and timely treatment.

In June, the Company also obtained a medical device license from the Indonesian Ministry of Health, becoming the first ophthalmic smart medical device from Taiwan to go into service in Indonesia. With its entrance into the Southeast Asian market proceeding smoothly, Acer Medical also announced in October that it had obtained a medical device license from the Food and Drug Administration of the Philippines, becoming the first ophthalmic smart medical device from Taiwan to be licensed in the Philippines.

Acer Medical has also strategically deployed to the Southeast Asian market. In 2021, it obtained the medical device licenses from the national Food and Drug Administration or the relevant ministries, becoming Taiwan's first ophthalmic smart medical device to be so licensed and promising to greatly improve screening for diabetic retinopathy in Thailand, Indonesia and Philippines.



Assisting International Allies with Smart Healthcare

Diabetes is prevalent in Nauru, but the nation is faced with insufficient medical resources and long-term specialist doctors. Acer Medical donated VeriSee DR AI-aided diagnosis software and Horus Scope ophthalmoscopes from partner Medimaging Integrated Solutions to assist doctors in diagnosing diabetic retinopathy with AI, accomplishing an accuracy of as much as 93%. Such screening tools can help solve the problem of the shortage of local ophthalmologists while also performing real-time screening interpretation and providing referral suggestions without the need for an Internet connection, greatly improving both the speed of screening and the number of people who can be screened. Furthermore, it can also aid the team from Taichung Veterans General Hospital in preparing in advance, arranging treatment for patients in need of referrals, and providing Nauru with higher-quality medical assistance.

Through smart technologies, we hope to do our part to boost local medical capacity and embody the spirit of medicine without borders.

[For more information >](#)

3 GOOD HEALTH AND WELL-BEING



Cloud Service

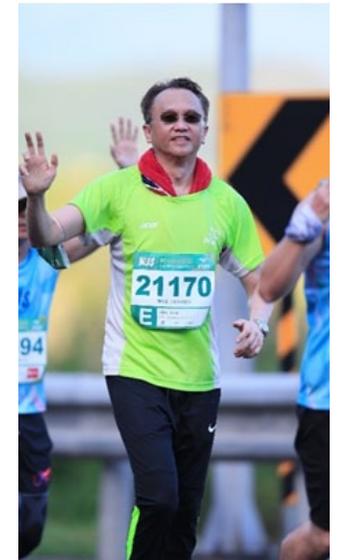
Relevant SDG(s): Good Health and Well-Being

One-stop Service Platform for Cloud Services

Acer Synergy Tech, a subsidiary of Acer Group, has sponsored the Wanjinshi Marathon for seven years running as part of its efforts to promote active lifestyles. The New Taipei City Wanjinshi Marathon is held in March every year, although it was suspended in 2020 due to the pandemic, and the 2021 race was postponed to November.

Acer Synergy Tech provides a one-stop service platform for the New Taipei City Wanjinshi Marathon. Combining online and offline, the platform enables users to more conveniently accomplish all they need to, from front-end registrant load management and race information to automatic AI image marking during the race, real-time download of race photos, and post-race results sharing. As a result, runners are able to stay on top of race data at any time. In 2021, to further pursue environmental sustainability, we also began using paperless completion certificates. When runners cross the finish line, they can download their completion certificate with one click through the app, not only greatly simplifying their race completion process but also using electronic archiving to preserve event results, making things both more convenient and saving energy, reducing carbon output, and minimizing waste.

Acer Inc. Chairman and CEO Jason Chen: “The pandemic has changed how people live, but it has not changed athletes’ thirst for road races; over the years, Acer has not only encouraged our employees to participate in sports events but also continued to use technological innovation to give runners an improved experience.”





12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Circular Innovation

Relevant SDG(s): SDG7—Responsible Consumption and Production

Environmentally friendly notebook: the Aspire Vero

Acer launched our first environmentally friendly notebook in 2021, the Aspire Vero. Built around sustainability and the ability to be expanded and upgraded, it is not only unique but also reflects Acer’s commitment to sustainable operations. The shell of the Acer Aspire Vero is made of 30% PCR plastic, reducing carbon emissions by about 21%, while the keycaps are also made of 50% PCR. It also uses 100% recyclable materials in its outer packaging. In addition to its substantial use of recycled materials greatly reducing the amount of plastic used, the packaging is also reusable, able to be transformed into a notebook stand. This environmentally friendly design concept saw the Acer Aspire Vero win the 2021 German Red Dot Design Award for Packaging. The ingenious, sustainable design not only reduces unnecessary waste but also uses standardized screws that allow the device and parts to be easily disassembled, repaired, upgraded, or recycled.

In 2021, we also updated our Acer TravelMate business notebooks, Acer Veriton Vero Mini desktop, and Acer Vero BR277 monitor.

At the end of 2021, realizing a product born of Acer’s commitment to a sustainable future, a special edition Aspire Vero was released in cooperation with National Geographic. A particularly eye-catching aspect of this notebook’s shell is the lines decorating about half of the top. These are drawn from topographic maps, demarcating land and sea on the surface of the laptop and alluding to the problem of rising sea levels caused by global warming. Open the notebook and you will be greeted by the iconic National Geographic yellow frame printed to the lower right of the keyboard and a space bar printed with the words “For Planet Earth” in yellow.

Every purchase of this limited-edition model helps support the global non-profit National Geographic Society and its work to protect and illuminate our world through exploration, research, and education. Hopefully, through the promotion of this eco-friendly co-branded product, we will also be able to raise people’s awareness of the need to care for our planet.



Notes: Refers to the emission reduction compared to a plastic notebook body of the same size. The difference is only concerned with the material itself.

11 SUSTAINABLE CITIES AND COMMUNITIES

Smart Cities

Relevant SDG(s): SDG11—Sustainable Cities and Communities

Justice in Motion

In response to trends in the IoT industry and smart city transformation, Acer subsidiary Acer ITS has proposed an overall solution for smart ticket verification and other daily applications, formally bringing smart transportation into the realm of the everyday and ushering in a new smart lifestyle built around data, cloud computing, and platform access.

Acer ITS hopes to take advantage of relevant technologies such as identity recognition and electronic payment to provide a platform for coordinating supply and demand, improve access to services for those lacking mobility, and reduce the burden on users by bringing together various social welfare policies, helping make it no longer a problem for any group wanting to get out into the world.

In addition to promoting technological development and service innovation, Acer ITS also remains committed to fulfilling its corporate social responsibility. With identity recognition, e-tickets can play an important role in helping local governments identify those eligible for benefits, such as the elderly or those with spinal injuries, facilitating care and access to services. In addition to being small in size, Acer ITS’ smartcard readers are also equipped with an efficient back-end management system and mechanism for automatic deductions on fares for eligible travelers; they are currently in use in special transport fleets for the elderly, local accessibility buses, and other such services, reflecting Acer’s commitment to setting justice in motion for underprivileged groups.





Smart Cities

Relevant SDG(s): SDG11—Sustainable Cities and Communities

Smart Water City Solution

Problems around water resources have long been a crucial issue for countries to face. Acer Being Communication, a subsidiary of Acer Group, has a long-term commitment to realizing the vision of smart cities with IoT technology and has also proposed several solutions for “Smart Water Cities,” including smart water meters to prevent unnecessary water wastage and cutting-edge smart rainfall and flood control water storage systems to assist in flood control. Such a multi-pronged smart water solution can be quickly and easily applied to major metropolitan areas, helping effectively address water resource issues and realize our vision for “resilient cities.” Acer Ozone Antibacterial Sanitizers: Acer Being Communication also released its new Acer Ozone Antibacterial Sanitizers, focused on civic water usage, along with an updated Smart Water Quality Monitoring System, through which water resource quality can be more effectively maintained through smart controls.



Acer Ozone Antibacterial Sanitizers

Smart water meters

A smart water meter solution can quickly upgrade existing water meters to smart meters, boosting communication quality and data security while keeping costs down. These smart meters have built-in camera modules that can capture the water meter reading. Then, using optical character recognition (OCR), they can calculate of water consumption through edge computing and send the data to a water usage platform, eliminating the need to cut into pipes and interrupt citizens’ water access.

Smart rainfall and flood control water storage system

Urbanization greatly reduces the land’s original water retention capability, imposing a tremendous burden on sewer systems during times of heavy rainfall. With an eye toward this, Acer Being Communication has announced its Smart Rainfall and Flood Control Water Storage System, which brings together the raft foundation of urban buildings to share the load in accomplishing urban flood control. This system can provide flood control and flood detention functions. Instructions are issued via the cloud based on weather forecasts, real-time rainfall data, and the water level of nearby rainwater sewers to automatically control valves and pumps and achieve resilient urban water storage, drought prevention, drainage, and flood detention.

Important Innovative Technologies of 2021

Neural Network-Based Noise Suppression

The companies around the world were forced to enact policies of isolation and work from home as an alternative approach to operating due to the COVID-19 outbreak. As a result, video conferencing and teleconferencing became the main communication methods of many teams. However, when users are at home, variable environmental noise can have a serious impact on call quality. This technology employs neural network-based noise suppression (as outlined in the table below) to perform dynamic noise suppression of dual-microphone calls and speaker system playback sounds on Acer notebook computers so as to improve video conference call quality.

Training Data for Neural Network-Based Noise Suppression

Type of Noise / Source of Noise

Human Voice

Multiple people talking, crying, baby crying

Nature

Thunder, rain, wind, current, waves, leaves rustling

Instruments/Music

Instrument: Strings, percussion, classical

Animal

Cat meowing, dog barking, frog croaking, insect chirping, bird chirping

Transportation

Locomotives, automobiles, buses, trucks, trains, airplanes, helicopters, etc. operating, taking off/landing, idling; horns, noise when riding; bells and sirens from fire trucks, ambulances, police cars, garbage trucks, and other such vehicles

Home Appliances

TV, fan, air conditioner, dehumidifier, washing machine, dryer, dishwasher, air purifier, vacuum cleaner, hairdryer

Engineering/Renovation

Power drills, chainsaws, saws, grinding, demolition work, etc.

Noise Generated by Manual Work

Keyboard, mouse, kitchen utensils, cutlery

Chimes and Rings

Mobile phone ringtones, alarm tones, doorbells, convenience store door chimes

Other

Fireworks, gunshots, clapping, footsteps, white noise, pink noise

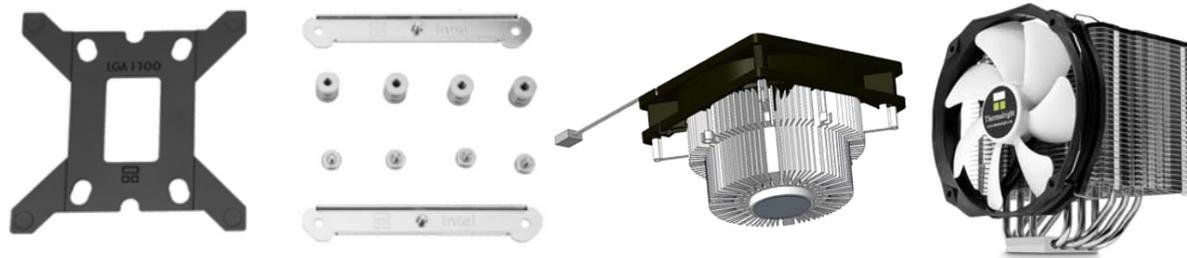
Through the dual-microphone neural noise suppression algorithm built into Acer notebook computers, the dynamic noise cancellation of the call with the neural noise suppression speaker system allows video conference calls to focus on the human voice and eliminate dynamic noise, greatly improving call quality and helping resolve audio and background noise issues that can come with working from home.

Chichen Itza Cooler

The design of the Chichen Itza cooler is similar to a pyramid, not only reducing the airflow resistance but also effectively distributing that airflow to the heat-generating components around the CPU to dissipate heat. It does not require soldering to assemble and is manufactured from a single raw material, so the manufacturing is simple, the price is low, and the energy consumption in manufacturing is reduced, while recyclability and reusability are high.

The design of usual coolers requires additional heat sinks to be added to electronic components (inductors and transistors). This design is an improvement and optimization of Intel's original design. It can send a large amount of cold air into the aluminum extruded fins and directly out to the motherboard, greatly reducing the temperature of components and reducing the need for additional heat sinks.

This design has the radiator and fasteners separated, so consumers can use the corresponding fasteners according to changes in the hole positions when they upgrade to a new-generation motherboard without having to buy a new cooler. Because there is no tin solder, there are no volatile organic compound (VOC) emissions or nickel plating, and because the manufacturing is simple and from a single raw material, its low energy consumption and high recyclability also have a positive impact on reducing carbon emissions.



Creating New 3D Experiences for Creators

Acer has announced SpatialLabs™ for its ConceptD creator series, a combination of an eye-tracking solution, stereoscopic 3D display, and real-time rendering technology. The eye-tracking solution consists of a stereoscopic lens at the top of the device that tracks the position and movement of the user's eyes and head.

The image processing technology can superimpose the images seen by the user's left and right eyes, creating a new 3D experience in which a stereoscopic image appears to float in front of the screen. Real-time rendering technology allows users to create 3D models with the applications included in the SpatialLabs Experience Center and check their designs at any time, enhancing their design workflow and displaying immersive, interactive designs which can be presented in 3D.

This solution, which combines the most advanced optical, display, and sensing technology, brings the virtual world into the real world in a realistic way, providing users with the latest and most intuitive 3D experience. Through SpatialLabs, screen content can appear in front of the screen, and creators can view their creations in real-time with a 360-degree perspective without the need for special glasses.





06

CLIMATE STRATEGY AND TRANSFORMATION

- Climate-related Financial Disclosures
- Greenhouse Gas Inventory and Management
- Greenhouse Gas Reductions and Energy Management

With the world trending toward green, low-carbon economies and business model transformation being driven by the impact of climate change, Acer has taken up our mission as a brand leader and pledged to achieve 100% renewable energy by 2035, integrating our existing and new business groups to develop a low-carbon and sustainable smart strategy to create ESG value and turn it into a competitive advantage.



RE100
°CLIMATE GROUP

Joined RE100 initiative



Received A- Leadership Level
from CDP



Jointly Launched
Taiwan Climate Partnership



As a leading brand in the ICT industry, Acer has an unshirkable responsibility to respond and adapt to climate change. We continue to pay attention to both domestic and international sustainability-related issues and climate trends, and through the Corporate Sustainability Committee's Working Group on Risk Management, we take the potential impact of climate change into consideration in our overall operations, anticipate the occurrence and impact of risks, and formulate specific sustainability policies to mitigate the impact of climate risks on our operations. In addition, Acer continues to improve energy efficiency and use renewable energy, and integrate new and existing business groups to develop low-carbon, sustainable smart strategies to create ESG value and transform this into a competitive advantage.

In 2021, we announced that we had joined the global RE100 initiative and pledged to use 100% renewable energy by 2035, earning the honor of a Leadership Level A- from the CDP. We also took up the mantle of brand leader by proposing the Earthion sustainability platform (see Supply Chain Management section), building on our past innovations and integrated solutions to environmental challenges by expanding our reach to supply chain partners, consumers, sales channels, and our entire staff body. We will continue to introduce green innovations in product design, production, transportation, and packaging to improve resource reuse, reduce packaging, and reduce our carbon footprint. Furthermore, we will work with our business partners to create a resilient supply chain and expand our positive impact on the global environment.

Acer Climate Change Response Milestones

2008	Launched Greenhouse Gas Inventory for Operating Locations Worldwide Joined CDP Supply Chain Carbon Management Program
2011	Began purchasing Renewable Energy
2012	Began first third-party verification of global carbon emissions
2013	Began integrating supplier energy and climate management through the supplier ESG scorecard.
2021	<p>Launched Earthion Initiative</p> <p>Joined RE100 initiative</p> <p>Finalist for Leadership Award from RE100 International Renewable Energy Initiative</p> <p>Finalist in BCCT Climate Champion Award</p> <p>Received Taiwan Corporate Sustainability Awards Climate Leadership Award</p> <p>Received A- from CDP</p> <p>Joined Taiwan Climate Partnership</p>

Acer Joins RE100 Initiative

In May 2021, Acer Group joined the RE100 initiative, committing to using 100% renewable energy by 2035. RE100 is a global renewable energy initiative led by The Climate Group and CDP, bringing together the world's most influential companies to work together on the demand side of electricity to create a friendlier environment for green power use.

Since 2008, Acer has carried out greenhouse gas inventory at our global operating locations, joined the CDP supply chain program, We lead our supply chain in the conduct of carbon inventories, identifying carbon risks and opportunities, and setting carbon reduction targets. Since 2010, we have installed solar power generation devices at several of our operating locations. Since 2011, we have purchased renewable energy certificates. In 2013, we began integrating vendor energy and climate management through the supplier ESG scorecard. In 2021, the Acer Group used a total of 14,009,992 kWh of green electricity, accounting for 45% of the Group's Scope 2 electricity consumption.



Jointly Launched Taiwan Climate Partnership

Together with seven other major companies in the ICT industry, Acer took part in launching the Taiwan Climate Partnership. The members of the TCP have taken the initiative to commit to carbon reduction targets and bring together more than 4,000 supply chain manufacturers to meet international sourcing requirements and commence a transition to low-carbon operations. In 2021, the TCP held several roundtable meetings to bring together domestic climate change planning, electricity and energy transition, water resources, digital sustainability, and other issues, as well as to draw on the UK's experience to provide business members with opportunities for further interaction with relevant organizations. We additionally expect that during the 2022 Smart City Summit & Expo, the members will jointly pledge to promote the industry's focus on saving energy and reducing carbon emissions to the public. In the future, Acer expects to use this tripartite exchange and dialogue mechanism to facilitate communication between the government, civil society, and international organizations and help the supply chain become more resilient, resist the risks associated with climate change, and build sustainability.





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Management Strategy

- Introduce the Task Force on Climate-related Financial Disclosures (TCFD) Framework to identify climate risks and financial impacts, and develop risk response and mitigation measures
- Develop group carbon reduction targets and strategies to mitigate the impact of our operations on the environment

Evaluation Mechanism

- Continued implementation of stronger TCFD climate risk management
- Continuing to implement carbon reduction goals

Energy and Climate Change

Medium- and Long-Term Goals

- 2025: 60% Renewable Energy Usage
- 2035: 100% Renewable Energy Usage (RE100)
- 2030: 50% Carbon Reduction Compared with Baseline Year of 2019

2022 Targets

- 45% Renewable Energy Usage
- 12.6% Carbon Reduction Compared with Baseline Year of 2019

2021 Targets

- 45% Renewable Energy Usage
- 8.4% Carbon Reduction Compared with Baseline Year of 2019

2021 Status and Highlights/Results

- ▶ 45% Renewable Energy Usage
- ▶ 3.39% Carbon Reduction Compared with Baseline Year of 2019

In 2020, Acer 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-change-related financial disclosures, identify and quantify climate risks, and publicly disclose the potential financial impact of climate change on Acer and its future response strategies. In this section, divided into Governance, Strategy, Risk Management, and Indicators and Goals, we will address the core elements of the TCFD Recommendations.

Governance

To realize our vision for sustainable development and continue to improve the Company's related risk management actions, Acer formally established a Risk Management Committee in 2022 to summarize and control the risk environment, risk management priorities, risk assessment results, and relevant response measures. The committee is composed of the top directors of various business units/functional organizations at the headquarters, with the top director of internal audit as an observer, and is included in the Risk Management Working Group (originally a unit under the Corporate Sustainability Committee (CSC)) as an executive unit. The RMC is responsible for managing and conducting performance tracking on operations and business-related matters, holding quarterly meetings to stay on top of progress toward relevant issues and reporting to the Audit Committee and the Board of Directors at least once a year.

On the issue of climate risk, the Risk Management Working Group is the authority in charge of implementing TCFD, conducting comprehensive assessments of Acer's potential climate change risks, and developing appropriate countermeasures for the potential climate risks identified. The working group is composed of department-level management representatives from departments including Legal, Finance, Human Resources, Supply Chain Management, Enterprise Communication, Marketing, QA & Services, IT, Environmental Safety and Health, and Asset Management, along with various product business groups and the ESG Office. Its responsibilities include risk identification, potential risk scenarios and operational impact assessments, and planning based on risk scenarios to implement risk prevention and mitigation actions.

★ Highlights ✓ Achieved ✗ Not Accomplished ▶ In Progress



Strategy

Acer assesses the probability of risks occurring and their potential impacts, formulating risk response and mitigation plans and a crisis management mechanism. With regard to opportunities that come with climate change, Acer also continues to pursue improvements to product energy efficiency and strive to integrate our existing and new business groups to create unified low carbon, sustainable smart strategies. In major operating regions, such as Aspire Park in Taiwan, Germany, and the Netherlands, we have built solar power generation facilities to increase the proportion of renewable energy. In the course of expanding the Group's business through subsidiaries like Acer ITS and Acer Being Communication, helping society and various departments achieve energy-saving goals and promote low-carbon transformation and adjustment.

In-house Operations

In the face of Taiwanese and international regulations on the control of greenhouse gas emissions, we have not only reviewed our own operations, supply chain, and products and services, but also the possible risks of carbon emissions, formulating carbon reduction goals and strategies for the Group. We are continually attentive to issues such as electricity consumption, water use, and waste management, and work to reduce environmental impact as much as possible through various management measures. Furthermore, all staff are required to understand their roles and responsibilities and to communicate and cooperate with relevant partners and suppliers on an ongoing basis in order to meet our environmental commitments.

