

*acer*

# 2016 ACER CORPORATE RESPONSIBILITY REPORT



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# ABOUT THIS REPORT

Since 2008 Acer has issued annual corporate responsibility (CR) reports simultaneously in English and Chinese, disclosing information and future plans on the three aspects of corporate governance, environment, and society. Such reports enable stakeholders to better understand Acer's efforts and achievements in sustainable development and social responsibility. Previous years' CR Reports and the latest information on sustainable development are available at the Acer Group's sustainability website <http://www.acer-group.com/public/Sustainability/index.htm>

### 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 ([http://www.acer-group.com/public/Investor\\_Relations/index.htm](http://www.acer-group.com/public/Investor_Relations/index.htm)) and the company's annual reports.

### Report Issuing Dates and Frequency

This report, released June 2017, discloses the Company's performance in key issues of sustainable development during 2016 (January 1, 2016 - December 31, 2016); however, for the sake of information completeness and comparability, a portion of the performance data disclosed dates back to before 2016 or forward into 2017. Acer issues CR Reports each year, with the previous report issued June 2016.

### Report Compilation Principles

The content and framework of this report follows the Global Reporting Initiative's 2013 fourth-generation guidelines (GRI G4); appended to this report is an index of GRI indicators and report content.

### External Assurance

This report commissioned the accounting firm KPMG in accordance with the limited assurance standards of ISAE3000 and in line with GRI G4 Core Options. All financial data in this report was cited from financial statement and has been verified by KPMG. GHG-related data have undergone verification by SGS.

### Responses and Feedback

If you have any questions or suggestions regarding the Acer 2016 CR Report or sustainability issues, you are welcome to contact us.

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# MESSAGE FROM THE CHAIRMAN



In 2016 Acer celebrated its 40th anniversary and four decades ago, with our passion to change the world, we introduced micro-processor technology to Taiwan and thus helped to establish and progress the island's high-tech industry. With our innovations, such as Micro-Professor I, the Dragon Chinese Input Method and Aspire PCs, we have played a key role in transforming Taiwan into a technology powerhouse, with thriving PC and semiconductor industries, and establishing it as a major player on the world stage. But more than being a leader in the industry, Acer takes pride in being a catalyst of change and progress.

Since our beginning, practicing corporate social responsibility has been a part of everything we do. We remain committed to promoting the Sustainable Development Goals (SDG) set by the United Nations and have made notable progress in many of them. These include Health and Well-Being, Quality Education, Decent Work and Economic Growth, Climate Action, Sustainable Cities and

Communities, and Responsible Consumption and Production. In addition, we are proud to share with everyone that Acer has for the third year running been included in both the Dow Jones Sustainability Indices (DJSI) and the MSCI Global Sustainability Indexes. What's more, we were also included on the new FTSE4Good Emerging Index in 2016.

In terms of products and solutions, 2016 has been an exciting year for new BYOC innovations that are contributing to society. Besides our CloudProfessor IoT Starter Kit, which is helping to educate people about the Internet of Things, we have brought together the IoT devices of our partners with cloud applications, to create new technologies and solutions that are able to contribute to society.

In terms of its business, Acer continues to encourage employees to adhere to its six core values: Passion, User-centric, Innovation, Team-work, Balance of Interests. Through this Acer continues to observe the principles of Wangdao to work with partners to create value and mutual benefit as well as balance all stakeholders' interests. As we face the challenges ahead of us, we will continue to uphold our passion to change the world and grow and develop sustainably.

Chairman

*George H. Chen*

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# MESSAGE FROM THE CORPORATE PRESIDENT AND CEO



Looking within our organization, we continue to make progress towards realizing sustainable and responsible business operations. Among our many initiatives include our commitment to engaging with our suppliers and partners regarding sustainable development. A great example of this has been our ability to reduce our use of minerals sourced from facilities listed on the Conflict Mineral Smelter list. By 2017 we aim to completely eliminate the sourcing of minerals from these facilities.

Through stringent auditing, routine communications and other engagements, we have been achieving great outcomes. In addition to engaging with our suppliers, we are also reaching out to the scientific and academic communities to ensure that we have open lines of communications with stakeholders from beyond our industry. In the area of carbon emissions, we also continue to push forward in our fight against climate change and are on track to reduce our emissions by 60% by 2020.

Contributing to our communities and society at large, we remain steadfast in investing in their improvement. One such area is that of education; where we are running programs and developing technologies to break down the digital divide. Among them are initiatives that utilize Acer's CloudProfessor IoT Starter Kit to open up new opportunities for disadvantaged children in the era of the Internet of Things. In 2016 we evaluated our social return on investment qualitatively and quantitatively to ensure our actions are effective and create the most value possible. But at the same time, this evaluation also helps us to optimize our future activities and play an even more impactful role going forward.

Our efforts have continued to be acknowledged for our transparency, such as being ranked on the Taiwan Top 50 Corporate Sustainability Report, and for our overall performance, including our listing on the DJSI Emerging Markets Index and MSCI's Global Sustainability Indexes. We have done particularly well in the areas of supply chain management, climate actions and corporate citizenship to name a few.

Looking ahead, Acer will continue to strive for excellence and remain dedicated to transforming to a hardware + software + services company. In terms of end-users and customers, we will also continue to focus on the needs of people as a starting point for all we do, in the process creating more value for all stakeholders and achieving excellence.

Corporate President and CEO



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# IMPORTANT ACHIEVEMENTS IN 2016

## Market Recognition



### reddot design award

A number of products won Red Dot Design Awards, including the ultra-thin Aspire S 13 notebook; the convertible two-in-one Aspire R 15 touchscreen notebook; the building-block-inspired Revo Build mini PC; the curved XR342CK monitor; the world's first fully abPBX-compatible desktop touchscreen multimedia phone, the abTouchPhone; the TravelMate P6 line of business notebooks; and the lightweight, easily expandable Veriton N line of business desktops.



### Red Dot Design Awards

The Revo Build mini desktop, Predator G6 esports machine, Predator Z35 curved esports monitor, slim and elegant Acer H7 series of monitors, and Acer XR series of curved widescreen monitors all received iF Design Awards.



### Named the official monitor of the Intel Extreme Masters (IEM)

Acer's Predator XB241H was also named the official monitor of the world's largest esports championship, the Intel Extreme Masters (IEM). The IEM began in Europe in 2006, and has since become a major annual event on the global gaming calendar.



### GOOD DESIGN

### Japanese Good Design Awards

Three Acer products were among the winners of the Japanese Good Design Awards, namely the Acer Swift 7, Acer Spin 7, and the abTouchPhone, the latter of which combines form and function in a multimedia touch-controlled desk phone perfectly suited to the communications needs of the modern office.



### TAIWAN EXCELLENCE

### Taiwan Excellence Gold Award

The Predator 21 X, the world's first curved-screen notebook, was honored with a Taiwan Excellence Gold Award, while the ultra short-throw Predator Z850 esports projector received a Taiwan Excellence Silver Award.



### Indonesia Digital Popular Brand Award 2016

Acer notebook SWIEF 7 has won the Indonesia Digital Popular Brand Award in 2016



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### 2016 Computex Best Choice Award

Computex Taipei is one of Asia's biggest B2B ICT trade shows, and at the 2016 show three Acer products were recipients of Best Choice awards, including the Revo Build, which was honored for its small size and customizable modular design. Acer CEO and global president Jason Chen personally accepted the awards, and, at the Acer booth, even introduced to President Tsai Ing-Wen Acer's latest products and technologies.



### 2016 IFA in Berlin

In the 2016 IFA Berlin, Acer received several products honors.



**Best Service Brand award for the 11th year running in Popular Computing Weekly's Top Chinese IT Brands**

Received the Best Service Brand award for the 11th year running in Popular Computing Weekly's Top Chinese IT Brands



**At the Consumer Electronics Show (CES) in Las Vegas, Acer unveiled a new line of products and integrated solutions**



### 2016 European Hardware Awards

The Predator X34 curved esports monitor was honored at the 2016 European Hardware Awards.



### Partner of the Year and Best Overall Growth awards

Acer America was recognized by well-known electronics retailer Newegg in their annual awards with the Partner of the Year and Best Overall Growth awards. The best sales Acer has seen on Newegg have largely come from innovative esports products including the Predator and V Nitro lines of Notebooks and the X34 and Z35 curved-screen esports monitors.

### Best Customer Service

Best Customer Services Award from all over the world, i.e. Netherlands、France、Spain、German、UK、Austria





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### Sustainability Outcomes



#### Save Energy, Love the Earth Awards

Da'an Office participated in the inaugural Save Energy, Love the Earth Awards, receiving the Best Power Savings Performance award.



#### Outstanding in Friendly Workplace Section

Honored as Outstanding in Friendly Workplace Section, Mother-Child Goodwill Category, New Taipei City Excellent Breastfeeding Room competition



#### 2017 Taipei Golden Eagle Micro-movie Festival

Received the Best Film, Best Sustainability and Innovation, and Best Social Philanthropy awards at the 2017 Taipei Golden Eagle Micro-movie Festival



**Silver in the ROC's Annual Enterprises Environmental Protection Award and Gold Level Green Mark**

Aspire Resort won silver in the ROC's Annual Enterprises Environmental Protection Award and Gold Level Green Mark for the third year running



#### FTSE4Good FTSE4Good Emerging Index

Acer was listed on the newly created FTSE4Good Emerging Index in 2016.



#### MEMBER OF Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Joined the Dow Jones Sustainability Emerging Markets Index

In 2016, Acer was listed in the DJSI's Emerging Markets Index for the third consecutive year.



#### 2016 Constituent MSCI Global Sustainability Indexes

#### MSCI's Global Sustainability Indexes in 2016

Acer continued to be a constituent of MSCI's Global Sustainability Indexes in 2016



#### Taiwan Corporate Sustainability Awards

#### 2016 Top 50 Taiwan Corporate Sustainability Awards

Received Gold Award at the Taiwan Corporate Sustainability Awards for the third consecutive year

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# 1 OUR BUSINESS OVERVIEW

Acer's roots lie in a group of young dreamers, and since the company's founding in 1976, it has continued to march forward through decades of vision. All along this journey, Acer has been committed to breaking down barriers between people and technology. We believe that technology is an asset to all humanity, capable of driving and improving all our lives.

Today, Acer has become one of the world leaders in the ICT industry, providing users with exquisitely designed products and a wide range of solutions. We are also a company working hard to transform into one that brings together hardware, software, and services.





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# CURRENT STATUS AND DEVELOPMENT

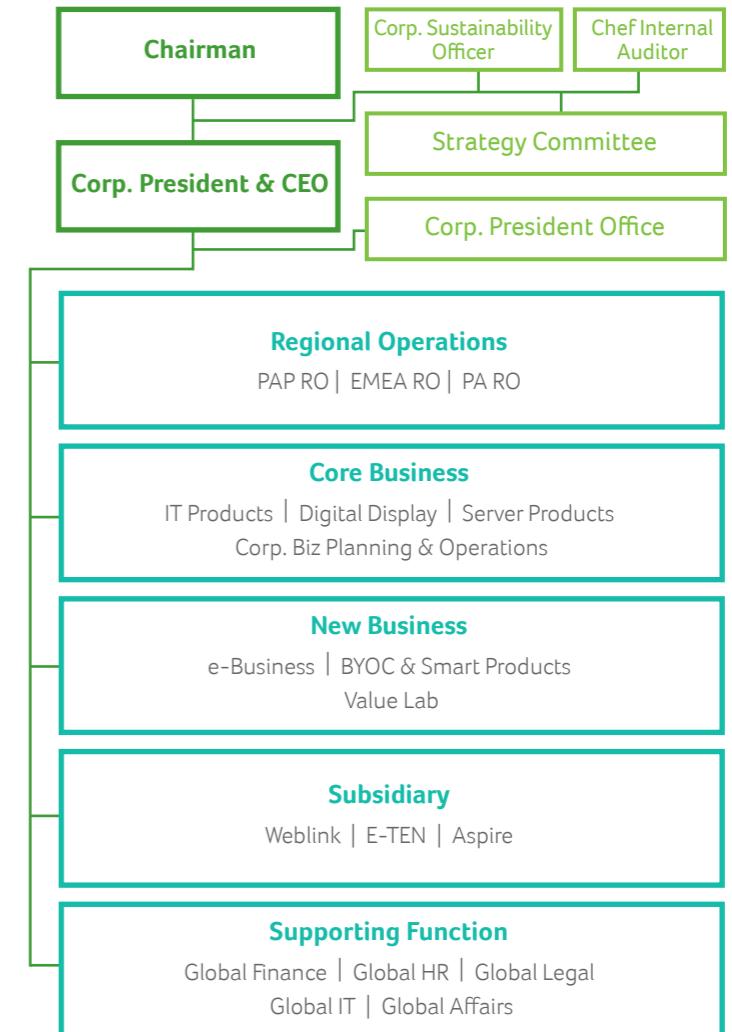
Acer Incorporated is listed on the Taiwan Stock Exchange under the ticker 2353, having first listed in 1996. It has a presence in over 160 countries, employs over 7000 people globally and has regional operations in Pan-America, Pan-Asia Pacific and Europe, Middle East and Africa (EMEA). Acer is principally engaged in the research, design, marketing, sale, and support of IT hardware products, such as personal computers, LCD monitors, projectors, servers and tablets. At the same time, Acer is also engaged in new business areas through its Build Your Own Cloud (BYOCTM) and cloud technology-related operations. Acer serves a wide range of customers including consumers, small medium enterprises, large corporations, schools and governments.

In 2016 Acer announced the division of its operations into a New Core Business and New Value Creation Business. The new structure addressed the diverse development needs of IT hardware products versus cloud services, smart devices and e-businesses, allowing for each group the independence to focus on their respective ecosystems. The division was conducted to encourage the optimization of each business model, enhance the allocation of operational resources, propel organic growth, and accelerate the company's overall transformation. Through all of this, Acer will be able to develop a more diverse ecosystem and accelerate its corporate transformation.

Regardless of their distinct areas of focus, both groups continue to work towards a common mission of breaking barriers between people and technology. At the same time, the two groups are also working towards a common vision embodied in the concept of BeingWare. This vision is driven by vertical business models with intelligent connected devices and rooted in Acer's belief that the Internet of Things should have a human-centric emphasis rather than on things. Acer calls this the Internet of Beings, which is defined as a human-centric network based on a collective of intelligence and added value to end users that make the swarms of smart devices more meaningful.

As Acer journeys into the future, it continues to be rooted in its core competencies in PCs, placing emphasis on higher price points and building brand premium with Predator devices in Gaming, as well as in thin & light and premium 2-in-1 notebooks. But at the same time, it is also working to go beyond just PCs and pursuing multiple growth engines and broadening its business boundaries. This is best exemplified by its initiatives in new business areas, such as solutions and technologies for Sports, SeniorCare, Virtual Reality and Pet Care.

## I Organizational Chart of Acer Inc.





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# BRAND VALUES AND INTRODUCTION

Acer's mission has always been to break down the barriers between people and technology. As such, we insist on ergonomic design and remain committed to the "explore beyond limits" spirit. We strive to create reliable, easy-to-use products that meet genuine needs of consumers and to develop friendly, convenient interfaces that offer users a fun, relaxing experience and helps them enjoy the fun of high technology while also improving their quality of life.

The new core spirit and values of the Acer brand are built on the cultivating of ideals of passion, user-centricity, innovation, teamwork, balance of interests, and integrity in both thought and action among staff and partners.

We hope our staff will have the passion to change the world, and that through teamwork they will find more innovative ideas, better understand consumers' needs, and create user-centric products and services. Through the application of the "5Cs"—Communication, Communication, Consensus, and Commitment—we aim to earn and keep the trust of staff, commercial partners, and consumers alike, balancing the interests of each and creating shared values.

## Marketing Communications

Acer adheres to the principles of sincerity, honesty, transparency, initiative, promptness, and regularity, working within the relevant legal frameworks in each location to communicate to partners, consumers, and the media our beliefs, product information, and service information effectively through our corporate website, subsidiary sites, advertising, product exhibitions, press conferences, and sponsored activities. In addition to traditional media, Acer makes use of social and other digital media in the hopes of increasing communication with users or potential customers. The company also continues to sponsor a variety of high-profile sporting events, including a number of eSports competitions.

## I Acer's Core Values





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## Major Events Acer Held or Participated in, 2016

**JAN**

During the Consumer Electronics Show (CES) in Las Vegas, Acer unveiled and showcased a number of new devices and solutions including the Aspire Switch 12 S 2-in-1 notebook, Liquid Jade Primo Windows smartphone, TravelMate P648 series commercial notebooks and remote BYOC (Build Your Own Cloud™) healthcare solutions.



**FEB**

At the World Mobile Congress in Barcelona, Acer showcased its new Liquid Zest series smartphones, including the Liquid Zest and Liquid Zest 4G. Acer also introduced its newest BYOC developments in the fields of connected cars, smart homes, business, and education, highlighting its IoB (Internet of Beings) concept, a human-centric network based on collective intelligence.

**APR**

In April, Acer held its Global Press Conference in New York. At the event, Acer unveiled a plethora of new devices, such as the liquid-cooled Switch Alpha 12 2-in-1 notebook; the robust 14-inch Chromebook 14 for Work; a line of new VR-Ready gaming PCs, including the Predator 17 X notebook; and the world's first cycling computer with video recording capabilities, the Xplova X5.

**JUN**

Acer was out in force at Computex 2016 in Taipei to show off its latest devices and solutions. At the show, Acer's Revo Build mini PC won the Computex Best Choice of the Year award as well as a Best Choice Gold award. In addition, Best Choice awards also went to the curved Acer XR342CK gaming monitor in the "Gaming" category and the Acer H277HU USB Type-C monitor in the "Peripherals & 3D Printing" category.

**JUL**

Acer was chosen as the official monitor of the longest running global professional gaming tour in the world, the Intel Extreme Masters (IEM). Acer supplied Predator XB241H monitors for the 11th season of the e-sports tournament. The tournament kicked off in Shanghai in July, before heading to Oakland, California, and Gyeonggi, South Korea, with a final stop in Katowice, Poland in March 2017.



**AUG**

In August Acer announced a number of groundbreaking devices, including the world's first notebook with a curved screen, the Predator 21 X for gamers, and the world's thinnest notebook, Swift 7, at its second Global Press Conference of the year in Berlin. During the event, Acer also announced the first shipment of StarVR Head-Mounted Displays along with its joint venture partner Starbreeze.

**SEP**

Acer was named an official sponsor of the 2016 League of Legends World Championships and 2016 All Star Event. Acer supplied Predator XB1 (XB241H) monitors for these global e-sports events, equipping the professional practice rooms and stages, and displaying all of the action during matches. The marketing partnership also included branding integration during the matches and broadcasts.



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# FINANCIAL PERFORMANCE

Acer strives to develop a range of innovative products, and in recent years we have attracted the attention of the market and truly begun to take flight. In 2016, the company reported consolidated revenues of NT\$232.724 billion<sup>Note 1</sup>, operating income of NT\$1.193 billion. For more details on the company's operating performance and financial information, please refer to the Acer Incorporated 2016 Annual Financial Report.

In order to provide more opportunities for growth in cloud-related new businesses and to ensure they continue to grow independently, in 2016, the new organizational structure was adjusted in line with International Accounting Standards (IAS) 36, redefining "cash-generating units" and conducting evaluations of impairment of intangible assets. At an interim meeting of the Board of Directors, the Board passed the 2017 budget plan and recognized impairment of intangible assets of a total value of NT\$6.34 billion.

### | Operating Status of Acer in the Past Three Years<sup>Note 2</sup>

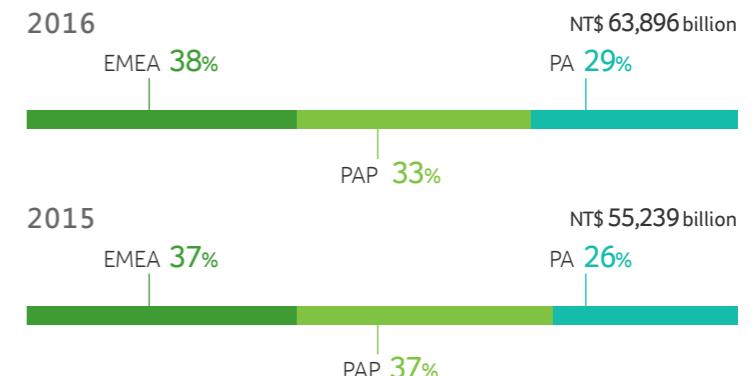
Consolidated Revenue (USD Million)			Operating Profit (Loss) (USD Million)		
2014	2015	2016	2014	2015	2016
10,394.23	7,977.23	7,209.77	85.37	28.39	36.94
<b>After Tax Earnings (Loss) (USD Million)</b>			<b>Basic Earnings Per Share (USD)</b>		
56.46	18.26	(151.81)	0.02	0.01	(0.05)
Operating Expenses (USD Million)			Staff Remuneration and Welfare (USD Million)		
(837.61)	(732.53)	(690.84)	(470.43)	(428.32)	(400.75)
Dividends (USD) <sup>Note 3</sup>			Tax Income (Liability) (USD Million)		
0.02	0.02	0.02	(25.97)	(7.34)	(5.47)
Liabilities (USD Million)			Equity (USD Million)		
4,113.29	3,202.30	3,345.69	1,911.53	1,991.63	1,786.87

Note1. All currency amounts mentioned in this report, unless otherwise specified, shall be in New Taiwan Dollars (NT\$).

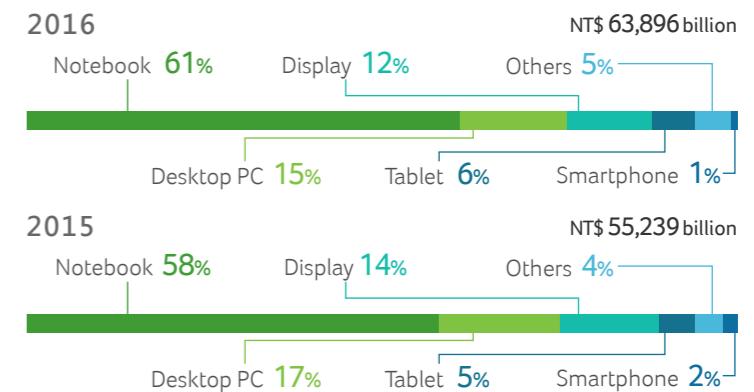
Note2. The scope of the financial information in this report includes neither the Acer Foundation nor the Gateway Foundation.

Note3. For additional paid-in capital distributed in cash, the Board of Directors passed the allotment at NT\$0.5 per share. It is expected that after the passing of this at the 2017 shareholders' meeting, the Board will set a base date for distribution to begin.

### | Brand Business Revenue Breakdown by Geography



### | Brand Business Revenue Breakdown by Product



Note5. Desktop PC excludes Displays

Note6. Display includes Monitor and Projector

Note7. Others include server, accessories and other products

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## **2 CORPORATE RESPONSIBILITY AND SUSTAINABLE VALUES**

Acer takes a proactive view toward the sustainability issues, listening to stakeholders, and participating in both domestic and international CSR advocacy and organizations. In 2008, we formally established a CSR Executive Committee and a management unit focused on CSR issues, the Corporate Sustainability Office (CSO); In 2011, we established our Global Corporate Social Responsibility Committee (GCSRC), expanding the scope of our CSR governance structure. We continue to revise and adjust our strategies and advocacy direction with regard to CSR, responding to the growing concern with sustainable development and environmental issues and committing ourselves to playing a sustainable role in our communities.





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# CORPORATE RESPONSIBILITY POLICY AND STRATEGY

## Sustainable Acer

**“** Founder Stan Shih  
**Companies exist in their values and in the value they can create for society.** **”**

Working from a foundation of stable profits and ongoing growth, Acer actively considers corporate social responsibility issues through three lenses: economic, environmental, and social. Using this perspective, we pursue the values of ongoing economic growth, environmental protection, and societal progress.

## Acer Responsible Corporate Development Strategy

In 2015, Acer's corporate responsibility efforts entered the value creation phase. We have reviewed the overall environment and the expectations of our stakeholders to plan Acer policy in terms of CR promotion over the coming decade. We hope this will further deepen the integration of the organization and the overall value chain, gradually building toward strong governance and innovation development goals that serve as a model for the industry.