Business Planning

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

Risk Management

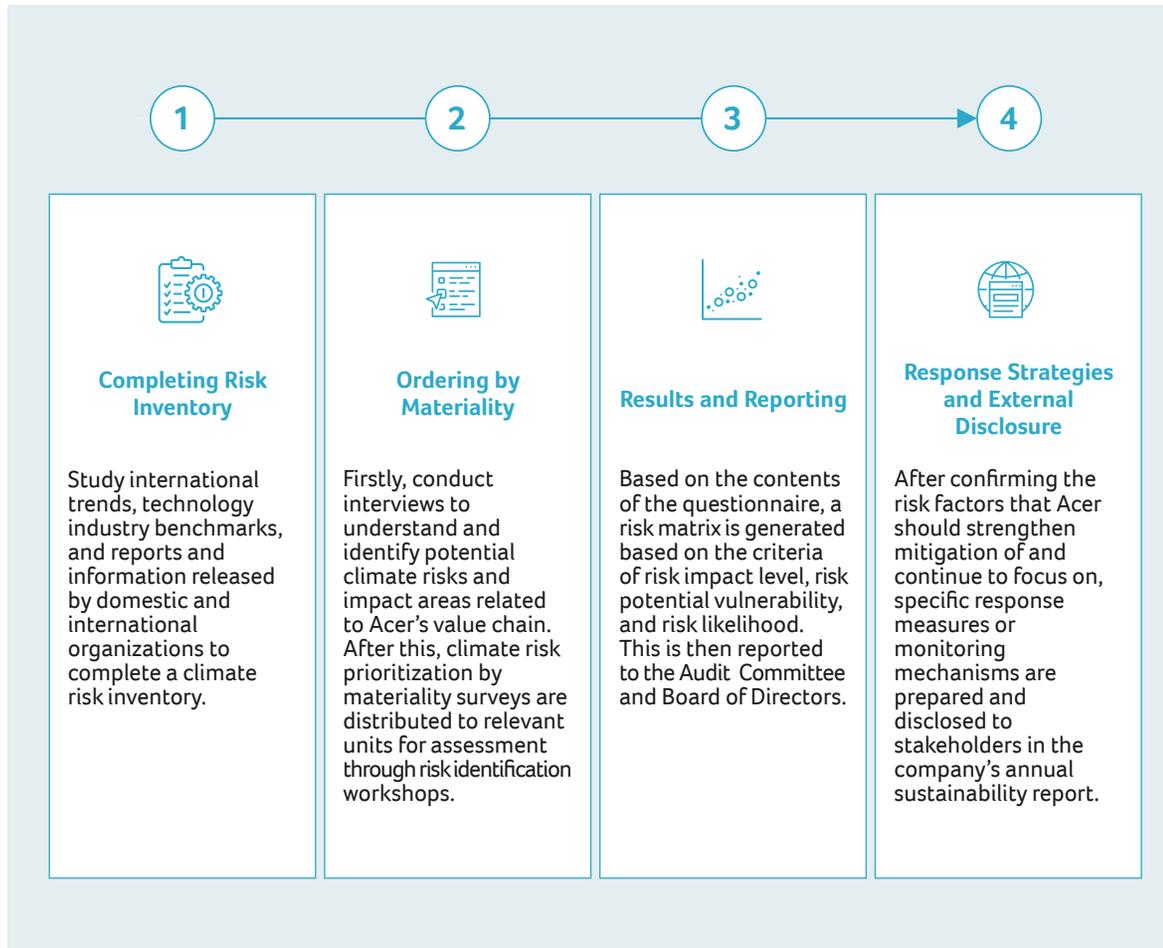
Climate Change Risk Identification Procedure

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

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

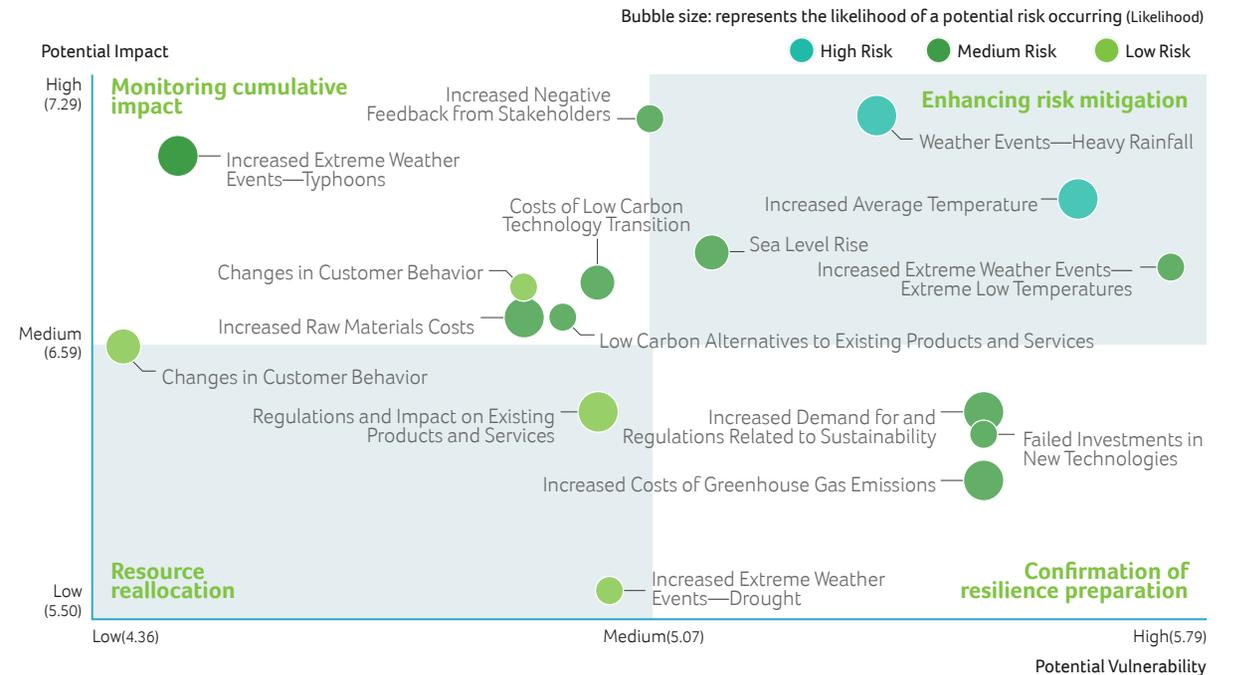


Climate Change Risk Identification Procedure



Major Climate Risk Matrix

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



Notes: After normalization of the two axes of the matrix, the average of all risks is taken as the midpoint for plotting.



Climate Risk Management and Response Measures

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

Transition Risk

Risk Name / Explanation of Impact	Response Measures/Identified Opportunities
Regulation and Policy	
<p>Increased Costs of Greenhouse Gas Emissions Medium-term Risk</p> <p>With the passage of laws and regulations relating to carbon emissions, fees will be levied if greenhouse gas emissions exceed allowances. With emission allowance controls potentially able to increase year by year, related fines may significantly increase operating costs. In addition, there are significant costs associated with carbon emission reduction.</p>	<ul style="list-style-type: none"> Commit to setting SBTs in line with the 1.5°C carbon reduction pathway and achieve a 50% reduction in carbon emissions compared to 2019 by 2030 Continue to optimize the energy efficiency of each operating location and adopt green power, aiming to use 100% renewable energy by 2035
<p>Increased Demand for and Regulations Related to Sustainability Short-term Risk</p> <p>Should Taiwan establish and implement regulations around sustainability and renewable energy development, Acer will need to invest more in constructing renewable energy devices and purchasing Renewable Energy Certificates (RECs)</p>	<ul style="list-style-type: none"> Announced participation in the global RE100 initiative, committing to 100% renewable energy by 2035 Constructing solar power generation facilities in a series of operating locations, generating approximately 3.6 million kWh of green electricity in 2021
market	
<p>Increased Raw Materials Costs Medium-term Risk</p> <p>Changes in the cost of raw materials needed in the production process (e.g., rare metals or packaging materials) caused by climate change create a risk of increased production costs:</p> <ul style="list-style-type: none"> When suppliers' raw material costs increase, contracted amounts with Acer will also increase, resulting in higher production costs and affecting profitability. Product prices rise, possibly leading to impacts on revenues 	<ul style="list-style-type: none"> Launched the Earthion initiative to harness the strength of our staff and supply chain partners to strengthen cooperation in green innovation design, management of chemical substances used in production process, green energy use, low-carbon logistics, packaging materials and design, and product recycling, and resource reuse.

Risk Name / Explanation of Impact	Response Measures/Identified Opportunities
Technological	
<p>Costs of Low Carbon Technology Transition Medium-term Risk</p> <p>To reduce the carbon emissions resulting from Acer's own operations or respond to demand for low-carbon products/services, expenditures need to move toward low-carbon transition, such as increasing investment into R&D of highly energy-efficient equipment</p>	<ul style="list-style-type: none"> Expand the scope of application of product life cycle considerations and evaluate appropriate solutions to reduce carbon emissions and environmental impact throughout the life cycle, with post-consumer recycled plastics (PCRs) used in more than 15 million units in 2021, reducing the use of virgin plastics. In addition, we are also focused on the problem of ocean waste plastic pollution, introducing OceanGlass touchpads made of ocean-bound plastics (OBP) in Chrome and Swift series computer products to reduce product impact as much as possible and provide products that are both environmentally and commercially competitive products.
<p>Low Carbon Alternatives to Existing Products and Services Medium-term Risk</p> <p>As more low-carbon products, services, and technologies appear and replace their existing Acer equivalents, this may have a significant impact on the company's revenues.</p>	
<p>Failed Investments in New Technologies Long-term Risk</p> <p>If Acer invests in new technologies (such as IoT and AI) that have high carbon emissions and are replaced by other low-carbon technologies, or if partners switch to low-carbon technologies, this could result in the failure of the original investment in new technologies and in Acer suffering financial losses.</p>	<ul style="list-style-type: none"> Through ongoing innovative product design and R&D, we have launched products and services including a smart roadside parking management system, home smart energy storage system, smart rainfall and flood control water storage system, and smart water meters to promote smart and low-carbon transformation of cities and improve their ability adapt to climate change.
Reputation	
<p>Increased Negative Feedback from Stakeholders Short-term Risk</p> <p>If Acer is unable to successfully implement climate change mitigation measures and thus generate negative feedback from government, investors, and customers, the company will lose its current position as a market leader in sustainability, resulting in damage to its reputation and potential financial losses.</p>	<ul style="list-style-type: none"> Continue to communicate with stakeholders through Acer's sustainability website, sustainability reports, etc., and participate in organizations related to sustainability issues such as the Responsible Business Alliance (RBA) and the Carbon Disclosure Project (CDP) Supply Chain Program, doing our part to translate the opinions of stakeholders into action. In 2021, we joined the RE100 initiative and were part of launching the Taiwan Climate Alliance to decarbonize our operations and supply chains and reduce climate risk.



Physical Risk

Risk Name / Explanation of Impact	Response Measures/Identified Opportunities
Extreme	
<p>Increased Extreme Weather Events—Heavy Rainfall Short-term Risk</p> <p>An increase in the occurrence of heavy rainfall and the amount of that rainfall may result in:</p> <ul style="list-style-type: none"> Acer’s office buildings and cloud server rooms potentially flooding, resulting in significant asset losses and subsequent recovery costs Acer’s supply chain potentially being unable able to supply products as scheduled due to the loss of its own equipment as a result of extreme heavy rainfall, resulting in supply chain disruptions Damage to Acer’s warehouse inventory, resulting in asset loss 	<ul style="list-style-type: none"> Conduct risk assessment for operating and storage locations and suppliers located in areas at high risk of flooding or susceptible to typhoons, and reduce the potential impact of disasters through prudent insurance planning and distributed procurement strategies The smart water meter and smart rainfall and flood control water storage system launched by subsidiary Acer Being Communication can help effectively address water resource problems, reduce the impact of heavy rain and typhoon on cities, and improve cities’ climate resilience.
<p>Increased Extreme Weather Events—Typhoons Short-term Risk</p> <p>The increasing frequency and severity of typhoons may have the following impacts on Acer:</p> <ul style="list-style-type: none"> Our own operating sites and data centers may be exposed to strong winds, causing damage to equipment and resulting in increased asset losses and maintenance expenses Typhoons may damage power systems and cause local power outages, resulting in disruptions to Acer’s operations or services Typhoons may disrupt Acer’s supply chain, resulting in disruptions in the delivery of products and services or a decline in quality 	
<p>Increased Extreme Weather Events—Extreme Low Temperatures Short-term Risk</p> <p>As the low-pressure zone from the Arctic sends cold air into the middle latitudes, this causes a rapid drop in temperature and can even lead to blizzards and other such weather conditions. When the temperature does drop sharply or blizzards strike, this can cause:</p> <ul style="list-style-type: none"> Interruption to Acer Supply Chain Acer products may not be able to withstand severe temperature changes and thus suffer damage, resulting in additional costs, including labor and maintenance expenses 	<ul style="list-style-type: none"> Monitor supplier locations, warehousing locations, and logistics routes that may be subject to extreme low temperatures to facilitate preparation and rapid response in the event of rapid temperature drops

Quantifying Major Climate Risk Factors and Impacts

In response to identified major climate risks, Acer also estimates potential financial impact through in-depth climate scenario analysis, so as to accurately measure the amount of resources to invest and how to allocate them when carrying out risk mitigation actions.

Risk Impact Quantification: Increased Extreme Weather Events—Heavy Rainfall

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

Risk Name / Explanation of Impact	Response Measures/Identified Opportunities
Long-term	
<p>Increased Average Temperature Long-term Risk</p> <p>The increase in the length of the dry season and the duration of extreme high temperatures in East Asia due to global climate change will have the following impacts on Acer:</p> <ul style="list-style-type: none"> Higher electricity costs incurred in maintaining indoor temperatures at office locations More frequent use of air-conditioning equipment in cloud server rooms, consuming more power and leading to higher operating costs 	<ul style="list-style-type: none"> Continue to optimize the energy efficiency of each operating location, accumulating energy-saving measures every year and implementing ISO 50001 Energy Management Systems certification as we continue to explore the feasibility of various measures. Constructing solar power generation facilities in a series of operating locations, generating approximately 3.6 million kWh of green electricity in 2021
<p>Sea Level Rise Long-term Risk</p> <p>Sea level rise may lead to the flooding of Acer’s own operating sites or those of its suppliers, leading to financial losses.</p>	
	<ul style="list-style-type: none"> For locations that may be at risk of sea-level rise, adjust the storage location of inventory according to the risk level or move the entire location



Indicators and Goals

Risk Impact Quantification: Increased Average Temperature

Acer used the Taiwan Climate Change Protection Information and Adaptation Knowledge Platform developed by the Ministry of Science and Technology (MOST) and the National Science and Technology Center for Disaster Reduction (NCDR) to assess the financial impact of rising average temperatures and the resultant increase in power consumption and subsequent higher direct operating costs, looking particularly at Acer's headquarters and cloud server room, both of which consume more electricity. We chose that under which the nations of the world make no active moves to reduce carbon emissions, the "high-emissions scenario" RCP8.5, as our focus. With this maximal estimation, we see that between 2021 and 2040, the main operating and cloud server room locations may see increased maximum temperatures and corresponding growth in electricity use, along with a considerable annual increase in electricity costs. Given this potential increase in expenses, we are also actively formulating energy-saving plans and evaluating the purchase of energy-saving equipment to gradually reduce non-essential energy consumption to minimize the financial impact of future average temperature increases and enhance our climate risk resilience.

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

About Results of Acer 2021 TCFD Risk Quantification

Following the quantification of two high physical risks in FY2020, Acer further assessed the financial impact of transformation risk—Regulations and Impact on Existing Products and Services—with reference to the quantified risk items of international benchmark companies in order to align with international trends related to low-carbon products and services and accurately measure the amount of resources invested and how they should be allocated.

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

Assuming that countries and regions give priority to purchasing products with circular economical design or low environmental impact, Acer products without EPEAT registration 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. For more details on our climate-related risks and opportunities, please see Section C2 of our CDP Climate Change Questionnaire.

Response Measures

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 TCO verification and product carbon footprint reports.

Please refer to page 71 of this report for the latest information on product environmental labels and certifications. In addition, in 2021 Acer also launched the Aspire Vero, the first product line of eco-friendly notebooks made with post-consumer recycled plastics and registered EPEAT-Silver, to minimize the impact of related regulations on existing products and gradually build up the climate risk resilience of our products.



GREENHOUSE GAS INVENTORY AND MANAGEMENT

Since 2011, we have conducted annual GHG inventories in accordance with the GHG Protocol 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 prepared an ISO 14064-1: 2018 greenhouse gas verification statement. In 2020, we had achieved a 60% carbon reduction compared to 2009. Based on the international SBT 1.5°C carbon reduction path scenario, the Acer Group has established a new carbon reduction target of 50% carbon reduction on 2019 by 2030.

In 2021, Acer Group's verified (market-based) Scope 1 emissions were 4,551 metric tons and Scope 2 emissions were 8,746 metric tons, for a total of 13,297 metric tons (market-based). The increase of 51.5% in Scope 1 emissions compared to the previous year and 28.5% compared to the 2019 baseline year is mainly due to the replacement of FM-200 (HFC-227ea) fire suppression equipment for cloud server room fire suppression systems. Scope 2 purchased electricity emissions decreased by 4.9% from the previous year and by 14.5% from the 2019 baseline year, mainly due to a combination of lower electricity consumption and increased use of renewable energy. Total emissions from operations (Scope 1 plus Scope 2) increased by 9.0% from the previous year and decreased by 3.4% from the 2019 baseline year; carbon intensity (tons of CO₂ per billion NTD of revenue) was 41.7, down 29% on 2019; and per capita emissions were approximately 1.7 metric tons, a decrease of approximately 0.8% from 2019.

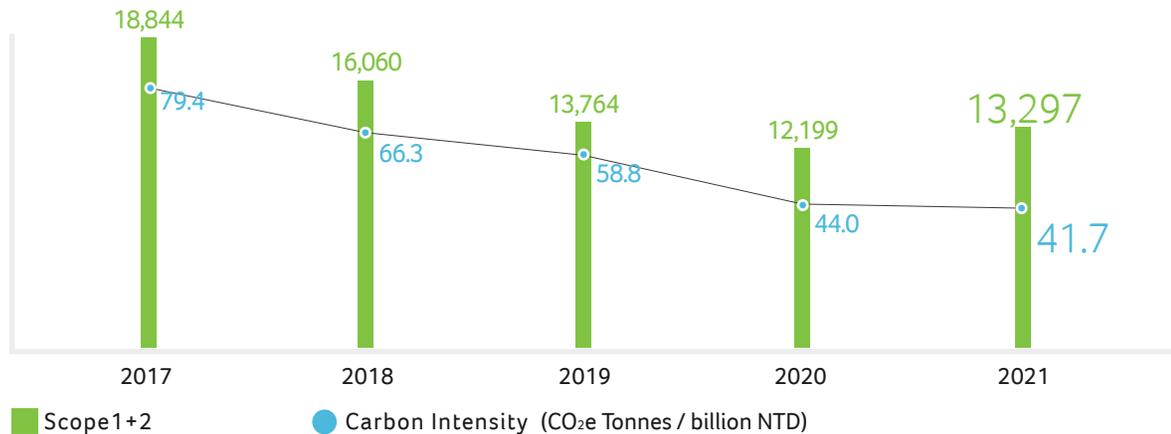
In addition, under Scope 3, we identified significant indirect sources in accordance with the principles of the GHG Protocol Scope 3 and, based on quantitative significance, impact, data availability, and accuracy, included other significant indirect sources in the scope of the inventory. In 2021, Acer's Scope 3 emissions reached 2,099,472 metric tons. Among them, emissions caused by the energy consumption of products were the most significant. The main hardware products sold in 2021, including notebooks, desktops, and monitors, resulted in the emission of 1,616,651 tonnes of carbon, accounting for 77% of Scope 3 emissions. Through ongoing communications with first- and second-tier suppliers, we have been able to make continual improvements to carbon emission data collection, finding emissions to have reached 360,247 metric tons, "Purchased goods and services" have become the second-largest carbon emission item.

Scope 3 Greenhouse Gas Emissions Sources and Levels

Source of Emissions	Emissions (tons)
Usage of Sold Products • Includes major products (notebooks, desktops, all-in-ones, and displays) • Multiplies annual shipping volume of these products by annual TEC	1,616,651
Purchased Products and Services From ODM/OEM suppliers and major suppliers of key components (KC)	360,247
Product Shipping and Distribution Covers all regions of the world, including Taiwan, EMEA, Pan America, China, and Asia Pacific	104,375
Other Includes business flights by global staff, operating waste, activities involving fuel or energy resources, final processing of sold products, and leased/rented assets	18,200
Total	2,099,472

Annual Group Greenhouse Gas Emissions and Reduction Targets

Unit: Metric Tons



GREENHOUSE GAS REDUCTIONS AND ENERGY MANAGEMENT

Acer actively confronts issues related to climate change and continues to make efforts to reduce greenhouse gas emissions. According to Acer’s energy and climate strategy, we continue to prioritize energy efficiency at all of our operating locations, with use of green energy the next priority. Where appropriate, we use renewable energy power generation facilities alongside measures such as Renewable Energy Certificates (RECs), Power Purchase Agreements (PPAs), and carbon credits to support the development of renewable energy and climate protection plans.

With regard to green electricity, in 2021, we made a long-term commitment to green energy, announcing our participation in the RE100 initiative, committing to fully adopting renewable energy by 2035, and building two new solar power stations in Aspire Park in Taiwan. A total of 3,600,000 kWh of green electricity was generated from our in-house generation. Besides, the use of renewable energy was expanded to operating locations in regions including Dubai and South Africa, with approaches adopted varying from region to region.

In addition, we have expanded the use of green power to Acer’s global locations by purchasing renewable energy certificates (RECs), such as Green-e, GOs, and I-RECs, from locales where we operate. In total, the Acer Group used 14,009,992 kWh of green electricity in 2021, accounting for 45% of the Group’s Scope 2 electricity consumption. If we only take into account the operations related to the ICT products business, this reaches 63%.

In the future, we will continue to consider factors such as the availability, effectiveness, and institutional maturity of green power or renewable energy supply at various operating locations around the world to evaluate priority areas for achieving our mid-term goal of 60% renewable energy use by 2025. And in support of the carbon reduction pathway to 1.5°C, we have set as an SBT the achievement of a 50% reduction in carbon reduction goal compared to 2019 by 2030.

Acer UK partnered with Ecologi to plant trees for every Acer Aspire Vero laptop sold. As of May, 2022, the actual number of trees planted for the Vero initiative alone has exceeded 40,000. See Acer’s information on [Ecologi](#). On this webpage, if you click on each tree number in the lower section, you will see more details on where the trees are planted.

In Europe, Acer also plants trees for laptops purchased via the “green deals” on our eStores. There are 14 countries’ eStores in Europe that offer the “green deals,” which include the United Kingdom, Ireland, Germany, Austria, Italy, France, Poland, Netherlands, Spain, Switzerland, Denmark, Sweden, Norway and Finland.

Electricity Usage in kWh	Green Electricity in kWh	Ratio
ICT product operations		
Include power used by Acer Inc. headquarters, EMEA/Asia Pacific/Pan America, and data centers		
21,962,824	13,942,034	63 %
Other non-ICT product operations or subsidiaries		
9,517,457	67,957	0.7 %
Total		
31,480,281	14,009,992	45 %



07

A TOLERANT WORKPLACE AND SOCIETY

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

Employees are Acer's most important asset, and we are committed to ensuring they are fairly treated and respected and to creating a safe and healthy working environment. By putting our core competencies to work toward community welfare, we strive to use our resources and influence to serve as a stable force for progress.



More than 14,000 people helped by Acer social projects



Ranked among the world's best companies to work for by leading financial magazine Forbes



Acer India honored as "Good Place to Work" for fourth consecutive year



Ranked 45th in the World Benchmarking Alliance's Digital Inclusion Benchmark



PROTECTING HUMAN RIGHTS

Management Strategy

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

Evaluation Mechanism

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

Human Rights, Diversity, and Equal Opportunity

Medium- and Long-Term Goals

- Continue to make human rights, diversity, and opportunity equality of opportunity a focus across the corporate family
- 80% of global staff are actively engaged in their work by 2025

2022 Targets

- Employee Engagement Survey: Overall satisfaction score improved by at least 0.1% compared to the previous year
- 74% of global staff are actively engaged in their work

2021 Targets

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

2021 Status and Highlights/Results

- ✘ 1% decrease in Employee Engagement Survey overall satisfaction score on the previous year. The “Job Satisfaction” score fell the most but remains higher than the year before last, mainly because employees continue to trust the Company’s policies for job security during the COVID-19 pandemic. “Staff Care” and “Teamwork” remain strong.
- 73% of global staff were actively engaged in their work in 2021.

Human Rights Policy

Acer believes that every member of our staff deserves to be treated fairly and with dignity. We strive to protect the human rights and basic freedoms of our staff, providing equality of opportunity, protection of personal privacy, channels for the free and safe communication of opinions, and a safe, healthy working environment. To this end, we have formulated the [Acer Group Human Rights Policy](#), which is applicable to all Acer Group companies and organizations, so that employees, suppliers, and customers who are affected by human rights issues or are at risk can have their rights protected through Acer’s efforts. We also ask our partners to comply with the standards of this policy and uphold human rights. Acer’s [Standards of Business Conduct](#) have been revised with reference to the United Nations Declaration on Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. All employees, board members, beneficiaries, policy-related promoters, affiliates, suppliers, channel partners, contractors, and others who do business with Acer are required to comply with our standards, including the Procedures for Handling Incident Notification.

Assessment of Potential Human Rights Issues

Assessing potential human rights issues is part of Acer’s risk management, with such issues identified, assessed, and discussed by members of the Risk Management Working Group. The responsible units then formulate, implement, and manage mitigation actions for issues so identified. Those who may primarily be impacted by human rights issues are our staff, suppliers, and customers. In 2021, identified risks encompassed areas including health & safety, gender equality, sexual harassment, labor relations, privacy right and cybersecurity, anti-bribery and anti-corruption, conflict minerals, child labor, freedom of association, no discrimination, forced labor and student/intern workers.



Potential Impacts and Risks Relating to Human Rights with Mitigation Actions

Topic / Impact Assessment	Management and Mitigation Action(s)
Employee	
Healthy and Safe Working Environment Health Checks ISO 45001 Audits	<ul style="list-style-type: none"> Organizing Health Seminars Set up a staff fitness center to encourage all staff to exercise more Establishing Nursing Hotline Set up a global pandemic prevention website to communicate measures taken by the Company and information on pandemic prevention. Provision of Employee Assistance Program and Psychological Counseling Services Implementation of ISO 45001 Occupational Health and Safety Management Systems
Gender Equality Surveying of Male:Female Staff Ratio	<ul style="list-style-type: none"> Continuing Improvement of Percentage of Female Managers and Senior Managers
Sexual Harassment Evaluation of Issue through Dedicated Sexual Harassment Reporting Line and Complaints Mechanism	<ul style="list-style-type: none"> Implementation of Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Actions Clarifying Complaints Channels, Operating Procedures, and Disciplinary Regulations Provision of Sexual Harassment Prevention Training Courses
Labor Relations Through Labor-Management Meetings with Staff Assessing Complaints Mechanism	<ul style="list-style-type: none"> Holding Employee Representative Meetings to Effectively Solve Problems through Full Communication Through “An Appointment with Jason,” employees can communicate directly with the chairman face-to-face. Boosted internal communication between HR and HR managers, including case consultation and classroom-based learning
Privacy Rights Personal Information Inventories and Risk Assessments	<ul style="list-style-type: none"> Conduct regular staff training on personal information protection When employees need to use personal information, they shall apply for approval in accordance with the regulations Carrying Out Regular Personal Data Inventories and Risk Assessments Review all interview and onboarding processes, as well as outsourcing/supplier contact information, to ensure there is no risk of GDPR violations
Anti-Bribery and Corruption System, Process, and Behavior Audits	<ul style="list-style-type: none"> Implement Anti-Bribery and Corruption Policy Regularly audit the company’s control systems and processes to improve overall awareness and spot potential misconduct Set Up a Dedicated Mailbox (whistleblower.acer@acer.com) for Reports or Complaints Provide Anti-Bribery and Corruption Training Courses
Freedom of Association Smooth Staff Communication Channels Staff Responses and Feedback	<ul style="list-style-type: none"> Implementing staff human rights protection and education & training Organize quarterly labor meetings to improve communication with employees Providing a Variety of Staff Communication Channels Conduct global Employee Engagement Surveys, analyze the results from multiple perspectives, and take necessary actions to improve (e.g., strengthen employee development through diverse online learning activities) For more information, please refer to the “ Human Rights Protection Education and Training ” and “ Diverse Communications Channels ” sections

Topic / Impact Assessment	Management and Mitigation Action(s)
Supplier	
Conflict Minerals Conflict Minerals Due Diligence Surveys: CMRT (Conflict Minerals Reporting Template) & EMRT (Extended Minerals Reporting Template) Reasonable Country of Origin Inquiry (RCOI) On-site Audits (First-Tier Suppliers) Smelter Information	<ul style="list-style-type: none"> Carrying out Conflict Minerals Due Diligence and Management Completing and Publishing Annual Responsible Minerals Report Participating in Responsible Minerals Initiative (RMI) and Public-Private Alliance for Responsible Minerals (PPA) Complying with OECD due diligence guidelines and building supply chain due diligence capabilities Seeking out due diligence opportunities and best practices For more information, please refer to the “ Responsible Sourcing of Minerals ” section
Child Labor Freedom of Association No Discrimination Forced Labor Student Workers and Interns Health and Safety Other (Overtime Hours, Wages, etc.) Supplier Announcements Supplier Risk Assessment Self-Assessment Questionnaire On-Site Audits Corrective Reports	<ul style="list-style-type: none"> On-Site Audits Corrective Action Verification Human rights training for suppliers and procurement staff Participating in Responsible Business Alliance (RBA) to gain insight into trends among international companies and practical experience of members In Supplier Communication Meetings, we promote and communicate our requirements regarding human rights issues like child labor, forced labor, and conflict minerals. Implementing Slavery and Human Trafficking Policy, Measures for Remedying Child Labor and Forced Labor, and Vendor Working Hours Policy Complying with California Transparency in Supply Chains Act, British Modern Slavery Act, and Australia Modern Slavery Act Promoting the Slavery and Human Trafficking Policy, Measures for Remedying Child Labor and Forced Labor, and Vendor Working Hours Policy For more information, please see Chapter 4, Responsible Supply Chains
Customers	
Privacy and Information Security Regularly Carrying Out Inventories and Risk Assessments of Information	<ul style="list-style-type: none"> Set out information security and confidentiality commitments or personal information protection clauses in contracts The use or safekeeping of customer personal information shall comply with the relevant Group regulations and measures regarding the use of personal information



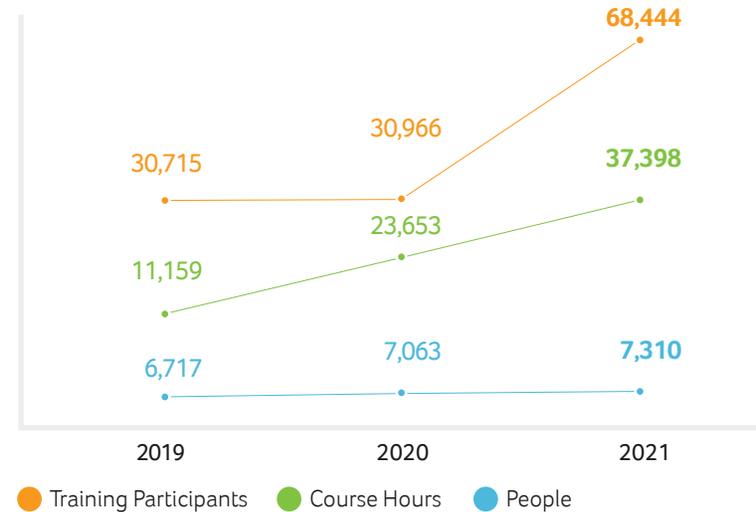
Human Rights Protection Training

In 2021, we continued to provide training on human rights protection issues for Acer employees worldwide, offering education and training courses on issues such as business standards of conduct, anti-corruption, privacy, safe and healthy working environments, and sexual harassment prevention to create a friendly work environment built around equality, tolerance, and respect. The contents of human rights-related training are adapted to local conditions and appropriately adjusted according to the different legal needs of different regions so as to ensure that colleagues can fully abide by local laws and regulations when conducting business.

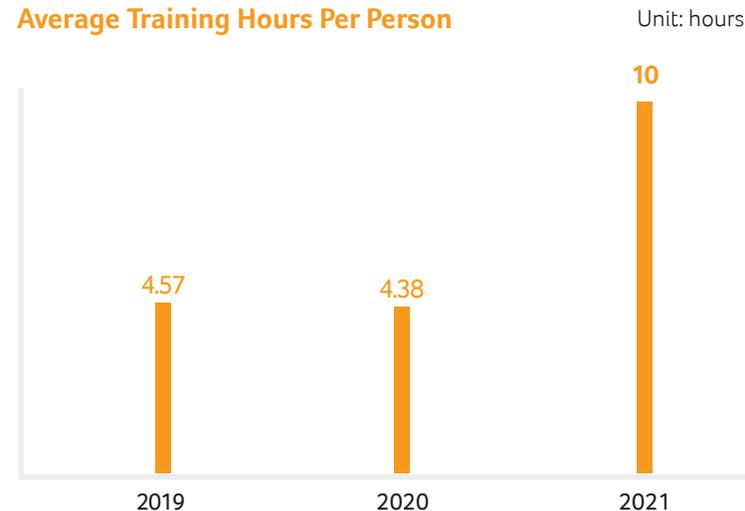
Human Rights Protection Education and Training 2021

Region / Item	Training Content
Global Standards of Business Conduct	<ul style="list-style-type: none"> Gender equality, fair appointment and promotion, equal-opportunity employment, multicultural teams, harassment-free work environment, respect for personal privacy, etc. Anti-corruption training, information security awareness training, prevention and publicity of violations in the execution of duties, occupational health and safety training, employee assistance program (EAP) training, etc.
EMEA General Data Protection Regulation	<ul style="list-style-type: none"> Collection and utilization of personal information, notification rules for leaks of personal information, cross-border infringement in the EU and infringement by non-EU companies, and obligations and responsibilities of personal data holders
Asia Pacific Health protection and work care training for post-pandemic return to work	<ul style="list-style-type: none"> Working together to maintain a safe work environment, provision of health information and privacy protection, COVID-19 self-testing, contact tracing, infection control practices
Pan America Brazilian personal information privacy rights training	<ul style="list-style-type: none"> Domestic regulations on the collection and processing of data and how personal data can be used in the provision of products or services
China Training in the Personal Information Protection Law of the People's Republic of China	<ul style="list-style-type: none"> Sensitive personal information, processing transparency, collection/use/disclosure, principles for commissioning third-party processing, retention period, obligations of Internet platforms, cross-border data transfer, leak notification, etc.

Human Rights Protection Training Indicators



Human Rights Protection Education—Average Training Hours Per Person



Diverse Communications Channels

We provide a variety of communication channels for staff, including annual employee satisfaction surveys that help us understand the organizational climate. We also conduct in-depth interviews on major issues and formulate improvement plans, hold activities for new staff to help us understand their needs and expectations through sharing sessions, and conduct exit interviews with departing staff to understand the reasons for their departure as a reference for organizational improvement and optimization. In addition, through internal announcements, staff can quickly keep up to date with a daily summary of news related to the Group. There is also the weekly Acer Good News, which helps them understand the overall development of the Company while also consolidating a sense of identity and honor among staff within the Group. The chairman has also expressed his gratitude to staff around the world for sticking to their posts during the pandemic through a video talk, as well as conveying the Company's development strategy so that managers and staff are on the same page.



In Taiwan, we hold quarterly labor-management meetings (Employee Representative Meetings) to facilitate bilateral communication on employees’ rights and needs, collect staff ideas and suggestions on Company systems, processes, and environment, and share feedback and make necessary improvements. There are also trade union organizations in various operating locations around the world, including Italy, France, Germany, the Netherlands, Finland, Brazil, Vietnam, China (Shanghai), and elsewhere. In 2021, the percentage of full-time staff covered by Acer’s collective agreements was 13.09%.

<p>In Europe, many countries’ offices have reached collective agreements on human rights issues through free association and group consultation.</p>	
 Employee health and safety Italy, the Netherlands, France, and Spain have agreed on a pension subsidy and healthcare benefits, or other relevant collective agreements	 Work arrangements and telecommuting France
 Gender equality Italy: established a Joint Committee for Work Equality to promote gender equality in work. France: an agreement on gender equality in place	 Working Conditions Italy: staff and the Company have reached agreements on working hours, holidays, and wages

For suppliers, we also hold annual suppliers Communication Meetings to promote and communicate our requirements regarding human rights issues like child labor, forced labor, and conflict minerals. For information on suppliers Communication Meetings, please see Chapter 4, [Responsible Supply Chains](#).

Internal Communication Structure of Acer Inc

<p>Face-to-Face Communication </p> <ul style="list-style-type: none"> • An Appointment with Jason • Chairman & CEO’s Message • Labor-Management Meetings (Employee Representative Meetings) • Occupational Welfare Committee • Volunteering Sharing Sessions • Club Exchange Communication Meetings • Employee Assistance Program • Human Resources Business Partner (HRBP) Pipeline is Open, Providing Organization-Side Assistance 	<p>Employee Engagement Reflections </p> <ul style="list-style-type: none"> • Staff Satisfaction Survey • Letters to the Chairman / General Manager • Channels for Stakeholder Complaints • Workplace Sexual Harassment Prevention Measures and Complaints Mailbox/Hotline • Dedicated Mailbox/Hotline for Reporting of Wrongful Actions in the Course of Duties • Nursing Hotline • Employee Welfare Committee App • Staff Fitness Center App <p>Announcements </p> <ul style="list-style-type: none"> • Acer Daily News • Acer Good News • New Year’s Greetings from the Chairman
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Employee Assistance Services Program

We provide staff and their families with an “Acer Family Care Line” employee assistance services program; staff can choose to reach out to consultants by telephone or video, as well as face-to-face. In 2021, the employee assistance service program served a total of 477 staff and family members by telephone and email, while a total of 66 were helped face-to-face, offering help with life, emotional wellbeing, mental health, or work problems through professional consultation. The Employee Care section of the Acer Family app also provides monthly information in visual and textual form, including spiritual pick-me-ups for the pandemic period, workplace emotional management tips, and stress awareness and management ideas.

Employee Engagement Surveys

In January and February of 2022, Global Human Resources Headquarters conducted our 2021 Global Employee Engagement Survey to gain insight into the organizational climate, conduct in-depth communication and interviews on major issues, and formulate improvement plans. This survey includes questions in six areas. The 2021 Employee Engagement Survey had 100% coverage and an 86% response rate, a 2% increase from last year. In 2021, 73% of global staff were actively engaged in their work. We expect to achieve the goal of 80% of global staff will be actively engaged in their work by 2025.

In 2021, for the second consecutive year, Acer was honored as one of the world’s best employers by Forbes, showing that the Group ranks among the world’s top companies in various aspects such as corporate social responsibility and talent development. However, the Company is not one to rest on its laurels. We are more committed than ever to improving employee engagement, building business growth momentum, and continuing to be among the best companies in the world. We also expect our management to give more performance feedback to employees, providing management training and following up on the implementation of such with our Human Resource Business Partners (HRBP).

73 % of global employees were actively engaged in their work

ATTRACTING AND DEVELOPING TALENT

Management Strategy

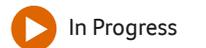
- Wherever we are in the world, we adhere to labor laws when hiring staff. We insist on being an equal opportunity employer, assembling a diverse team of outstanding people.
- We also provide competitive pay and benefits, humane management, and a robust path for promotion and career development.

Evaluation Mechanism

- Performance targets are set through the Global Performance System (GPS), and the effectiveness of the management mechanism is checked by comparison with benchmark companies and the industry.
- We also regularly assess the effectiveness of our training programs each year.

Talent Attraction and Retention

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Status and Highlights/Results
<ul style="list-style-type: none"> • Strengthen brand image as the best employer to attract and retain top talent 	Continue to expand diversified digital recruitment channels and methods in the face of the post-pandemic era	In entering the post-pandemic era, continue to expand diversified digital recruitment management and methods	<ul style="list-style-type: none"> ✓ Created an immersive experience for students to get to know Acer and learn about technological innovation
	Take the initiative to cooperate with schools and government units, organize corporate visits or other channels to enhance the image of the brand as an employer		<ul style="list-style-type: none"> ✓ Participated in the Ministry of Economic Affairs International Careers Project, sharing the Company's global job vacancy opportunities and talent recruitment information with students from nine well-known universities around the world.
	Assist IPO companies within the group to increase opportunities for exposure and raise awareness by leveraging Group synergy		<ul style="list-style-type: none"> ✓ Held live online lectures to boost knowledge among people looking for jobs, attracting nearly 200 signups
	Recruitment activities actively incorporate the Company's sustainable management strategy and Project Humanity, with a focus on environmental and educational issues, communicating concepts of sustainability to potential applicants	Proactively cooperate with schools and government agencies with corporate visits or other modes of cooperation to enhance employer branding and to develop more diverse cooperation models and targets.	<ul style="list-style-type: none"> ✓ Used popular social media platforms to boost Company exposure and image. ✓ In cooperation with the Youth Salon, launched the first online company visit • Continued to run physical visits to help students get exposure to the industry; a total of approximately 147 participants • Provided industry employment guidance to doctoral students, cultivated high-level talent, and recruited two doctorate holders • Cooperated with job banks to provide interviewees with free resume clinics to improve their interview skills
	Provide competitive compensation/benefits to retain outstanding talent		Formation of an employee stock ownership trust



Management Strategy

- In line with the Company's strategic development direction, we work to optimize the organizational capability of both core and new business units in order to fully leverage the synergies of the Group.
- We provide a diverse educational and developmental environment in order to attract and retain outstanding talent.

Evaluation Mechanism

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

Developing Talent

Medium- and Long-Term Goals

Strengthen brand image as the best employer to attract and retain top talent

2023: Average of 13.7 hours of training per person

2022 Targets

Continue to hone leadership and management abilities at all levels of management throughout the Group

Continue to carry out relevant training on ESG to cement sustainable development competitiveness

Increase training hours per employee to at least 13.5 hours

2021 Targets

Continue to boost leadership and management abilities at all levels of management throughout the Group

Continue to carry out relevant training on corporate social responsibility to strengthen the competitiveness of sustainable development

Increase training hours per employee to at least 13.4 hours

2021 Status and Highlights/Results

Provided training courses for managers at all levels, including nine rounds of grassroots management training; four of middle and senior leadership training; one of senior operations and management ability training; and nine of cross-level management training



Set up training courses on ESG, Standards of Business Conduct, anti-bribery and anti-corruption, anti-trust, stronger information security awareness, workplace violations, etc.



Increased training hours per employee to 13.41 hours



Highlights



Achieved



Not Accomplished



In Progress

Staff Structure

Staff Employment

As of the end of 2021, Acer Group has a total of 7,713 employees worldwide, of which 18% are in management, 82% are regular staff, and 614 are contracted temporary staff. As the Company is committed to building on opportunities for core business expansion, optimizing operations, and establishing a lifestyle brand, a knowledge- and innovation-intensive business, 26% of our staff hold Master's or doctoral degrees. Acer has also been committed to globalization for many years. Our headquarters in Taiwan accounts for about 45% of our total global workforce, while Pan America accounts for 7%, EMEA 24%, Asia Pacific 18%, and China 6%.