Coming to a close in 2024, Acer's 10-year sustainable development strategy is focused on three main areas. In 2016, our value creation efforts have in line with this strategy, also begun to show concrete results.

## Acer Corporate Responsibility Policy





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### Deepening responsible corporate governance, strengthening non-financial performance, and managing sustainability risks & opportunities

#### Strengthening non-financial performance—Social return on investment

In 2016, we incorporated social return on investment (SROI) into our calculations of non-financial performance with regard to our social care plans. In this way, we can optimize our investment in social resources and deepen our sustainability strategy, maximizing our impact. For details on the results, please refer to Chapter 6: Caring People and Society. We intend to continue incorporating social return on investment and expanding our non-financial performance into the future, demonstrating our long-term investment in values.

### Leading innovation through products and services, combining low-carbon and sustainable technological innovations, and developing a new green economy

#### Responding to the UN Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs) are important guides for global sustainable development and are closely tied to the overall development and lifestyle of humankind. In our technologies, products, and services, we take active steps to be in line with the SDGs and to continue to put our core competencies to use to respond to society's needs. In 2016, we took action toward eight particular SDGs; for details, please refer to Chapter 4: Technology for the Future.

Into the future, we will continue to invest in solutions pertaining to the United Nations Sustainable Development Goals, guiding innovation and realizing our blueprint for a sustainable Acer through technology, products, and services.

### Establishing a model of sustainability, harnessing our influence, and helping the overall industry progress toward greater environmental, social, and economic benefits

#### Creating “Si-vilization”

Developments in the technology industry have a far-reaching impact, and so founder Stan Shih has committed himself to creating a new vision for Taiwan's future—becoming “Si-innovation Island,” home to a new “Si-vilization” that comprehensively spurs on Taiwan's economic development and industrial transformation, giving a new generation of Taiwanese youth new options. Creating a “Si-vilized Smart City” is the flagship project of this effort, involving working with the government to create a smart city that fits with modern citizens' needs. By driving market development like this, we can also drive innovation and its application, laying the foundations for a Si-vilization that creates new, greater value for Taiwan in the future.

For more information on smart cities, please refer to Chapter 4: Technology for the Future.



#### BeingNet Alliance

The BeingNet Alliance was founded in 2015, with Acer Group founder Stan Shih bringing together ties throughout the industry, including Stan's Foundation, Acer, and related industrial partners. Unlike other industry-led alliances of upstream and downstream, the BeingNet Alliance follows the blueprint laid out by the Wangdao philosophy, aiming to create a Wangdao-oriented industrial environment and use new user models of the future as the starting point for new innovations. The alliance is also focused on observing industrial demand for intelligence and value creation, and on bringing together resources, technology, and wisdom from across fields.

In 2016, the alliance signed cooperative agreements with a number of partners, using a tightly integrated vertical model of task distribution to accelerate the creation of end-to-end solutions for agriculture and healthcare. Acer will continue to exercise its influence through the BeingNet Alliance and other cross-industry cooperative efforts, bringing together resources to create a “virtual national team” to help replicate their domestic success on the international stage while also creating sustainable value for Taiwanese industry.

#### Promoting Ongoing Exchange between Academia and Industry

Acer works with academia and other businesses to address the opportunities inherent in resource sustainability by holding conferences to promote exchange and through deepening industry-supply chain action and abilities regarding international sustainability. For more information, please refer to the Major Initiatives and Participation chapter.

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### | Timeline of Acer's Corporate Responsibility Efforts

#### Preparation

- Regularly publishing environmental reports
- Complying with EU WEEE and RoHS directives
- Regularly convening environmental communication meetings with suppliers
- Participating in the Carbon Disclosure Project (CDP)



#### Laying the foundation

- Establishing Sustainable Development Office
- Drafting Acer corporate responsibility policy
- Gradually incorporating labor and ethical issues into supply chain management



#### Strategic Promotion

- Internalizing sustainability issues in each department's daily operations
- In line with global trends, increase promotion of key issues
- Develop strategic measures to address each issue
- Establishing GCSR
- Drafting strategic CSR KPIs
- Activating supplier CSR rating mechanism

**2005~2007**

**2008~2010**

**2010~2014**

**2015~2024**



#### Value creation

- Deepening internal promotion of responsible corporate governance and strengthening management of non-financial performance and sustainability risks & opportunities
- Leading innovation in products and services by combining low-carbon and sustainable technological innovations 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 economic benefits



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# CORPORATE RESPONSIBILITY GOVERNANCE

In order to broaden the scope of corporate responsibility governance and incorporate sustainable development strategies in daily operations, in 2012 we convened for the first time the Global Corporate Social Responsibility Committee (GCSR). The members of the GCSR are drawn from senior management in regional departments and major business & functional units to promote effective communication across global locations, we have put in place executive secretaries for corporate social responsibility in each regional headquarters. These executive secretaries are tasked with representing each region on the committee. The GCSR meets regularly to help improve the effectiveness of Acer's implementation of corporate responsibility and build consensus around global CSR operations by assessing risks & opportunities, evaluating performance, and sharing experience.



The Corporate Sustainability Office is Acer's specialist unit committed to corporate responsibility. Led by the corporate sustainability officer, its primary responsibility is managing economic, environmental, and social issues. Reporting directly to the chairman of the board, the office also regularly provides reports to the GCSR regarding trends, influence, and performance with regard to these issues. The Corporate Sustainability Office plays an important role in as a communications bridge between the various workgroups and the GCSR, helping workgroups and the CSR teams at the regional headquarters implement the CSR agenda.

Acer takes a proactive attitude to reviewing and promoting important sustainability issues and strives to incorporate sustainable development policies into daily operations. Since 2014, in line with the company's business strategy, Acer undertook organizational adjustments, continually changing the GCSR membership and, as a result, suspending meetings of the committee in 2014 and 2015. We have continued to communicate regarding issues of corporate responsibility governance through the established channels, continuing to push forward on decided items and to deepen corporate responsibility governance in the company. Such efforts have included:

In 2016, Acer held a global CSR discussion meeting, and had interview with high-level managers of business groups, as well as the members of GCSR on the topic of "smart development strategies". The our focus was on CSR practices in our operating locations around the world, as well as on discussions over smart development strategies and new sustainable governance structures.

CSR practices in worldwide operating locations: We held global review meetings to assess the work of the Asia-Pacific CSR team and regional headquarters, sharing trends in CSR issues, important topics, and performance matters, as well as facilitating exchange of experience between each region.



With a focus on the senior management of business groups and the GCSR, we held meetings on smart development strategies, looking at Acer's current level of CSR development, development trends in the ICT industry, future growth, and Acer's smart strategies for the challenges and opportunities the group faces. All of this aimed to lay a sound foundation for Acer's CSR development strategies for the coming decade.



Proactively planning new sustainable governance structures, with CSR formally incorporated into the Board of Directors' charter and the Corporate Sustainability Office reporting directly to the Board and appointed external directors.





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# STAKEHOLDER ENGAGEMENT

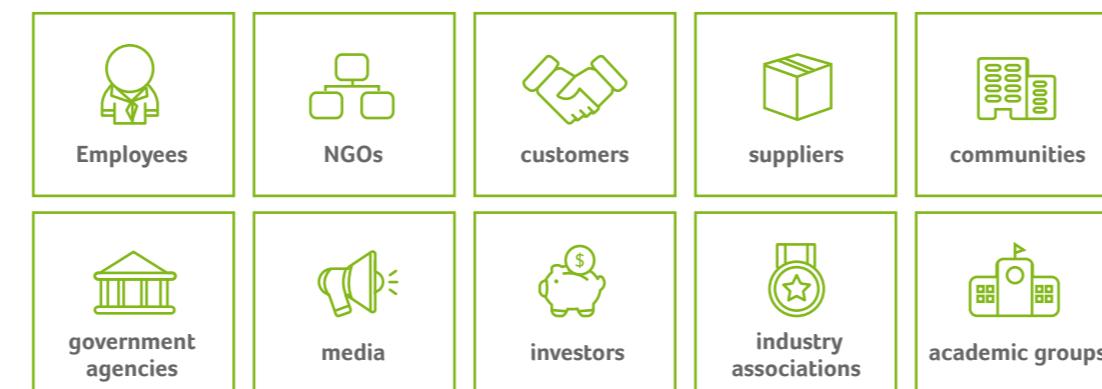
**“Only by implementing the Wangdao philosophy can a business truly operate sustainably. Stakeholders, both tangible and intangible, need to be considered, and this model of thinking is fairer to all of them—staff, partners, investors, and the public.”**

Meeting the expectations of stakeholders is an important goal of Acer's CSR policies. Through communication and interaction with them, we strive to properly understand the demands of different stakeholders.

## Stakeholder Identification and Communication

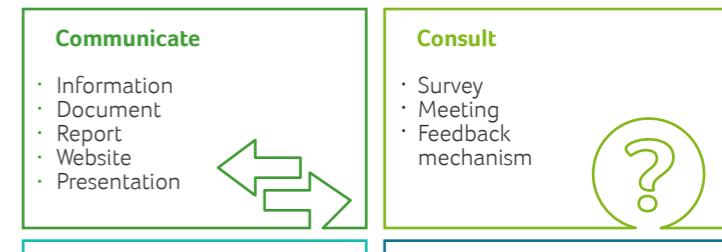
Acer has integrated the Wangdao philosophy into its three core credos: creating value, balancing interests, and operating sustainably. We emphasize shared values with our stakeholders, and in order to facilitate full communication and interaction, we apply the five aspects identified in the AA1000 Stakeholder Engagement Standard—dependency, responsibility, tension, influence, and diversity—to comprehensively identify stakeholders and facilitate in-depth communication with them.

### I Acer Stakeholder Identification Standards



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.

### I Stakeholder Communication Methods



### I Procedure for Managing Issues of Stakeholder Concern





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### Channels for Communication with Stakeholders



#### Staff

##### Importance to Acer

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.

##### Material Issues of Concern

- Corporate Governance/ Code of Conduct
- Customer Privacy and Information Security
- Legal Compliance
- Economic Performance

##### Main Communications Channel

- Employee Welfare Committee
- Internal Website (My Acer)
- External Website (Acer Group)
- Employee Representatives Organization
- Email Announcements

##### 2016 Communication Results

- Acer Taiwan organizes quarterly Employee Representative Meetings to discuss matters relating to operations management, work environment, and employees' rights.
- In 2016, we held four such meetings, with improvement plans drafted for the major issues decided upon therein.

##### Report Chapter

- Employee Care and Development
- Legal Compliance



#### Customers

##### Importance to Acer

One of Acer's core values is the creation of value for customers, which we do by taking a user-oriented approach to providing solutions and services.

##### Material Issues of Concern

- Customer Health and Safety
- Energy and Climate Change
- Corporate Governance/ Code of Conduct
- Human Rights, Equality, and Diversity
- Transparency and Communication
- Legal Compliance

##### Main Communications Channel

- Occasional Emails and Telephone Calls
- Regular Annual Questionnaires and Surveys
- Acer's Sustainability Website
- Corporate Social Responsibility Report
- CR mailbox (cr@acer.com)
- Supplier Surveys
- Quarterly Business Review Meetings
- Annual CSR Scorecard
- Annual Supplier CSR Communication Meetings

##### 2016 Communication Results

- Carrying Out Customer Satisfaction Surveys
- Holding free computer health checks on campuses

##### Report Chapter

- Legal Compliance
- Customer Service



#### Suppliers

##### Importance to Acer

Acer considers our relationship with our suppliers as a symbiotic one, and as such we will continue to work closely with them to establish a responsible supply chain.

##### Material Issues of Concern

- Legal Compliance
- Transparency and Communication
- Customer Privacy and Information Security
- Innovative Products and Services

##### Main Communications Channel

- Supplier Surveys
- Quarterly Business Review Meetings
- Annual CSR Scorecard
- Annual Supplier CSR Communication Meetings
- Complaints Mailbox (whistleblower@acer.com)

##### 2016 Communication Results

- Held 2016 Supplier CSR Communication Meetings
- Held 2016 Supplier EICC Seminars
- Carried Out 2016 Supplier CSR Scorecard Assessments
- Incorporated CSR Scores into Quarterly Business Review Meetings
- Held 71 EICC On Site Audits in 2016

##### Report Chapter

- Legal Compliance
- Sustainable Supply Chain



#### Investors

##### Importance to Acer

Investors are among Acer's most important stakeholders, and as such we should be responsible to our shareholders and protect their rights

##### Material Issues of Concern

- Legal Compliance
- Complaints Mechanism
- Economic Performance
- Transparency and Communication
- Corporate Governance/ Code of Conduct

##### Main Communications Channel

- Annual Shareholder Meeting
- Regular Institutional Investors' Conference Calls
- Regular Annual and Quarterly Corporate Reports
- Market Observation Post System
- Acer's Sustainability Website
- Corporate Social Responsibility Report
- Investor Mailbox (investor.relations@acer.com)

##### 2016 Communication Results

- Completed second corporate governance assessment with Financial Supervisory Commission, achieving a ranking in the top 20%.
- Held 2016 Annual Shareholder Meeting
- Issued 2016 Annual and Quarterly Corporate Reports

##### Report Chapter

- Deepen Corporate Governance

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## Communities



### Importance to Acer

We believe that 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.

### Material Issues of Concern

- Community Involvement and Philanthropy
- Digital Inclusion
- Supplier Social Performance
- Public policy and Initiative

### Main Communications Channel

- Acer's Sustainability Website
- Corporate Social Responsibility Report
- Acer Foundation Website
- Corporate Social Responsibility Report
- Volunteer Activities
- Complaints Mailbox (whistleblower@acer.com)

### 2016 Communication Results

- Holding and sponsoring competitions and events to create opportunities for young learners
- 618 visits conducted by the Digital Mobile Van Project in the Taitung-Hualien region of Taiwan to help bridge the digital divide
- Participating in global environmental protection and charitable activities
- A total of 1592 hours of volunteer service were carried out by volunteers from Acer

### Report Chapter

- The Power to Change the World

## Government Agencies



### Importance to Acer

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.

### Material Issues of Concern

- Customer Privacy and Information Security
- Corporate Governance/Code of Conduct
- Legal Compliance
- Occupational Health and Safety
- Public policy and Initiative

### Main Communications Channel

- Responding to Legal Advice
- Policy Advice Meetings

### 2016 Communication Results

- Participating in meetings related to industrial development
- Aspire Resort received an Enterprises Environmental Protection Award, was invited to an audience with the vice president at the Presidential Office, and took part in conferences sharing their practices
- Participated in the Occupational Safety and Health Administration, Ministry of Labor 2016 Labor Health Services and Health Promotion Conference and 2016 National Year of Workplace Safety—National Workplace Safety and Health Week Implementation Plan

### Report Chapter

- Deepen Corporate Governance
- Health and Safety in the Workplace

## NGOs



### Importance to Acer

Advocacy organizations serve to motivate companies to implement social responsibility and can help Acer strengthen its own practice of corporate social responsibility.

### Material Issues of Concern

- Transparency and Communication
- Legal Compliance
- Energy and Climate Change
- Supplier Social Performance

### Main Communications Channel

- Questionnaires and Surveys
- External Website (Acer Group)
- Corporate Responsibility mailbox (cr@acer.com)
- Acer Sustainability Website
- Corporate Social Responsibility Report
- Complaints Mailbox (whistleblower@acer.com)

### 2016 Communication Results

- Participated in 2016 Public-Private Alliance for Responsible Minerals Trade Meeting
- Invited Taiwan EICC members and labor education groups for discussions
- Continuing participation in the Carbon Disclosure Project (CDP) supply chain program, inviting major suppliers to participate in and fill out questionnaires
- Continuing to sponsor CDP spring and autumn promotional presentations in Taiwan
- Pioneering signatory to the EICC and CFSI's Responsible Raw Materials Initiative and participated in related workgroups.

### Report Chapter

- Deepening Corporate Governance
- Stakeholder Engagement
- Incorporating Environmental Considerations into Product Design

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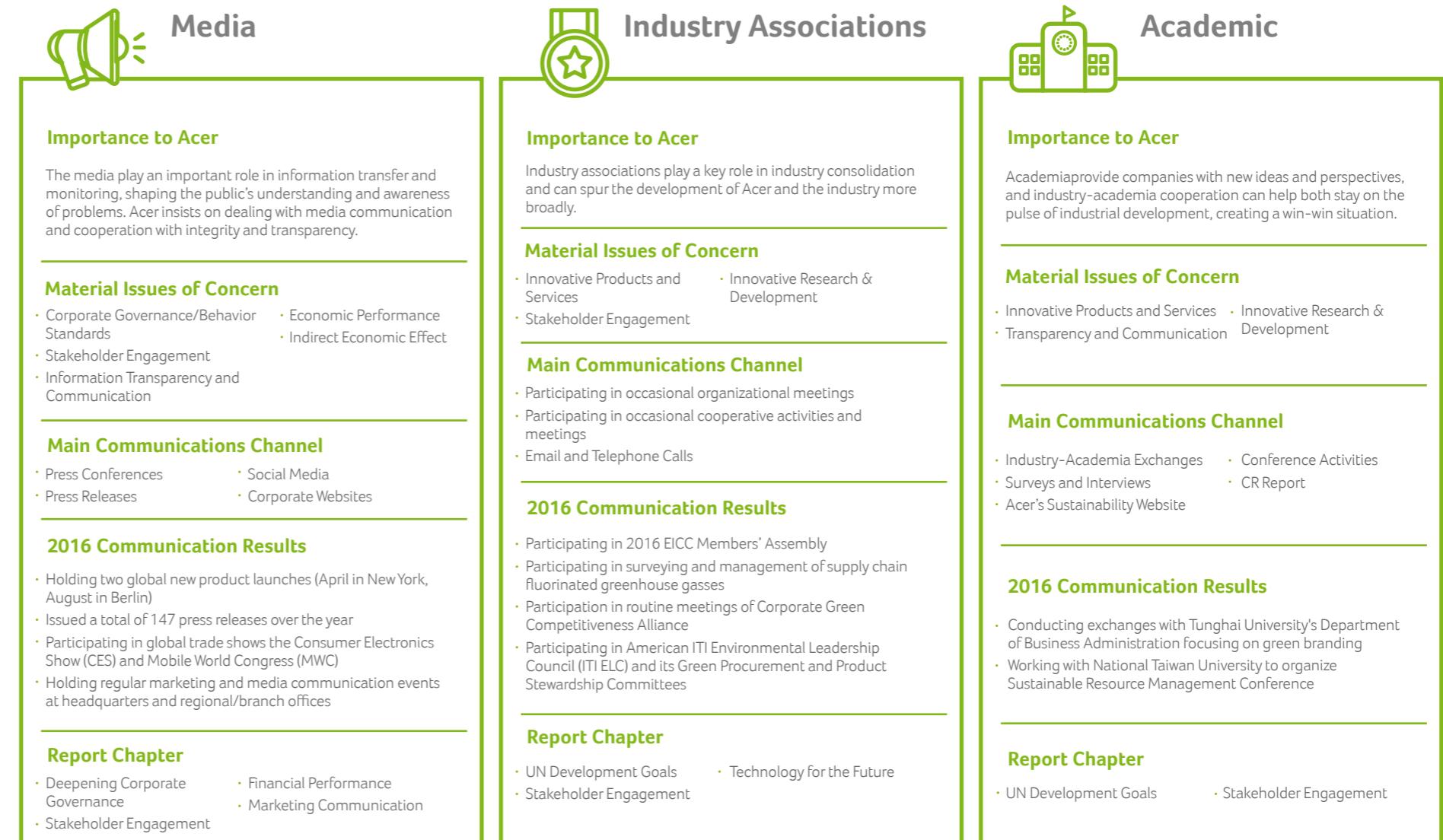
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## Material Analysis and Boundaries Identification

Acer uses the Global Reporting Initiative (GRI) fourth-generation guidelines for sustainability reporting (G4) as the framework for establishing a process for identifying material sustainable development issues and providing the information upon which CSR report disclosures are based, ensuring stakeholders receive the information they need.

### 1. Inventory of Sustainability Issues

Enumerating sustainable development issues relating to Acer and the ICT industry, drawn from material issues from GRI G4 Aspects, the Dow Jones Sustainability Indices (DJSI), survey items, the Sustainability Accounting Standards Board (SASB), and the Global e-Sustainability Initiative (GeSI).

### 3. Investigating Material Issues

Through open online surveys and surveys through the company's internal system, levels of concern of all kinds of stakeholders with regard to the aforementioned 29 issues were collected. A total of 417 valid surveys were returned, an increase of 36% over the previous year, which shows more feedbacks and greater focus on the sustainability issues of Acer from stakeholders.

### 2. Aggregating Sustainability Issues

Combining similar issues from the above list, a total of 29 issues across three major categories (Economic, Social, and Environmental).

### 4. Prioritizing of Material Issues

Analyzing the returned surveys using the opinions of internal stakeholders (employees) on the issues as baselines for assessing the level of importance to external stakeholders (a total of nine categories of stakeholder) for each issue. A matrix of material issues is drawn up and submitted to the Corporate Sustainability Officer to be verified in line with trends in sustainable development, the industrial environment, and the company's status.

### 5. Identifying Material Aspects and Boundaries

By pairing material issues with G4 Aspects, we identify material aspects for disclosure and their boundaries.