Staff Structure

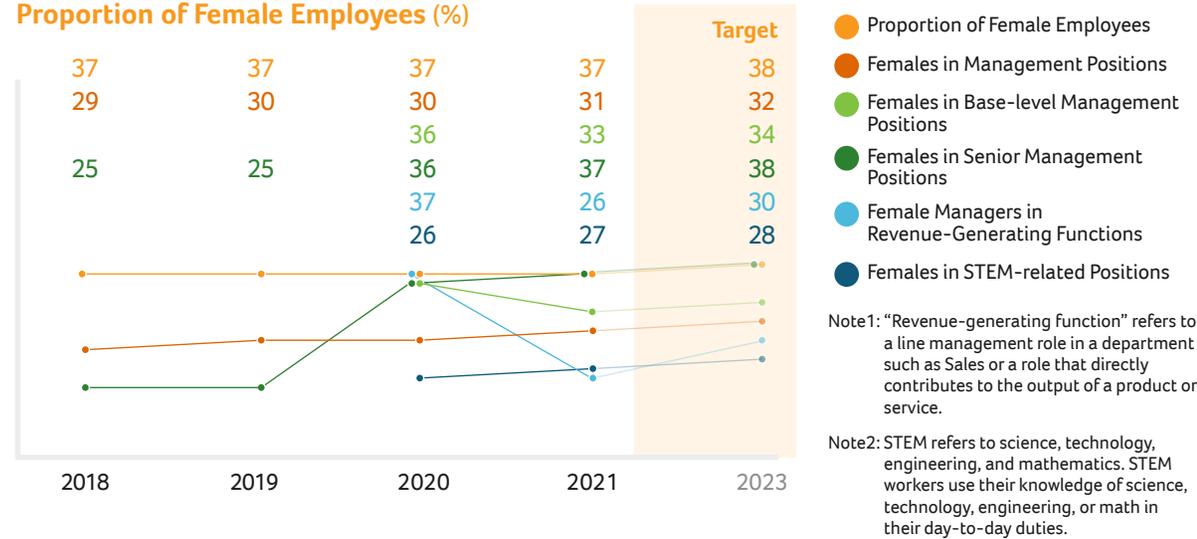
	Female		Male		Subtotal	
	Number	Percentage within Group	Number	Percentage within Group	Number	Percentage within Overall Group
Work Location						
Taiwan	1228	38.4%	1969	61.6%	3197	41.4%
EMEA	552	29.8%	1299	70.2%	1851	24.0%
Asia Pacific	661	40.3%	981	59.7%	1642	21.3%
Pan America	226	40.3%	335	59.7%	561	7.3%
China	187	40.5%	275	59.5%	462	6.0%
Age						
Under 30	511	40.5%	750	59.5%	1261	16.3%
30-50	1881	36.7%	3246	63.3%	5127	66.5%
Over 50	434	34.6%	820	65.4%	1254	16.3%
Age Undisclosed	28	39.4%	43	60.6%	71	0.9%
Job Category						
Management Staff	429	30.8%	962	69.2%	1391	18.0%
Administrative Staff	493	57.3%	367	42.7%	860	11.2%
Technical Staff	840	27.0%	2271	73.0%	3111	40.3%
Specialist Staff	1092	46.4%	1259	53.6%	2351	30.5%
Contract Category						
Formal Staff	2729	37.9%	4471	62.1%	7200	86.5%
Temporary Staff	267	23.7%	860	76.3%	1127	13.5%
Employment Type						
Full-Time Staff	2729	37.9%	4471	62.1%	7200	93.3%
Part-Time Staff	125	24.4%	388	75.6%	513	6.7%

Note: The global workforce is calculated as the total number of regular employees plus contracted employees

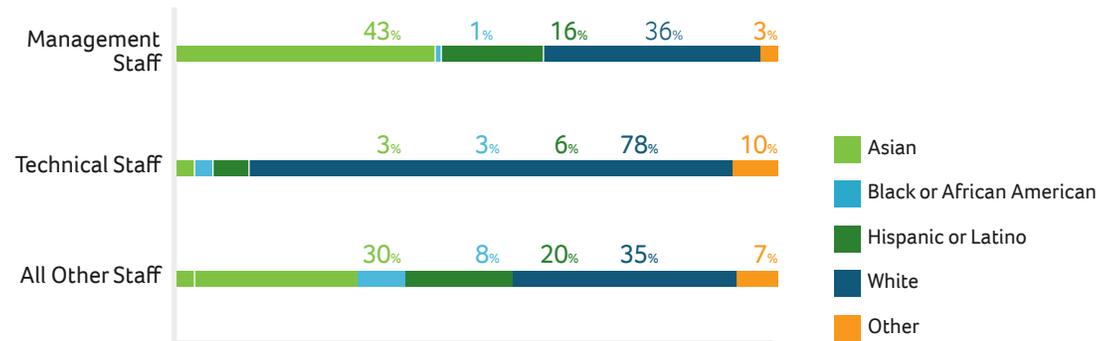
Diversity and Inclusiveness

Acer attaches importance to human rights and gender equality among its workers. As of 2021, female staff accounted for 37% of total staff, 31% of management. In 2021, we also disclosed the percentage of women in revenue-generating and STEM-related functions. We have set for ourselves the goal of further increasing the percentage of our workforce that is female in 2023.

Proportion of Female Employees (%)



Racial/Ethnic Composition of Acer America Staff



Talent Recruitment

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

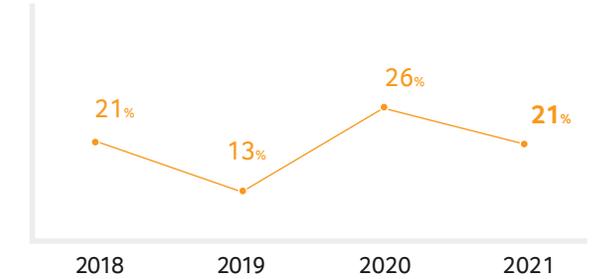
In 2021, a total of 1,269 new full-time hires joined the company, for an average hiring rate of 17.91%. The main reason for the growth is that the Company has steadily expanded into new businesses, and with the rapid establishment of public companies, the number of vacancies has grown significantly, and the company has recruited professionals from different fields to meet the company's goal of diversified new business development. In 2021, a total of 974 full-time staff left their jobs for an average turnover rate of 13.76%, down from 2019. The reason is that with more opportunities in new businesses within our diverse Group, employees have more room for development or internal transfer opportunities, meaning there is less need to pursue career development elsewhere through resignation.

Note1: Hiring Rate: $\text{Hiring rate per period} = \frac{\text{new hires in the month}}{\text{number of staff at the end of the previous month} + \text{number of current staff that month}} / 2$
Annual hiring rate = Sum of 12 periods' hiring rates

Turnover Rate: $\text{Turnover rate per period} = \frac{\text{departures in the month}}{\text{number of departures by the end of the previous month} + \text{number of departures that month}} / 2$
Annual turnover rate = Sum of 12 periods' turnover rates

Note2: The voluntary departure rate formula is $\text{Turnover rate per period} = \frac{\text{voluntary departures of staff category in the month}}{\text{number of departures of staff category by the end of the previous month} + \text{number of departures of staff category that staff month}} / 2$; Annual voluntary departure rate = Sum of 12 periods' voluntary departure rates.

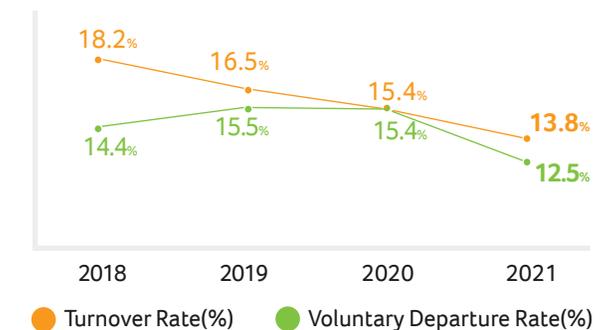
Vacancies Filled by Internal Staff



Employee Hiring Rate Over Time



Employees Turnover Rate over Time



Equal Employment for People with Disabilities

We uphold the principle of equality in employment, not discriminating against applicants with physical or mental disabilities. We provide accessible facilities for staff with disabilities, including ramps, elevators, toilets with handrails, and parking spaces, and we strive to ensure that all activities are inclusive of disabled colleagues, including training activities and other various activities organized by the Employee Benefits Committee.

Expanding Diversified Digital Recruitment Management and Methods

Taking the Acer HQ as an example, when planning on-campus talent recruitment, we focused on an “Acer Life Style” theme to create an immersive atmosphere and experience, showcasing our business philosophy of “smart and comfortable lives” while showing students that Acer Group is about more than just business, but also technological innovations intimately linked with everyday life.

In addition, we have also taken part in the Ministry of Economic Affairs’ International Careers Project, assisting Taiwanese companies in recruiting overseas talent. We have presented recruitment information to more than nine schools in nine countries and used online career talks to share with students from well-known universities the Company’s global job opportunities and talent recruitment information.

We have also held live online lectures, with participants deciding the topics. In addition to introducing important job vacancies, we also share interview questions and skills, boosting the knowledge of jobseekers, attracting nearly 200 signups, and providing a resume clinic service to outstanding participants.

Diversified Cooperation Models and Targets

We use popular social media platforms to increase the Company’s exposure and enhance its image. This has included inviting YouTubers to the headquarters to shoot videos and then have in-depth dialogues with Company executives, sharing development opportunities at Acer. In cooperation with the Youth Salon, we launched our first online corporate visit, not only providing a guided tour of the Company’s benefits, facilities, and working environment, but also inviting senior executives to share career paths and interview tips with visitors. We have also participated in the Ministry of Science and Technology’s RAISE program to lead doctoral talents toward employment in the industry, cultivating high-level industry talents. In cooperation with 104 Job Bank, we provide jobseekers with free resume clinics and help them improve their interview skills.

In 2021, Acer headquarters recruited 637 people, about 9% of whom came through recommendations from existing staff. We offered summer internships for the seventh consecutive year, selecting 18 students from 990 people to participate in our two-month internship program. Despite the severe pandemic situation, we continued to provide a variety of online internship content, career courses, and interviews with senior executives. We screen talents scientifically and objectively, requiring interviewees to complete aptitude, logic, and English tests. More than 3,000 people went through this process in 2021. Through such quantitative and objective test results, our Human Resources Department is able to accurately determine suitable candidates.



Hiring Rate — By Age Group and Gender (Formal Staff)

Under 30			30-50			50 and Over			Age Undisclosed		
Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate
Taiwan											
60%	60%	60%	11%	16%	14%	2%	5%	4%	0%	0%	0%
EMEA											
54%	53%	53%	12%	8%	9%	12%	9%	10%	0%	600%	900%
Asia Pacific											
57%	84%	70%	11%	19%	16%	8%	5%	6%	28%	16%	21%
Pan America											
22%	20%	20%	10%	5%	7%	1%	1%	1%	240%	183%	199%
China											
36%	31%	33%	6%	9%	8%	0%	0%	0%	0%	0%	0%

Turnover Rate — By Age Group and Gender (Formal Staff)

Under 30			30-50			50 and Over			Age Undisclosed		
Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate	Female	Male	Hiring Rate
Taiwan											
27%	33%	31%	13%	15%	14%	9%	14%	12%	0%	0%	0%
EMEA											
24%	32%	30%	8%	10%	9%	7%	5%	6%	0%	600%	900%
Asia Pacific											
24%	29%	26%	7%	9%	8%	5%	6%	6%	42%	20%	29%
Pan America											
16%	34%	28%	15%	10%	12%	8%	4%	6%	0%	15%	11%
China											
36%	18%	28%	11%	18%	15%	0%	16%	13%	0%	0%	0%

Note 1: The calculation of hiring rate is based on groups. Take the group “under 30 years old, female” as an example: the denominator is the average number of people in this group in 2021 (Annual Avg. HC), while the numerator is the number of new hires in this group in 2021 (New Hired).

Note 2: The calculation of turnover rate is based on groups. Take the group “under 30 years old, female” as an example: the denominator is the average number of people in this group in 2021 (Annual Avg. HC), while the numerator is the number of resignations in this group in 2021 (Resigned).

Competitive Compensation

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

Acer Salary Policy Principles

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



	2020	2021
Total full-time non-management staff	1,539	1,578
Average salary	NT\$1.663 million	NT\$2.19 million
Median salary	NT\$1.296 million	NT\$1.651 million

Note 1: In line with the Taiwan Stock Exchange's Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, our disclosures have been checked by KPMG Certified Public Accountants.

Note 2: Article 4 of the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies states: "A listed company under Article 2 shall disclose the number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year." The requirement to disclose the median salary applies from 2019.

In 2021, in response to the changes in workplace working models brought about by the COVID-19 pandemic, demand for computer hardware increased significantly. Therefore, when comparing the differences between internal and market statistics, as well as encouraging the morale of internal staff, the average salary adjustment rate of global employees is 4%. The following table shows the ratio of women's base salaries and wages to those of men at each major location. Acer remuneration is entirely based on the comparative value found by market remuneration surveys, with no differentiation by gender, race, or age.

2021 Basic Salary and Remuneration (Female:Male)

	Management Staff	Technical Staff	Specialist Staff	Administrative Staff
Taiwan	0.98	0.52	0.91	0.92
EMEA	0.62	0.86	0.87	0.94
Asia Pacific	0.61	0.62	0.87	0.87
Pan America	0.75	1.03	0.76	0.85
China	0.81	1.02	0.76	0.83

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

Formation of Employee Stock Ownership Trust

In 2022, Acer is establishing an employee stock ownership trust. Under the employee stock ownership trust system, each employee can contribute a portion of their salary each month to the purchase of Acer stock. If an employee contributes \$1, for example, the Company will match this for a 50% subsidy. Acer employees can thus enjoy dividends from the ESOT while they are with the Company, with their holdings only to be disposed of upon retirement. In this way, staff can save for retirement, and the Company can retain talent. Acer hopes our employees can grow together with the company.



Retirement System

Acer's retirement system adheres to the regulations for each of the Company's global locations. In Taiwan, for example, contributions are made to staff pensions in line with the Labor Standards Act and the Labor Pension Act. Staff who were employed by Acer on or before June 30, 2005, and were covered by the old system may freely opt into the new system and enjoy the new benefits. Actuarial calculation of pension liabilities for the year is carried out each December, with the official actuarial report released the following January. As of the end of 2021, the company's deposits with the Bank of Taiwan under the old system totaled approximately NT\$226 million. As for the new system, the Company currently contributes 6% of employee pay, while the employees may contribute anything between 0% and 6%. In the Taiwan region, Acer also provides occasional retirement plan benefits; our retirement system exceeds legal requirements, and at least 50 years of age with 15 years of service, and with management's agreement, staff can retire early. The Company also provides pension or severance pay to employees who terminate their employment relationship due to retirement or layoffs. In this way, we help support their post-retirement lifestyles or aid in their weathering the period in which they need to seek new employment.

Parental Benefits

Acer provides employee maternity subsidies, scholarships for children, and partner childcare organizations. Acer HQ has three nursing rooms, providing a full complement of necessary equipment, including electric breast pumps, refrigerators, and sterilizers; In 2021, these applied to a total of 41 female colleagues, with the breastfeeding room used 3,105 times. In addition, we have also put in place a "Maternal Health Protection Program," providing pregnant colleagues with the use of maternity chairs, pregnant and nursing employees with health care from the Health Management Center, and female colleagues with pap smears, mammograms, and lectures on women's health issues.

When Acer staff are faced with the needs of parenthood, they can apply to take unpaid parental leave and, upon the completion of the leave period, return to their position. In this way, they are able to take care of their personal and familial needs. In 2021, six or fewer months was the length of the majority of applications, with a total of 14 applications, four of whom returned to work early.

Parental Leave Applications in 2021

	Female	Male	Total
Employees Entitled to Parental Leave in 2021	66	113	179
Employees Who Took Parental Leave in 2021	16	5	21
Applicants for Parental Leave	24.24%	4.42%	11.73%
Employees Expected to Return to Work After Parental Leave in 2021	8	3	11
Employees who Returned to Work After Parental Leave in 2021	7	1	8
Post Parental Leave Return-to-Work Rate	87.50%	33.33%	72.73%
Employees who Returned to Work After Parental Leave in 2020	6	1	7
Employees Still Employed in 2020 12 Months After Return	6	1	7
Post Parental Leave Retention Rate	100.00%	100.00%	100.00%

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

Employee Benefits (Taiwan Region)

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

Beyond the Regulations of the Labor Standards

Self-management of working hours

Formal staff may adopt self-management of their working hours according to their circumstances as long as doing so does not affect the quality of service received by customers.

Sick leave with full pay

The Company will pay staff full salary for sick leave taken up to 15 days in a year

Annual leave for new staff

Staff who have not completed their probationary assessment after three months of employment will be given annual leave in accordance with the law; staff who have completed the assessment will be given seven days of annual leave effective until the day they complete their first year of work.

Advance leave

Staff who have no paid leave for the current year or who have already taken their full amount of paid leave for the year can take advance leave from the following year's leave allocation.

Paid volunteering leave

Staff can apply for two days of paid volunteering leave each year, with the minimum unit of leave half a day

The frequency and coverage of staff annual health checks are better than required by law. 

Saturday make-up days can be taken as flexible time off 

For example, the Taiwan Employee Welfare Committee—Acer Employee Benefits Committee has continued to provide the following employee benefits:

Recreation and Entertainment Benefits

Acer's Employee Benefits Committee strives to create a happy workplace with a low-stress environment, high morale, and opportunities that stimulate the creativity and efficiency of our staff. To this end, we organize a wide range of activities for staff, including staff trips, festival celebrations, film viewings, art and culture events, seminars, sporting activities, volunteering activities, mental and physical relaxation activities, and activities promoting good health. In 2021, these activities had a total of over 38,000 participants. Actions to prevent COVID-19 have become an essential part of life around the world. To ensure the health of our staff, we have replaced physical gatherings with cloud-based ones, promoted various types of online activities, and provided electronic gift vouchers and other benefits, creating a more diverse array of event experiences and aiding staff in adjusting mentally and physically outside of work so that they can enjoy life with friends and family and pursue a balanced between personal physical and psychological development. Acer also has a digital library with a rich collection of books which was used over 6,530 times in 2021, with staff absorbing new ideas and improving themselves through a variety of books and magazines.

Fellowship Activities

We provide funds for a variety of club activities to help like-minded colleagues learn, grow, and cultivate their interests together. Such clubs currently include a wilderness society, a horticulture club, a street dance club, an aerobics club, a yoga club, an aerobic boxing club, a coffee enthusiasts club, a badminton club, and an NTC Club. By providing funding for these, we let our staff from each department flexibly focus on planning activities with their colleagues. We have also set up a number of other shared spaces for recreation and activity, including break rooms, dance classrooms, cafes, and fitness centers.

In light of the COVID-19 pandemic situation, 2021's Family Day was transformed into Acer Live, an online event exclusively for staff, with individual/group online games, combining the experience of physical activities with live interactive events, meaning that even though we could not physically come together, we could meet in the cloud and continue to foster unity within Acer.



Staffs in Switzerland office participated in "Run 4 charity"

Cash Benefits

In 2021, we provided travel subsidies for staff to take their families for recreational activities. Later, due to the impact of the COVID-19 pandemic, we reduced the amount of in-person events, and instead, these subsidies were supplanted with electronic vouchers as the activities moved online. Through these actions, we provided more options for activities, with staff able to use the vouchers to adapt how they spend recreational time with their families. At the same time, we also continued to provide financial bonuses for Dragon Boat Festival, Mid-Autumn Festival, Chinese New Year, and birthdays, as well as cash gifts for weddings and funerals and sponsorships for employees' children.

Employee Welfare at Offices Worldwide

In response to local customs and conditions, Acer offices around the world plan out a variety of staff activities, seeking to look after the healthy development of their bodies, minds, and souls. These activities also incorporate environmental protection and social welfare issues, helping our staff do their part for the planet. Despite the impact of the COVID-19 pandemic, each office continued to hold a variety of staff activities during 2021 while maintaining social distancing, helping boost staff identification with the company.

Health Promotion

Acer EMEA's RO held health checkups, massage services, and first aid training, and fresh fruit is available in the office for employees to enjoy during break times.

Language Training

Acer Iberica's office has used Teams to arrange online English classes to boost language skills for staff of different levels

Environmental Conservation

Acer Germany's office offers special discounts to staff to incentivize green commuting through carpooling or other environmentally friendly options, for example discounts on electric bikes/scooters, dedicated parking areas for electric vehicles, and a 15% discount on annual train tickets. In addition, the office has launched activities aimed at cleaning the environment, including road cleaning, and implemented electronic payroll processes to reduce paper usage.

Caring for the Community

Acer's various European offices also offer employees fair trade coffee that saves energy in storage, not needing to be stored in the refrigerator and thus reducing electricity costs as well as coffee costs.

Team Cohesion

They also send seasonal gifts and hold commemorations/celebrations for local events, including Women's Month and Christmas. Offices also hold monthly birthday parties, providing opportunities for employees to communicate with each other outside the workplace, with staff welcome to invite their family members to take part and help bring Acer together as one big family.

Continuing Learning and Growth

Our 2021 training policy primarily matched the Company's ESG strategic development direction, building on opportunities for expansion on core businesses, optimizing operational efficiency, and establishing a lifestyle brand. The focus of training and development is to boost our staff's awareness of corporate sustainability operations and responsibilities, industry trends and opportunities, and systematic management thought to constantly strengthen our hardware, software, and service capabilities, particularly with regard to their application to lifestyle products. Through this, we are able to boost the value of our brand.

To ensure the quality implementation of such training, all training is done in accordance with the Internal and External Training Management Guidelines, with an evaluation mechanism that covers training satisfaction levels, after-class interviews, and reflections on mobile learning. In 2021, our worldwide training had 46,374 attendees, with a total number of training hours of 98,052. The total number of unique trainees was 7,310, with an average number of training hours per employee of 13.41, meeting our target. All training is organized on the principles of work demand, gender equality, and equality of opportunity.

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

(unit: hours)

Senior Management			Middle/Base-level Management			General Staff		
Female	Male	Average Hours of Training Per Person	Female	Male	Average Hours of Training Per Person	Female	Male	Average Hours of Training Per Person
Headquarters								
422	1,606	34	3,588	7,141	23	12,630	21,129	18
EMEA								
9	196	10	994	2,535	11	4,015	8,132	6
Asia Pacific								
26	173	9	1,710	2,909	16	5,820	8,178	11
Pan America								
476	475	33	644	817	12	2,828	3,642	12
China								
0	21	11	404	1,218	16	2,690	3,624	14

Average Hours of Training Employees have Undertaken and Average Amount Spent Per FTE on Training and Development Programs by Age Group

(unit: USD)

Under 30		30-50		50 and Over	
Average Hours of Training Per Person	Average Amount Invested in Training Per Person	Average Hours of Training Per Person	Average Amount Invested in Training Per Person	Average Hours of Training Per Person	Average Amount Invested in Training Per Person
Headquarters					
19	117	19	140	22	208
EMEA					
4	45	8	82	8	63
Asia Pacific					
8	55	13	81	12	79
Pan America					
21	199	13	102	11	75
China					
13	185	16	222	16	277

Average Hours of Training Spent Per FTE and Average Amount Spent Per FTE on Training and Development Programs by Mandatoriness of Training

(unit: USD)

Mandatory Training		Non-Mandatory Training	
Average Hours of Training Per Person	Average Amount Spent Per FTE on Training and Development Programs	Average Hours of Training Per Person	Average Amount Spent Per FTE on Training and Development Programs
Headquarters			
14	93	17	162
EMEA			
6	38	16	360
Asia Pacific			
11	70	10	47
Pan America			
11	68	16	178
China			
15	221	2	19

Management Training

Base-level Management Skills Development

To strengthen the core management skills of our base-level managers, we hold regular training camps, with nine held by the end of 2021. This training is broadly split into two stages. The first emphasizes good management communication, performance coaching, and performance management, aiming to improve both team and individual performance as well as facilitating the joint creation of value; the second stage concentrates on honing targeting talent, setting goals, incentives and retention, and performance appraisal.