**Materiality**  
29 Sustainability Topics

**Investigation**  
417 Surveys

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Note1. Level of importance refers to the scale of impact of an issue on corporate operations as evaluated by Acer staff; Level of concern refers to the degree of concern among stakeholders regarding Acer's response to said issue, as evaluated by external stakeholders

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Results of Analysis of Material Issues		Results of Governance		
Top three material aspects	Implications for Acer Management	Corporate Governance/Code of Conduct	Grievance Mechanism	Compliance
		<b>∅ Deepen Corporate Governance</b> <p>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.</p>	<b>∅ Legal Compliance</b> <b>∅ Internal Audits</b> <p>Corporate corruption can inhibit the entrepreneurial spirit, and illicit profits obtained through bribery can hinder corporate development. Acer prohibits any and all fraud, corruption, violations of the Standards of Business Conduct, or any other kind of illegal behavior in order to safeguard the interests of stakeholders and ensure ongoing corporate development.</p>	<b>∅ Legal Compliance</b> <b>∅ Sustainable Risk Management</b> <p>Compliance with the law is a non-negotiable bottom line for Acer. Thanks to this, we have not only earned the trust, support, and cooperation of the community, but also established a favorable external environment for the company.</p>
Business Management Strategy	2016 Targets and Commitments	<b>∅ Transparency in Operations</b> <p>Acer strives for transparency in its operations, stronger corporate governance, and a strong and effective board of directors. To this end, we established our Corporate Governance Code of Practice and Standards of Business Conduct, linking the latter with performance evaluations, and implemented a system of integrity management.</p> <ul style="list-style-type: none"> <li>· Disclosing important corporate governance information and reinforcing legal operations.</li> <li>· Strengthening Board of Directors governance efficacy.</li> <li>· Implement intrapreneurship and transformation.</li> </ul>	<b>∅ Complaint Mechanism</b> <p>We provide direct, secure channels for complaints, collecting feedback from stakeholders in order not only to protect their interests, but also to strengthen the company's internal management.</p> <ul style="list-style-type: none"> <li>· We have built an effective complaint mechanism and seen no complaints in terms of society, environment, or human rights</li> </ul>	<b>∅ Adherence to Laws and Regulations</b> <b>∅ Implementation of Daily Management</b> <ul style="list-style-type: none"> <li>· Abiding by relevant laws, in 2016 we incurred no penalties regarding environmental damage, product/service safety, or marketing issues.</li> </ul>
2016 Results	2017 Targets and Commitments	<b>∅ Corporate Governance Blueprint</b> <p>In accordance with Taiwan Stock Exchange corporate governance evaluation, disclosed corporate governance information on official website and in reports</p> <ul style="list-style-type: none"> <li>· Completed 2016 Board of Directors performance evaluation questionnaires and report</li> <li>· Carried out organizational restructuring: separating Core Products Business from Value Innovation Business.</li> <li>· Launched Titan Project, aimed at dividing the group's management system to facilitate value re-innovation and the seeking of cooperative opportunities.</li> </ul>	<b>∅ More Open Complaint Channels</b> <p>In 2016, we received a total of five complaints of violations of the Standards of Conduct, and none with regard to social impact, environmental impact, labor practices, or human rights practices.</p> <ul style="list-style-type: none"> <li>· Providing more open avenues for filing complaints and a more comprehensive approach to their investigation.</li> <li>· No complaints in terms of society, environment, or human rights.</li> </ul>	<b>∅ Regulatory Risk Education</b> <ul style="list-style-type: none"> <li>· Ongoing implementation of regulatory risk education and awareness.</li> </ul>
Mid- and Long-term Goals		<b>∅ Governance Architecture</b> <p>In accordance with our corporate governance blueprint, we aim to establish a model of governance through directors and management, laying out an effective governance architecture that can move with the times and protect shareholders' equity, strengthen the functionality of the Board, increase transparency, and promote ongoing deepening of corporate governance.</p>	<b>∅ Stakeholder Protection</b> <p>We safeguard the interests of our stakeholders and continue to put in place more diverse, more transparent communications and complaints channels to uphold our principles of integrity, prompt handling, and positive response.</p>	<b>∅ Global System Compliance</b> <ul style="list-style-type: none"> <li>· Establishing a global system that complies with regulations in all locales and with industry best practices.</li> </ul>

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Results of Economic			
<p><b>Top three material aspects</b></p> <p><b>Implications for Acer Management</b></p> <p><b>Business Management Strategy</b></p> <p><b>2016 Targets and Commitments</b></p> <p><b>2016 Results</b></p> <p><b>2017 Targets and Commitments</b></p> <p><b>Mid- and Long-term Goals</b></p>	<p><b>Customer Management</b></p> <p>∅ Customer Service</p> <p>One of Acer's key management philosophies is user orientation, and through our global-scale foundation and end-to-end holistic thinking, we have established a customer management system that can help us boost the brand and the experience of our customers.</p> <p>We listen carefully to feedback and opinions from our users and strive to stay on top of market demands. By establishing a systems management mechanism, accompanied by regular follow-up on customer needs and user experience, we continue to enhance our service quality. And by implementing new technologies into our customer service, we also improve customer satisfaction while also implementing new technologies in customer service to elevate customer satisfaction.</p> <ul style="list-style-type: none"> <li>• Increasing customer satisfaction.</li> <li>• Exceeding customer expectations.</li> </ul> <p>In 2016, customer satisfaction reached 94.76%, up 0.4% on the previous year.</p> <ul style="list-style-type: none"> <li>• Acer won national annual customer service awards in the Netherlands, France, Spain, Germany, and the United Kingdom. In China, we received the Best Service Brand award for the 10th year running in Popular Computing Weekly's Top Chinese IT Brands.</li> <li>• In China, we held 31 free on-campus computer health check activities, helping thousands of students and faculty members with issues.</li> </ul> <ul style="list-style-type: none"> <li>• Maintain average customer satisfaction level above 94 % and steadily growing every year.</li> <li>• Held community computer health check service.</li> <li>• Regular training for the service staffs of Maintenance Center.</li> </ul> <p>We actively seek to understand customer needs and continue to provide products and services that meet and exceed those needs, creating optimal value for customers.</p>	<p><b>Innovative Products and Services</b></p> <p>∅ UN Sustainable Development Goals</p> <p>Another of Acer's core values is innovation, and through innovative products and services, we are able to meet the needs and values of our users and create user stickiness.</p> <p>The company has led efforts for innovative service transformation and development, primarily focusing on the Build Your Own Cloud™ Group, including the BYOC Platform, abPBX, and CloudProfessor. In addition, we continue to be actively involved in providing users with targeted products and service models across all categories of user.</p> <ul style="list-style-type: none"> <li>• Developing smart strategy and responding to the United Nations Sustainable Development Goals through solutions using our core products and services.</li> </ul> <p>In 2016, our adherence to UN SDGs grew by 8 items. We are fully committed to these efforts on both product and service sides, using technology to create more benefits for society.</p> <ul style="list-style-type: none"> <li>• Through our software+hardware+services operating strategy, we develop innovative products and services that satisfy a diverse range of users. In 2017, we will be actively working on developing applications for VR and investing in the communications services, pet care, and long-term healthcare industries.</li> </ul> <ul style="list-style-type: none"> <li>• Reinforcing links between innovative products/services and SDGs.</li> <li>• Elevating target users and fields for new products and services, satisfying a spirit of diverse innovation</li> <li>• Create IoT ecosystem : Acer has launched the Bluesky Program and hold a number of competitions, to collaborate with start-up companies as partners</li> </ul>	<p><b>Innovative Research &amp; Development</b></p> <p>∅ Innovative Research &amp; Development</p> <p>Innovation is one of Acer's core values, and through innovative research and development we create differentiation, establish superiority, and are able to implement full-scale innovation with value.</p> <p>In the past five years, Acer's patent numbers have grown by 25%. By viewing our users' needs objectively and realistically, and then committing to R&amp;D, patent acquisition, and other core competitivenesses, we will continue to provide open source solutions to promote shared social innovation.</p> <ul style="list-style-type: none"> <li>• Integrating pioneering technologies to provide innovative, reliable products and services.</li> <li>• Sharing resources with partners to pursue opportunities for joint innovation.</li> </ul> <ul style="list-style-type: none"> <li>• In 2016 we were granted 737 patents worldwide, a 12.86% growth over the previous year.</li> <li>• The Blue Sky Project aims to use Acer's brand, channels, and resources to help startups reach out to the world, working with partners to promote innovation and create a shared cloud-based ecosystem.</li> </ul> <ul style="list-style-type: none"> <li>• Ensuring over 50% of notebook computer models are compatible with the Cortana 2.0 specification.</li> </ul> <p>We are committed to promoting research into and introduction of advanced technologies to provide better user experiences and maintain our position as an innovative technology leader. We also seek to expand external R&amp;D partnerships and alliances, making the most of common opportunities for innovation.</p>



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## Results of Environmental



Top three material aspects	Energy and Climate Change	Product Stewardship	Supplier Environmental Performance
<b>Implications for Acer Management</b>	<b>Energy and Climate Change</b> <p>∅ Responding to Energy and Climate Change</p> <p>Responding and adapting to climate change is an unshirkable responsibility for any corporate citizen, and presents us with both risks and opportunities.</p>	<b>Product Stewardship</b> <p>∅ Incorporating Environmental Considerations into Product Design</p> <p>Through product lifecycle management, we are able to both manage our products and reduce their potential impact on the environment. We strive to find a balance between product management and environmental performance in order to provide our customers with more environmentally competitive products.</p>	<b>Supplier Environmental Performance</b> <p>∅ Sustainable Supply Chain</p> <p>Acer considers our relationship with our suppliers as a symbiotic one, and as such we will continue to work closely with them to reduce environmental risk, pursue overall supply chain environmental performance, and establish a responsible supply chain.</p>
<b>Business Management Strategy</b>	<b>2016 Targets and Commitments</b> <p>Developing group carbon reduction targets and strategies</p>	<p>We are also committed to reducing the environmental impact of our products at all stages, from design and packaging to shipping, use, and recycling, by reducing our materials and resource usage.</p>	<p>Formulating concrete environmental management practices and goals, and exercising environmental responsibility through audits, training, communication, and leadership of the supply chain.</p>
<b>2016 Results</b>	<ul style="list-style-type: none"> <li>Using Science Based Targets, reviewed original carbon reduction targets and planned long-term reduction direction for 2030.</li> <li>Improving product transport efficiency and reducing energy consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Continued use of recycled materials in products.</li> </ul>	<ul style="list-style-type: none"> <li>Requiring suppliers to draft medium- and long-term carbon reduction goals using SBTs.</li> </ul>
<b>2017 Targets and Commitments</b>	<ul style="list-style-type: none"> <li>We have already published our SBT methodology, setting an estimated 2030 carbon reduction target, however we are still awaiting verification of the methodology, and will reconfirm the suitability of our medium- and long-term carbon reduction targets.</li> <li>2016 saw a reduction of 20.6% on 2015, a reduction on base year of 53.42%.</li> <li>In terms of global shipping of goods, we reduced air shipping by 3% on last year and increased rail transport by 3%, a strategic attempt to reduce carbon footprint.</li> </ul>	<ul style="list-style-type: none"> <li>Use of recycled paper in notebook computer packaging has risen from 80% to 97% over the past three years.</li> <li>In 2016 and beyond our commercial models such as the Veriton M &amp; Veriton X that are shipped in the American region will continue to use packaging buffer material made from 100% recycled pulp.</li> </ul>	<ul style="list-style-type: none"> <li>In December 2016, at the Vendor CSR Communication Meeting, we formally announced our requirement for supply partners to be prepared by the end of 2018 for introduction of this methodology, completion of their respective medium- and long-term carbon reduction targets, and ongoing reduction of overall supply chain carbon emissions.</li> </ul>
<b>Mid- and Long-term Goals</b>	<ul style="list-style-type: none"> <li>In line with SBT methodology, we have completed and disclosed our medium- and long-term carbon reduction targets.</li> <li>Reduction in carbon emissions of 55% on base year 2009.</li> </ul>	<ul style="list-style-type: none"> <li>In line with the revised ISO 14001 system, in 2017 we will have completed our formal introduction of product lifecycle management concepts into our management system.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing demands for management of chemical substances banned or restricted in production processes.</li> <li>CDP supply chain performance continued to improve, with 2017's carbon reduction target raised to 80% and 2018's to 100%.</li> </ul>
	<ul style="list-style-type: none"> <li>In 2020, reducing carbon emissions by 60% on 2009.</li> <li>Expanding use of green electricity to 50%.</li> </ul>	<ul style="list-style-type: none"> <li>By 2020, we aim to have incorporated the Natural Capital methodology into our operations, calculating products' lifecycle environmental impact and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Major suppliers' carbon reduction goal has been set, in line with SBT methodology, at 100%, and starting from 2021, we will begin implementing absolute carbon reduction targets.</li> </ul>

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Results of Social	
<p><b>Top three material aspects</b></p> <p><b>Implications for Acer Management</b></p> <p><b>Business Management Strategy</b></p> <p><b>2016 Targets and Commitments</b></p> <p><b>2016 Results</b></p> <p><b>2017 Targets and Commitments</b></p> <p><b>Mid- and Long-term Goals</b></p>	<p><b>Customer Privacy and Data Security</b></p> <p>∅ Legal Compliance</p> <p>Customer privacy is extremely important to Acer, and customer information can help us provide better user experiences. As such, we use several secure technologies to protect customer information and take good care of the information our customers provide us.</p> <p>Developing privacy policies, implementing relevant staff training and education, and incorporating information security technologies into our products.</p> <ul style="list-style-type: none"> <li>• Strictly complying with privacy policies.</li> <li>• Implementing information security system protection.</li> <li>• Organized "Understanding the Personal Information Protection Act" courses.</li> <li>• Conducted internal and external information security audits</li> <li>• Carried out system vulnerability scan.</li> <li>• Organizing customer privacy protection training and education to improve awareness of information security.</li> <li>• Strengthening understanding of and skills in information security and planning relevant training and promotional work.</li> <li>• Inventorying and inspecting system vulnerabilities to strengthen security systems.</li> <li>• Through strict implementation of information security policies and customer privacy protection measures, we use rigorous organization, management systems, and control mechanisms to ensure customer security and information security.</li> </ul>
	<p><b>Customer Health and Safety</b></p> <p>∅ Legal Compliance ∅ Sustainable Supply Chain</p> <p>Providing customers with safe products, developing our creative capabilities, and introducing new solutions are all ways in which we can protect our customers' health and safety.</p> <p>During the R&amp;D phase, we propose 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.</p> <ul style="list-style-type: none"> <li>• In order to ensure products are safe and healthy for our customers, we strictly adhere to relevant safety standards and regulations, ensuring no recalls due to product quality or security.</li> <li>• In 2016, we had no product recalls.</li> <li>• There were no incidences of products or services impacting customer health or safety.</li> <li>• Strengthening supplier auditing to ensure products meet safety regulations.</li> <li>• Meeting or exceeding international regulations and guidelines regarding management of hazardous substances involved in products.</li> </ul>
	<p><b>Labor Relations and Employment</b></p> <p>∅ Employee Care and Development</p> <p>Our staff are Acer's greatest asset, and we work hard to create the working environment of their dreams. Through systematic training and a focus on the interests of the team, we help foster the power to change the world.</p> <p>We adhere to the principle of making the best use of the right people, recruiting openly and equally, and providing our staff with a variety of channels for communication and feedback.</p> <ul style="list-style-type: none"> <li>• Implementing global performance management system.</li> <li>• Strengthening global recruitment system, improving internal talent pool, implementing effective human resource management.</li> <li>• Implemented a global performance management system to establish a consistent benchmark for mobile global talent.</li> <li>• By strengthening the recruitment system, we make it function more effectively and greatly streamline the hiring process.</li> <li>• Providing Employee Assistance Program (EAP), hiring external counselors for consultations, and taking care of staff physical and psychological health.</li> <li>• In response to changes in labor-related laws, we have actively worked to maintain strong labor relations and to protect the rights of our staff, including the establishment of a work hours management system that meets and exceeds legal requirements.</li> <li>• Establishing a global human resource management system, using a cloud-based solution to facilitate updating and maintenance of information starting from time of employment, incorporating personal and organizational data and its maintenance.</li> </ul>



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GRI G4 Aspect	Material Aspects and Boundary Identification			Company-internal Boundaries			Company-external Boundaries		
				GRI G4 Indicator	Headquarters		Regional Headquarters /Subsidiaries	Customers Suppliers Community	
					Headquarters	Regional Headquarters /Subsidiaries		Customers	Suppliers Community
<b>Governance</b>									
<b>Corporate Governance /Code of Conduct</b>	Corruption Prevention Anti-Competitive Behavior	SO4-SO5 SO7			●	●	●	●	●
<b>Compliance</b>	Marketing Communication Product and Service Labeling Legal Compliance (Environmental) Legal Compliance (Social) Legal Compliance (Product Responsibility)	PR7 PR3-PR5 EN29 SO8 PR9			●	●	●	●	●
<b>Grievance Mechanism</b>	Environmental Problems and Complaints Mechanism Labor Issues and Complaints Mechanism Human Rights Issues and Complaints Mechanism Social Impact Problems and Complaints Mechanism	EN34 LA16 HR12 SO11			●	●	●	●	●
<b>Transparency and Communication</b>	Covers all aspects	Covers all indicators			●	●	●	●	●
<b>Stakeholder Engagement</b>	Stakeholder Engagement	G4-24-G4-27			●	●	●	●	●
<b>Environmental</b>									
<b>Energy and Climate Change</b>	Energy Emissions (Greenhouse Gases)	EN3,EN5-EN7 EN15-EN19			●	●	●	●	●
<b>Environmental Policy and Management</b>	Water Emissions (Airborne Pollutants) Waste Water and Waste Products	EN8-EN10 EN21 EN22-EN23			●	●	●	●	●
<b>Product Stewardship</b>	Products and Services	EN27-EN28			●	●	●	●	●
<b>Materials Management</b>	Raw Materials Harmful Substances Management*	EN1-EN2 Acer EN2*			●	●	●	●	●
<b>Product Packaging and Transportation</b>	Transportation	EN30			●	●	●	●	●
<b>Supplier Environmental Performance</b>	Supplier Environmental Assessment	EN32-EN33			●			●	

Note2. Issues of importance to Acer, not included under the GRI G4 aspects, but with corresponding indicators set by Acer and included for disclosure are labeled here with an \*. Please refer to the GRI index for more information.

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## Economic



GRI G4 Aspect		GRI G4 Indicator	Company-internal Boundaries		Company-external Boundaries		
			Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
<b>Economic Performance</b>	Economic Performance	EC1-EC4	●	●			
<b>Indirect Economic Impacts</b>	Indirect Economic Impact Procurement Practices	EC7-EC8 EC9	●	●		●	●
<b>Operational Risk Management</b>	Strategy and Analysis	G4-1-G4-2	●	●			
<b>Customer Management</b>	Customer Service*	Acer EC1-Acer EC2*	●	●	●		
<b>Innovative Research &amp; Development</b>	Innovative Research & Development*	Acer EC3-Acer EC5*	●				
<b>Innovative Products and Services</b>	Examples of Environmental Cost Savings and Value Creation*	Acer EN1*	●	●	●		
	Examples of Social Cost Savings and Value Creation*	Acer SO1*	●	●	●		
<b>Public policy and Initiative</b>	Public Policy	SO6	●				

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	GRI G4 Aspect	GRI G4 Indicator	Company-internal Boundaries		Company-external Boundaries		
			Headquarters	Regional Headquarters /Subsidiaries	Customers	Suppliers	Community
	<b>Customer Health and Safety</b>	Health and Safety of Clients	PR1-PR2	●	●	●	
	<b>Customer Privacy and Information Security</b>	Client Privacy	PR8	●	●	●	
	<b>Labor/ Management Relations and Employment</b>	Employee-Employer Relationship Labor Relations	LA1-LA3 LA4	● ●	● ●		
	<b>Occupational Health and Safety</b>	Occupational Health and Safety	LA5-LA6	●	●		●
	<b>Human Rights, Equality, and Equal Opportunity</b>	Equal Pay Across Genders Opportunities for Staff Diversity and Equality No Discrimination Freedom of Association and Collective Bargaining	LA13 LA12 HR3 HR4	● ● ● ●	● ● ● ●		● ●
	<b>Human Capital Development</b>	Training and Education	LA9-LA11	●	●		
	<b>Talent Attraction and Retention</b>	Talent Attraction and Retention*	Acer SO5-Acer SO6*	●	●		●
	<b>Supplier Social Performance</b>	Supplier Labor Practices Assessment Supplier Human Rights Assessment Investment Child Labor Forced Labor Supplier Social Impact Assessment	LA14-LA15 HR10-HR11 HR2 HR5 HR6 SO9-SO10	● ● ● ● ● ●	● ● ● ● ● ●		● ● ● ● ● ●
	<b>Conflict Minerals</b>	Conflict Minerals*	Acer SO7*	●	●	●	●
	<b>Community Involvement and Philanthropy</b>	Corporate Citizenship and Philanthropy*	Acer SO2-Acer SO3*	●	●		●
	<b>Digital Inclusion</b>	Digital Inclusion*	Acer SO4*	●	●		●

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## Major Initiatives and Participation

Acer actively reaches out to all kinds of stakeholders and, with an open mind, listens to their various opinions. We continue to hold interaction activities to deepen two-way communication with those stakeholders.

### Supplier CSR Communication Meeting

Every year, we invite representatives of our major suppliers to participate in annual CSR Communication Meeting, not only sharing global trends in CSR, but also reinforcing Acer's requirements of and goals for supply chain CSR management. In 2016, we invited Industrial Technology Research Institute consultant Lu Ying-Bin to speak on science-based targets, sharing with our suppliers means for calculating long-term carbon reduction targets. During this, we again emphasized the need for our suppliers to have set comprehensive carbon reduction goals by the end of 2018 in our ongoing efforts to reduce overall supply chain emissions.



### Ongoing Academic Exchange

In 2016, we engaged in sharing and exchange with students and faculty of Tunghai University's Department of Business Administration on the subject of green branding, focusing on the attributes of green brands, how Acer has implemented CSR, key players in sustainable supply chain management, and so on. The students put forward a number of questions regarding corporate responsibility and how businesses can use CSR to make their brand greener, gaining a valuable introductory understanding of the subject.

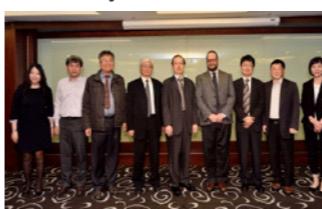


### 2017 Sustainable Resource Management Conference

"Ensuring sustainable consumption and production patterns" is one of the United Nations' Sustainable Development Goals, and in early 2017, Acer and National Taiwan University worked together to hold the Sustainable Resource Management Conference, inviting members of the academic and business worlds, along with Acer's own supply chain, to jointly discuss ability to respond to resource sustainability issues and the opportunities they present. Through linking academia and industry, we seek opportunities in sustainable development, strive to deepen the sustainable management of resources in the industrial world, and help our supply chain respond to international sustainability issues.



Dr. Iddo Wernick delivers his keynote speech



Speakers at the 2017 Sustainable Resource Management Conference

## Major Advocacy Initiatives and Participation

To facilitate more in-depth discussion of CSR-related issues and work with NGOs around the world on improving ICT industry sustainability, we have been a long-time member of organizations interested in issues of sustainability. We continually strive to make use of Acer's influence to inspire other businesses to take more proactive measures in this regard.

### Comprehensive Sustainable Development Issues

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



### Human Rights

- Electronic Industry Citizenship Coalition (EICC)
- Responsible for Public-Private Alliance for
- Responsible Minerals Trade (RPT)
- Conflict-Free Sourcing Initiative (CFSI)
- Responsible Raw Materials Initiative (RRMI)



### Environmental

- Carbon Disclosure Project Supply Chain Program
- Corporate Green Competitiveness Alliance





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## Ongoing Carbon Disclosure Program

Since 2008, Acer has been a consistent supporter and promoter of the Carbon Disclosure Project (CDP) in Taiwan. In addition to promoting the annual spring and fall CDP releases, in 2016 Acer also invited Wang Jing of the CDP Beijing Office and MSCI senior analyst Katherine Han to help Taiwanese industry stay on top of climate risk and low-carbon business opportunities through an understanding of international and Asian climate and carbon management trends and sustainable investment.

## Greenpeace Taiwan Survey

The use of renewable energy and green power have already begun to receive substantial attention among stakeholders in the ICT industry. We not only set our own carbon reduction targets, but also continue to expand our use of green power, reducing our emissions. We also work with environmental groups, such as participating in Greenpeace's 2016-2017 renewable energy use survey and participating in the press conference announcing the survey's results. These results showed that Acer and other Taiwanese ICT businesses have already begun showing progress, however they still lag behind American plants. We will continue to work toward our own targets, while also continuing to build up the ability of our suppliers to adjust and increasing our requirements on our supply chain with regard to the use of green power.

## Responsible Raw Materials Initiative

Acer is working hard with partners in the ICT, jewelry, automotive, and aerospace industries to find solutions to the issue of conflict minerals, particularly tantalum, tin, tungsten, and gold (3TG), mined in the Democratic Republic of the Congo. A growing amount of evidence indicates that mining involves a high degree of social and environmental risk, not just with regard to 3TG mining in the DRC, and as such must be managed well.

### The Conflict-Free Sourcing Initiative(CFSI)

Established in 2008 by members of the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), the CFSI has become a major organization widely used in solving the challenge of responsible 3TG sourcing in the supply chains of many businesses and industries. Its members come from more than 10 industries and over 350 businesses and associations. The Conflict-Free Smelter Program (CFSP) is one of the CFSI's major programs, providing independent third-party auditing of smelter management systems and purchasing for businesses and suppliers, verifying their adherence to CFSP agreements and current global standards.



### The Responsible Raw Materials Initiative (RRMI)

The RRMI was launched by the EICC and CFSI in 2016. The RRMI is a working group co-sponsored by the EICC and CFSI to ensure important social and environmental risks are prioritized as considerations within supply chains. Using international standards such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Human Rights as its guideposts, the group will work with participating companies and cross-sector partners.

Acer was part of the first wave of signatories to the initiative, as we believe in making responsible sourcing a priority in supply chain management. We believe that with the cooperation of all stakeholders, we can effectively improve the social and environmental conditions around mineral mining in the supply chain.



### Public-Private Alliance for Responsible Minerals Trade(PPA)

Public-Private Alliance for Responsible Minerals Trade (PPA), the 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 November of 2016, Acer attended the annual multi-stakeholder face-to-face meeting in Santa Clara, California to get an update on the status of the PPA and the progress on the 2016 activities. The event also included updates on civil society and community engagement in gold due diligence and a briefing on the security and political climate in the Great Lakes Region





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# SUSTAINABLE SUPPLY CHAIN

## Supplier Social and Environmental Management Structures

In order to fulfill our customers' expectations for high quality, innovative products, Acer works with service and manufacturing partners from around the world. Our components suppliers are concentrated around our system ODM sites, and through just-in-time production, we can rapidly provide ICT products like personal computers, tablet computers, smartphones, servers, projectors, and LCD displays, as well as BYOC and cloud-based value-creating products, enabling us to quickly meet market demands with our products.

Acer's tier one suppliers can be categorized according to the products or services they supply: ODM/OEMs, key components, assigned vendors, logistics, and services. Our manufacturing suppliers are distributed around the globe, including China, Malaysia, Thailand, the Philippines, Indonesia, Vietnam, India, Brazil, and Hungary, although our primary production base is located in China. Looking at our vendors' production locations, we see that local procurement in the China region accounts for 84% of the total procurement value. In terms of other vendor business locations, Taiwanese manufacturers account for more than 60% of procurement value.

Acer has been a member of the Electronic Industry Citizenship Coalition (EICC) since 2008, and actively participates in the coalition's activities and conferences to better understand international trends in corporate social responsibility and share in the practical experience of its members. All Acer manufacturers and service providers are required to comply with both the EICC Code of Conduct and local regulations. In addition, each year we carry out on-site EICC Code of Conduct supplier audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the workers. We also encourage our suppliers to take corporate responsibility through social and environmental responsibility management of their own suppliers, promoting the EICC Code of Conduct and working with them to help improve the working environment for the entire electronics supply chain around the world.

We continue to communicate with suppliers and enhance their ability to respond to sustainability issues, as well as encouraging suppliers to incorporate sustainable development matters into their management agendas. In line with Acer's sustainable development strategy, we hold conferences with suppliers on sustainability issues, as well as annual vendor CSR communication meetings with our suppliers, providing the latest in CSR developments and trends, as well as analyzing supply chain issues and potential actions. These meetings also provide an opportunity for two-way communication between Acer and suppliers, continuing the strengthening of the supply chain's environment and social responsibility.





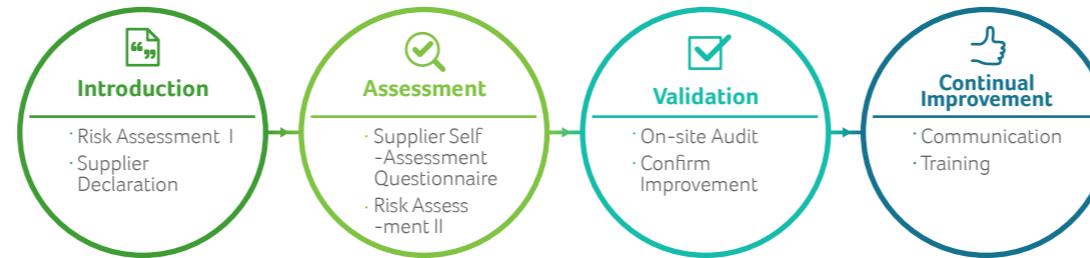
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## Supplier Social and Environmental Management Processes

We remain committed to developing social and environmental management practices and guidelines, making use of our multipartite communications channels to provide assistance to our suppliers in these regards. We have adopted the EICC Code of Conduct as our standard and refer to the EICC Supplier Engagement Process by dividing our suppliers' social and environmental management process into four stages: Introduction, Assessment, Validation, and Continual Improvement.

| **Supplier Social and Environmental Management Process Chart**

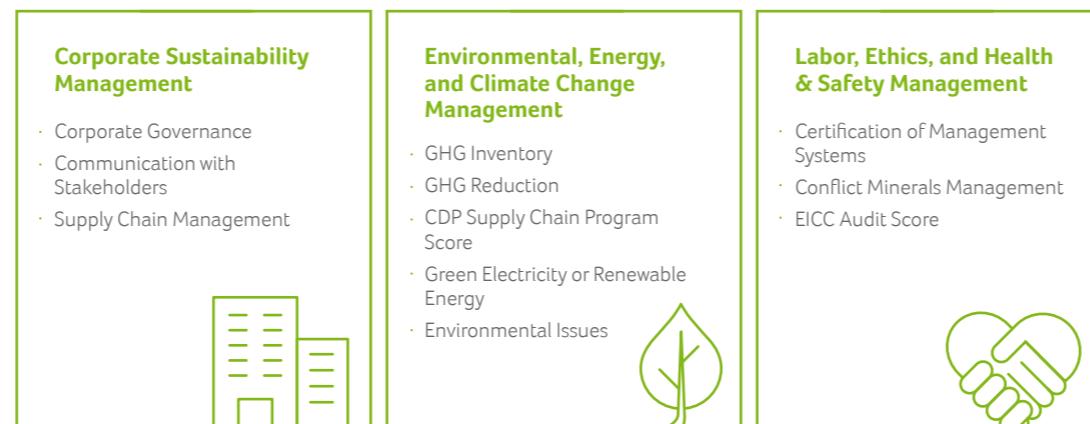


Through this four-stage process, Acer works with suppliers on important social and environmental issues to establish a sustainable supply chain.

## Vendor CSR Scorecard

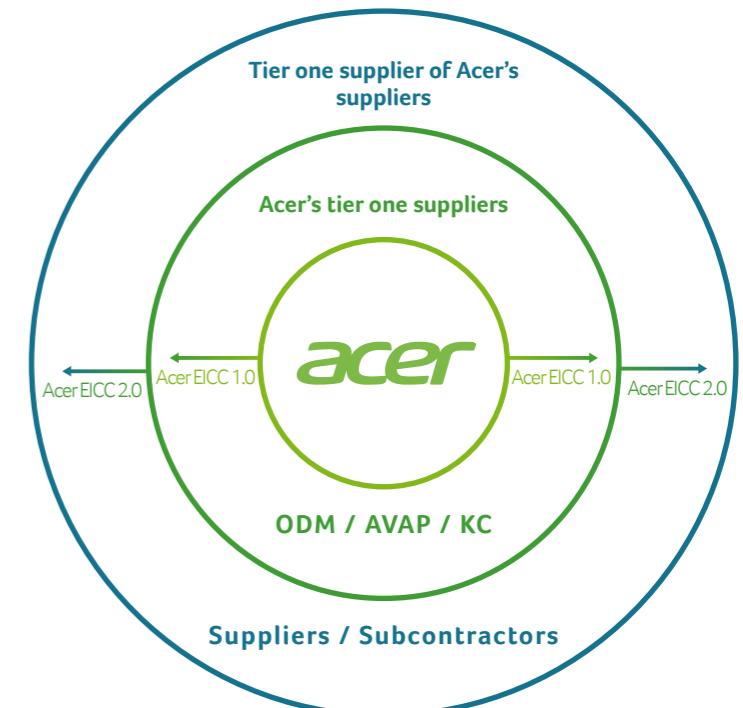
In 2013, we began implementing vendor CSR scorecard assessment in order to look at implementation and performance in CSR among our suppliers. Since 2014, we have held quarterly business reviews, providing suppliers' CSR scorecard to the senior managements of Acer and the suppliers that will hopefully motivate improvement on both sides.

| **Vendor CSR Scorecard Assessment Items Include**



In order to put into practice environmental and social responsibility in Acer's supply chain, since 2016 we have required our tier one suppliers to implement risk assessment and management for their own suppliers based on the EICC Code of Conduct. For higher risk suppliers, the tier one suppliers should carry out on-site audits and corrective action verification, which we are further incorporating into our vendor CSR scorecard.

| **Supplier Code of Conduct Audit Expansion Diagram**



Note3. EICC audits of Acer's tier one suppliers are referred to as Acer EICC 1.0; such audits conducted by tier one suppliers on their suppliers are referred to as Acer EICC 2.0.



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## Labor Rights

Acer requires the management processes related to supplier risk evaluations, on-site audits, and education & training be in accordance with Acer's requirements for social and environmental responsibility. We use the following methods to eliminate the possibility of forced labor or human trafficking taking place:

### Supplier Risk Assessments

Acer's risk assessments 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.



### 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 EICC's 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 can then suggest what improvements can be made.



### Supplier Declaration

Acer requires all components suppliers to sign our Declaration of Compliance with Acer Supplier 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.



### 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 assessments. 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 and social/human right training.

### Supplier Training

In order to uphold our responsibility to educate our suppliers and help them understand international trends, Acer holds annual supplier CSR communication meetings and related training sessions. This not only communicates international trends to suppliers, but also helps them uphold their own social and environmental responsibilities. Through our communication and cooperation with our suppliers, we are able to harness the power of an integrated Acer supply chain and create improvements in all aspects of labor rights.



Additionally, we have set out clear remedial measures regarding child labor and forced labor, ensuring that as soon as any incidence of forced labor or child labor is found in our supply chain, the affected laborers will receive the protections granted them by fundamental human rights

### Child Labor

Child labor refers to the employment of children in any work that deprives the children of their childhood, interferes with their ability to attend regular school, and that is mentally, physically, socially or morally dangerous and harmful. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Acer believes that the well-being and education of our future generations are of utmost importance. Therefore, Acer prohibits child labor in its supply chain and conducts routine audits to verify conformance to these requirements. If child labor is discovered in the supply chain, Acer will remedy the impacts of this atrocious condition by implementing the following measures.

### Child Labor Remediation Measures

- If child labor is found at an Acer supplier factory, the factory must immediately remove the child from the workplace.
- The factory where the child labor was found must send the child to have special labor health check to make sure his/her health is not affected by the work. If affected, all the fees, including medical treatment cost and living cost, must be covered by the factory.
- The factory where the child labor was found must contact the family and send the child home. All expenses related to transporting the child home must be covered by the factory.
- The factory where the child labor is found shall continue to pay the wages until the child is of legal working age.
- The factory where the child labor is found shall make sure that the child completes compulsory schooling. The factory shall provide Acer with the name and address of the school in which the child is enrolled.
- The Corporate Sustainability Officer of Acer should notify the related head of the Acer BU and BG to discuss this core non-conformance situation.
- Acer shall identify the risk of repeated child labor conditions through an unannounced audit of the affected factory within 6 months.

### Forced Labor

Forced labor refers to situations in which persons are coerced to work through the use of violence or intimidation. Forced labor takes on many forms that included debt bondage, human trafficking, and other forms of modern slavery. Acer believes that all work shall be voluntary and workers shall be free to leave work at any time or terminate their employment. Through its Code of Conduct, Acer prohibits any form of forced labor in its supply chain. Acer requires its suppliers to adhere to its Code of Conduct and verifies the conformance with routine audits. If forced labor is identified in the supply chain, Acer will take action to remedy the situation through the implementation of the following measures.

### Forced Labor Remediation Measures

- Acer shall review and investigate the findings and relevant regulation to find the gaps and problems.
- Acer shall communicate with supplier factory management and collect supplemental information.
- If confirmed that human trafficking, slavery and/or any form of forced labor exists at an Acer supplier factory, Acer will work with experts and authorities to ensure that the worker is offered a safe place to live and provided with financial assistance, the cost of which shall be covered by the factory for a period of time deemed to be sufficient by the authorities.
- The Corporate Sustainability Officer of Acer should notify the related head of the Acer BU and BG to discuss this core non-conformance situation.
- Acer shall identify the risk of repeated forced labor conditions through an unannounced audit of the affected factory within 6 months.



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## Management of Student Workers and Interns

Not only do we insist that our suppliers' use of student interns be in accordance with relevant laws and regulations, not involve the use of child labor, and provide the proper protections, we also insist that it adhere to the following five-stage management system:

### | Five-stage management system of Student Workers



## Supplier Audits

Acer insists that all suppliers that produce Acer products treat their workers in a respectful manner, using environmentally responsible manufacturing processes and providing safe working conditions. Each year we adopt the latest version of the EICC Code of Conduct, which covers the five major aspects of labor, health and safety, environment, ethics, and management system. This system is used in our on-site audits of suppliers with regard to both social and environmental responsibility, with the aim of elevating the social and environmental responsibility of Acer's suppliers.



On-site audit confirming work environment comply with regulation



Providing workers with comfortable rest areas



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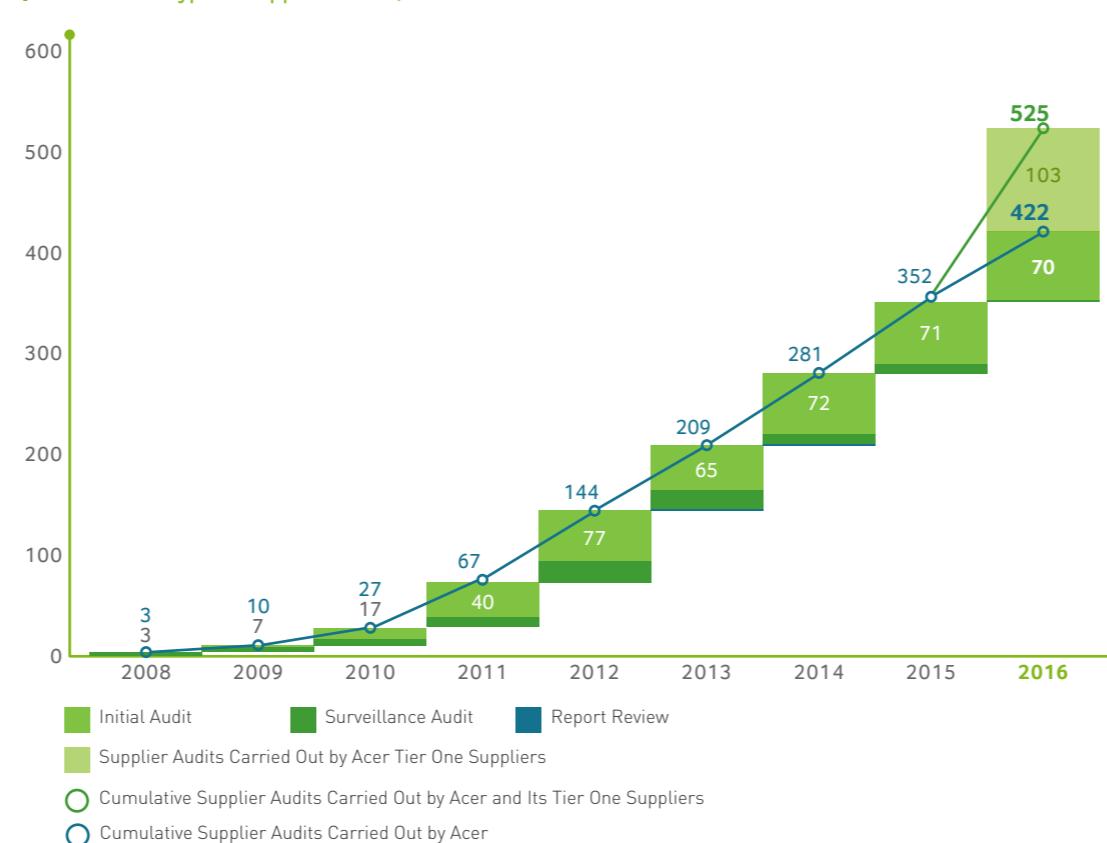


## 2016 On-Site Audit Results

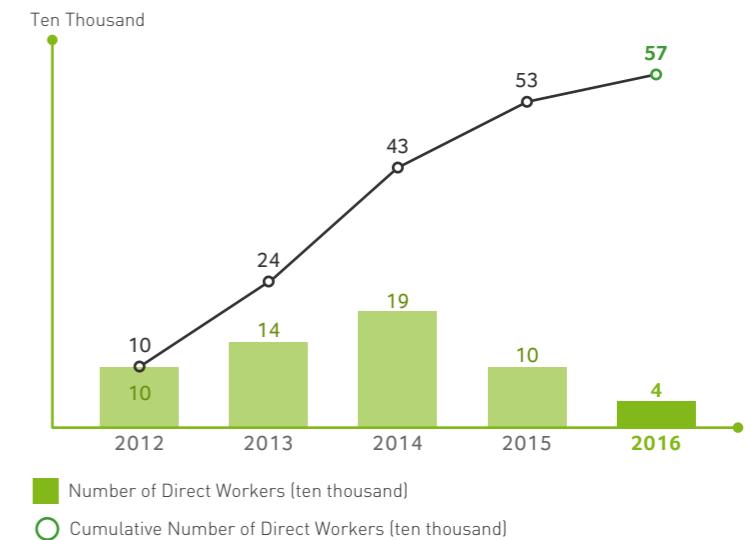
On the basis of risk-based site audit assessments, we examine the risks of the nations our suppliers are located in, as well as their manufacturing processes and production. Using these results and the other considerations of importance to our stakeholders, we then plan annual audits.

In 2016, we conducted on-site audits of the manufacturing plants of 70 higher-risk suppliers. The plants audited directly employ over 40,000 people, of whom some 450 were interviewed. Between 2008 and 2016, a total of 422 supplier audits have been carried out. Acer's tier one suppliers undertook a total of 103 audits of high-risk suppliers in 2016.

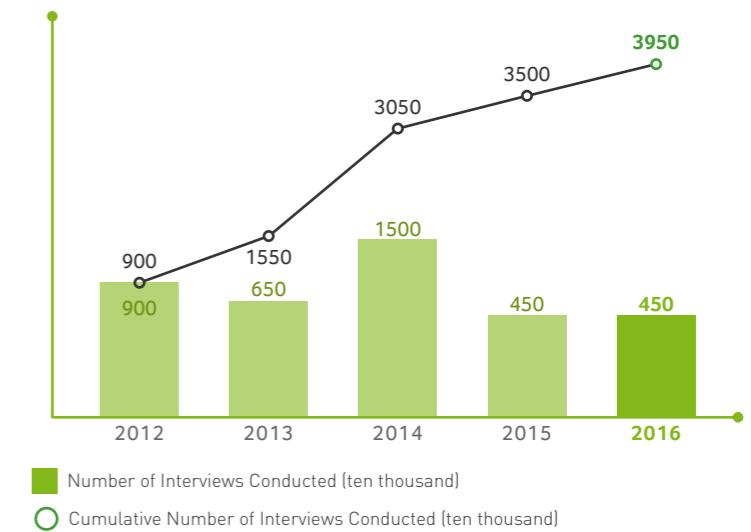
| Number and Type of Supplier Audits, 2008-2016<sup>Note 5</sup>



## | Number of Workers Subjected to Audits, 2012-2016



## | Number of Interviews Conducted in Audits, 2012-2016



Note4 : Supplier on-site audit statistics for 2016 (including number of organizations audited, audit method, and audit results) were drawn from the period 1/1/2016 to 12/31/2016.  
 Note5 : Data covers all suppliers audited during 2016, including audits by Acer management, third parties, EICC and VAP, a total of 70.



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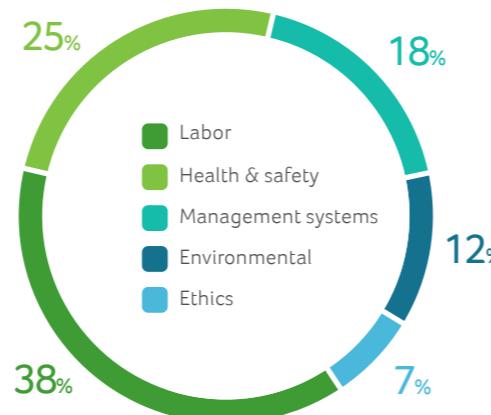
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## 2016 Audit Result Analysis Note 6

From the audit results, we find 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 2016 Audits Note 7



#### Labor



#### Health & safety



#### Management systems



#### Environmental



#### Ethics



Note6 : Data covers all suppliers audited during 2016 by Acer management, a total of 27.  
Note7 : Data covers all suppliers audited during 2016 by Acer management, a total of 27.

## Unannounced Audits

In the event of the discovery of child labor concerns, false records, or discrimination issues with a supplier, or of a supplier having relatively more priority non-compliance or a lower audit score, said supplier is then added to the list of potential subjects of unannounced audits. Subjects of such audits are notified 12 hours ahead of time of the fact an audit is impending, but not of the items that will be audited. In 2016, 2 suppliers who had received low audit scores and high risk assessments the previous year were subjected to unannounced audits, being held to even more rigorous demands regarding their practical actions and reinforcing the management of their social and environmental responsibilities.

## 2016 Improvement and Follow-up on Important Issues

Acer requires suppliers to submit a Supplier Corrective Action Report (SCAR) in response to any issues of non-compliance with the EICC Code of Conduct identified in the audit within 30 days. This SCAR will be approved in writing by management personnel 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.

To ensure that Acer's suppliers clearly convey the EICC Code of Conduct to their own suppliers, and to ensure compliance with that same code in suppliers, from 2016 we require all tier one suppliers to conduct risk assessments of their suppliers. Where risk is found to be relatively high, our suppliers must also undertake review and tracking of improvement measures. We also continue to focus on managing overtime figures for our ODM suppliers and on ensuring all staff receive at least one day off every seven days. To this end, we undertook bimonthly tracking and monitoring, and should any deviations for the targets be found, we shall require the supplier affected to implement an effective solution. Our analysis of 2016 on-site EICC non-compliance found and the relevant corrective actions is as follows:



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### | Major Issues and Corrective Actions

#### Labor



#### Working Hours

- Overtime and “one day off every seven days” standards were set down and key performance indicators set, with regular reviews of progress toward set goals.
- Integration of an attendance information system has enabled timely and effective control of employee attendance and facilitated the taking of countermeasures with regard to any employee management is notified may be potentially exceeding working limits.
- Sufficient workers shall be hired to meet production requirements, avoiding the need for overtime caused by understaffing.

#### No Discrimination

- Guidelines regarding religious faiths and understanding of employee needs have been set out.
- A mechanism for accepting requests regarding religious activity venues has been implemented.
- Demand for religious activity venues has been assessed in line with collective bargaining agreements

#### Environmental



#### Hazardous Substances

- All hazardous substances (including waste) are to be labeled, stored, and disposed of in accordance with the law.
- Hazardous substances (including waste) are to be defined and periodically subject to supervision and management.
- Incorporated into daily management items.

#### Storm Water Management

- Guidelines for preventing storm water pollution have been developed
- A list of potential spills and leaks that could lead to storm water drainage being polluted was drawn up
- People responsible for storm water emergency response and reporting within plants were appointed
- Comprehensive annual assessments are undertaken of storm water control measures

#### Health and Safety



#### Machine Safeguarding

- Machine safeguarding requirements are identified and warnings posted.
- A machine safeguarding plan has been drafted and signed-off on by the responsible unit.
- Appropriate safety and safeguarding measures have been put in place, and are subject to regular review and reimplementation

#### Occupational Safety

- Safety management control measures and safe work practices have been established
- An effective supervision and inspection mechanism has been established, with complete records of maintenance checks retained.
- Promotion and education have been strengthened.

#### Emergency Preparedness

- An effective supervision and inspection mechanism has been established and complete records of maintenance checks are retained.
- Education and awareness are being strengthened and emergency exits and accessways remaining open is ensured
- Establish an evaluation/review procedure for main lower-tier suppliers
- Undertaking evaluations/reviews and implement corrective measures, while also keeping records for future reference.

#### Management System



#### Supplier Responsibility

- An effective supervision and inspection mechanism has been established and complete records of maintenance checks are retained.
- Education and awareness are being strengthened and emergency exits and accessways remaining open is ensured.

- Establish an evaluation/review procedure for main lower-tier suppliers
- Undertaking evaluations/reviews and implement corrective measures, while also keeping records for future reference.



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## Conflict Minerals Management

### Responsible Sourcing of Minerals

The potential social and environmental impacts of the raw materials and processes involved in the manufacture of our products are of great concern to us. Among these, one of the issues of the greatest concern in the international community is the mineral trade in the Democratic Republic of the Congo, which is a major source of revenue for local armed rebel groups and a cause of serious armed conflict. Acer's Conflict Minerals Policy demonstrates our commitment to ensuring that the procurement of minerals from the African Great Lakes region involves safe working environments where workers are treated with respect and dignity, and which are both morally upstanding and responsible for the potential impacts of their operations on the environment.

### | Our Actions

## 2009 2010

Acer began communicating the issue of conflict minerals with suppliers and participating in both the EICC/GeSI Extractives working group and the Extractives Due Diligence sub-working group. Acer also contributed to the development of the Conflict Minerals Reporting Template, which facilitates disclosure and communication of information regarding smelters that provide material to a company's supply chain.

## 2011 2012

- Together with suppliers, we participated in the EICC Due Diligence Tools trial project, working with the EICC/GeSI Extractives working group to provide our Smelter List and published results as a practical action in support of the EICC/GeSI Conflict-Free Smelter Program.
- Acer joined the "Implementation Programme of the Supplement on Gold to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas," and will continue to participate by building due diligence capacity in our supply chain and in the region and sharing our experiences in program implementation.