Management Training Camps—Role-Playing Activities

Middle- and Senior Management Leadership Skills Development

We work to help middle- and senior management improve their leadership capabilities and think about talent development on the strategic level and through the lens of the 4 Essential Roles of Leadership, including how to build vision, inspire trust, execute strategies, and tap potential. After the in-class training is complete, we assist with online learning, 1-on-1 interviews, and experience sharing (re-training) so as to facilitate the internalization of management ability improvements through multiple opportunities for reflection. By the end of 2021, four rounds had been tallied.

Senior Management Skills Development

Expanding on the spirit of the New Titan Project and its commitment to cultivating leadership for the group, we assist vital leadership talent in boosting corporate governance, business judgment, and management skills. The focus of training in 2021 was on training senior management in how to deal with the media, how to handle PR skillfully, and how to manage crises.

Company-wide Cross-Level Management Training—Systematic Thinking in Performance and Talent Management

To aid managers at all levels in performance assessment and effective communication, in 2021, we held six rounds of “Systematic Thinking in Performance and Talent Management” sessions and three rounds of “How to Conduct Effective Performance Feedback” sessions. After these, managers are able to take a more comprehensive view of performance communication, ranking, and grading, ensuring that talent motivation and talent management complement each other and enjoy greater synergy.



Acer Training System

New Staff Training

New Staff Training

After new hires enter the Company, we work to help them better understand the Company’s situation, management system, core values, and brand spirit through a series of guidance and training opportunities. Each unit also provides intensive specialist training to help newcomers understand the unit’s responsibilities, organizational members, upstream & downstream operation processes, and cross-unit collaboration measures. The overall PC operations process training held by the IT Products Unit, for example, guides newcomers through understanding the product development process.



ESG e-Learning training

New employees orientation

In addition, each unit will also arrange a mentor for each new employee, offering consultations and assistance with adapting to their new role when needed, helping new staff more quickly adapt to the environment and integrate into their team. After joining the Company, we arrange ESG-related training for new staff, including instruction on labor rights, freedom of expression, individual privacy rights, sexual harassment prevention, and corruption prevention, along with reinforcing their understanding of safety and health concepts. We also actively encourage staff to take training in CPR and automated external defibrillator (AED) use.

ESG e-learning

In 2020, we launched global ESG e-Learning training courses for employees to better understand ESG concepts and what the Company is actually doing, covering topics such as introduction to ESG, climate change, green products, supply chain management, social good, and ESG communication. In 2021, we achieved a global completion rate of 91%.

General Training

General education courses in 2021 covered the following:

ESG Training

This includes training courses on ESG Standards of Business Conduct, anti-bribery and anti-corruption, anti-trust, stronger information security awareness, and workplace violations.

Internal Lecturer Training

This assists newly appointed internal lecturers in understanding how to effectively guide students, including how to break the ice, use engaging teaching methods, employ techniques of visualization, and more, familiarizing them with how to effectively deliver rich, grounded course content to each student.



First-aid Drills



Professional Occupational Training

The main highlights of occupational training in 2021 included:

Git Concepts & Practice and GitLab CI Practical Workshop

This aims to aid the software development team in their use of GitLab for collaboration, from creative ideas, through product launch, to collecting feedback. Throughout, the development team can be effectively connected through Git. In addition to focusing on setting down the core concepts of Git, this also gives students practical experience in its use.



GitLab CI Practical Lessons

Trend Talks

These assist R&D, product, and other related units in understanding trends in lifestyle products over the next two years, enabling them to prioritize business opportunities and gain insights into future product development. Topics include trends in semiconductors, smart electric vehicles, and remote-operated robotics, along with related technological development issues around the developing “Metaverse” technology.

Training Focus of Each Operating HQ

EMEA Headquarters

Management training: Assisting new management staff in quickly familiarizing themselves with management techniques and existing management staff in improving their skills

Courses Held

“From Colleague To Leader,” “Master Managerial Development,” “Coaching Skills,” “Leadership Styles and Qualities”

Improving professional competencies: In recent years, we have actively promoted digital transformation within the organization

Courses Held

“Digital Sales—Acer Online,” “How Digital Technology Transformed Advertising,” “Data Privacy and Security,” “e-Commerce Professional”

Strengthening customer service and familiarity with the latest products

Courses Held

“Exploring Needs,” “Customer Service Essentials,” and “Customer Service Knowledge & Attitude”; Acer Nitro 7, Triton 300, and ConceptD product series training.

General courses, including strengthening personal information protection awareness, improving work efficiency, caring for colleagues, and health and safety training

Courses Held

“General Data Protection Regulation (GDPR),” “Time Management,” “Intercultural Competences,” “Power BI,” “Work from Home Tips,” “Swiss Tax and Social Security Webinar,” “Basic Life Support (BLS) and Automated External Defibrillator Training”



The French branch of EMEA Headquarters held fire drills using virtual reality to enable students to experience various fire and smoke conditions and learn a range of evacuation skills

Pan American Headquarters

Improving management ability, assisting middle and senior management in learning the latest marketing management trends and technologies through online courses from various universities; improving supply chain management capabilities

Courses Held

“MBA in e-Commerce” and “MBA in Marketing and Digital Business Intelligence” online courses and “Supply Chain Management”

Improving professional competencies in marketing, legal affairs, and financial management

Courses Held

- Improving the overall professional capabilities of the marketing team: “Media Training,” “Critical Sales Situation Approach Training,” “Logistics and Sales Engineering in e-Commerce”
- Legal: “Contract Management”
- Financial management: Sending staff to participate in “Fiscal Management SPED + Fiscal Management 4.0” seminars and “Claims Training,” ensuring the staff in charge of collections understand the basic laws and regulations pertaining to collections, collections discipline, the Personal Information Protection Act, and the Consumer Protection Act

- **General Training**
- **Personal Information**

Courses Held

High-intermediate Excel training, language courses, CPR training, and training in the Brazilian LGPD (Lei Geral de Proteção de Dados Pessoais, Brazil’s general data protection law), helping local employees understand the principles and norms of properly handling personal information

Asia Pacific

Management Competencies

Courses Held

To strengthen performance communication and coaching skills, the Thailand branch provides “Coaching & Feedback” for managers at all levels; the Indian branch provides the “Leadership Development Program: Pinnacle,” aimed at cultivating management teams of the future; the Philippine branch conducts environmental protection training to enhance the awareness of management regarding products and environmental protection

Effective Communication: In response to the winding down of the wave of the pandemic, staff are being provided guidance as they return to the office

Courses Held

“Effective Communication Skills,” “Critical Thinking and Problem Solving,” “Analyzing Data with Power BI,” “Work Priorities,” “Work Re-Entry Guidelines Training,” “How to Handle Digital Fatigue”

- **Professional Competencies: Sales Service and Consultancy**
- **Product Training**

Courses Held

“Expanding Customers,” “Electronic Content Marketing,” “Consultant Marketing,” “Sales Management and Forecasting,” “Excellent Customer Service,” and product training in the Aspire 7, Nitro 5 & Aspire 3, Swift X & Predator Triton 500SE, Helios, and Vero lines

China

Boosting team capabilities after conducting interviews with each manager and planning courses according to the needs of each unit

Courses Held

- Middle and Senior Management Training: Financial Management for Non-Financial Managers and Performances Interviews
- Professional Competencies: “Project Management Training,” “e-Commerce Operations,” “How to Use Big Data Analysis for Business Intelligence,” “AI Capabilities of Acer Products,” and “Brand Image and Visual Identity”
- Ordinary General Training: In addition to strengthening the ESG training for newcomers, the office also provides special information regarding response measures around the PRC’s Personal Information Protection Law



Corporate brand image and visual identity training held by the China Headquarters

Training Highlights: Indian Subsidiary, “Leadership Development Program: Pinnacle”

Goal

With guidance from management, future leadership teams are gradually established within the Indian branch and prepared to move through the ranks.

Approach

Steps:

- 1 Preliminary screening of leaders who demonstrate the characteristics and behaviors of Acer leaders. Screening criteria include business skills, long-term performance, and team leadership.
- 2 Confirm students (drawn from all levels of management) who will participate in training, a total of 10
- 3 Through 360° evaluations, understand the strengths and developmental needs of each student
- 4 Students’ managers develop study plans, including leading short-term projects, delegating tasks, and shadowing management at meetings, supplementing this with any management training courses necessary
- 5 Before, during, and after these learning activities, the manager will evaluate the learning process and any gains made, using this to provide guidance to the student(s)

Focus of Leadership Competencies Cultivation:

To ensure the direction of the training and the focus of learning activities, all activities and management training courses revolve around the following core management capabilities:

- Strategic Thinking and Strategic Leadership
- Emotional Management for Leaders
- Talent Management and Handling
- The Influence of Leaders
- Leadership Communication

Effects

Training Satisfaction

At the end of the six-month training period, students gave an average feedback score of 4.8 (out of 5.0); the students indicated that they felt the guidance and leadership skills they had received would be very helpful and important to their future career development.

Learning and Application

Management observed that after this training, students showed the following behavioral changes:

Vision: students were better able to set aside personal interests and view Company and departmental operations from a larger perspective

Responsibility: During the learning process, managers did not readily give direct answers to the students, meaning the students had to constantly think for themselves to find ways to overcome challenges, gradually stimulating their potential and sense of responsibility.

Innovation: The successful experience of a manager yesterday cannot guarantee success today, and an organization cannot continue to build its business without evolving. The students must strive to make breakthroughs and use innovative thinking to maintain the continuous growth of the business.

Influence on Company Operations

The coaches themselves must be consistent in their words and deeds and remind themselves to provide the best example; the work guidance model inherits the core values and management culture emphasized by the organization and promotes sustainable operation; many candidates for key roles and positions have been trained, providing the company with a strong reserve of talent; and the managers (students) who receive the training have a clearer career development direction, which enhances their sense of belonging to the Company.

Performance Management and Development

The goal of Acer’s performance management and development system is to improve performance at individual, departmental and organizational levels, and includes goal setting, delegation, communication & coaching, the link between performance & remuneration, and career development. In 2021, the proportion of employees worldwide involved in performance evaluations reached 94.1%

Proportion of Employees Worldwide Involved in Performance Evaluations, 2021

Staff Receiving Performance Evaluations (A)		In Need of Evaluation Total Staff (B)	(A) / (B) %
Female	Male		
Technical Staff			
575	1572	2320	93%
Specialist Staff			
810	937	1854	94%
Management Staff			
363	795	1223	95%
Administrative Staff			
383	294	692	98%

Note 1: Short-term (one year or less) hires and those with short working hours can be difficult to track the effectiveness of and therefore are not included in the evaluation.

Note 2: Those hired since October and still in their probationary period are examined at the completion of that period and, as such, are not subject to the same performance evaluation.

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



HEALTH AND SAFETY IN THE WORKPLACE

Management Strategy

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

Evaluation Mechanism

Pass ISO 45001 verification in adherence to legislation

Occupational Health and Safety

Medium- and Long-Term Goals

- Maintain occupational health and safety management performance
- Building a safe and healthy working environment
- Strengthening workers' safety and health awareness
- Optimize staff health checks and management
- Implementation of outsourcer / subcontractor occupational health and safety management

2022 Targets	2021 Targets	2021 Status and Highlights/Results
Guide subsidiaries in completing ISO 45001 system documents	Pass ISO 45001 certification	✔ Passed ISO 45001 certification in September
No major occupational disasters or accidents (including traffic accidents)	No major occupational disasters or accidents in the workplace	✔ No major occupational disasters or accidents in 2021
Produce occupational safety and health e-learning lessons 75% of employees complete studies	Hold two emergency response drills	✔ Completed the emergency response drills at Xizhi Headquarters in March and November
Optimize staff health checks 90% employee participation	90% of employees participate in annual health checks	★ Staff health check rate of 92.5%
No major occupational disasters or accidents in the workplace	90% of resident staff complete occupational health and safety training	★ Resident staff completed occupational health and safety training

★ Highlights
✔ Achieved
✘ Not Accomplished
▶ In Progress

Occupational Safety and Health

In order to implement our Occupational Health and Safety Policy, build a safe workplace culture, and create a healthy workplace atmosphere, we have set five management goals and jointly promoted them through the participation of all employees in consultation.

Occupational Health and Safety Policy

- Providing healthy, safe working environments to protect the physical and mental well-being of workers and reduce occupational safety and health risks.
- Continually improving environmental, health, and safety performance and communication through participation by all staff.



Maintaining Occupational Health and Safety Management Performance

In order to comply with laws and regulations and maintain occupational safety and health management performance, Acer Taiwan conducts ISO 45001 management system certification every year. The scope of certification covers not only the Xizhi headquarters and all office locations, but also five subsidiaries: ACSI, AEB, Acer Synergy Tech, ISU Service, and Highpoint. We set up a system launch schedule every year, with each unit selecting officers and representatives to form a working group on environmental safety and health (ESH). We use internal and external training to develop the awareness and execution capabilities of occupational safety and health and conduct related common operations and internal/external audits to ensure that the system can maintain effective operation. In addition, in order to implement the PDCA cycle, the Occupational Safety and Health Committee convenes every quarter to report on the implementation of various operations and to review and improve.

Acer Taiwan Occupational Safety and Health Management System Coverage Rate



Note 1: A total of five Acer Taiwan companies, namely Weblink, Acer ITS, Smart Frequency Technology, Aspire, and AOpen, have not yet incorporated occupational safety and health management systems into their assurance scope, accounting for 13.1%.

Note 2: According to the Acer Taiwan occupational safety and health management system scope of verification, there are about 205 non-employed workers, accounting for about 6.8%.

Note 3: Acer is a brand company with products commissioned from original design manufacturers (ODMs). It has an assembly plant in Taoyuan, Taiwan, which is covered by the headquarters' occupational safety and health management system. Overseas branches are low-risk offices and have not yet undergone management system verification.

Building a safe and healthy working environment

To establish a safe and healthy working environment, we conduct an annual hazard identification and risk assessment of all workers' activities and service areas in the organization, proposing management plans to track and improve high-risk items. Additionally, to reduce the occurrence of occupational disasters and accidents, we encourage our employees to take the initiative to report any accidents, including false alarms, in a timely manner so that investigations and preventive measures can be initiated immediately.

In 2021, to prevent and reduce occupational injuries, the ESH working group carried out risk and opportunity assessments of each unit. The results of this include: strengthening COVID-19 responses, ensuring uninterrupted operations, strengthening emergency response procedures in offices, replacing the carpet in the staff recreational area of the Xizhi Headquarters, completing occupational safety and health training for resident personnel, reducing commuting accidents for non-resident personnel, formulating and implementing maternal labor health protection plans and six other occupational safety and health goals, and regularly tracking implementation progress every quarter to ensure that the goals can be completed by on schedule by the end of the year.

To provide a better working environment for our staff, this year, we installed Acer Ozone Antibacterial Sanitizers on faucets in the office areas of the Xizhi Headquarters to improve water quality. Furthermore, with musculoskeletal pain a common emerging occupational disease among sedentary office workers in recent years, to effectively reduce the risk of this, we included standing desks in the renovation of the Xizhi Headquarters for the first time, hoping to reduce the discomfort felt by sedentary employees.

Strengthening Workers' Safety and Health Awareness

We believe that providing a healthy and safe workplace culture is essential to strengthening the safety and health awareness of workers. We communicate health and safety information through a variety of channels, including internal and external conferences, education and training programs, health lectures, and software and hardware health education information, aiming to boost awareness of our staff. At the same time, we also inform them that should they encounter a hazard in the workplace, their own safety should be their paramount concern, after which they can follow up with a notification.

For the sake of promoting health and safety efforts, we have set up occupational safety and health-related personnel in each office area and hold annual training for employees on fire safety, occupational safety and health, CPR+AED, and more. To implement our workplace emergency response mechanism, this year, we held two emergency response drills at the Xizhi Headquarters, with the response process revised according to the results of the drills. In addition, to attract more employees to participate in occupational safety and health training, we produced our own online courses incorporating lively elements and everyday issues, with a total of 87.6% of staff completing the training. In addition, to accomplish contracting management requirements, Acer conducts annual reviews of resident and normal contracts while also paying particular attention to project contract management for high-risk renovation projects and requiring resident staff to complete online health and safety courses. Through this variety of activities, we work with our on-site workers to build a safe and healthy workplace culture.

Acer Taiwan Health and Safety Education and Training Engagement 2021

Item	Actions	Effects
Occupational Health and Safety Related Personnel	Occupational health and safety managers, occupational health and safety business managers, nursing staff, first responders, fire prevention management personnel	Please refer to the Occupational Health and Safety Personnel Chart
Occupational Safety and Health Committee	Members total 50, with elected representatives from all units accounting for 92% labor representation. Convened quarterly per the Occupational Safety and Health Guidelines	Convened a total of 4 times
Health and Safety Operating Standards	Health and safety operating standards documentation has been drafted and is reviewed every year.	A total of 27 process documents are in management
Health and Safety Management Program	Develops a health and safety operations management plan operations and reviews it annually.	Managed a total of 10 projects
Hazard Identification and Risk Assessment	Each year, we conduct a five-level risk assessment of all workers' activities and service areas in the organization and propose management plans to track and improve high-risk items at levels 4 and 5.	A total of 1432 items have been assessed, with no level 4 or 5 items found
Management of Chemicals	Use of formaldehyde, cleaning naphtha, and leaded solder is prohibited.	No non-compliance was found in internal or external audits this year
Operating Environment Monitoring	Drinking fountain water quality, indoor carbon dioxide levels, and the presence of Legionella bacilli in air-conditioning cooling towers are tested. Formaldehyde, TVOC, PM10, and PM2.5 testing is conducted after the completion of large-scale renovation projects	Test results were in line with standards. Test results are published on the internal website.
Automated Inspections	Automated inspections of equipment are conducted regularly.	Completed per annual plan. Records are kept in each office.
Health and Safety Education and Training	With health and safety personnel in place, a range of health and safety education and training is carried out.	For details, please see the 2021 Education and Training Results
Health and Safety Promotion	We use meetings, bulletin boards, restroom literature, internal websites, emails, and other channels to promote related information.	Content includes health education, infectious disease prevention, traffic safety, workplace safety, occupational disaster investigation, and more.
Emergency Response Management	Drills are carried out in line with the annual plan covering fire, earthquakes, typhoons, power outages, and emergency rescue.	A total of 7 drills were held
Workplace Accident Investigation	Investigate and report on occupational disasters and develop corrective/preventive measures.	A total of 14 workplace accidents occurred; please refer to the 2021 Occupational Accident Statistics
Regulatory Identification	Periodically identify the applicability of and compliance with changes in occupational safety-related laws and regulations.	A total of 28 regulations were identified and managed
Outsourcing Management	Annual audit of resident/regular outsourcing contracts and renovation project management	A total of 18 outsourcing contractors were audited
Internal and External Auditing	Annual internal and external audits are conducted to ensure ISO 14001 & 45001 certification.	39 internal audits and three external audits were completed, with all necessary improvements completed for minor non-conformances



Acer Taiwan Occupational Health and Safety Personnel Chart

(Units: People)

	Acer	Subsidiary
Occupational Health and Safety Management Personnel	3	0
Occupational Health and Safety Business Management	21	16
Nursing Staff	Dedicated x3	Contracted
Emergency Personnel	48	47
Fire Prevention Supervisors	15	8

Acer Global Occupational Accident Statistics 2021

	Full Time		Non Full-Time	
	Female	Male	Female	Male
Number of Deaths	0	0	0	0
Occupational Injury Death Rate	0	0	0	0
Number of Serious Occupational Injuries	0	0	0	0
Number of Days Lost to Serious Occupational Injuries	0	0	0	0
Serious Occupational Injury Rate	0	0	0	0
Number of Recordable Occupational Injuries	2	8	1	0
Number of Days Lost to Recordable Occupational Injuries	8	131	43	0
Recordable Occupational Injury Rate	0.07	0.17	0.71	0
Occupational Disease Incidents	2	2	0	0

Note :

- The above statistics cover all regions—Taiwan, EMEA, Asia Pacific, Pan America, and China. This does not include injuries sustained while commuting.
- Definition of each category:
 - Occupational Injury Death Rate: (Occupational Injury Deaths/Working Hours)*200,000
 - Number of Serious Occupational Injuries: Occupational injuries that lead to the inability to recover to pre-accident condition within six months of the accident.
 - Serious Occupational Injury Rate: (Serious Occupational Injury Rate [Excluding Deaths]/Working Hours)*200,000
 - Number of Recordable Occupational Injuries: Deaths and serious occupational injuries excluded
 - Recordable Occupational Injury Rate: (Number of Recordable Occupational Injuries/Working Hours)*200,000
 - Occupational Disease Incidents: Must be certified by a medical institution.

Acer Taiwan Occupational Health and Safety Education and Training Results 2021

Course Title	Target	Course Type	Quantitative	Regulations
Health and Safety Training				
New Employee Health and Safety Education and Training	New Colleagues	Internal Course	5 rounds	○
General Health and Safety Education and Training	General Staff	Online Course	1764 people	○
Subcontractor Health and Safety Education and Training	Cleaning and Renovation Subcontractors	Online Course	-	●
Health and Safety Education and Training for Resident Staff	Resident Staff of All Units	Online Course	-	●
Occupational Health and Safety Management Personnel Education and Training	Occupational Health and Safety Business Management	External Course	3 people	○
Occupational Health and Safety Business Management Education and Training	Newly Appointed Occupational Health and Safety Business Managers	External Course	1 person	○
Occupational Health and Safety Business Management On-the-Job Training	Occupational Health and Safety Business Management	External Course	11 people	○
Labor Health Services Care Personnel On-the-Job Training	Labor Health Services Care Personnel	External Course	1 person	○
Fire Prevention Training				
Fire Prevention Supervisor Training for New Appointees	Fire Prevention Supervisors	External Course	4 people	○
Fire Prevention Supervisor On-the-Job Training	Fire Prevention Supervisors	External Course	12 people	○
Fire Safety Seminar	Fire Defense Personnel	Internal Course	144 people	○
First-aid Training				
Newly Appointed Emergency Personnel Education and Training	Newly Appointed Emergency Personnel	Internal Course	2 people	○
Emergency Personnel First-aid Drills	Emergency Personnel	Internal Course	77 people	●
CPR-AED Training	General Staff	Internal Course	14 people	●

○ Complied with Regulations ● Exceeded Regulations

- Working Hours: Since our offices are located in many countries around the world, for the sake of consistency, the calculation is based on 247 working days in Taiwan * 8 hours of work per day * total number of people in each location.
- Taiwan region encountered two occupational injuries in the workplace, including falls and collisions, this financial year. When an accident occurs, the person involved fills out a Workplace Accident Report, and the occupational nurse provides injury and illness care. Occupational safety and related personnel investigate the accident, develop corrective and preventive measures, and use the internal website, new employee training, and ESH officer meetings to disseminate information about the case in order to prevent recurrence.