## 2013 2014

- Acer joined the Public-Private Alliance for Responsible Minerals Trade (PPA), and began using the version 2 EICC Due Diligence tool to launch surveys of our suppliers regarding smelting plants, including the use and sources of 3TG minerals (tungsten, tin, tantalum, and gold), along with gaining feedback through surveys of smelters.
- Surveying and analyzing information on supplier surveys on conflict-free minerals, we identified smelters and refineries using 3TG. For more details, please consult the [2013 Conflict Minerals Report](#)

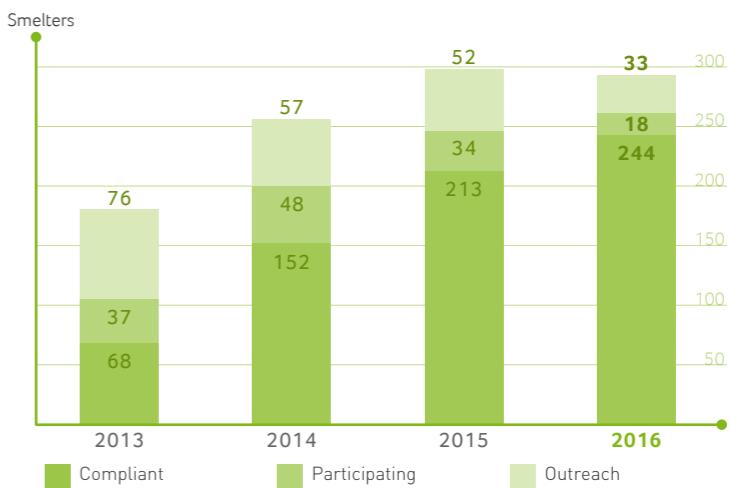
## 2015

In 2015, we continued our 2014 commitment to the [Smelter List](#), not only verifying names and countries of smelters, but also increasing the transparency of Acer's supply chain and providing stakeholders with information on the identification and compliance status of the company's smelters and refineries. For more details, please consult the [2014 Conflict Minerals Report](#).

## 2016

We completed and published our [2015 Conflict Minerals Report](#), including a summary of Acer's supply-chain due diligence, future plans, and Smelter List. This report presents the condition of smelters and the state and performance of conflict minerals management. We also worked further with suppliers to analyze smelter information and required suppliers take follow-up action toward improvements. This year, we also completed a risk management plan, continuing our efforts in a more proactive direction. In order to continue promoting responsible sourcing, Acer has been a pioneer signatory to the EICC/CFSI Responsible Raw Materials Initiative, participating in related working groups and taking a responsible attitude toward materials mining and the social and environmental impacts thereof.

As a result of its conflict minerals due diligence measures in 2016, we were able to identify 295 unique smelters in its supply chain. The number was a negligible decrease over the previous year. However, Acer saw an increase in compliant smelters from 213 to 244 in 2016. Compliant smelters now represent 83% in Acer's supply chain. The data shows the continued trend toward engaging and driving more smelters toward the Conflict-Free Sourcing Initiative's (CFSI) Conflict-Free Smelter Program. A summary of our progress year-over-year can be found on the right side.





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Acer continues to follow the OECD Due Diligence Guidance and participate in related discussions to establish due diligence capabilities in our supply chain and share our experience with them. We also continue to participate in the CFSI Smelter ID Team, as we believe that smelter/refinery identification and disposition are critical components of our due diligence procedure and of maintaining CFSI smelter data. Acer also monitors suppliers implementation of smelter management and has widely required suppliers to use smelters that are participants in the Conflict-Free Smelter Program.

We continue to hold meetings with suppliers to ascertain progress on the issue of conflict minerals, to explain Acer's commitments and supplier requirements, and to ensure they have a greater awareness and more 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 ensure the use of legal, conflict-free minerals. Additionally, we will continue to seek opportunities for more advanced due diligence surveys, verifying optimal methods and practices and working to ameliorate the conflict minerals situation in the Democratic Republic of the Congo and neighboring countries.

### Indonesian Tin Mining

Acer is aware of issues regarding labor conditions and environmental degradation associated with tin mining on the Indonesian islands of Bangka and Belitung. Therefore, Acer is committed to undertaking the following actions to remedy this:

- |  |  |
|--|--|
| <p>1 Continue to use our current conflict minerals due diligence program to improve transparency with regard to tin smelters/refiners in our supply chain that may be sourcing tin from within Indonesia</p> | <p>2 Support and follow the lead of the Tin Working Group and Sustainable Trade Initiative (IDH) in developing methods to support sustainable growth through responsible sourcing.</p> |
| <p>3 Require our suppliers to only use responsibly sourced tin from Indonesia once the methods above are identified and sufficient sources of responsibly sourced tin are made available.</p>                | <p>4 Provide periodic updates on our progress related to the above activities via our publicly available website.</p>  |

### Improving Supplier Capabilities

Acer offers information and training regarding the latest trends and developments in social and environmental responsibility, thus helping improve their ability to confront the challenge of sustainable development. We continue to invite suppliers to participate in annual supplier CSR communication meetings, CDP project briefings, and major training programs on social and environmental responsibility. This helps them get access to the latest information on global trends, while also presenting opportunities for suppliers to engage in multi-directional communication with Acer senior management or relevant industry experts. In 2016, we focused on environmental responsibility issues such as setting carbon reduction targets and supplier social responsibility.

### | Our Involvement in Cooperation and Advocacy

#### **Conflict-Free Sourcing Initiative (CFSI)**

Since its establishment in 2008, the initiative has attracted members from over 10 different industries and over 350 businesses and associations, becoming a key organization in the cross-industrial effort to resolve the challenges of responsible 3TG sourcing in supply chains.

◊ For more information, please refer to the section on Responsible Raw Materials Initiative



#### **Responsible Raw Materials Initiative (RRMI)**

Responsible Raw Materials Initiative will operate as working group, which is co-sponsored by the EICC and CFSI, to identify and prioritize the most important social and environmental risks associated with minerals extraction in our supply chain.

◊ For more information, please refer to the section on Responsible Raw Materials Initiative



#### **Public-Private Alliance for Responsible Minerals Trade (PPA)**

the 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.

◊ For more information, please refer to the section on Responsible Raw Materials Initiative





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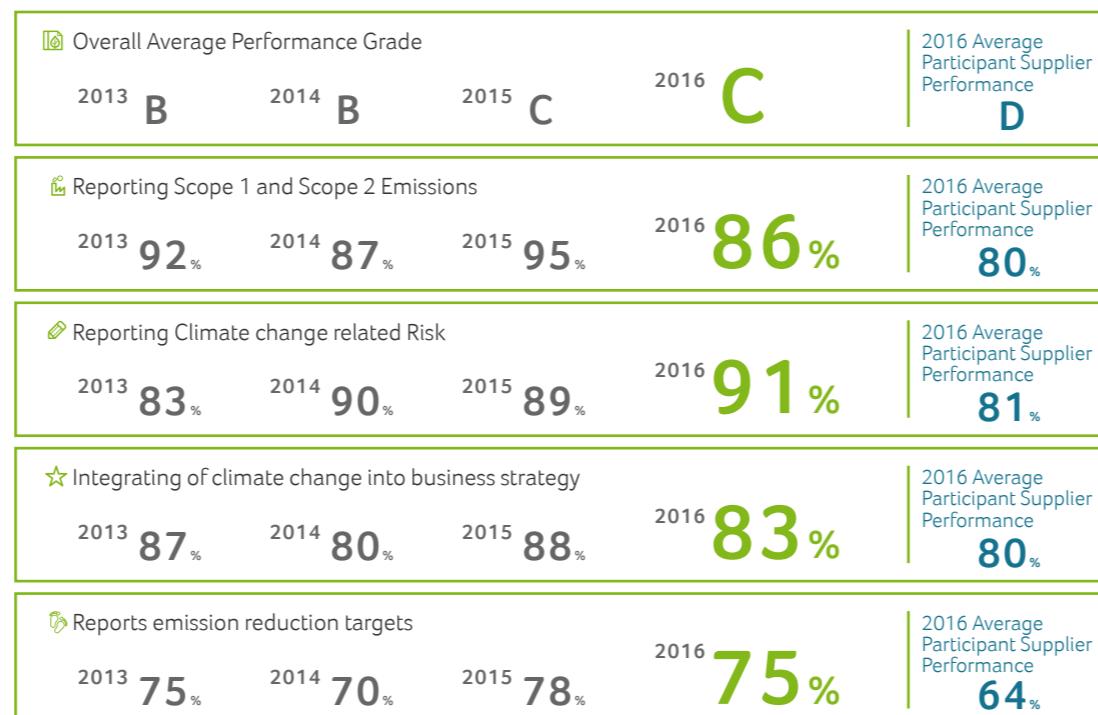


## Managing Greenhouse Gases in the Supply Chain

Acer has been a member of this CDP program since 2008, and we have encouraged our suppliers to respond questionnaires from the CDP regarding greenhouse gas emissions and policies in response to climate change. This information has then been made public or disclosed to members of the CDP Supply Chain Program. As of the end of 2016, Acer was the only company from Taiwan to be a participant in the international CDP Supply Chain Program, with suppliers performing better than the global average.

In 2016, we continued to participate in the CDP Supply Chain Program, with the response rate of CDP surveys of Acer suppliers at 86%, up on 2015's 80%. Overall performance was rated a C, remaining above the global average of D. In terms of performance in several key items, such as Scope 1 and Scope 2 emissions disclosure, climate risk identification and disclosure, and carbon reduction targets, performance was also above the global supplier average.

### Acer Supplier CDP Response Rates



(Total Suppliers=4336)

Our vendor CSR scorecard continues to address tier one and tier two suppliers' overall carbon management, carbon reduction results, and green energy usage status, amongst other items. These evaluations also include whether or not the group's greenhouse gasses inventory and verification has been completed for the year and whether or not the supplier reached its intensity reduction target of 5% and its green electricity or renewable energy usage. In the medium term, one of our key issues is supply chain management in product operations, as through this we will be able to elevate the overall performance of our supply chain in responding to climate change.

In 2016, we continued working with the CDP China Office, with a particular focus on providing Acer online courses for suppliers located in China to boost suppliers' ability to respond to climate change and stakeholder concerns. In meetings, we again stressed Acer's commitment to GHG management/reduction and the expanded use of green energy in our supply chain.

In the January 2017 CDP Global Supply Chain Report, particular note was made of Acer's concrete achievements in terms of long-term support and cooperation with suppliers to actively manage carbon and incorporate feedback from suppliers.

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## **3 DEEPEN CORPORATE GOVERNANCE**

Acer makes use of a comprehensive mechanism for coordinating the interests of the company and those of our stakeholders, thus strengthening corporate governance standards and advancing the associated culture. The company has constructed a corporate governance system atop an effective governance structure. At its heart are the three core beliefs of the Wangdao philosophy: creating value, balancing interests, and operating sustainably. With comprehensive systems guidelines, regulations, and processes in place for all of these, Acer continues to strengthen its corporate governance.





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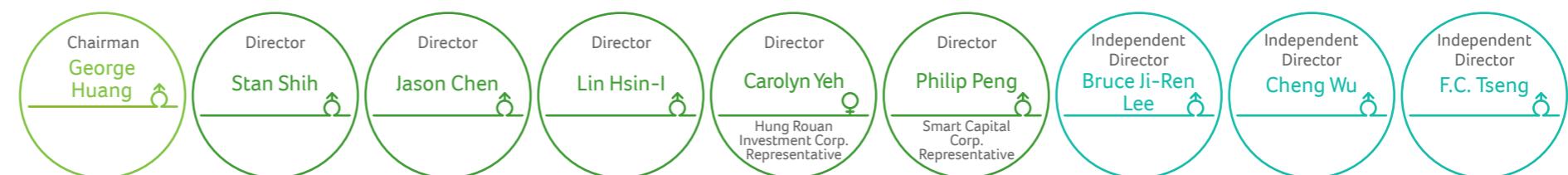
# CORPORATE GOVERNANCE STRUCTURE

## 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. Acer's directors are elected at stockholder meetings through the use of a candidate nomination system, and have all previously served in major positions with well-known companies or in relevant roles elsewhere in the business world. They are expected to have a wealth of experience with commerce, finance, accounting, and corporate operations. It is our hope that through the world-class experience, professionalism, and intelligence of figures from industry and academia, Acer will enjoy stronger participation in and supervision of its operational decision-making and corporate governance implementation, improving the company's overall operational quality.

Acer's board is composed of nine directors, each serving a term of three years in accordance with the law. Non-managerial board members account for more than 2/3 of the seats on the board (only two directors are also corporate managers), and the board includes three independent directors and one female director. In terms of age brackets, Acer aims to create a comprehensive convergence of experienced veterans and an innovative new generation, with two directors between 50 and 59 years of age, four between 60 and 69, and three between 70 and 79.

### Board Members<sup>Note 1</sup>



### I Corporate Governance Structure of Acer Inc.



Note1. For information on the academic experience and any other concurrent corporate positions, please refer to our annual report.



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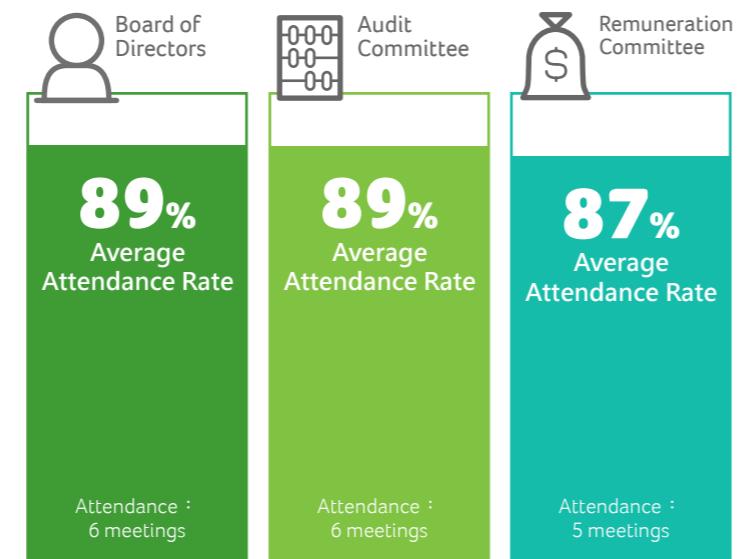
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In 2012, the company amended its rules regarding conflicts of interest. In accordance with these rules, directors or their legal representatives are expected to clarify their interests, and should there be a conflict of interest with that of the company, 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.

With regard to the everyday business of Acer (including finances, the environment, and social matters), all matters, with particular specified exceptions, are to be handled in accordance with the decision of the board. 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 of board meetings is disclosed in the company's annual reports.

### | Meeting Attendance by Board of Directors and its Committees in 2016



In November 2016, Acer completed the performance evaluation of board of directors and report. This evaluation included self-evaluations in areas including the makeup and professionalism of the board, board interaction atmosphere, board efficiency, strategic and risk management, and succession planning. Each director also gave suggestions of which issues should be priorities for the board in the coming year, helping the board's continuing operation and overall performance. To maintain the board's professional skills and strengthens, the full nine members took a variety of training courses during 2015, as laid out below:

<b>George Huang</b>	New Directions in Sustainable Industrial Development	<b>3 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>Stan Shih</b>	New Directions in Sustainable Industrial Development	<b>3 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>Jason Chen</b>	New Directions in Sustainable Industrial Development	<b>3 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>Lin Hsin-I</b>	An Exploration of Corporate Governance and Sustainable Operations as Regards Legal Liability and Forensic Accounting for Directors and Supervisors	<b>6 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>Hung Rouan Investment Corp. Carolyn Yeh</b>	New Directions in Sustainable Industrial Development	<b>3 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>Smart Capital Corp. Representative: Philip Peng</b>	2016 Corporate Governance Summit XII	<b>6 HR</b>
Business Group Governance	<b>3 HR</b>	

<b>Bruce Ji-Ren Lee</b>	Emerging Internet Threats and Trends	<b>3 HR</b>
How to Properly Manage Protection of Trade Secrets, Prevent Against Fraud, and Strengthen Corporate Governance	<b>3 HR</b>	

<b>Cheng Wu</b>	New Directions in Sustainable Industrial Development	<b>3 HR</b>
An Introduction to Important Contract Terms in Corporate Mergers and Acquisitions (with Case Studies)	<b>3 HR</b>	

<b>F.C. Tseng</b>	An Exploration of Employee Incentive Strategies and Tools for the Application	<b>3 HR</b>
Hostile Takeovers and the Legal Liabilities of Directors and Supervisors	<b>3 HR</b>	

Under the board are four committees: the Audit Committee, the Remuneration Committee, the Assets Management and Handling Committee, and the Transformation Advisory Committee. Each of these committees operates under its own set of guidelines and standards: the Audit Committee Organizational Rules, the Rules for Board Meetings, the Remuneration Committee Organizational Rules, and the Assets Management and Handling Committee Powers and Guidelines. Acer's hope is that the board and these committees will provide mutual monitoring and assistance, further elevating the group's corporate governance.



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## Acer Committees and Members

### Audit Committee



**Chair**  
F.C. Tseng

**Members**  
Bruce  
Ji-Ren Lee  
Cheng Wu

#### Committee Functions

In order to ensure robust supervision of the board and to strengthen the management mechanism that applies to the board, on June 18, 2014, Acer established an Audit Committee. This committee replaces the former Financial Statement and Internal Control Review Committee and is composed of independent directors, at least one of whom is a finance or accounting specialist. This committee serves terms of three years, and must serve again should they be reelected. The Audit Committee is headed by independent directors F.C. Tseng, current vice chairman of the board of TSMC. By having him on the Audit Committee, we hope to make use of his rich experience in all aspects of business. Having held a total of six meetings over the course of 2016, this committee's primary goals are supervision in the following areas:

- Fairness of presentation of company financial statements
- Certification of selection, dismissal, independence, and performance of accountants
- Effective implementation of company-internal controls
- Adherence by company to relevant laws and regulations
- Company's management of existing or potential risks

### Remuneration Committee



**Chair**  
Bruce  
Ji-Ren Lee

**Members**  
F.C. Tseng  
Cheng Wu

#### Committee Functions

The responsibilities of the Remuneration Committee include setting and periodically reviewing director and manager performance evaluations, along with remuneration policies, systems, standards, and structure, and to make regular evaluations of the remuneration of the aforementioned personnel. In accordance with Acer's Articles of Association, Principles Governing Remuneration for Directors, and Management Principles Governing Remuneration for Senior Officers, directorial remuneration should first be subject to advice from the Remuneration Committee and then approved by the board before coming into effect. The Company's Articles of Association also specify that, where the Company has profits at the end of a fiscal year, after paying all relevant taxes and making up losses from the previous year, the Company shall first set aside 10% of said profit as legal reserve. After the Company sets aside a special reserve in accordance with the applicable laws and regulations, and if any balance remains, no more than 1% shall be set aside as remuneration to directors. Remuneration of directors is handled in accordance with the regulations laid out in the Principles Governing Remuneration for Directors.

### Assets Management and Handling Committee



**Chair**  
Stan Shih

**Members**  
Philip Peng  
George Huang

#### Committee Functions

The Assets Management and Handling Committee is chaired by Mr. Stan Shih. In addition to Acer, Mr. Shih has chaired several investment companies and actively participates in various asset management projects. He has been appointed as chair due to his extensive experience with investment and asset management. This committee's duties include providing asset management suggestions to the board of directors and deciding on the timing, method, price, and other relevant factors of any asset management approved or licensed by the board. Additionally, the committee reports on the results of such management to the board.

### Transformation Advisory Committee



**Chair**  
Stan Shih

**Members**  
George Huang  
Jason Chen

#### Committee Functions

In recent years, the ICT industry has undergone tremendous changes, and Acer faces significant challenges, making transformation a pressing necessity. Established in 2013, the Transformation Advisory Committee has played a role in the planning and leadership of Acer's three restructurings and third entrepreneurial mission:

#### Effective 2016

- Organizational Restructuring: By splitting the Build Your Own Cloud™ (BYOC™)/smart products and Digital Services businesses from Acer's core products business of personal computing hardware products into a new businesses section for cloud-integrated services, Acer is able to accelerate its transition towards and development in new business areas. The existing core products business is similarly undergoing transformation, splitting off vertically integrated "Internet of Beings" devices into a "new core business" as previously adopted by the board and facilitating a greater focus on innovation of value, thus resulting in the change of the name to "value innovation business."
- Titan Project: Launched in 2016 with the aim of establishing a more flexible organizational structure, this project allows each business group to optimize its own systems and environment in line with its particular situation, encouraging outward-facing development of internal units and balancing of operational performance, thus fostering accelerated business development. Additionally, this split management and new operations facilitates agile alteration and adjustment of investment strategies, helping with the search for new opportunities for cooperation and further innovation in value.

## 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. Since the elections held for all board positions at the 2014 stockholder meeting, Acer has continued to revise and amend a variety of internal guidelines, including establishing the Audit Committee to replace the supervisory function, in line with the latest articles. After the 2017 re-election of board members, Acer's board of directors and its four subordinate committees will continue striving for innovation as the company continues to follow the Acer Corporate Governance Blueprint. Using this blueprint, the company will continue establishing a model of governance with its directors and managers at all levels while achieving each goal set in the blueprint and thus furthering the deepening of corporate governance.



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### | Governance Roadmap



### Regulations

1. Articles of Incorporation
2. Ethical Code of Conduct
3. Corporate Social Responsibility
4. Rules of Procedures for Shareholders Meetings
5. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders with Controlling Power
6. Internal Control System
7. Rules of Procedure for Board of Directors Meetings
8. Procedures Governing Election of Directors
9. Continuing Education for Directors
10. Responsibilities and Duties of Independent Directors
11. Audit Committee Charter
12. Remuneration Committee Charter
13. Assets Management and Handling Committee Charter
14. Other Functional Committee Charter
15. Regulations of Finance and Business of Subsidiaries
16. Management of Transactions with Affiliated Persons
17. Disclosure for Material Inside Information & Merger & Acquisition Information
18. Procedures Governing the Acquisition and Disposal of Assets
19. Procedures Governing Loaning of Funds and Making of Endorsements /Guarantees
20. Procedures for Derivatives Trading
21. Principles of Antitrust and Fair Competition
22. Rules Governing Insider Trading
23. Rules Governing Internal Auditing
24. Gender Equality & Personal Data Protection



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# LEGAL COMPLIANCE

## Code of Ethics

Acer's Standards of Business Conduct were developed to serve as a reference for staff behavior, ensuring that all Acer staff act in accordance with the highest legal and ethical standards to safeguard the interests of stakeholders and promote stronger governance and communication with stakeholders. <sup>Note 2</sup> These Standards are oriented around the core values of Acer: passion, user-orientation, innovation, teamwork, balancing interests, and integrity. They offer specific guidance with regard to fair competition; respect for the environment; intellectual property rights; conflicts of interest; the banning of improper payments, gifts, or hospitality; political contributions and activities; and so forth.

Acer has always prided itself on being compliant with the law, and as such 2016 saw no incidences of:



In addition, each business unit of Acer Inc. is required to adhere to the Anti-Bribery and Corruption Policy, and corruption risk analyses are undertaken across the company. Acer also proactively sends letters to suppliers and clients making clear the company's anti-corruption stance and requesting they refrain from presenting Acer staff with any improper gifts, hospitality, or money. Moreover, the Company's anti-bribery and anti-corruption policy are officially addendums to the new contract since from 2016.

Overall, in 2016 Acer found no cases of violations of anti-bribery and corruption policies, nor was the company litigated for anti-competitive, anti-trust, or monopolistic behaviors.

Note 2. Acer Group Standards of Business Conduct. <https://www.acer-group.com/ag/zh/TW/content/employee-relations>



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## Customer Privacy Protection

Acer is thoroughly aware of the importance of the protection of customers' personal information and privacy, and as such we strictly adhere to a policy of personal information and privacy protection. 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, there are always risks of hacking or intrusion into online systems, and relevant technology is constantly changing. As such, the company is not only always revising the necessity for obtaining consumer information while also strengthening information security measures, but also laying out systems for the dispersal of risk through information security protection systems in order to provide its customers with an extra level of privacy protection.