Optimizing Staff Health Checks and Management

In order to optimize staff health management, Acer Taiwan has added a nurse to handle the group-based health management operations while we keep track of progress and staff feedback through a standardized operating process. To implement a full range of healthcare services, we start with stronger health checks and encourage employees to pay attention to their own health and sign up for such checks each year. Before the checks, our occupational doctor and nurse discussed the results of the previous health checks and designed examinations that go beyond minimum regulatory requirements. This year, Company's resources were brought in for the first time to conduct retinopathy and sleep apnea detection, with abnormal values monitored in real-time for tracking management, and activities improved based on staff satisfaction feedback. After the checks, reports are managed in a graded fashion, with physician consultations and tracking of irregularities begun and relevant health promotion activities designed according to the needs of different groups. Through such management actions, we are able to continuously improve health management performance.

According to statistics, in 2021, 92.5% of staff underwent health checks, reporting an overall satisfaction level of 4.66. This shows that our staff are paying increasing attention to their health, and so at the Q1 2021 Employee Representative Meeting, the Company decided to increase the budget for these checkups in 2022 and to optimize the employee health checkup program, fully demonstrating our commitment and dedication to providing a healthy workplace.

92.5% of employees participate in annual health checks



2021 Healthy Workplace Statistics

Item	Details	Effects
Health Checks		
Health Checks for New Colleagues	New staff health check reports are submitted upon commencement of work	Submission rate 100%
General Staff Health Checks	Held each year, covering more than required by regulations	Check rate 92.5%
Management Health Check	Checks booked by rank and age	Check rate 78.1%
Health Promotion Administration Screenings	Colorectal, oral, cervical, and breast cancer screenings	303 screenings
Health Management		
Medical Consultations	General health education consultation, health promotion consultation	540 consultations
Measurement Services	Weight, blood pressure, body temperature	213 measurements
Medical Treatment	Illness tracking, injury care, accident case tracking	212 incidents
Report Follow-up	Health check report irregularity follow-up and management	120 people
Occupational Health Services	Health interviews and tracking & management provided for abnormal cases	Tracking and management: 88 people
Ergonomic Hazard Prevention Program	Musculoskeletal pain investigation, with abnormal cases provided tracking and management	Tracking and management: 17 people
Cardiovascular Disease Prevention Program	Risk assessments, with high-risk cases provided tracking and management	Tracking and management: 8 people
Female Health Protection Program	Pregnant staff: Provided with pregnancy-supportive chairs, work hazard assessments, consultations	Pregnant mothers: 17 people
	Breastfeeding staff: Dedicated lactation rooms, health consultations	Breastfeeding mothers: 20 people; Lactation room usage: 3,105 times
	Health Interviews: Health risk assessment and education by occupational physicians	Health Interviews: 18 people
Health Promotion		
Infectious Disease Prevention	Understanding and staying on top of the COVID-19 pandemic, reminders for influenza vaccinations	Staying on top of home isolation/home quarantine/health self-management targets: 33 people
Health Seminars	Lunch Seminars	6 held for 748 people with a satisfaction level of 4.6
Weight Loss Class	Nutrition lectures, exercise classes, independent weight management	68 people participated, total weight loss was 83.3 kg, the average fat loss rate was 1.7%, and the satisfaction level was 4.6
Fitness Testing	Fitness testing, analysis, and advice	1 held for 159 people with a satisfaction level of 4.2
Sporting Competitions	Wan Jin Shi Marathon & Mountain Hiking Competition	1,322 participants
Sports Promotion	Establishing sports clubs	11 clubs
Exercise Environment	Fitness center, multi-functional space for relaxation	Provided to staff for use during lunch breaks and after work
Visually Impaired Massage Service	Service provided every afternoon Tuesday through Friday	A total of 975 served

Implementation of Outsourcer/Subcontractor Occupational Health and Safety Management

To accomplish the contractor management requirements of the Occupational Safety and Health Act and our management systems, Acer conducts annual reviews of resident and normal contracts. In order to strengthen awareness of occupational safety and health among contractors, we have designed educational training courses that use images, videos, quizzes, and more to facilitate online learning. We pay particular attention to project contract management for high-risk renovation projects to avoid possible accidents in Acer's operational locations. At the same time, to bolster the safety and health management of our contractors, we share relevant health and safety information and aim to foster a safe working environment for labor through the dissemination of knowledge and the improvement of awareness.

Basic Requirements	Management Method
Resident Contracts / Normal Contracts	
<ul style="list-style-type: none"> • Labor Insurance • Health Checks • Complete Health and Safety Education and Training 	<ul style="list-style-type: none"> • Notification of Workplace Environmental and Hazard Factors • Dissemination of Health and Safety Work Regulations • Occupational Safety and Health Pledges
Renovation Project Contracts	
<ul style="list-style-type: none"> • Labor and Engineering Insurance • Before work: Implement safety checkpoints and conduct health and safety promotion • During work: Carrying out supervision and management • After work: Conduct a thorough inspection • Special requirements: Work generating noise or odors will be undertaken during non-working hours 	<ul style="list-style-type: none"> • Notification of Workplace Environmental and Hazard Factors • Construction Safety Standards and Precautions • Contractor Environmental Health and Safety Management System • Pre-entry Health and Safety Information and Records • On-site Supervision and Inspection



SOCIAL PHILANTHROPY AND DIGITAL INCLUSION

Management Strategy

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

Evaluation Mechanism

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

Community Philanthropy and Digital Inclusion

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Status and Highlights/Results
Technical/IT Education			
<ul style="list-style-type: none"> Increase staff participation in IT seminars and volunteer training each year. Continue investing in IT education sponsorships and competitions related to IT education 	<ul style="list-style-type: none"> Restart the digital club for seniors project to promote digital education for the elderly Respond to Fu Jen Catholic University's remote teaching plan by donating unused computers to educational units for the disadvantaged 	Fifty volunteers were trained to teach the elderly how to use electronics and digital tools. We held ten digital classroom activities for the elderly.	<ul style="list-style-type: none"> Organized a digital club for seniors and trained staff from Xizhi to serve as volunteers to teach them to use mobile apps to facilitate access to lifestyle information and improve the ability of elderly people living alone to go out and socialize; this project was canceled due to the pandemic
		<ul style="list-style-type: none"> Improve product materials and implement recycling mechanisms. Organize environmentally friendly activities and increase employee participation each year 	<ul style="list-style-type: none"> Encourage staff to take action to protect the environment, recycling 150 units of waste electronics (computers, tablets, cell phones) and 2000 batteries
Friendly to the Environment			
<ul style="list-style-type: none"> Improve product materials and implement recycling mechanisms. Organize environmentally friendly activities and increase employee participation each year 	<ul style="list-style-type: none"> Encourage staff to take action to protect the environment, recycling 150 units of waste electronics (computers, tablets, cell phones) and 2000 batteries 	Global 3C Recycling Project: Encourage staff to take action to protect the environment, recycling 200 units of waste electronics (computers, tablets, cell phones) and 150 kg of batteries	<ul style="list-style-type: none"> Recycled 195 units of waste electronics (computers, tablets, cell phones) and 2264 kg of batteries
		<ul style="list-style-type: none"> 3,000 corporate volunteers from around Taiwan participate 40 people participate in beach cleanup operations, removing a total of 80 kg of trash Save 30,000 hours worth of electricity through offices' Earth Day efforts 	<ul style="list-style-type: none"> Support social enterprise responsibility in procurement to a value of at least US\$50,000 Organize environmentally friendly volunteer activities, with 3,000 corporate volunteers around the world participating 40 people participated in beach cleanup operations, removing a total of 80 kg of trash Save 40,000 hours worth of electricity through offices' Earth Day efforts
<ul style="list-style-type: none"> Launch two-month Acer Green Points personal checkpoint challenge 	<ul style="list-style-type: none"> Save 30,000 hours worth of electricity through offices' Earth Day efforts 	<ul style="list-style-type: none"> Save 40,000 hours worth of electricity through offices' Earth Day efforts 	<ul style="list-style-type: none"> Due to the pandemic, this was changed to a five-month "Island Crossing" personal checkpoint challenge
<ul style="list-style-type: none"> "Project Humanity" Third Wave Activities: To cultivate a simpatico corporate philosophy in our partners, we invited our office staff to participate in environmental protection activities. 	<ul style="list-style-type: none"> Save 30,000 hours worth of electricity through offices' Earth Day efforts 	<ul style="list-style-type: none"> Save 40,000 hours worth of electricity through offices' Earth Day efforts 	<ul style="list-style-type: none"> Corporate partner Mind Work Marketing participated in International Earth Day electricity-saving activity; Fay Events participated in electronics recycling activity

Community Philanthropy and Digital Inclusion

Medium- and Long-Term Goals	2022 Targets	2021 Targets	2021 Status and Highlights/Results
Charity and Philanthropy			
Continue implementing care for the elderly and children, responding to the needs of society	Deliver Chinese New Year meals to elderly people living alone in a service area covering Xizhi, Shenkeng, and Shiding; 15 drivers expected to be assembled	Deliver Chinese New Year meals to elderly people living alone, with staff members serving as delivery drivers for a service area covering 50 households across Xizhi, Shenkeng, and Shiding	 Not accomplished: Due to the impact of the COVID-19 pandemic, we cooperated with the organizer to arrange the distribution of meals to seniors in 26 households
	Invite staff to donate Christmas gifts to children in local social welfare units in Xizhi	Invite staff to donate some 150 Christmas gifts for underprivileged children	 Not accomplished: Donated 77 Christmas gifts based on the number of children in the social welfare unit

 Highlights
  Achieved
  Not Accomplished
  In Progress
  Reset the target due to pandemic

Ideas and Inputs

Acer Group employees all over the world are committed to the corporate spirit of “breaking down barriers between people and technology” and giving back to the community, leveraging their professional and core competencies to contribute to the Company. We hope to mold Acer’s corporate culture into one that values sustainability and action; boosts staff’s identification with Acer and pride in being part of the Company; and encourages the sharing of success stories with global partners, suppliers, and investors, as we expand our social influence.

In terms of social action, Acer focuses on the three main areas of education, the environment, and philanthropy, engaging in community work and charitable efforts by incorporating our staff into a variety of volunteer services and resources like products, technologies, and capital. The COVID-19 pandemic has affected the entire world, drastically changing the way companies operate and how people go about their daily lives. Acer has not only actively adjusted its operation methods as the world evolves, but also adopted different channels and methods to communicate and cooperate with stakeholders, continuing to invest and use our resources most effectively to help those most in need. In 2021, Acer Group’s total contribution to social and community engagement activities around the world was approximately NT\$51.16 million, accounting for approximately 1% of the Company’s earnings.

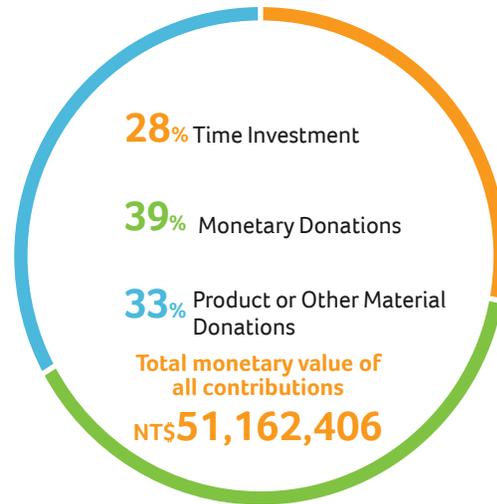
Social Impact of Acer Global ESG Projects



Participation Type



Resource Engagement Type



Note1 : Based on the Central Bank's closing rate of US\$1=NT\$27.69 on 12/31/2021

Note2 : Data and overall statistics for the various ESG projects in 2021 are provided by Acer's global subsidiaries.

Note3 : Total monetary value of all contributions is calculated through items such as cash, products, and manpower input,

Acer ESG Project Awards

Acer Group operates in more than 160 countries, and Acer employees around the world are deeply connected to their local communities. They not only care about social issues, but also take action to participate in community activities. Acer has held its global ESG Project Awards for five consecutive years, making use of regional officers and staff activities to gradually expand the influence of our ESG projects.

The ESG Project Awards incorporate the concept of social return on investment (SROI), the London Benchmarking Group (LBG) Framework for assessment of community investment, and Acer's own mission and contributions toward the United Nations Sustainable Development Goals (SDGs) into the assessment rubric for these awards. This program is designed to encourage staff members to propose projects that respond to the United Nations' sustainability goals and, since 2019, to integrate the Company's Project Humanity effort with educational and environmental themes in the hope of building a brand that we can be proud of and that demonstrates its corporate culture and spirit from the inside out.

In addition to continuing to focus on the themes of "education" and "the environment," Acer's global ESG Projects in 2021 also included another major event that has had a global impact: the COVID-19 pandemic. This saw projects develop across the Group utilizing Acer's core competencies and products to demonstrate the following:



Use of Acer's core competencies to exert social and environmental influence

Aiming to break down barriers, Acer America donated computer products to a number of disadvantaged groups to help reduce the digital divide. In addition to donating new computers, our colleagues in Taiwan also volunteered to accompany children from disadvantaged families and help improve their digital skills.



Collaboration with stakeholders to leverage ESG synergies

We linked up with schools, hospitals, local governments, non-profit organizations, vendor partners, and customers to not only respond to the needs of various stakeholders, but also jointly solve problems through cooperation across society. For example, Acer's UK branch has put forward a marketing plan including ESG strategies and has launched a green rewards program in cooperation with Acer partners and customers.



Active engagement with Acer staff, boosting their identification and satisfaction with the company

Confronted with the profound changes and impact resulting from the COVID-19 pandemic, Acer staff have continued to engage with community and environmental issues. Many projects have focused on trends in energy saving and carbon reduction, such as the green commuting project in Germany and the tree planting project in Vietnam. This particularly stood out in the 2021 Acer Global ESG Project Awards.

Acer Global ESG Project Awards Highlights

Environment Acer United Kingdom

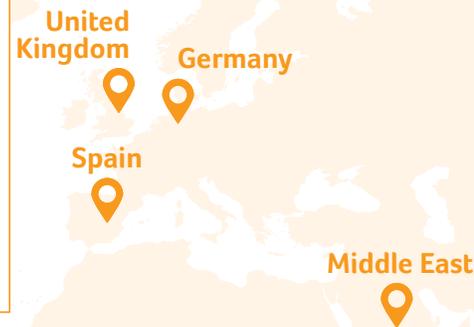


To align with Acer's Earthion initiative and the low carbon trend, Acer UK has launched a digital transformation program, Acer Green Rewards, in partnership with PX3, a leading sustainability consultancy, and in consultation with 100 industry leaders. This program emphasizes the use of Acer equipment, the environmental benefits for users and organizations, provides a trade-in platform, calculates carbon footprint and carbon reduction data through trade-ins, and provides sustainability impact reports, including the reduction of carbon impact through equipment trades, which giving organizations the ability to accurately offset carbon emissions to achieve carbon neutrality. The program has since expanded to other countries in the EMEA region.

All industry sectors are facing the sustainability challenge, so we're pleased to be able to provide solutions to partners right now to be able to meet this challenge. The customized, real-world sustainability impact report that each sales conversation is instantly provided with is a point of difference that we're all proud of.



More Info



Environment Acer Germany



In 2020, Acer's German office built a rooftop solar system, not only providing office electricity, but also supplying power for staff to charge their electric bicycles/scooters. The Company has also purchased electric bicycles for shared use and provides employees with rental bicycles/electric bicycles. They also hold staff bicycle day activities, inviting experts to provide free repair and maintenance to staff bikes and inviting staff to participate in bicycle competitions to improve health, save energy, and reduce carbon. Currently, a government-subsidized pilot project entitled "Mobility Budget" aims to encourage employees to take public transportation or provide carpooling, offering additional rewards for their participation. In 2021, Acer Germany's various green activities reduced carbon emissions by approximately 231,000 kg.

Environment Acer Middle East



For the second year in a row, Acer EMEA won in the Small Business category of the Arabia CSR Awards, the only IT company out of 1,300 entrants. This award is selected based on criteria including the United Nations Global Compact, GRI Standards, EFQM Model, UN Sustainable Development Goals, and Global Sustainable Investor Alliance. This honor represents Acer's recognition of its corporate social responsibility in the Middle East. Through employee education, Acer Middle East emphasizes the importance of climate change, strengthens environmental protection strategies and actions, reduces the use of plastics and strengthens e-waste recycling, adopts more green transportation methods, and encourages employees to interact with the community and disadvantaged groups, including organizations that help protect animals and helping vulnerable groups affected by the pandemic such as victims of the Beirut bombing.



Education Acer Spain



Acer's Spanish office, in partnership with the Fundació Marianao non-profit organization, offers students of electronics the opportunity to intern in repair centers.

By learning various office software, they are able to better understand the process of administrative documentation and reporting.



More Info



Video



Environment
Acer America



Acer's America RO works with United Way and the Children's Advocacy Center, as well as the local community. We invite Acer colleagues to help the community paint public facilities and plant plants to beautify the surrounding environment. Together, we create a comfortable and pleasant environment and improve the physical and mental health of residents.



Acer America is a sponsor of the Ladies Professional Golf Association (LPGA) and has donated 40 tablet computers for sports-related learning.



More Info

America

Education
Acer America

Acer USA has partnered with "Barrier Breakers" organizations, donating computer products to help these organizations meet their technology needs.



More Info

Acer USA donated 18 laptops to Tech for Troops, a nonpartisan national veterans organization. Acer USA collects refurbished and used computers for veterans and children of veterans in need, offering opportunities for training, experience, and corporate cooperation.



More Info



Video



Acer USA continues to work with Pivotal, an organization for youth in foster care, sponsoring 18 laptops, supporting the Marc STEAM Cohort five-week training program, and providing 20 participants in digital courses in STEAM, which they can continue after the course.



More Info

Donated eight laptops and eight monitors to The Bean Path, a partner organization that provides technical advice and guidance to individuals and small businesses, and which plans to develop a new technology park in Mississippi. With the equipment donated by Acer, they are able to facilitate work and study for people, helping bridge the local digital divide.



More Info



Video



India

COVID-19
Acer India



Since February 2021, the number of confirmed cases of COVID-19 in India has surged, and the number of daily cases has continued to set a global record. As such, the nation has been enduring its most challenging times since independence. As a caring corporate citizen, Acer chose to contribute what it could, donating 21 oxygen generators, 20 ozone sterilizers, five air purifiers, and 30 oxygen cylinders to the Indian government and various medical and social welfare organizations, providing antibacterial and health/safety materials during the pandemic and helping save the lives of Indian citizens.



Environment Acer China

The Acer China RO invited staff to participate in Project Humanity, implementing various environmental protection projects by setting goals and promoting top-to-bottom cooperation in such activities.

In addition, the Acer China RO reduced the production and waste of notebook computer prototypes and improve operational efficiency; boosted local assembly. boosted local assembly (unload) of desktop computer product lines through local plants, saving on transportation and increasing environmental friendliness; and made use of reusable packaging materials to reduce harm to the environment.

The Acer China office has established a recycling plan for electronic waste, and through Acer's service system, 24 points in 21 cities in China are used for recycling of waste components and batteries, with closed-loop management carried out. In addition, suppliers and partners are also invited to participate in "Partner Environmental Green Action," proposing various measures such as green initiatives, green offices, and green travel and procurement.



Environment Acer Hong Kong



Acer Hong Kong has participated in the Green Office and Eco-Healthy Workplace Award Scheme to improve staff awareness and actions with regard to energy saving and maintaining an eco-healthy workplace Actions included participating in the Lai See Reuse and Recycle Program. Every Chinese New Year, the people of Hong Kong people use some 3.2 million red envelopes, equivalent to destroying 16,300 trees; this campaign aims to remind people to protect the environment while they enjoy New Year traditions. In addition, the RO also participated in the Computer and Communication Products Recycling Program, collecting used computers and parts for refurbishment and recycling; furthermore, the office uses energy-saving appliances, reminds employees to turn off their screens and air conditioners, consider whether they need to print on paper, adjust their air conditioners' temperature levels, use non-disposable tableware, and advocate for vegetarianism.



More Info

COVID-19 Acer Hong Kong



Acer Hong Kong has worked with the SRBCEPSA Lu Kwong Fai Memorial School to organize a STEM workshop to promote technology education, helping students learn about IT and bridging the digital divide. They also sponsor local "green city" competitions to promote environmental awareness and action. In a collaboration with St John the Baptist Catholic Primary School, participants painted their visions for a "green city" in creative ways.



Environment Acer Vietnam



Acer Vietnam invited employees and their families to participate in the tree planting activities in Can Gio Mangrove Forest, planting 83 trees in total, as well as collecting staff donations of gifts for children with disabilities from Can Gio Children's Home.



Environment Acer Taiwan

Acer Taiwan brings together resources from various internal units, collecting second-hand computers to repair and refurbish for provision to schools in remote areas and disadvantaged groups/children, as well as providing volunteer services and tutoring in computing lessons for school children. This includes hardware courses where, through the disassembly of devices, students will gain an understanding of the basic components of a computer, explore the mathematical knowledge involved in the product design and manufacturing process, realize the correlation between what they learn in the classroom and its practical application, and learn more about the design concepts of Acer products and how the company works to protect the environment, thus communicating the brand spirit; software courses that introduce various types of online learning platforms and the usage of common software, along with small lectures on humanities subjects to boost interest, stimulate learning motivation, and enhance the soft power of students in using information products; and digital literacy courses, where through picture books, students learn about issues such as healthy use of the Internet, information security, cyberbullying, and cybercrime, helping establish good online habits among students.