Our customer privacy protection measures include:



In June 2016, Acer America Corporation (AAC) identified unauthorized access to a portion of consumer transaction data through their e-commerce platform by a third party. Credit card companies were immediately notified, as were any consumers who may have been affected by the intrusion. As well as promptly making any necessary adjustments to information security measures, the company also informed relevant law enforcement agencies and has cooperated with investigations. While the AAC platform is independent of other e-commerce platforms under the Acer Group, there is no sign of any other websites having been affected, and there has been no immediate substantial negative impact on Acer's business or finances, the company has nonetheless taken great heed of this incident, and will in future continue to exercise great vigilance and seek to cooperate with external information security experts in order to strengthen the security of its systems, its protective measures, and its contingency handling mechanisms.

In line with the Personal Information Protection Act, on October 22, 2012, Acer enacted the Principles for the Management of Personal Information, along with guidelines applicable to highly confidential information such as the Guidelines for Management of the Use of Personal Information in Promotional Activities, Guidelines for Interdepartmental Use of Personal Information, and Guidelines for Handling of Usage Rights for Personal Information by Relevant Parties.

Acer regularly provides courses in protection of personal and confidential information to new colleagues, in 2016 we have 242 employees take the training. In order to enhance the awareness and ability of the Company's internal staff for personal data management and information security issues, Acer held two "Understanding the Personal Information Protection Act" sessions for all staff who is in charge of personal information management in the end of 2016 with participation number of 82 people in total.



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# INTERNAL AUDITS

Acer has set up an internal audit system directly under the board of directors

## The primary goals of which are

- Inspection and assessment of internal control systems and their effectiveness
- Measuring the effectiveness and efficiency of operations
- Ensuring the reliability, timeliness, and transparency of reporting, and its compliance with relevant legislation
- Providing timely recommendations for improvement and ensuring the sustained effectiveness of internal control operations



## Key practical measures

- In accordance with relevant regulations from Taiwanese management, carrying out audits in line with the annual audit plan and carrying out irregular audits as risk considerations require
- Issuing audit reports and tracking improvements
- Communicating audit results to independent directors and presenting report to Audit Committee and board of directors.
- Regularly revising internal control systems and internal audit enforcement rules, conducting annual self-assessment regarding internal controls



In late 2014 Acer set up [whistleblower@acer.com](mailto:whistleblower@acer.com), encouraging people inside and outside the company to directly report any incidences of fraud, corruption, breaches of the SBC, or any other activity that is illegal or a counter to good corporate governance. Addition to that, people can also report to personnel, legal, or auditing department. Each report passed on to the appropriate authorities for confidential investigation. In 2016, Acer received a total of five reports related to code of conducts. These reports were investigated in conjunction with the relevant departments in a confidential manner. The results of investigation were not put on record of violation, but the facts and findings reported to the Audit Committee and board of directors in 2016.



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# SUSTAINABLE RISK MANAGEMENT

The ultimate goal of Acer's business philosophy is sustainability. Our stringent commitment to risk management not only represents the seriousness with which Acer takes its long-term commitment to its customers, partners, and shareholders, but also ensures stable operating performance and concrete actions toward the implementation of corporate social responsibility. It is our belief that sustainable corporate development and risk management are inextricably linked, and only tireless efforts toward the identification of changing risks and effective implementation of relevant risk management mechanisms can ensure the company's hard-won results are actually sustainable.

Acer collects and evaluates potential strategic, operational, financial, and hazard risks that could impact the company's operations, setting out management policies and enforcement mechanisms and organizations in response to ensure risks are controlled and responded to appropriately. For the sake of ongoing monitoring, strengthening of risk management, timely response, where risk has been identified, it is included in routine meetings of the Audit Committee, where it is taken into consideration alongside the operating conditions of the company and a decision regarding the relevant department and issue is made.

## Acer's Risk Management Framework

In late 2012 Acer established the Risk Management Workgroup, which spans the Legal, Finance, Human Resource, Supply Chain Management, Marketing, IT, Environmental Safety and Health, Asset Management, and Product Business Groups and the Corporate Sustainability Office.  
Note 3 Every year, the workgroup holds regular meetings, inviting group members to identify and discuss operating and emerging risks the company may face in the three broad categories of economic, environmental, and social risk.

Note3. The risk identification process begins in Q4 each year and is completed in Q1 of the following year.

### Board of Directors

In order to ensure robust, strengthened corporate governance, the board decides upon the strategic direction for risk management, while also adjusting to each kind of operating risk, drafting relevant guidelines, and specifying responsible units. The board is also responsible for monitoring the implementation of controls and management with regard to the risk management items reported by management and committees underneath them, further strengthening internal management functions and improving risk management effectiveness.

### Audit Office

Audit Office regularly reviews and monitors internal control processes, annual audit plan, etc.

### Management

Management is responsible for supervising adherence to risk management strategies and conducting regular effectiveness assessments

### The Corporate Sustainability Office

The Corporate Sustainability Office is responsible for identifying and management sustainability risks, and for the implementation of analytical methods to discriminate between various operational risks, including forward-looking social and environmental issues risk management, and drafting follow-up management plans to mitigate the impact of said risks to organizational operations

### Global Human Resources Headquarters

Global Human Resources Headquarters is responsible for the implementation of HR policies, including planning, organization, guidance, control, and coordination of hiring, performance evaluation, and remuneration, as well as for the realization of enterprise developing goals and the creation of adaptable organizational systems

### Global Brand Marketing & Strategic Operations Planning Center

Global Brand Marketing & Strategic Operations Planning Center is responsible for business intelligence & market analysis, supply chain risk management, brand & PR risk management, strategic planning for quality assurance risk, and managing/implementing relevant improvements.

### Global Legal Headquarters

Global Legal Headquarters is responsible for legal risk management, reviewing and processes contract disputes, etc. to reduce legal risk

### Global Information Technology Headquarters

Global Information Technology Headquarters is responsible for the construction and planning of overall IT systems and information security management.

### Head Office

Global Financial Information Head Office is responsible for business analysis and planning, management of financial information integration and investment, and for responding to relevant risks.

Global Funds Head Office is responsible for finance-related planning and for relevant risk sharing and insurance allocation.

Global Taxation Head Office is responsible for overall planning and coordination of international investments, and for planning, managing, and responding to tax risk.

Global Accounting Head Office is responsible for verifying and checking hedging transactions, ensuring validity of transactions and reliability of financial statements.

### Head Office

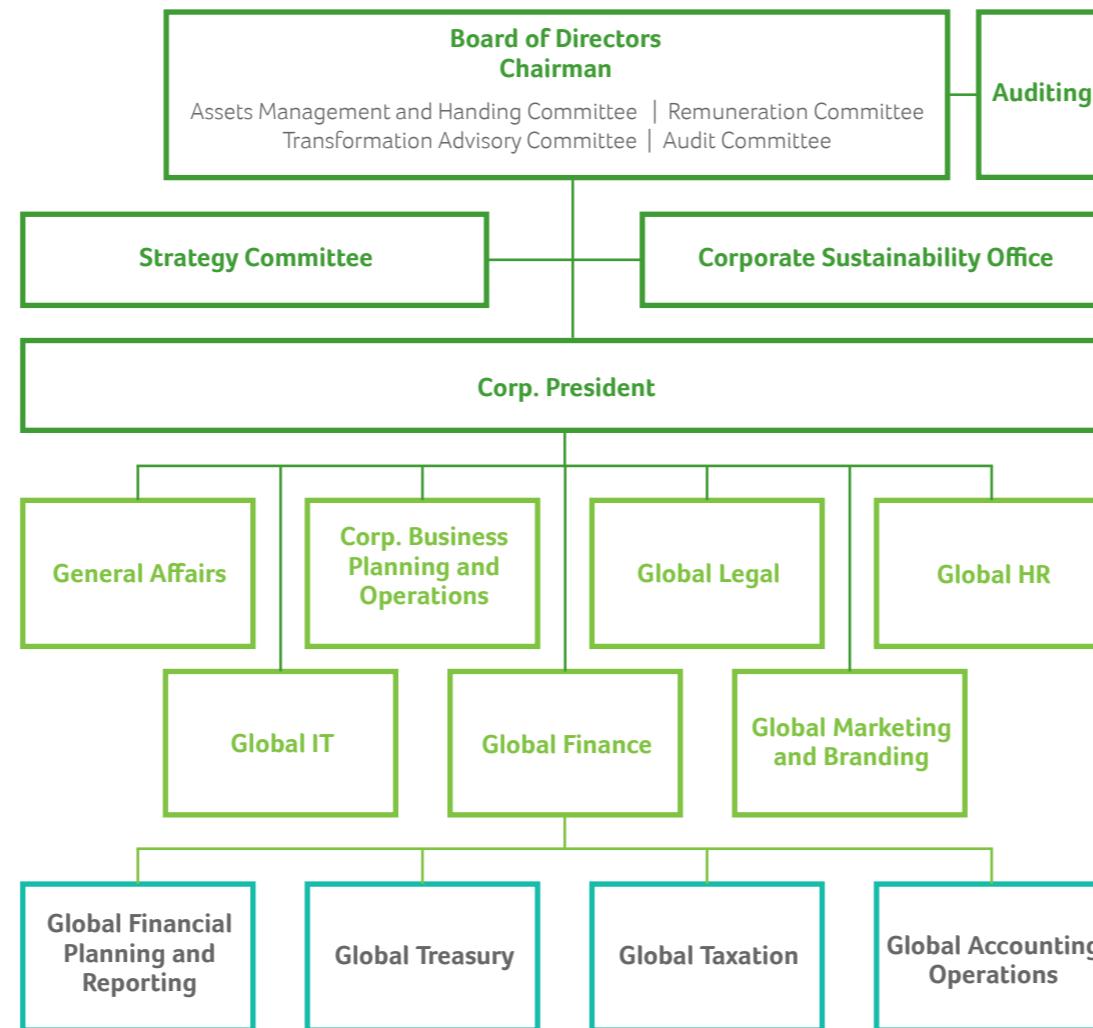
Head Office is responsible for risk management regarding environmental health & safety and potential risks to group assets.



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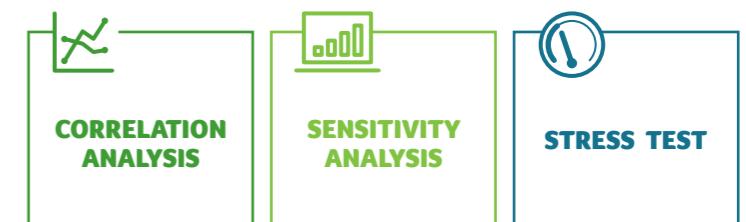
### | Acer's Risk Management Framework



### Risk Identification

The Risk Management Workgroup makes use of risk maps to evaluate the possibility of various forms of risks eventuating and the level of loss that would be incurred should they occur, as well as analyzing the potential threat presented to the company by those risks. The Workgroup also undertakes categorization of risks to ensure that corporate risk management policies are appropriately prioritized. At the same time, using the following risk analysis and testing methods, the Workgroup pursues further quantitative analysis of each form of risk and examines whether there exists a high correlation between risk factors.

The Risk Management Workgroup aggregates the results of each of these analyses and tests, after which they draft follow-up action plans and report to the convener of the Workgroup. Material risk information is also provided in Audit Committee reports. In 2016, the Risk Management Workgroup identified a total of 62 risk items, of which 8 were categorized as medium-high risk or higher, including Intellectual Property Risk, market risk, foreign exchange risk.





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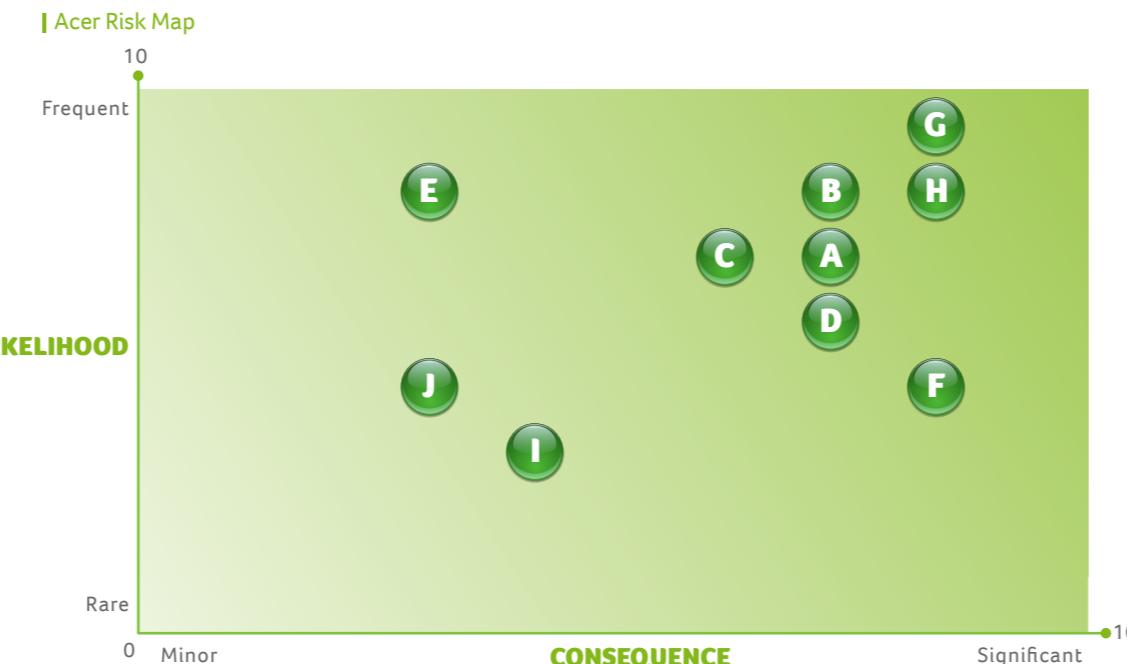
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**I Interconnection Map of Main Risks**



Note 4.Risk maps primarily indicate risk items at or above medium-high risk, however they also contain some medium or lower risk items, with some risk items presented in a categorical fashion.

Note 5.Risk factor relevance analysis is only undertaken on risk items categorized at medium-high risk or higher.

**I Risk Items**

#### A Cyber Risk

Losses resulting from personal information leaks, malware, viruses, or hacking

#### B Foreign Exchange Risk

Losses in asset value due to currency fluctuations

#### C Credit Risk

Risks resulting from repayment ability or willingness

#### D Asset Devaluation

Losses resulting from devaluation of assets as calculated according to relevant accounting standards

#### E Climate Change Risk

International conventions and losses resulting from climate change

#### F Risk of Business Interruption

Losses resulting from interruption of business due to accidents

#### G Intellectual Property Risk

Including patent litigation launched by competitors regarding intellectual property rights

#### H Market Risk

Risks including excessive competition or fluctuations in commodity prices

#### I Supply Chain-Related Risk

Including issues of stability and reliability of sources and supplier protection and management of environment and labor rights

#### J Human Resource Risk

Including risks such as labor shortages and loss of senior management talent



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With regard to risk items that have already been identified and analyzed, staff of relevant departments are assigned to draft follow-on risk management strategies and plans for their implementation, including such commonly seen risk factor response methods as loss prevention, avoidance, separation & duplication, risk transfer, and risk retention. They also evaluate appropriate investment of resources, implementation priorities, and methods for following-up on progress. At the same time, they draft risk contingency plans and crisis management mechanisms in order to mitigate the potential adverse impacts of risks on business operations.

In summary, we continue to be actively engaged in risk management, aiming to implement forward-thinking prevention measures and to confront future risks and challenges with an attitude of prudence. The Audit Committee also aggregates risk environment, risk management priorities, risk assessment, and response measures, with the chair reporting this to the board. Below are the issues covered in the 2016 report



## Emerging Risks

In addition, with regard to the two primary emerging risk items identified by the Risk Management Workgroup (information security risk and trade protectionism risk), we have invited staff from the relevant departments to undertake in-depth discussions in hopes of evaluating any potential adverse impacts of these emerging risk items on the company through discussions and focused thinking. With regard specifically to information security risk, the Risk Management Workgroup has not only determined the types of losses that may occur, including reputational damage, damage to revenues, interruption of services, and leakage of confidential information, but has also worked with the IT Department to set out fundamental information security practices and plan for the introduction of the ISO 27001 international information security standard. We will continue to focus on long-term developments in information security risk and on reviewing and strengthening relevant information security operational principles.

- Reviewing services open to the outside
- Using the principle of least privilege and encryption
- Verifying and protecting end-point security
- Paying attention to application security
- Educating users
- Seeking out and addressing the weakest links
- Paying attention to the latest norms in information security and understanding the latest attack methods



With regard to future developments in and potential negative impacts of trade protectionism risk, the Risk Management Workgroup has determined the types of losses that may occur, including declines in product sales or market share caused by political economical instability and increasing labor costs caused by relocation of production sites. We will pay close attention to long-term developments with regard to trade protectionism and continue to develop new markets and sales channels to diversify operating risks and reduce uncertainty caused by trade protectionism.

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# 4 TECHNOLOGY FOR THE FUTURE

Innovation is one of Acer's core competencies. We are committed to research, development, and innovation, as well as to gaining a deep understanding of what both customers and markets demand. By combining these with cutting-edge technology, we are able to provide products and services that are innovative and reliable. We also share resources with our partners through a variety of channels, creating innovative cooperation in this rapidly changing industrial environment and mutually seizing the possibilities.

Acer has always been committed to a quality policy of delivering competitive products and services on time to customers with zero defects to customers on time. We aim to provide professional products and services fueled by the credo "Proud to serve, Proud to be Acer." We strive to provide safe products with strict quality control and a thorough and improved customer service system, ensuring our customers can enjoy the fun and usefulness of technology with peace of mind.





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# UN SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the United Nations officially published their Sustainable Development Goals (SDGs), covering 169 targets and 17 goals across the major sustainable development challenges and issues faced by humanity, including “good health and well-being,” “no poverty,” “zero hunger,” “quality education,” “reduced inequalities,” “life below water,” “life on land,” “climate action,” and “affordable and clean energy.” The United Nations has called on governments, corporations, and individuals to come together to contribute to the sustainable well-being of mankind. The UN SDGs are oriented toward sustainable corporate development, and by spreading technology, Acer aims to help through innovative solutions to problems, improved quality of life, and realization of visions of sustainability. BeingWare not only represents a new operating model for Acer in the IoT age, but also provides a much-needed platform for transition in response to the era of cloud computing to Taiwanese industry. And from the perspective of people, BeingWare provides a comprehensive integration of hardware and software products for particular groups, maximizing benefits for both business users and consumers alike and leveraging the strengths of several fields to form a new vertically integrated cooperative model.

Through discussions with senior management of each business group, Acer has linked technology, products, and services with the UN goals; laying out a business development strategy; and looking at how we can continue employing our core competencies to address the needs of society and the UN SDGs. In 2016, Acer launched a variety of products and services responding to society's needs.





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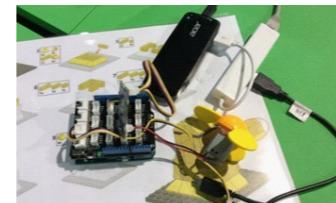
## E-Learning



In Response to SDG  
**QUALITY EDUCATION**

### CloudProfessor IoT Teaching Module

Now, in the era of the Internet of Things (IoT), Acer holds as its mission “breaking down barriers between people and technology,” and to this end created CloudProfessor, a teaching module focused on the Internet of Things, to help beginners quickly get to grips with the world of connected devices. In the past, program design was something most people considered imposing and impenetrable. By combining peripheral sensors and control components, CloudProfessor enables users to learn how to design IoT devices using personal devices including notebooks, tablet computers, and smartphones, providing a relaxed way for young people to learn programming. In 2016, Acer organized a CloudProfessor Summer Camp, providing three hours of programming lessons with simple instructions that helped the children quickly get to grips with the idea of the IoT. Then, they were able to use a programming language to send commands and make their ideas reality, while also opening a new door for their futures.



CloudProfessor enables users to easily express their creativity through the creation of IoT devices



For more information on our CloudProfessor camp, please see Chapter 6.  
<https://www.facebook.com/CloudProfessor/?fref=nf>

## Chromebook for the Education Market

As technology advances, students and teachers rely on technological tools more than ever to help boost educational outcomes. In response to the needs of the modern educational environment, Acer is constantly providing new resources and developments. The all-new Acer Chromebook Spin 11, with its shock-resistant design and specially strengthened structure, has been designed with special consideration for the accidental bangs and bumps of the school environment. Whether squished in a school bag or dropped off a desk, the upper part of this notebook’s case can withstand up to 60 kg of pressure, while the corners boast improved shock resistance, capable of surviving a 122 cm fall undamaged. Additionally, its special drainage system means the Chromebook Spin 11 can withstand up to 330 ml of water splashed on it with the liquid specially directed away from any important components. It also uses a special embedded keyboard design to prevent students from pulling off or changing around keys and further preventing damage to the notebook, letting teachers and students alike feel at ease.

Since our first Chromebook in 2011, the series has been warmly received around the globe and seen its market share constantly rise, sitting at the top of the global charts for three straight years at 28% market share.



Educational notebook

## Experience “Along the River during the Qingming Festival” in Virtual Reality

Virtual reality has caught the world’s attention primarily for its ability to let people get a sensory experience of simulated realities that feel ever more real. As part of the 2017 Taipei International Book Exhibition, the National Palace Museum worked with Acer to run an exhibit entitled “National Treasures for All to Enjoy,” creating a “museum without walls” in VR and showcase the connection between digital technology and culture and the arts. Part of this showcase included bringing visitors inside the ebook “A Gem of Chinese Painting,” about the Song dynasty painting “Along the River during Qingming Festival.”

As each person is accustomed to a particular field of view as their eyes move, VR’s handling of interpupillary distance and eye tracking is able to expand perspective and provide images that are clearer and do not get distorted as they are zoomed in. Users can enjoy a natural experience in the world, immersing themselves in the lifelike painting. The innovation of VR technology can greatly increase opportunities for exposure to the arts and culture among the general public, serving as a valuable means of expanding education.



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## E-Health



In Response to SDG

# GOOD HEALTH AND WELL-BEING

## aBeing Wellness

Ministry of Health and Welfare statistics show that chronic illness is one of the main causes of death among Taiwanese. aBeing Wellness helps organizations involved in healthcare services to use wireless health measurement equipment and wearable devices to collect physiological data and provide sufferers of chronic diseases better monitoring and remote care services. Through aBeing Wellness' health management platform, wireless measurement equipment and wearable devices collect physiological data and, through the service, offer service providers healthcare recommendations.

In 2017, Acer is also working with Changhua Christian Hospital's Telecare Health Service Center to provide remote, cloud-based healthcare services. The hospital has incorporated aBeing Wellness into its systems, using the platform to provide long-term tracking and management services for sufferers of chronic illnesses.

Health monitoring applications are primarily used in helping undertake daily self-care management, enabling users to use blood pressure monitors, blood glucose meters, and smart wearable devices to measure, record, and monitor physiological data. Through the aBeing Wellness platform, this data can be collected and analyzed with cloud computing and transmitted to an expert team that can, at the first signs of abnormalities, promptly provide appropriate advice through smart devices or contact the relevant healthcare provider. Patients with long-term care requirements can, through smart devices and highly interactive video communications, get distance consultations with healthcare professionals, overcoming the hurdles of distance and time to get instant access to professional advice and feedback.

## grandPad—A Tablet for the Elderly

Modern technology is constantly evolving, and many of the older people around us can find it difficult to keep pace, finding many ICT products unfamiliar and difficult to figure out. The grandPad is designed especially for the elderly, with an enlarged bezel for better grip, a special shock-resistant protective shell, and wireless charging, for those whose eyesight isn't quite up to the challenge of plugging in a tiny charging cable. The specially designed speaker and camera make seeing and hearing video chats or taking photos easier, while the brightness and resolution of the screen are both such that they help look after elderly eyes. The grandPad offers the older generation a safe, easy means to socialize digitally and enjoy modern life with family and friends.