This project not only strengthens the unity and brand image of Acer staff, but also exerts Acer's core competencies and helps bridge the digital divide. In the initial stage, we focused on the Faith, Hope, and Love Development Association, a non-profit organization with which we have cooperated for many years. After understanding the requirements involved in supporting such children, we aim to expand to other social welfare groups/schools, making use of staff experienced in such work.



Taiwan



Environment Acer Taiwan



Acer Taiwan invites staff to help achieve carbon reduction and energy savings through making one day a week meat-free, not using disposable plastic containers, bringing their own environmentally friendly tableware, using public transportation, and taking the stairs rather than elevators. Through half a year of such activities, we accomplished a carbon dioxide reduction of 29,913 kg.



Education Acer Taiwan



Since Acer launched Project Humanity in 2019, the Employee Relations Department and Employee Benefits Committee have led staff in carrying out a series of initiatives and practices for environmental protection awareness and action, including the 21-day Plastic Reduction Challenge, Acer Green Action Plan, and Acer Green Points Challenge, combining environmental education and community support to build consensus, raise awareness, and exert influence. In 2021, we continued to show our concern for the environment with the launch of the app game "Island Crossing," encouraging staff to care about marine issues and reduce their use of plastics. Through online activities, they can level up to unlock new "knowledge treasures," as well as having the chance to win prizes. Through this, we are able to increase support among staff and open up new horizons for marine environmental protection.



COVID-19 Acer Taiwan



Acer Taiwan invited all Taiwan employees to purchase "loving afternoon teas" which were delivered to Cathay General Hospital in Xizhi by the Employee Relations Department and a team of Acer volunteers to show the Company's support for the hard work of healthcare professionals in fighting the pandemic; a total of 504 afternoon teas were purchased and delivered.





Education

Acer believes that education is the most valuable investment in the future, as equipping people with knowledge gives them power. Technology, meanwhile, is a powerful tool to help people get quick access to information and deepen their connections to the world. By putting our core competencies to their fullest use, we hope to achieve the following goals:



Increasing digital inclusion

Offering more people access to knowledge through technology



Addressing the lack of educational resources

Help children continue their studies



Deepening the application of technology in education

Using technology to transform education



Cultivating the next generation of scientists and technologists

Creating opportunities for the youth

Boosting Digital Inclusion and Addressing the Lack of Educational Resources

Technology can bring improvements to quality of life and open up a number of possibilities. Helping everyone enjoy the convenience and opportunities technology brings is one of Acer's goals, and through cooperations between our global locations and non-profit organizations, we are able to extend the reach of technology to different groups. In recent years, we have also encouraged our staff to get involved in activities and transform their results into products, school supplies, and funds that can help improve education quality in rural and remote areas. In 2021, Acer Group's social projects around the world made use of Acer's core competencies and products to support disadvantaged or needy communities. In the past two years, the COVID-19 pandemic has meant people need the assistance of technology more than ever, widening the inequality gap. Acer remains loyal to its mission of breaking down barriers between people and technology and deeply understands that technology can change people's lives. For example, in Acer America's 2021 ESG project, we strived to break down those barriers to assist multiple disadvantaged groups with our core products. For more information, see [Acer's Global ESG Project Awards Highlights](#).

Deepening the Application of Technology to Education

Partnering with Microsoft to Train Innovative Teachers and Drive educational Transformation

The COVID-19 pandemic has accelerated the digital transformation of global enterprises as well as accelerating transformational momentum in education. Acer has joined forces with a number of computer brands and Microsoft to jointly launch the first Microsoft Innovative Educator (MIE) Trainer Programs to promote the integration of Microsoft's global education resources into eight fields in Taiwan's Master Framework for the 12-year Basic Education Curriculum Guidelines, along with Microsoft classroom tools like Microsoft 365, Minecraft Education Edition, Flipgrid, and more. With the goal of training teachers and educators and implementing the Ministry of Education's Master Framework, innovative teaching plans have been created and offered across Taiwan's K-12 education environment, driving the transformation of Taiwanese education.



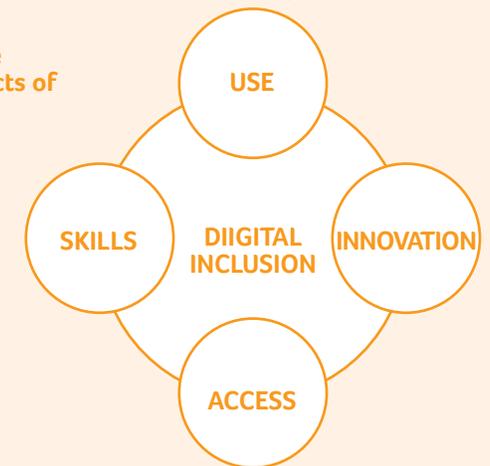
World Benchmarking Alliance

In 2021, Acer was ranked 45th in the World Benchmarking Alliance's (WBA) Digital Inclusion Benchmark.

As an ICT company, Acer shoulders key social responsibilities in regard to the cross-domain impact of digital technology. Being selected for this competition represents Acer's ability to realize the United Nations Sustainable Development Goals (SDGs) and lead digital inclusion worldwide.

The Digital Inclusion Benchmark covers skills, usage, access, innovation, and more, and its purpose is to inspire the most influential ICT companies to implement sustainable business practices in their operations, and thereby influence their value chain partners. The results of the Digital Inclusion Benchmark are freely available to everyone, including investors, customers, and national/local governments.

Evaluation of the Four Major Aspects of Digital Inclusion



45th Acer was ranked 45th in the World Benchmarking Alliance's (WBA) Digital Inclusion Benchmark.

Creating Opportunities for the Youth

Today's youths are tomorrow's leaders and innovators. We want to help them tap their potential, using our accumulated experience in problem-solving to fertilize the future. Through organizing and sponsoring events and providing internship opportunities, we foster outstanding talent by providing children with awards, training, and exchange opportunities. We look forward to the continued use of our products and expertise to provide youth with better development opportunities.

Longterm Smile Internet of Beings Competition

For more than 20 years, the Acer Foundation has organized the Longterm series of competitions. As times and technologies have changed, so too have the competitions, but throughout, they have been committed to promoting entrepreneurship among college and graduate students and to promoting innovative energy across Taiwan. Today, we have accomplished our task of promoting new innovations on campuses, and with an eye to the future, the Acer Foundation now focuses on international vision and strategy, aiming to guide sustainable business development, promote industrial upgrade in Taiwan, and help high-quality small and medium-sized enterprises to enter the international market. To this end, we are contributing more and more of Acer's experience and capabilities.

In the 4th Longterm Smile Internet of Beings Competition, we added an international category, aiming to find teams that have developed steadily in Taiwan and have overseas business plans and potential. In addition to providing winning teams with substantial rewards, Acer Group is also harnessing its many years of transnational experience, bringing together the marketing capabilities of operating locations around the world, focusing on international vision and strategies, and adding practical cooperation methods to help teams in the international category to optimize their marketing management and international rollout, thus aiding Taiwanese teams with potential to more quickly carve out a space in overseas markets. We hope that through Acer's experience sharing and cooperation in the operation and management of multinational groups, companies aspiring to expand abroad will be able to overcome challenges and break new ground, taking their place on the global stage and doing Taiwan proud.



More Info

Friendly to the Environment

Earth Day: Turn Off the Lights, Save Power

In April 2021, we called out to all offices in Taiwan to turn off their lights during lunch breaks to save electricity. Initially, many people had trouble understanding why they should do this. To address this, we engaged in constant communication, with the Employee Relations Department and General Affairs Department calling each unit to explain the concept behind the activity, while staff responsible for turning the lights off at each location discussed it with their colleagues to find more effective approaches. Many senior staffers took the initiative to invite offices that had not participated in the event to respond, helping remind new staff to turn off the lights during the period. As a result, the number of kilowatt-hours saved in 2021 increased by 11% over 2020. In the process, we found that people became accustomed to this Earth Day activity, a simple yet frugal turning off of lights, and it became a habit, successfully helping build a consensus on environmental action. In realizing Project Humanity, every decision counts.

Electronic Gift Exchange

Encouraging staff to get involved in the recycling of electronics, this project saw staff hand over waste electronics to excellent recyclers with leading environmentally friendly technology, ensuring the materials enjoy extended lives and recycling precious metals for reuse. Funds from recycling were donated to the Taipei Orphan Welfare Foundation, helping children who have lost their parents receive an education.

Philanthropic Work

Locked on to Issues for Long-term Involvement

Acer Volunteer Teams have long encouraged our staff to get involved in charity service outside of work and to contribute their talents. Through volunteer activities, Acer nurtures the seeds of kindness in the hearts of our staff, helping them bloom by giving everyone the chance to contribute. Every employee of Acer enjoys two days of paid volunteer work each year.

Helping Underprivileged Children

For 14 years running, Acer has held an activity in which we collect Christmas gifts to be given to underprivileged children in Xizhi. Some of these children have been put in the care of the Social Welfare Department and the Taipei Orphan Welfare Foundation, and we invite our staff to offer up gifts at the end of the year to help light up these young people's worlds at Christmas time and give them the courage to face the challenges ahead.

Helping the Elderly

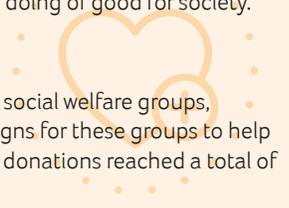
In cooperation with the Old Five Old Foundation, the Acer Volunteer Team has worked over the past 11 years to deliver piping hot meals to residents in communities in Xizhi, Shenkeng, and Shiding for Chinese New Year, helping solo elderly people and disadvantaged families who may have long suffered from nutritional or mobility issues with some warmth for the festive season.

Quarterly Blood Drives

Acer has held blood drives for 14 consecutive years, with three events held in 2021. Even during the COVID-19 pandemic, we have encouraged our staff to donate blood to help patients in need. A total of 1,475 bags (250 cc/bag) were collected in 2021, while social enterprise goods were procured and sent to donors to promote the doing of good for society.

Annual Fundraising Activities

Each year, Acer's Volunteer Team selects five social welfare groups, launching small internal fundraising campaigns for these groups to help disadvantaged communities. In 2021, these donations reached a total of NT\$982,500.



SUMMARY OF ESG INFORMATION

Economic	Unit	2018	2019	2020	2021	GRI Indicators	Page No.
Consolidated Revenue	NTD Billion	242.27	234.285	277.112	319.005	102-7 201-1	p10
Operation Profit (Loss)	NTD Billion	3.738	3.078	8.936	14.163	102-7	p10
After Tax Earnings (Loss)	NTD Billion	3.060	2.633	6.029	10.897	102-7	p10
Basic Earnings Per Share	NTD	1.01	0.87	2.01	3.63	-	p10
Operation Expenses	NTD Billion	(22.257)	(21.734)	(21.413)	(23.140)	102-7 201-1	p10
Staff Remuneration and Welfare	NTD Billion	(13.457)	(12.848)	(13.112)	(14.901)	201-1	p10
Dividends	NTD	0.77	0.77	1.50	2.28	201-1	p10
Income Expense (Benefits)	NTD Billion	(1.350)	(1.144)	(2.759)	(4.148)	-	p10
Liabilities	NTD Billion	95.003	96.901	121.967	148.765	102-7	p10
Equity	NTD Billion	58.986	59.195	61.942	66.023	102-7	p10



Environmental		Unit	2018	2019	2020	2021	GRI Indicators	Page No.	
Total Input	Direct Energy Usage	Natural Gas	m ³	365,256.82	443,287.84	333,864.00	547,681.20	302-1	p95
		Energy Consumption	GJ	13,605.91	16,512.59	12,436.52	20,775.46	302-1	p95
		% of total energy consumption	%	7.85	9.41	7.75	13.29	302-1	p95
		Gasoline	liters	561,054.43	631,662.83	643,651.27	187,099.30	302-1	p95
		Energy Consumption	GJ	18,907.53	21,287.04	21,691.05	6,305.25	302-1	p95
		% of total energy consumption	%	10.9	12.13	13.52	4.03	302-1	p95
		Diesel	liters	509,244.01	486,469.00	314,062.49	411,707.22	302-1	p95
		Energy Consumption	GJ	19,656.82	18,777.70	12,122.81	15,891.90	302-1	p95
		% of total energy consumption	%	11.34	10.70	7.55	10.17	302-1	p95
	Water ^{Note1}	m ³	199,102	190,048	173,805	164,324	306-1	p79	
Total Output	Indirect Energy Resource Usage	Green Electricity ^{Note2}	kWh	17,572,656.98	17,436,550.58	17,174,784.18	17,604,091.58	302-1	p95-96
		Electricity Consumption ^{Note3}	kWh	33,679,435.45	33,018,640.19	31,734,912.68	31,480,280.89	302-1	p95-96
		Energy Consumption	GJ	121,245.97	118,867.10	114,245.69	113,329.01	302-1	p95-96
		% of total energy consumption	%	69.92	67.75	71.18	72.51	302-1	p95-96
	GHG Emissions	Scope 1	Tonnes of CO ₂ equivalent	3,413.95	3,540.21	3,004.03	4,550.63	305-1	p95-96
		Scope 2- market-based	Tonnes of CO ₂ equivalent	12,646.41	10,223.62	9,195.35	8,746.13	305-2	p95-96
	Waste Water	Sewage Discharge ^{Note4}	Tonnes	159,282	152,038	139,044	131,459	306-1	-
		Total Recycled and Reuse	Tonnes	1,167.01	1,135.60	1,373.02	1,413.77	306-2	-
	Wastes ^{Note5}	Recycled Resources	Tonnes	784.30	726.20	866.75	850.46	306-2	-
		Electronic Waste	Tonnes	382.71	409.40	506.27	563.32	306-2	-
Non Recycled and Reuse		Tonnes	748.47	531.01	430.68	382.07	306-2	-	

Note1: The statistical scope of water usage, municipal solid waste and recycled resources: cover 100% of Acer global staff (some regional data uses per-capita estimates); From 2020 onward, water usage will incorporate well water, and the water consumption and sewage discharge figures for 2018-2019 have been thus revised.

Note2: Green electricity includes self-owned generation facilities and renewable energy certificates.

Note3: 2021 per-capita power consumption carbon emissions of approx. 4,081 kWh, down 3.97% on 2020.

Note4: Sewage accounts for an estimated 80% of water usage, with the remaining 20% used for air conditioning. The scope of this data is consistent with previous years' water usage data scope.

Social		Unit	2018	2019	2020	2021	GRI Indicators	Page No.
Staff Employment	Number of Employees	People	8,037	7,923	7,467 ^{Note1}	7,713	102-7	p103
	Average Age	Years	39.7	40.0	40.2	40.4	-	-
	Average Seniority	Years	8.4	8.7	8.7	8.8	-	-
	Turnover Rate ^{Note 2}	%	18.2	16.5	15.4	13.8	401-1	p104
	Voluntary Departure Rate	%	14.4	15.5	15.4	12.5	-	p104
	Hiring Rate	%	16.6	15.7	16.4	17.9	401-1	p104
	Applicants for Parental Leave	%	13.4	23.7	21.2	11.7	401-3	p106
	Post Parental Leave Return to Work Rate ^{Note3}	%	56.0	62.5	42.9	72.7	401-3	p106
	Post Parental Leave Retention Rate	%	76.92	57.14	80	100	401-3	p106
Continuing Learning and Growth ^{Note4}	Average Number of Training Hours for Staff Members	hours	13.1	13.2	13.3	13.4	404-1	p108
Health and Safety in the Workplace ^{Note5}	Disabling Injury Rate (IR)	-	0.67	0.25	0.53	0.44	403-2	p114
	Lost Day Rate (LDR)	-	11.27	1.76	9.6	3.83	403-2	p114
	Absence Rate ^{Note6}	%	1.19	1.39	1.28	0.98	403-2	p114
Community Engagement and Investment	Financial Value of Community Engagement and Investment	10 thousand NT\$	4,262	5,643	5,845	5,116	-	p118
Donation Type	Cash	%	76	41	80	39	-	p118
	Time, Products, or Other in-kind Donations	%	24	59	20	61	-	p118
Participation Type	Community Investment	%	53	62	58	42	-	p118
	Charitable Donations	%	28	25	21	20	-	p118
	Commercial Initiatives	%	19	13	21	38	-	p118

Note1: Including regular and full-time staff

Note2: This data represents the 2021 turnover rate for full-time staff.

Note3: The statistics of Applicants for Parental Leave, Post Parental Leave Return-to-work Rate, and Post Parental Leave Retention Rate cover the Taiwan region staff.

Note4: The statistical scope covers Global regions staff.

Note5: This chart's statistics cover injury and lost day rates for the Taiwan, EMEA, Asia Pacific regions; for the data, please refer to page 114

Note6: Including sickness leave (menstrual leave, occupational sickness leave, and special sickness leave) and personal leave. The statistical scope mainly covers Taiwan region staff.

APPENDIX

About this Report

Transparency and disclosure are important to Acer. We have issued Corporate Social Responsibility Reports for 13 years, however, from 2021, these will now be known as Sustainability Reports. We issue the report in both Chinese and English, and for the convenience of readers, we also publish Chinese, English, and German editions. This report discloses information on performance in corporate governance, environmental issues, and social issues, as well as future plans, enabling interested parties to better understand Acer's efforts and achievements in sustainable development. Previous years' Reports and the latest information on sustainable development are available at the [Acer Group's sustainability website](#).

Report Boundaries and Scope

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

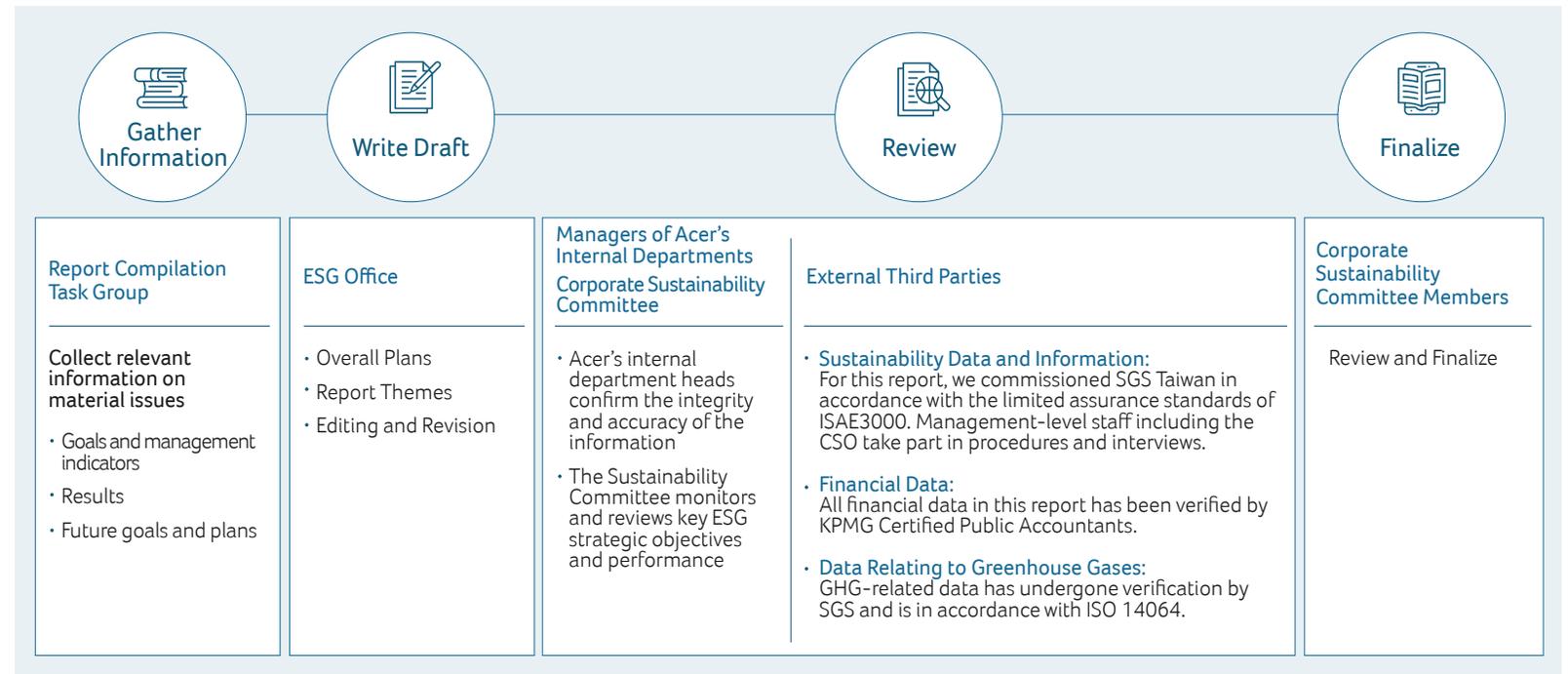
Report Issuing Dates and Frequency

This report, released June 2022, discloses the company's performance in key issues of sustainable development during 2021 (January 1, 2021–December 31, 2021); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2020 or forward into 2022. Acer issues Sustainability Reports each year, with the previous report issued in June 2021.

Report Compilation Principles

The content and structure of this report adhere to the Global Reporting Initiative (GRI) Sustainability Reporting Standards Core Option and employ sustainability metrics set out by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework. An index of GRI and SASB metrics and corresponding report content can be found at the end of this report. For climate-related financial disclosures, please see Chapter 6 of this report.

Report Quality Management



RESPONSES AND FEEDBACK

If you have any questions or suggestions regarding the Acer 2021 Sustainability Report or sustainability issues, you are welcome to contact us. Our contact details are:

Acer ESG Office

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

Telephone: +886-2-8691-3137

Email: cr@acer.com



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Independent Limited Assurance Report



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ACER INC.'S SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Acer Inc. (hereinafter referred to as Acer) to conduct an independent assurance of the Sustainability Report for 2021 (hereinafter referred to as the SR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification 2022/3/2-2022/4/1. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all Acer's Stakeholders.