## Smart Biking Computer

With cycling on the rise worldwide, in 2016 Acer released the XplovaX5, the world's first smart biking computer with an embedded camera, to help satisfy the growing desire for healthy lifestyles. The camera activates automatically based on changes in heart rate and speed, giving riders a way to actively adjust their training rhythm and optimize both their training and their fitness. The Smart Sign Guidance functionality lets riders design their own unique routes, using GPS coordinates and height to plan out several navigation points and enabling the computer to give accurate guidance while riding. At the same time, this system can provide on-the-spot information on destinations along the way, including distance to the next rest stop or distance to, slope of, height of, and starting point of the next uphill section. It can also make adjustments to intensity and rhythm based on up-to-date route information.

<https://www.youtube.com/watch?v=PMuxdfe2y6s>



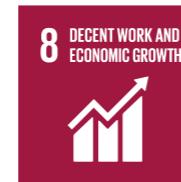
Xplova provides to fans of outdoor sports a technology platform to ensure fun, efficiency, and safe of your group activity.



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## E-Business



In Response to SDG

## DECENT WORK AND ECONOMIC GROWTH

### abUC

abUC Office Communications 4.0 is an innovative communications product. In the process of digital transformation, many businesses tend to overlook how crucial corporate communications are to success. With mobile offices and international intracorporate communications near omnipresent, we have designed a communications service built around reliability and flexibility, creating a new way to effectively bring colleagues together and improve business efficiency and competitiveness. Bringing together office telephones and smartphones to provide a comprehensive system for business users that boasts a high level of information security, our system turns smartphones into transportable, personal desks/extensions, boosting work efficiency, dramatically reducing costs, and improving the quality of service clients receive.

Compared with traditional enterprise communications solutions, which can involve complex devices and usage limitations, as well as comparatively high setup costs, and may lack flexibility for future expansion, abUC Office Communications 4.0 is a smart mobile office solution for a new era. Not only can it streamline the communications process, improve administrative efficiency, and greatly reduce time costs, it can also help staff communicate in a more flexible way, avoiding the potential to miss important calls.





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## Smart City, Smart Mobility



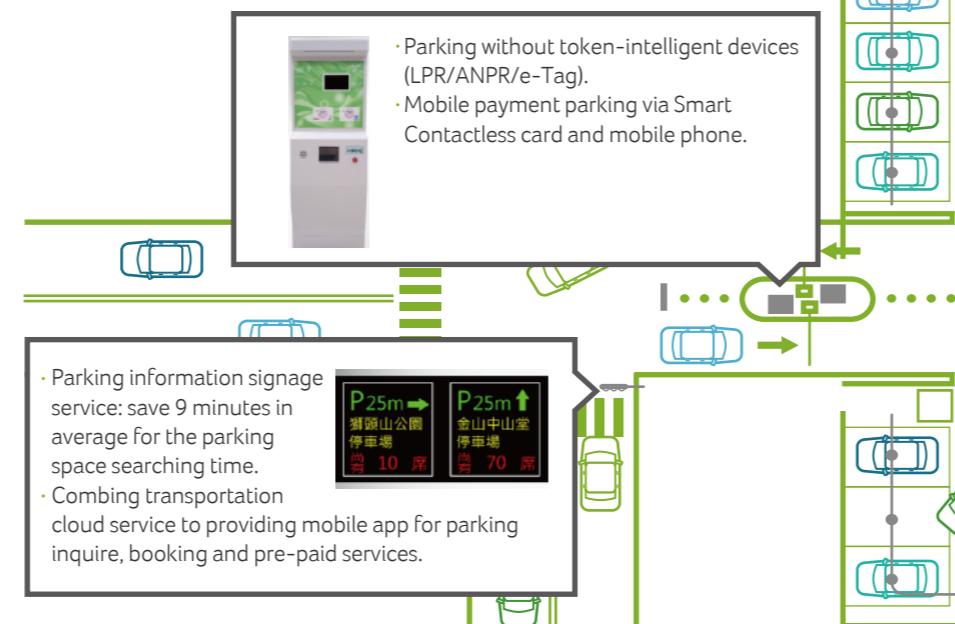
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## SUSTAINABLE CITIES AND COMMUNITIES

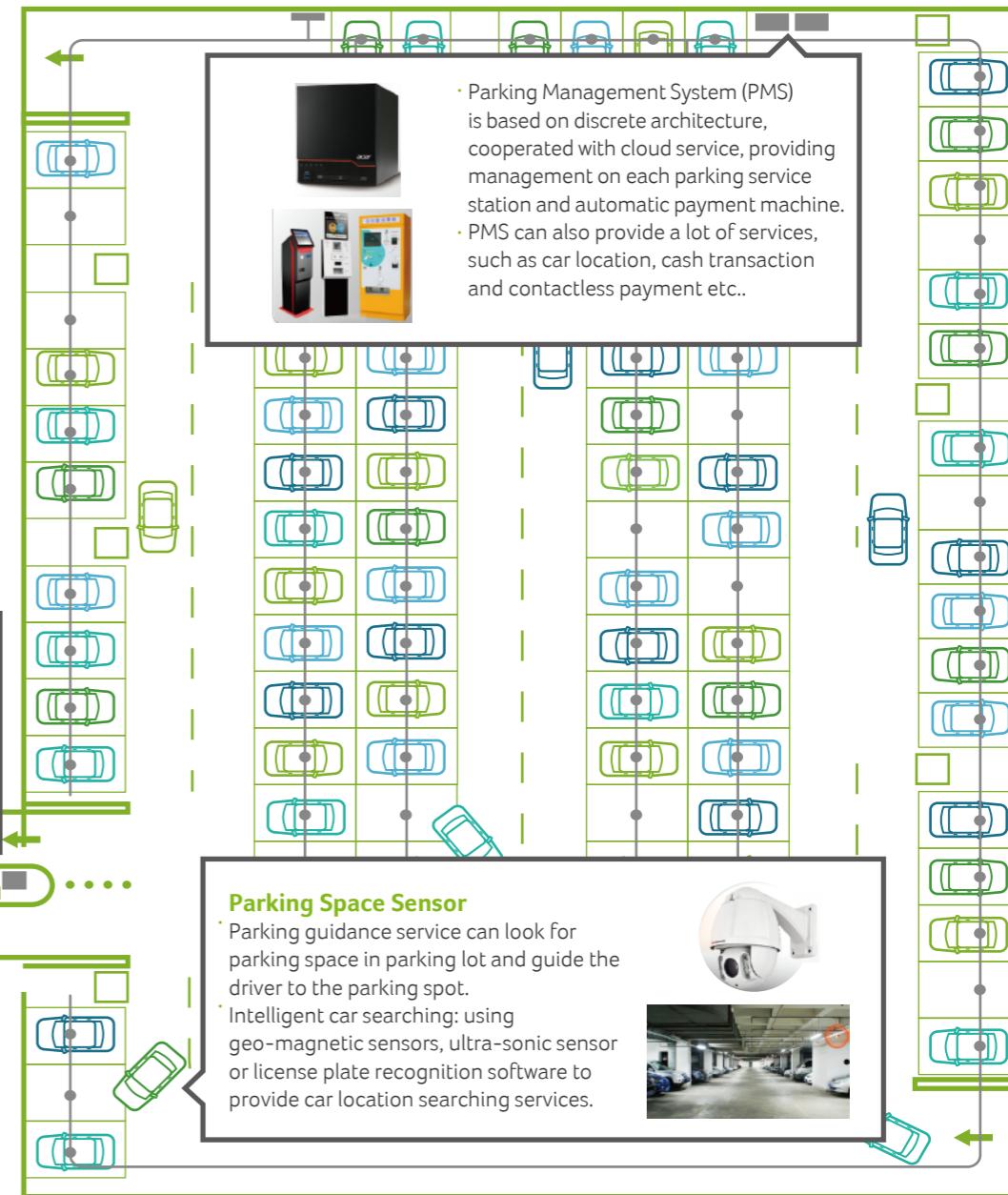
### Using BeingWare to Create New Value for Industries and Connect them to the World

In the future, as much as 70% of work could be transformed by the Internet of Things. Facing the rapid development of this revolutionary technological paradigm shift, it is imperative that Taiwanese industry upgrades and restructures in preparation.

Through the BeingWare Traffic, aBeing Wellness, BeingWare Commercial Applications, and BeingWare Lifestyle Mobilization Solutions, Acer is demonstrating how future “smart cities” could develop and setting force a vision for smart cities in a new Taiwan, “Si-nnovation Island.” A comprehensive driver for economic development and industrial transformation, this approach opens up new possibilities for Taiwan and her youth.



## Smart Parking





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## Smart Parking App

Acer's smart parking project provides drivers a convenient, smart, cloud-based parking service. Through the Parking Lot app, drivers can quickly find empty parking spaces around them, including with recommendations for the lowest-cost, closest, and most popular lots, how many spaces are available, how much they cost, and how to get there with satellite navigation. When entering a lot, drivers can use the app's QR code functionality to enter, cutting down on the hassle of tickets and their potential to go missing. The app can also be used to pay by incorporating license plate recognition, while smartcards can also be used, further eliminating the fuss of paying in cash. So far, over 300,000 drivers across Taiwan use this service, and in 2016 user numbers grew some 580% on the previous year.

Parking Lot app <https://blog.parkinglotapp.com/>

## Achievements in 2016



2016 Review Data: <http://2016review.parkinglotapp.com/>



### Google Play

2016 最佳本地製作 APP  
2015 最佳工具類 APP

### App Store

2016 免費類別第六名 · 導航類別第一  
2016 日常生活指南 · 交通類精選

## Smart Parking Meter System

Urban parking has long been a common problem shared among the world's major metropolises. Acer has developed a smart roadside parking system, with front-end hardware including car detection technology, enabling it to accurately tell the system when a car is parked and when it has left. In addition, the system can provide instant information to drivers on empty spaces, ticket prices, or smartphone payment via an app, while also using automated, smart, mobile technology to improve governmental management of parking, achieving greater transparency, reducing time spent by drivers looking for spaces, reducing traffic congestion, and reducing overall emissions. This smart parking system helps both ordinary people and government alike in a smart city. In 2017, this system is being implemented in the streets of Tainan City, with plans to expand throughout Taiwan in the future.



## Smart Bus Card Readers

Whether Easycard in the north or iPass in the south, today's buses all support smartcard payment systems built by Acer.



Video :

<https://www.youtube.com/watch?v=ehGfynmslL8>

## Smart Street Lights

The management and control of street lighting in the city can now be done with more manpower- and energy-efficient means, with sensors detecting traffic and light levels and automatically adjusting the brightness of smart street lights. The maintenance schedules for these lights can also be managed remotely, saving substantial manpower and resources.



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# INNOVATIVE RESEARCH AND DEVELOPMENT

## Innovative Design Thinking

The core of Acer's design work is design thinking, putting people first in both the spirit and development of our designs. We have put in place a multidisciplinary, cooperative, and innovative design R&D process that is refined through experience and entails not only an understanding of the needs and behaviors of users, but also takes into consideration technological and commercial feasibility. Our design team strives to put this process into practice across all product innovation:

**01**

Bringing together skilled people from different fields and, through observation and interviews, looking into users' needs from different angles, collating and refining them into applicable insights.



**02**

Using these insights and needs to define the problems at hand, the team then brainstorms, choosing the more feasible ideas to move forward to testing.



**03**

Through trial and error, these ideas undergo constant refinement and evolution, ultimately arriving at the optimal solution.



## Innovative Technology

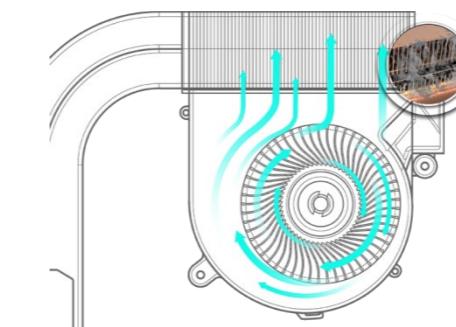
We continue to pursue research and innovation, and in 2016 we were granted 737 patents worldwide, a 12.86% growth over the previous year. In 2016, Acer developed a number of software applications and technologies across all product levels, including:



### ACER DUSTDEFENDER TECHNOLOGY

Acer DustDefender periodically reverses airflow, helping get rid of dust built up on the back vent to keep the interior of the computer cool, maintain optimal heat dispersal, and extend fan and notebook life. This system has already been applied to the Aspire V Nitro series of products.

[http://www.acer.com/acerdesign/views/dust\\_defender.html](http://www.acer.com/acerdesign/views/dust_defender.html)



### AUTO-RETRACTABLE KICKSTAND

The innovative auto-retractable, U-shaped kickstand can be adjusted one-handed so users can enjoy the viewing angle they most enjoy. The kickstand can be adjusted through 165 degrees, offering a wide variety of viewing modes. This innovative patent has already been applied to our Switch series of products.





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**REVO BUILD**



Revo Build is an expandable, modular computer system, with the modules connecting with special magnetic pins and allowing users to build according to their needs and improve functionality or performance. If one module malfunctions, it can simply be swapped out for another, extending its life cycle without the need to ever rebuild the entire computer. This product earned an iF Design Award in 2016.



**iF DESIGN AWARD 2016**

Small base, and as tall as you want:  
<https://www.acer.com/ac/zh/TW/content/series/revobuild>

**EASY TO DISASSEMBLE**



The Veriton Z AIO personal computer's back plate uses no screws, making it easy for users to open it up. The special design of such models makes it a breeze to upgrade key components, do maintenance work, or have the machine serviced.



- 1 Remove the screwless bottom cover
- 2 Press the two cover-release buttons
- 3 Lift the back cover up from the chassis
- 1 HDD fits into tool-less sliding carriers
- 2 Simply disconnect the HDD's power cables
- 3 Press the carrier's tips to slide it and the HDD out
- 4 Simply remove the HDD from the carrier

**EASY TO SERVICE MODULAR DESIGN**



The all-new Veriton N desktop computer is comparatively compact and can be set up in the rear of your display. The unique modular design provides everything necessary for work, while also being able to expand to include more input and output ports, independent display cards, or DVD drives as needed.

**ALGORITHMIC DEVELOPMENT OF HEARING TECHNOLOGY**



Using a time domain frequency modulation architecture, this can dynamically boost sound output to help users with hearing loss and ensure accurate recognition.



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## Open Source and Collaborative Innovation

“Everyone has the right to chase their dreams and create change. This belief is firmly integrated into our products—new technologies that put people first. This is why Acer’s products have become the best tool for those on the path to realizing their dreams.”

Faced with the rapidly changing industry environment and the rise of the Internet of Things (IoT), Acer shares resources with our partners, building a collaborative model that creates sparks of innovation. By taking on the strength of Taiwan’s supply chains and people to create a cloud-based ecosystem, we are able to jointly face the challenges and opportunities of the age of the IoT.

## Innovation and commercialization Accelerator



The Smart Prototyping Innovation Center is fully equipped to help accelerate the realization of ideas

This center is the product of investment by Acer’s Chongqing Shuangzhi Company and is situated in Xiantao Big Data Valley in Chongqing’s Yubei District. Chongqing is China’s largest and most important notebook computer production base. This innovation center makes use of the area’s high concentration of global industrial heavy hitters, bringing together cloud platforms, software design, and hardware production resources to provide a one-stop shop for inquiries, sample making, planning, and marketing services to inspire more creative applications and accelerate startups’ journey from idea to product.

## Acer BYOC Blue Sky Program

Connecting everything creates innumerable opportunities for the application of technology, however while many startups may boast creativity and technology, they lack a pathway to the international market. The Blue Sky Program aims to use Acer’s brand, channels, and resources to help startups reach out to the world, working with partners to promote innovation and create a shared cloud-based ecosystem.

The ABCs of the Blue Sky Project are:

### Acer Open Platform (AOP)

Using this platform, there is no need to waste resources on building the foundations of a cloud-based architecture. This enables startups to focus on developing their core business.



### BYOC Empowered

Using Acer’s marketing resources to help startups develop international visibility. In 2016, partner startups in the Blue Sky Program showed off their results participating in Japan’s IoT Technology Show.



### Connections

Bringing together the resources of Acer, venture capital from various fields, and incubation centers, we help startups develop. We also hold a number of competitions, accelerating the exchange of innovative ideas.





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# CUSTOMER SERVICE

Acer's success relies on our customers' trust in us. Since its inception, Acer has strived to provide the best quality at all levels of operation, from product design and manufacturing to after-sales service. Throughout, we promote innovation and improvement in technology and remain committed to meeting any and all legal requirements around performance and consumer safety at home and abroad.

The Acer Group's vision is to become a leading brand in benefiting humanity through innovation and care for our customers. We firmly believe in the pursuit of quality in everything, as this not only helps us maintain our competitive edge in the market, but also, and more importantly, it creates satisfied customers. We strive to understand our customers' needs and provide better, easier to use products to meet, and even go beyond customers' expectations.

## 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. Acer customers can feel free to contact us at any time and provide comments and suggestions through the following channels:

[Online Download and Support Service](#)

[Telephone Service Support Center/Tech Support](#)

[Acer Service Centers](#)

[Authorized Service Centers and Professional Repair Companies](#)

[International Travelers Warranty Service Centers](#)

[\(customer complaints handling process and mechanisms\) Acer Web Master](#)

[Facebook and Acer Community](#)

## Acer China Campus Services Tour

Since 2011, Acer China has conducted an annual Campus Services Tour, using on-campus events to offer free computer testing, cleaning, and problem-solving services to students and faculty. In 2016, Acer China visited 21 campuses, holding 31 Campus Services Testing Events, helping thousands find solutions to their queries.





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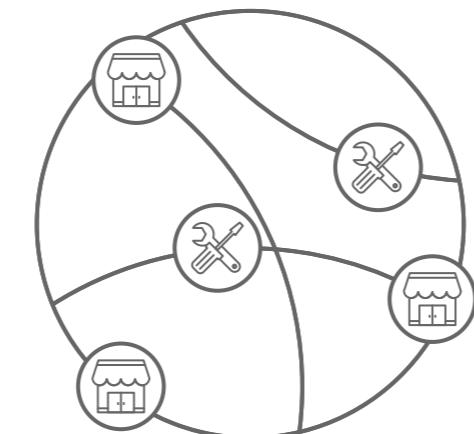
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We have set up maintenance centers around the world, and cooperate with authorized service centers where required. The Acer service network is made up of Acer's directly controlled service centers and authorized maintenance centers, providing service in four main modes:



Acer service network

### 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

### Acer's "One Company, One System" IT System

Providing service units with seamless, real-time linkage

## Product Alerts and Recalls

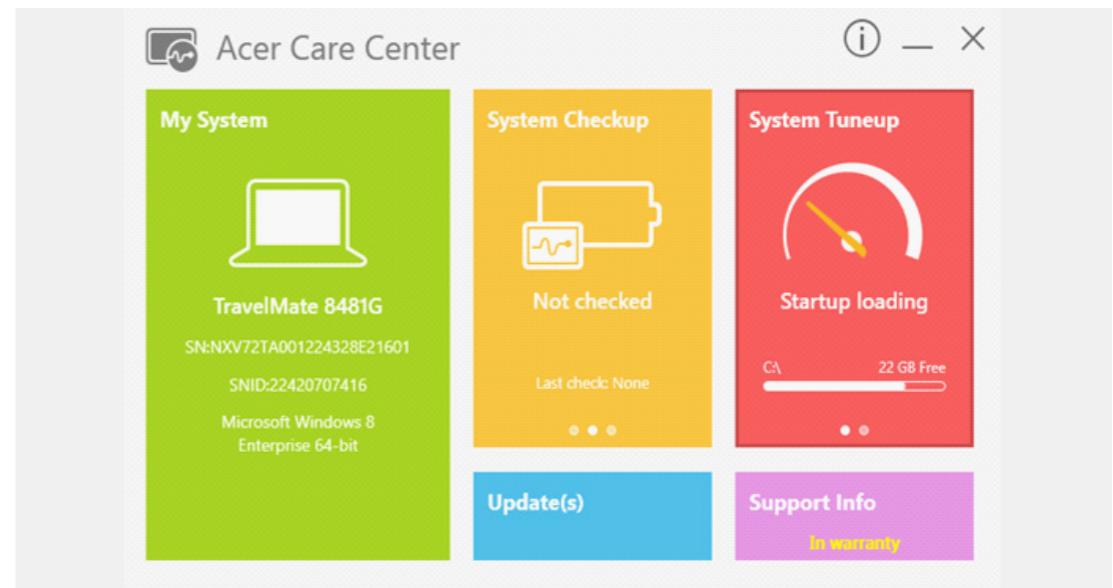
In accordance with the law, all Acer products and services carry required labeling and product information. Manuals for Acer products include guidelines for safe usage, laying out proper usage and items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Product manuals and the company website all provide contact details for Acer, facilitating consumers' use of telephone or online customer service.

Whenever important product information or recalls arise, we provide all customers with full details on our various national websites, such as in the Support section of our Taiwan website. There, customers are able to see if their product(s) are affected, with information on the appropriate steps to take if that is the case. In addition, we inform all customers calling our telephone support center and help them resolve any issues. No incidents with the potential to cause customer safety concerns occurred in 2016.

## Enhancing Service Quality

### Convenient Self-Testing System

Acer Care Center is Acer's optimization software, coming preinstalled on Acer notebooks and desktops and available for installation on any Acer computer produced post-2014 and using Windows 8.1 or newer. Acer Care Center can link users to Acer's support team, helping ensure devices are kept in optimal condition. The main functions of this software include:



Acer Care Center user interface



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#### 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.



#### System Tuneup

With just the push of a button, users can instantly download and install updates, including both Acer and driver updates, along with update version and date logs.



#### Recovery Management

Backup or restore system settings and networking drivers to protect against the effects of system failures.



#### Tune-Up

Using a disk cleaner, disk defragmenter, startup manager, and junk removal tools, Acer Care Center helps keep devices in peak condition; Smart Tuneup functionality, meanwhile, helps systems undertake automatic optimization.



#### Support Info

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 to get more information on their devices from the Acer website.



In addition, the Acer Diagnostics Suite (ADS) also provides hardware diagnostics for service centers performing maintenance. ADS can help maintenance personnel zero in on the causes of hardware failures, condensing the time needed for testing and for accurately identifying faults, thus providing improved service quality. Since 2015, the development of ADS has created annual savings of US\$495,000 by eliminating the need to purchase commercial diagnostic software licenses. This system is already in widespread use in the Taiwan, Pan-American, Pan-European, and Pan-Asian regional service centers, and with continuing feedback from maintenance personnel, it is constantly evolving and improving, providing even better service.

#### Listening to the Voices of Customers

In late 2012, Acer launched the Acer Community website, providing customers with an online communications channel that enables them to post their problems at any time and receive prompt, accurate responses from Acer Community members. The website supports multiple languages, including English, Spanish, German, and Portuguese, providing channels that span borders. Additionally, in late 2013 we added Acer Idea, a channel for all registered members to put forward their ideas for products, accessories, and services, including product hardware or software improvements, more customer-friendly web pages, and so forth. These ideas help us understand what our customers need, knowledge that can be applied to later product development and service improvements.



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## Global Customer Relationship Management System

A good system is fundamental to excellent customer service. To improve customer service, we developed the Acer Customer Service System (CSS) to centrally manage Acer's directly-managed service centers, authorized service centers, professional maintenance companies, telephone service support centers, spare parts planning and warehouse management, as well as managing customer interactions through the network. In this way, we can ensure improved service speed and quality. This system is already in use in Europe, the Middle East, Africa, Asia-Pacific, and the Americas, with a dedicated system for the China and Taiwan regions, providing customers around the world a better quality of service.

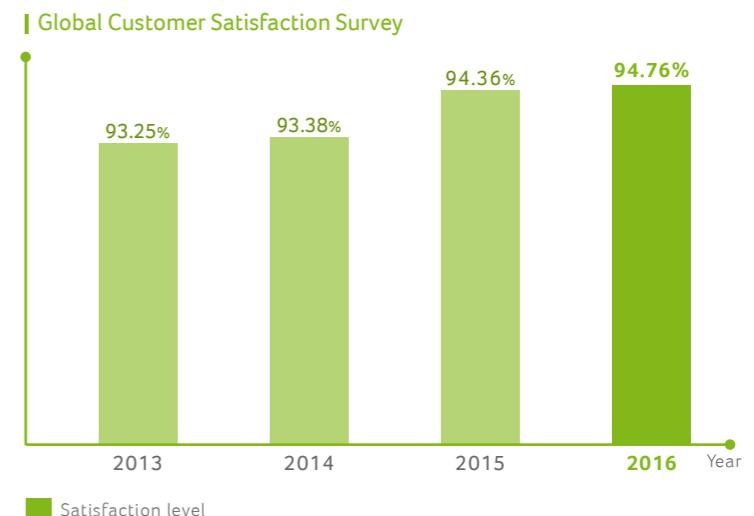
## Online Education and Training for Employees and Partners

To facilitate our worldwide customer service staff's provision of the best customer advice and assistance, we established an online learning system (Acer E-Academy) in 2009 to provide professional knowledge training in new products, resolution of common product queries, customer skills, and standard processes to front-line customer service employees and operating unit employees, including an online evaluation after the course has finished. Currently, Acer E-Academy provides 454 online courses, with more than 7,700 employees and partners around the world gaining access to the latest product information through this system, equipping them to provide better customer service.