RESPONSIBILITIES
 The information in the Acer's SR Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Acer. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all Acer's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the SGS ESG & Sustainability Report Assurance protocols used to conduct assurance, which are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality and Limited level of assurance contained within ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	ISAE 3000 Limited Level

SCOPE OF ASSURANCE AND REPORTING CRITERIA
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
1. GRI Standards (Core)
2. SASB

- evaluation of content veracity of scrutiny for Acer and scrutiny for subsidiaries, and applicable aspect boundaries outside of the organization covered by this report;
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluate of the report against the SASB Disclosures and Metrics included in the HARDWARE Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
 Financial data drawn directly from independently audited financial accounts, and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Acer, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

VERIFICATION/ ASSURANCE OPINION
 On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option.



CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

GRI Standards

The report, Acer's SR Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of Acer's involvement with the impacts for each material topic (103-1). More descriptions of how Acer manages each material topic and the statement of the purpose of the management approach (103-2) and any related adjustments to the management approach (103-3).

SASB

Acer has referenced with SASB's Standard, HARDWARE STANDARD, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as Acer's sustainability report. Acer used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Acer has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

ISAE 3000

Best Practices

During the assurance, the following best practices were identified:

- Acer has implemented its low carbon circulated strategy through its products innovative design, extend the product life cycle and effectively use materials on their key products, that can both benefit Acer and users towards low carbon footprint.
- Acer enhanced best employer branding image on talent attraction, retention, and development, through continuously expanding digitalized recruitment process and channel, enhancing capability of leadership and management at group management level, developing ESG related training to enhance sustainability competitiveness.
- Acer has set up a responsible supply chain management and extended the supply chain risk evaluation and management to its tier 2 suppliers and selected key ODM to extend to tier 3 suppliers in 2021.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
08 June, 2022
WWW.SGS.COM



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Acer 2021 Standards Index references two prominent reporting standards, the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

GRI Standards Index Comparison Table

General Disclosure 2016

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Organizational Profile			
102-1 Name of the organization	About the Company	p8-9	Assured by SGS
102-2 Activities, brands, products, and services	About the Company/Brand Values	p9	Assured by SGS
102-3 Location of headquarters	About the Company	p8	Assured by SGS
102-4 Location of operations	About the Company	p8	Assured by SGS
102-5 Ownership and legal form	About the Company	p8	Assured by SGS
102-6 Markets served	About the Company	p8	Assured by SGS
102-7 Scale of the organization	About the Company/Status of Operations/Attracting and Developing Talent	p8	Assured by SGS
102-8 Information on employees and other workers	Attracting and Developing Talent	p103	Assured by SGS
102-9 Supply chain	Responsible Supply Chains	p55-56	Assured by SGS
102-10 Significant changes to the organization and its supply chain	About the Company/Responsible Supply Chains	No significant changes took place during 2021.	Assured by SGS
102-11 Precautionary Principle or approach	Risk Management	p10-13	Assured by SGS
102-12 External initiatives	Stakeholder Engagement/Responsible Supply Chains	p30	Assured by SGS
102-13 Membership of associations	Stakeholder Engagement	p29-30	Assured by SGS
Strategy			
102-14 Statement from senior decision-maker	Message from the Chairman and CEO	p4	Assured by SGS
102-15 Key impacts, risks, and opportunities	About the Company/Risk Management/Climate Strategy and Transformation	p8-9. 40-43, 87-96	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Ethics and Integrity			
102-16 principles, standards, and norms of behavior	Ethics/Code of Conduct and Legal Compliance	p36	Assured by SGS
102-17 Mechanisms for advice and concerns about ethics	Corporate Governance	p33-35	Assured by SGS
Governance			
102-18 Governance structure	Corporate Governance	p31-35	Assured by SGS
102-19 Delegating authority	ESG Policy/Strategy and Governance	p17-18	Assured by SGS
102-20 Executive-level responsibility for economic, nvironmental, and social topics	ESG Policy/Strategy and Governance	p17-18	Assured by SGS
102-21 Consulting stakeholders on economic, environmental, and social topics	Corporate Governance/ESG Policy, Strategy and Governance/Attracting and Developing Talent	p31-35/17-18/25-28	Assured by SGS
102-22 Composition of the highest governance body and its committees	Corporate Governance	p33-34	Assured by SGS
102-23 Chair of the highest governance body	Corporate Governance	p34	Assured by SGS
102-24 Nominating and selecting the highest governance body	Corporate Governance	p33-34	Assured by SGS
102-25 Conflicts of interest	Corporate Governance	p34	Assured by SGS
102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance /Risk ManagementESG/ESG Policy, Strategy and Governance	p33, 40, 17-18	Assured by SGS
102-27 Collective knowledge of highest governance body	Corporate Governance/ESG Policy, Strategy and Governance	p35	Assured by SGS
102-28 Evaluating the highest governance body's performance	Corporate Governance	p35	Assured by SGS
102-29 Identifying and managing economic, environmental, and social impacts	Corporate Governance/Risk Management/ESG Policy, Strategy and Governance	p21-24, 41-42	Assured by SGS
102-30 Effectiveness of risk management processes	Corporate Governance/Risk Management/ESG Policy, Strategy and Governance	p35, 41	Assured by SGS
102-31 Review of economic, environmental, and social topics	Corporate Governance/Risk Management/ESG Policy, Strategy and Governance	p17-18, 33	Assured by SGS
102-32 Highest governance body's role in sustainability reporting	ESG Policy, Strategy and Governance	p128	Assured by SGS
102-33 Communicating critical concerns	Corporate Governance/ESG Policy, Strategy and Governance/Protecting Human Rights	p32-35,17-18,100-101	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Governance			
102-35 Remuneration policies	Corporate Governance	p35	Assured by SGS
102-36 Process for determining remuneration	Corporate Governance	p35	Assured by SGS
Stakeholder Engagement			
102-40 List of stakeholder groups	Stakeholder Engagement	p20-30	Assured by SGS
102-41 Collective bargaining agreements	Protecting Human Rights	p101	Assured by SGS
102-42 Identifying and selecting stakeholders	Stakeholder Engagement	p20	Assured by SGS
102-43 Approach to stakeholder engagement	Stakeholder Engagement	p25	Assured by SGS
102-44 Key topics and concerns raised	Stakeholder Engagement/Customer Service	p01	Assured by SGS
Reporting Practice			
102-45 Entities included in the consolidated financial statements	About this Report	Please refer to Acer's 2021 annual report for details on the Company's related entities	Assured by SGS
102-46 Defining report content and topic boundaries	Stakeholder Engagement	p22-24	Assured by SGS
102-47 List of material topics	Stakeholder Engagement	p22	Assured by SGS
102-48 Restatements of information	About this Report	No restatement of information provided in previous reports	Assured by SGS
102-49 Changes in reporting	About this Report/Stakeholder Engagement	No significant changes in the scope and aspect boundaries	Assured by SGS
102-50 Reporting period	About this Report	p128	Assured by SGS
102-51 Date of most recent report	About this Report	p128	Assured by SGS
102-52 Reporting cycle	About this Report	p128	Assured by SGS
102-53 Contact point for questions regarding the report	About this Report	p128	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Reporting Practice			
102-54 Claims of reporting in accordance with the GRI Standards	About this Report/GRI Standards Index Comparison Table	p128, 132-142	Assured by SGS
102-55 GRI content index	GRI Standards Index Comparison Table	p132-142	Assured by SGS
102-56 External assurance	About this Report/Independent Limited Assurance Report	p128-130	Assured by SGS
Management Approach			
103-1 Explanation of the material topic and its Boundary	Stakeholder Engagement	p23-24	Assured by SGS
103-2 The management approach and its components	Material topics and management approaches in chapter 2-chapter 7	p32-33, 44, 49, 62, 64, 68, 77, 80, 89, 98, 102-103, 112, 116-117	Assured by SGS
103-3 Evaluation of the management approach	Material topics and management approaches in chapter 2-chapter 7	p32-33, 44, 49, 62, 64, 68, 77, 80, 89, 98, 102-103, 112, 116-117	Assured by SGS

Specific Standard Disclosure: Economic

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Economic Performance 2016			
201-1 Direct economic value generated and distributed	Status of Operations/Social Philanthropy and Digital Inclusion	p10, 118	Assured by SGS
201-2 Financial implications and other risks and opportunities due to climate change	Risk Management/Climate Strategy and Transformation	p89-94	Assured by SGS
201-3 Defined benefit plan obligations and other retirement plans	Attracting and Developing Talent	p106	Assured by SGS
Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	Innovative Products and Services	p116-123	Assured by SGS
203-2 Significant indirect economic impacts	Innovative Products and Services/Social Philanthropy and Digital Inclusion	p84-85, 116-123	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Anti-corruption 2016			
205-2 Communication and training about anti-corruption policies and procedures	Ethics/Code of Conduct and Legal Compliance/Attracting and Developing Talent	p38, 109	Assured by SGS
205-3 Confirmed incidents of corruption and actions taken	Ethics/Code of Conduct and Legal Compliance	p38	Assured by SGS
Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS

Specific Standard Disclosure: Environmental

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Materials 2016			
301-3 Reclaimed products and their packaging materials	Circular Economies and Product Life Cycle	p73-76	Assured by SGS
Energy 2016			
302-1 Energy consumption within the organization	ESG Management Overview- Environmental	p125-126	Assured by SGS
302-2 Energy consumption outside of the organization	Climate Strategy and Transformation	p126	Assured by SGS
302-3 Energy intensity	ESG Management Overview- Environmental	p126	Assured by SGS
302-4 Reduction of energy consumption	Our Operations and Environment	p78	Assured by SGS
302-5 Reductions in energy requirements of products and services	Circular Economies and Product Life Cycle	p68	Assured by SGS
Wate 2018			
303-3 Water Withdraw	ESG Information Overview	The main source of water is the municipal supply, and there is no significant impact on this source, so the water pressure area and water quality are not further identified.	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	Climate Strategy and Transformation/ ESG Management Overview-Environmental	p95-96, 125-126	Verified by SGS
305-2 Energy indirect (Scope 2) GHG emissions	Climate Strategy and Transformation/ ESG Management Overview-Environmental	p95-96, 125-126	Verified by SGS
305-3 Other indirect (Scope 3) GHG emissions	Climate Strategy and Transformation/ ESG Management Overview-Environmental	p95-96, 125-126	Verified by SGS
305-4 GHG emissions intensity	Climate Strategy and Transformation	p95-96, 125-126	Verified by SGS
305-5 Reduction of GHG emissions	Climate Strategy and Transformation/ ESG Management Overview-Environmental	p95-96, 125-126	Verified by SGS
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Climate Strategy and Transformation/ ESG Management Overview-Environmental	Acer's global operations are primarily focused on product sales and customer service, and its facilities are largely office buildings; as such, the company produces no volatile organic compounds.	Assured by SGS
Effluents and waste 2016			
306-2 Waste by type and disposal method	ESG Management Overview-Environmental	p79,126	Assured by SGS
Non-compliance with environmental laws and regulations 2016			
307-1 Non-compliance with environmental laws and regulations	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS
Supplier Environmental Assessment 2016			
308-1 Supplier Environmental Assessment	Responsible Supply Chains	p57-61	Assured by SGS
308-2 Supplier Environmental Assessment	Responsible Supply Chains	p60-61	

Specific Standard Disclosure: Social

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Employment 2016			
401-1 New employee hires and employee turnover	Attracting and Developing Talent	p104	Assured by SGS
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Attracting and Developing Talent	p106-107	Assured by SGS
401-3 Parental leave	Attracting and Developing Talent	p106	Assured by SGS
Labor/Management relations 2016			
402-1 Minimum notice periods regarding operational changes	Attracting and Developing Talent	Where there are major changes in our operations, Acer will always notify staff of any impact such changes may have on them in accordance with local laws.	Assured by SGS
Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	Health and Safety in the Workplace	p112	Assured by SGS
403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety in the Workplace	p112	Assured by SGS
403-3 Occupational health services	Health and Safety in the Workplace	p115	Assured by SGS
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety in the Workplace	p112-114	Assured by SGS
403-5 Worker training on occupational health and safety	Health and Safety in the Workplace	p114	Assured by SGS
403-6 Promotion of worker health	Health and Safety in the Workplace	p115	Assured by SGS
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety in the Workplace	p113	Assured by SGS
403-8 Worker covered by an occupational health and safety management system	Health and Safety in the Workplace	p112	Assured by SGS
403-9 Work-related injuries	Health and Safety in the Workplace	p114	Assured by SGS
403-10 Work-related ill health	Health and Safety in the Workplace	p114	Assured by SGS

Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Training and Education 2016			
404-1 Average hours of training per year per employee	Attracting and Developing Talent	p108	Assured by SGS
404-2 Programs for upgrading employee skills and transition assistance programs	Attracting and Developing Talent	p109	Assured by SGS
404-3 Percentage of employees receiving regular performance and career development reviews	Attracting and Developing Talent	p111	Assured by SGS
Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	Corporate Governance/Attracting and Developing Talent	p34, 103-104	Assured by SGS
405-2 Ratio of basic salary and remuneration of women to men	Attracting and Developing Talent	p106	Assured by SGS
Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	Ethics/Standards of Conduct and Legal Compliance/Protecting Human Rights	p37, 99	Assured by SGS
Freedom of association and collective bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible Supply Chains/Protecting Human Rights	In 2021, there were no cases where human rights issues were reviewed by the local government.	Assured by SGS
Child Labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chains/Protecting Human Rights	No significant risk of the use of child or youth labor	Assured by SGS
Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chains/Protecting Human Rights	In 2021, there were no cases where human rights issues were reviewed by the local government.	Assured by SGS



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Human Rights Assessment 2016			
412-2 Employee training on human rights policies or procedures	Protecting Human Rights	p100	Assured by SGS
New suppliers that were screened using social criteria 2016			
414-1 New suppliers that were screened using social criteria	Responsible Supply Chains	p56	Assured by SGS
414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chains/Protecting Human Rights	p61	Assured by SGS
Public Policy 2016			
415-1 Political contributions	-	Acer made no political contribution in 2021.	Assured by SGS
Customer health and safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	Circular Economies and Product Life Cycle	The main products are managed by our quality assurance department and are 100% compliant with RoHS and product safety related regulations	Assured by SGS
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS
Marketing and labeling 2016			
417-1 Requirements for product and service information and labeling	Customer Service	All product, service information and labeling are meeting environmental as well as social regulation.	Assured by SGS
417-2 Incidents of non-compliance concerning product and service information and labeling	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS
417-3 Incidents of non-compliance concerning marketing communications	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS



Customer Privacy 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	In 2021, we received no evidence of infringement of customer privacy or of loss of customer information	Assured by SGS
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Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area	Ethics/Code of Conduct and Legal Compliance	p39	Assured by SGS
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Other Standard Disclosure

Disclosure	Chapter	Page No. and Description / Omission	External Assurance	
Information Security Governance				
Acer-EC1	Information Security Governance	Information Security and Privacy Protection	p45-46	Assured by SGS
Customer Service				
Acer-EC2	Multiple service channels	Customer Service	p49	Assured by SGS
Acer-EC3	Enhancing service quality	Customer Service	p50	Assured by SGS
Innovative Research & Development				
Acer-EC4	Innovative technology and application	2025 Sustainability Targets and SDGs/Innovative Products and Services	p82-86	Assured by SGS
Acer-EC5	Open source and collaborative innovation	Innovative Products and Services	p82,85	Assured by SGS
Acer-EC6	Acquisition and protection of intellectual property rights	Innovative Products and Services	p81-82	Assured by SGS



Disclosure	Chapter	Page No. and Description / Omission	External Assurance
Product Responsibility and Customer Safety			
Acer-EN1 Halogen-free products launched	Circular Economies and Product Life Cycle	p72	Assured by SGS
Corporate citizenship and philanthropy			
Acer-SO1 Activities of corporate citizenship and philanthropy	Social Philanthropy and Digital Inclusion	p116-123	Assured by SGS
Acer-SO2 Digital Inclusion activity	Social Philanthropy and Digital Inclusion	p116-123	Assured by SGS
Conflict Minerals			
Acer-SO3 Publish of Smelter List and annual Conflict Minerals Report	Responsible Supply Chains	p66	Assured by SGS
Pandemic			
Acer-SO4 Pandemic	Message from the Chairman and CEO	p4	Assured by SGS
	COVID-19 Response Actions	p53-54	Assured by SGS
	Risk Management	p43	Assured by SGS
	Ethics/Standards of Conduct & Legal Compliance	p39	Assured by SGS
	Innovative Products and Services	p82, 85	Assured by SGS
	Social Philanthropy and Digital Inclusion	p120-122	Assured by SGS

SASB Standards

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Code	Accounting Metric	Disclosure Content and Relevant Chapters	External Assurance								
Product Security											
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	For related content, please refer to the Product Security and Information Security & Privacy Protection chapters .	Assured by SGS								
Employee Diversity & Inclusion											
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management; (2) technical staff, and (3) all other employees	For related content, please refer to the Staff Structure section of the Attracting and Developing Talent chapter .	Assured by SGS								
Product Lifecycle Management											
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Environmental Labels and IEC 62474	Assured by SGS								
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	<table border="1"> <thead> <tr> <th colspan="2">Shipment</th> </tr> </thead> <tbody> <tr> <td>Products Containing IEC 62474 Declared Substances</td> <td>100%</td> </tr> <tr> <td>Products Applying for EPEAT or Equivalent Environmental Label</td> <td>21%</td> </tr> <tr> <td>Products Applying for Energy Star</td> <td>68%</td> </tr> </tbody> </table>	Shipment		Products Containing IEC 62474 Declared Substances	100%	Products Applying for EPEAT or Equivalent Environmental Label	21%	Products Applying for Energy Star	68%	Assured by SGS
Shipment											
Products Containing IEC 62474 Declared Substances	100%										
Products Applying for EPEAT or Equivalent Environmental Label	21%										
Products Applying for Energy Star	68%										
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® Criteria		Assured by SGS								
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	For related content, please refer to the Circular Economies and Product Life Cycle chapter .	Assured by SGS								

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

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

Code	Accounting Metric	Disclosure Content and Relevant Chapters	External Assurance												
Supply Chain Management															
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	<ul style="list-style-type: none"> (a) In 2021, we conducted a total of 89 audits. More than 80% of audits were conducted using the RBA Validated Audit Process (VAP). Settlements were audited within the two-year validity period, with an overall implementation rate of 91.8%. (b) For the 2020 RBA audits, ten companies with total scores of less than 120 (out of 200) were listed as higher risk and were to be reviewed again in 2021. The actual number of factory audits was 7, and there were three other manufacturers that applied for SA8000 certification. The total audit rate was 100%. For related content, please refer to the On-site Audits chapter.	Assured by SGS												
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	<ul style="list-style-type: none"> (1) Non-conformance rate with RBA CoC Audit Non-Compliance Rates for RBA Code of Conduct Audits <table border="1" data-bbox="1179 727 2142 850"> <thead> <tr> <th></th> <th>Labor</th> <th>Health and Safety</th> <th>Environmental</th> <th>Ethics</th> <th>Management System</th> </tr> </thead> <tbody> <tr> <td>non-conformance rate</td> <td>10.9%</td> <td>5.5%</td> <td>4.0%</td> <td>0.6%</td> <td>2.0%</td> </tr> </tbody> </table> (2) Corrective Action Rate As of the end of 2021, 222 deficiencies have been identified in higher-risk suppliers with VAP audit scores below 160 or priority non-conformance deficiencies, and as of December 31, 2021, 222 deficiencies have been tracked, and improvement measures have been implemented. A total of 21 deficiencies, including priority non-conformances, were listed, and all of them have been listed for corrective action. All of the other non-conformances have also been listed for corrective action. For related content, please refer to the On-site Audits chapter.		Labor	Health and Safety	Environmental	Ethics	Management System	non-conformance rate	10.9%	5.5%	4.0%	0.6%	2.0%	Assured by SGS
	Labor	Health and Safety	Environmental	Ethics	Management System										
non-conformance rate	10.9%	5.5%	4.0%	0.6%	2.0%										
Material Sourcing															
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	According to US National Research Council specifications, tantalum, tungsten, and cobalt are defined as critical raw materials. Management and performance regarding these materials are disclosed in the Responsible Sourcing of Minerals section.	Assured by SGS												

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

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

United Nations Global Compact Comparison Table

Category	10 Principles	Report Content/Explanation	Report Page No.
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Acer supports and respects internationally recognized human rights. Please refer to the “Protecting Human Rights” section of this report and the Acer Human Rights Policy.	98-101
	Make sure that they are not complicit in human rights abuses	Responsible sourcing of minerals is an important ongoing concern for Acer. It is our responsibility to respect human rights and continuously improve the impacts of our business development on human rights. For related actions, please refer to the “Responsible Sourcing of Minerals” section of this report.	66
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Acer supports freedom of association and recognizes the right of collective bargaining. For more details, please refer to the “Protecting Human Rights” section of this report and the Acer Human Rights Policy.	99、101
	The elimination of all forms of forced and compulsory labor	Acer prohibits all forms of forced and compulsory labor. For more details, please refer to the “Protecting Human Rights” and “Labor Rights” sections of this report and the Acer Human Rights Policy.	65、99
	The effective abolition of child labor	Acer prohibits child labor. For more details, please refer to the “Protecting Human Rights” and “Labor Rights” sections of this report and the Acer Human Rights Policy.	65、99
	The elimination of discrimination in respect of employment and occupation	Acer does not discriminate in employment or the workplace. For more details, please refer to the “Protecting Human Rights” section of this report and the Acer Human Rights Policy.	98-99、104
Environment	Businesses should support a precautionary approach to environmental challenges	Acer has introduced the TCFD to identify climate risks and financial impacts, as well as formulating RE100 goals and a number of specific sustainability policies to mitigate the effects of the Company’s operations on the environment. For details, please refer to the “Climate Strategy and Transformation” section of this report.	87-96
	Undertake initiatives to promote greater environmental responsibility	Through green procurement and communication, Acer works with our suppliers to go above and beyond global environmental standards and establish a green supply chain, as well as launching the Earthion initiative to expand the influence of our sustainability-related actions. For details, please refer to the “Circular Economies and Innovation” section of this report.	62-63、67-76
	Encourage the development and diffusion of environmentally friendly technologies	Acer is committed to core competitiveness, including R&D and patent acquisition, and continues to develop a number of innovative software and hardware technologies and products to respond to social and environmental needs. For more details, please refer to the “Circular Economies and Innovation” section of this report.	67 - 86
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Please refer to the “Zero Tolerance for Corruption” section of this report.	38-39

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