## Customer Satisfaction Survey

Acer conducts customer satisfaction surveys to obtain feedback and make improvements to our products and services. Our Customer Satisfaction Surveys come in two categories. One is focused on a single product or line, such as surveys regarding our e-sports-focused Predator line. In 2016, at the 2016 IFA Berlin, the Predator notebooks met with strongly positive reviews among consumers for their overall functionality, display design, and button layout, with e-sports gamers particularly praising the new heat dispersal technology and efficient battery.

The second kind of survey focuses on customers' questions regarding our products and is carried out as after-sales follow-up evaluations and surveys, including questioning customers who have made use of service centers or telephone tech support. The aim of these is to ensure customers' needs are met, and the feedback gathered through such surveys has proven a valuable source of continued improvements to Acer's operating procedures. Once that feedback is analyzed, relevant units can be properly notified of any issues, develop improvement plans, implement those plans, and follow up on their results. In aggregate, our survey results show high global satisfaction, with positive customer evaluations accounting for 94.76% of total evaluations in 2016. Customer satisfaction in all regions showed improvement in 2016, reaching as high as 96.65% in the Pan-Asia Pacific region.



In 2016, Acer was the recipient of several customer service awards from around the world as a result of our efforts. We received the Best Service Brand award for the eleventh year running in Popular Computing Weekly's Top Chinese IT Brands; Acer Computer (Shanghai) was selected for an Outstanding Merchant Award; In Europe, Acer won national annual customer service awards in the Netherlands, France, Spain, Germany, and the United Kingdom. In the future, we will continue taking on board customer praise and suggestions and transforming it into a force for further improvement. (For more information, please refer to p.6-8)

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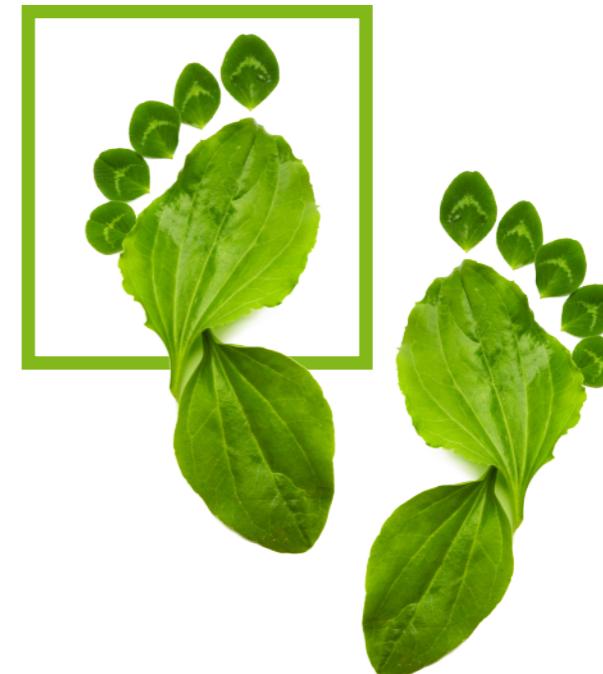
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## **5 A MISSION TO — PROTECT THE ENVIRONMENT —**

The growing risk of climate change, excessive consumption of natural resources causing exhaustion, burning fossil fuels causing air pollution, using complex chemical substances, all these phenomena has threatened human health and life. Given this, we insist on upholding our responsibility to the environment, making use of renewable energy and putting in place energy saving and carbon reducing measures. In addition to providing safe, harmless products, we also strive to stay on top of both the risks and opportunities presented by climate change, continuing to reach for our goal of being an environmentally friendly company.





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# INCORPORATING ENVIRONMENTAL CONSIDERATIONS INTO PRODUCT DESIGN



## Prudent Management of Chemicals in Materials

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

To protect the health and safety of users and reduce potential environmental risks, Acer strives for prudence in its management of chemicals in raw materials. In addition to adhering to regulatory restrictions on the use of chemical substances, we also proactively work to meet the needs and demands of each regional market, including those environmental certifications that focus on the limited use and traceability of listed substances, e.g. Taiwan's Green Mark, China Environmental Labeling, the Electronic Product Environmental Assessment Tool (EPEAT), and TCO Certification.

### | Product models produced on BFR- and PVC-free production in 2016

Notebook Computers
· TMP648-M
· TMP648-G2-MG
· TMP658-M
· TMP658-G2-MG

Displays
· C223
· C226

Smartphones
· Jade Primo

**2009**

Since 2009 we have continued to voluntarily promote the production of notebooks, desktops, displays, and smartphones that do not include polyvinyl chlorides (PVCs) or brominated flame retardants (BFRs), as well as continuing to move forward on dehalogenation.



**2012**

In 2012, we added to our product environmental safety specifications limiting the use of seven phthalates that could potentially have an impact on human health.



**2013**

In 2013, we added two further phthalate limits, as well as completing surveys into the use of five chemical substances - beryllium, antimony, arsenic, selenium, and bismuth - in our notebook computers.



**2015**

In 2015, we added further restrictions, introducing limits on the use of two more phthalates, along with sulfur and red phosphorus.



**2016**

In 2016, we not only continued our supplier CSR scorecards, Phthalate Usage Disclosure evaluations, encouragement of all suppliers to prioritize the use of phthalate-free raw materials, and promotion of a move to phthalate-free products, but also added a new survey for the use of prohibited and restricted chemical substances in products. After collecting information on substances of concern to suppliers and to domestic and foreign stakeholders, we commenced preparation of the drafting of a table of chemical substances banned or restricted by Acer in the production processes of suppliers, further improving the non-toxicity of our production operations.





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## Use of Post-Consumer Recycled Plastics

Every year, massive numbers of electronic products are discarded, having reached end of life. Acer supports the concept of resource recycling, and as such we actively strive to use post-consumer recycled plastics (PCR) in our products. At the same time, with regard to the materials that are most likely to create problems of pollution or occupational safety in the recycling process, we work with plastics manufacturers and upstream recyclers to conform to international standards of quality, environmental safety, occupational health and safety, and responsible recycling (R2), earning international export licenses and recycling service provision qualifications from local governments.

When deciding on machinery and proportion of PCRs 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.

From 2013 through 2016, Acer continued to expand our usage of recycled plastics in our displays and all-in-one models, and we are committed to ongoing efforts to further increase the percentage of such usage, and to the increased usage of PCRs.

### Product models using PCRs in 2016

#### All in One

- VZ2660G
- VZ4640G
- VZ4710G
- VZ4720G
- VZ4810G
- VZ4820G
- VZ6820G

#### Display Unit Models

- B6 Series
- V6 Series



## Towards Green Packaging Design

Good packaging design isn't just about providing products with appropriate protection, but also about reducing both financial and environmental impact. Through the Acer Basic 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 production, transportation and fuel consumption, durability in use, and waste handling. The Acer Basic Packaging Design Principles also address ongoing reduction in design, the use of environmentally friendly materials, and improved recyclability. Into the future, we will continue to focus on the environment and on researching applications of green, environmentally-friendly materials.



### Green Packaging Strategy

#### Recycle

Make Use of the Most Efficient, Long-Lasting Packaging Designs

#### Reduce

Reduce Usage of Materials

#### Reuse

Use Recyclable Materials

### Ongoing Reduction in Design

Reducing packaging can have a direct impact on the environment through measures such as reducing the amount of materials used, reducing the carbon footprint of product shipping, and reducing the amount of waste produced at the user end, not to mention reducing financial costs for the Company. As such, Acer actively pursues reductions in packaging volume and weight through principles like simplified packaging, unified dimensions, and minimized printing. In 2013, we were able to reduce the volume of paper products used in the packaging of our notebook and desktop computers by almost 2,400 tonnes, and we have continued to pursue further reductions in packaging quantity. Additionally, by designing a uniform shape and size for notebook computer packaging, we have been able to increase commonality of use and reduce idle stock.

With regard to Acer's desktop computers, in 2016 and beyond our commercial models such as the Veriton M & Veriton X that are shipped in the American region will continue to use packaging buffer material made from 100% recycled pulp.

Additionally, in 2017 Acer will launch a new case with a special internal chassis design that makes more effective use of the interior space with a streamlined external appearance and size. This elegantly designed case will be 40% smaller than previous models, with a corresponding 30% decrease in necessary packaging, leading to considerable savings in terms of materials used for both the metallic and plastic elements of the case and the recycled paper packaging and buffering.

#### New Case Design

Size 40%↓ Materials 30%↓



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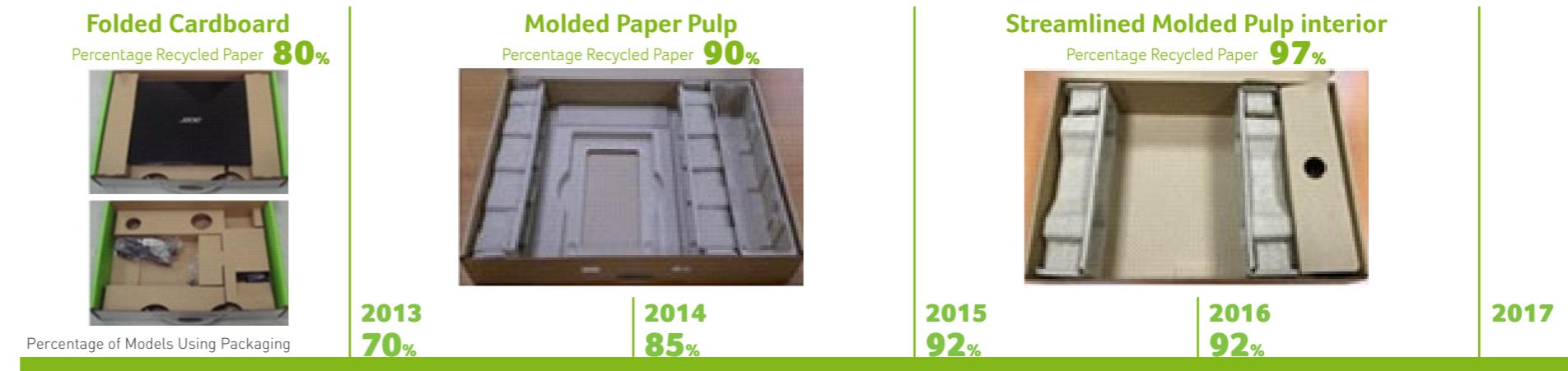
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#### Incorporating Environmental Considerations into Product Design

Responding to Energy and Climate Change

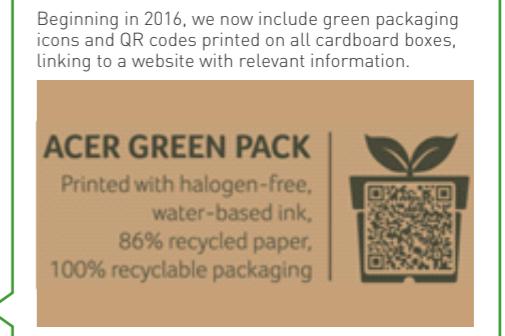
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#### Using Environmentally Friendly Materials

The vast majority of product packaging becomes waste after it has finished its job of protecting the product(s) within. Given this, we carefully consider the materials we use in our packaging, with packaging design emphasizing recyclability and making use of easily recyclable materials. In 2013, the buffering and packaging materials for 70% of our new laptop models moved to recycled paper. In 2014, 85% of laptop models were using such packaging, and we have continued to move in this direction, reaching 92% of models in 2015-2016. Molded paper packaging materials have also moved significantly to recycled paper, starting at 80% in 2013 and increasing to 90% in 2014 and 2015, and even further to 97% in 2016. Using structural design, we have been able to achieve a high level of protection for products while also being environmentally friendly. On top of this, all of the posters included with products continue to be produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks.





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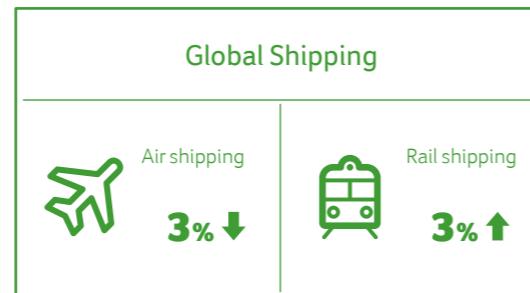


## Refining Product Transport Efficiency

Tens of thousands of Acer products are delivered to consumers daily, so Acer is striving to reduce the volume and weight of product packaging to improve transportation efficiency and energy consumption, and to further reduce carbon emissions and transport costs. We reduce CO<sub>2</sub> emissions through the following method.

### Changing Shipping Modes and Improving Supply Chain Management

We have reduced the amount of air shipping used and increased the percentage of rail shipping; compared with 2015, in 2016 we accomplished a 3% decrease in air shipping, and a 3% increase in rail shipping. In notebook transportation, we accomplished a 12% reduction in air shipping for China domestic shipments, and a 77% increase in rail shipping from Chongqing to Europe, it saved about 7.89 million transportation cost.



Together with our partners, we have adjusted our container shipping management, enabling us to handle empty container deliveries at our Chongqing production site and eliminating the 1800-plus-kilometers of overland transportation between Shenzhen and Chongqing. In 2016, the Chongqing site directly handled some 6% more in empty container deliveries than in 2015, not only reducing shipping time and saving about 3.99 million transportation cost, but also improving supply chain lead time, as well as reducing CO<sub>2</sub> emission.

#### directly handled in empty container deliveries

• compared with 2015 **6% ↑**



#### Transportation Cost

• save cost **3.99** million

not only reducing shipping time, but also improving supply chain lead time, as well as reducing CO<sub>2</sub> emission.



## Improving Product Energy Efficiency

Acer is committed to improving product energy efficiency, helping consumers to save energy and electricity, and doing our part to reduce greenhouse gas emissions. The American Energy Star standard is a major voluntary standard, and one of its unique characteristics is the application of different standards for different product types, along with periodic reviews and updating of specifications.

With regard to environmental information on our products, we communicate such information to customers through various certifications and labels in our adherence with the demands of each region's purchasers, including US EPA's ENERGY STAR® Program, Taiwan's Green Mark, the Swedish TCO Certification, and EPEAT. ENERGY STAR, the most widely recognized symbol for energy efficiency in the world, is one of our primary tools for communicating product energy efficiency and is a key indicator applied to the energy design of Acer products. Our commercial notebooks, desktops, and displays all meet or exceed ENERGY STAR requirements.

In addition to ENERGY STAR, EPEAT is also an important means of communicating the environmentally friendly nature of our products. EPEAT not only requires products to perform at a certain level of energy efficiency, but also takes into consideration other key aspects including raw materials selection, design for end-of-life, and product longevity. EPEAT currently registers computer and display category—including notebooks, tablets, desktops, integrated desktop computers, and monitors—in 43 countries. In 2016, we registered a total of 129 products in nine countries.

We continue to focus on changes and developments in energy efficiency standards in other countries, engaging with manufacturers where necessary and cooperating with suppliers, labs, and certification organizations to ensure that products sold in each location are in compliance with the law and meet customers' needs.



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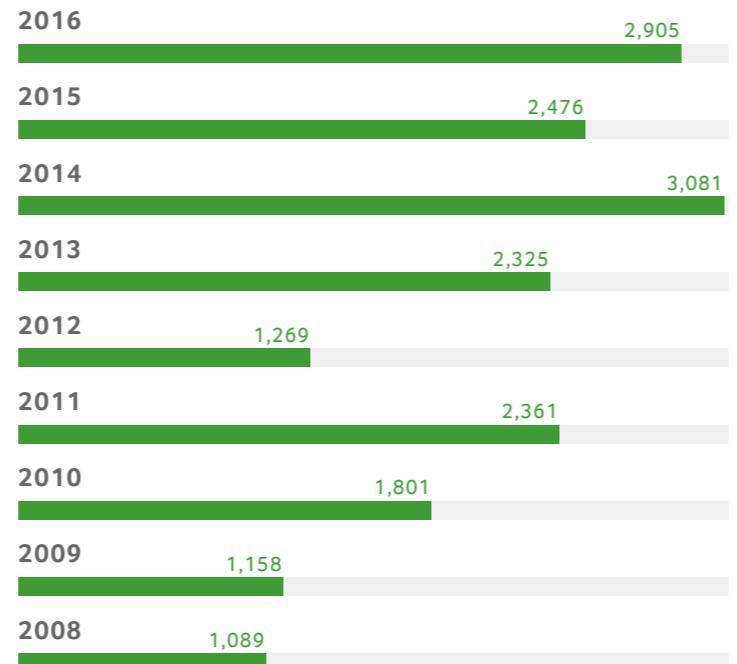


## Improving Product Recycling Channels

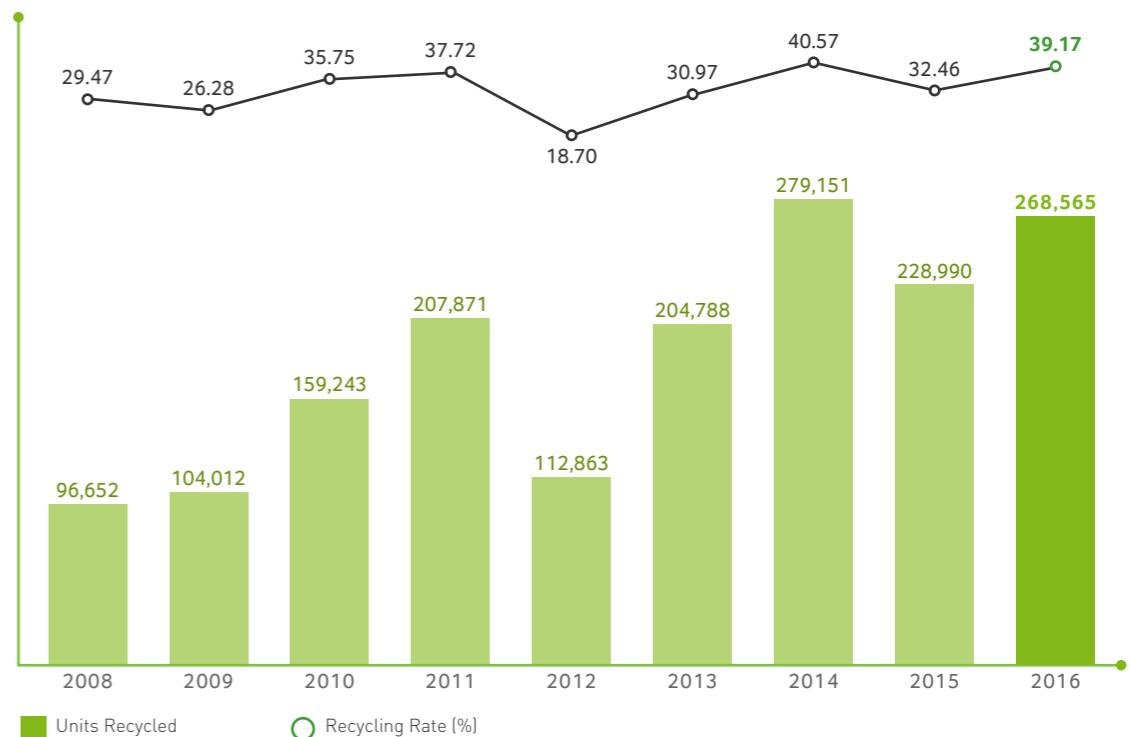
Recycling is beneficial to both the human life and to natural environment, and provides us sustainable resources. For the point of that, we strive to put in place measures that will reduce environmental impact. We actively support Individual Producer Responsibility (IPR), and are committed to working with the government, consumers, and retailers to shoulder the responsibility for recycling electronic waste. Waste electronic equipment contains many recyclable materials, and so throughout our product design we have strived to create a sustainable materials supply chain, from reducing materials used to minimizing waste production. Acer not only offers easily recyclable products, but also provides consumers with convenient channels for recycling.

In Taiwan, Acer continues to cooperate with the Environmental Protection Administration by taking part in their recycling program. Based on statistics from the EPA's Recycling Management Fund on electronic waste recycling in Taiwan, we have calculated the level of recycling of Acer products in Taiwan. In addition, since mid-2010 we have set up collection boxes at 25 locations around Taiwan to facilitate the submission of cellphones by consumers for recycling; in 2011, we expanded this to include collection of notebook computer batteries.

| Total Recycling Weight by Year for Acer in Taiwan



| Total Recycling Rate and Units by Year for Acer in Taiwan





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In Japan, we work with the PC3R Promotion Association to enable consumers to register products for recycling through our website, by e-mail, or by fax, and to submit products for recycling through the post. We also established PC recycling collection centers to provide consumers with more information and advice, as well as to collect personal computers that are primarily employed for home use.

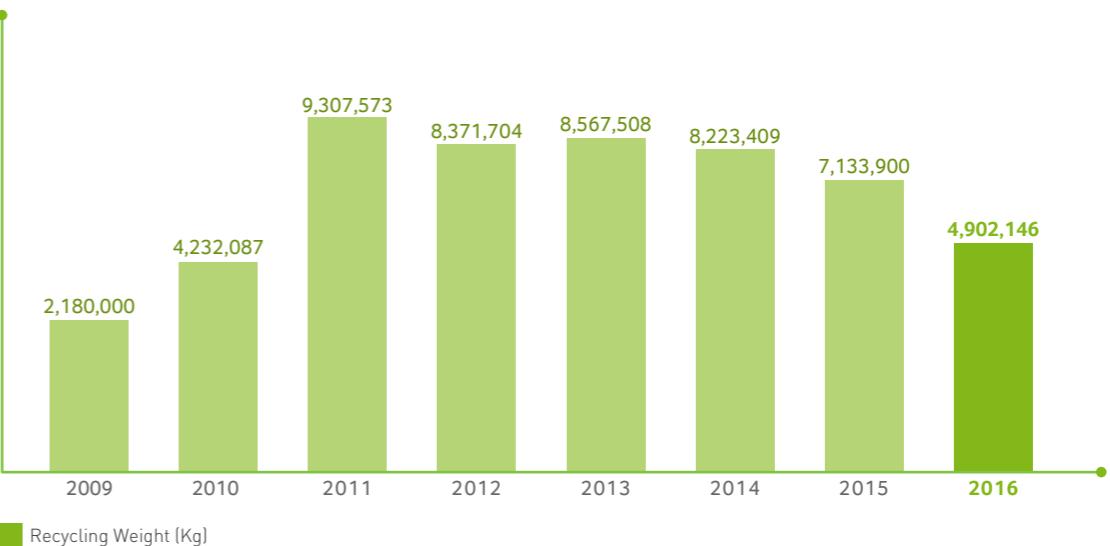
### I Acer's Participation in the Japanese PC3R Promotion Association<sup>Note 1.2.3</sup>



In Europe, Acer's products, batteries, and packaging are designed and recycled in accordance with the relevant EU directives, including the European Union Waste Electrical and Electronic Equipment Directive (WEEE). For more information on our recycling channels, please consult Acer's various European websites.

In North America, Acer continues to provide legally required and voluntary electronic product recycling channels, giving consumers peace of mind and convenient recycling opportunities. In 2016, we continued to participate in recycling efforts with the Reverse Logistics Group Americas (RLGA), as well as continuing working with the Consumer Electronic Association (CEA) developed Billion Pound eCycling Challenge. Acer's total recycling in 2016 was 485,344 kg. We require all recycling programs to provide suitable disposal of electronic equipment, and that all parts and materials be appropriately managed. In the United States, Acer works exclusively with environmental management system certified recycling partners, including Responsible Recycling (R2) and eStewards. In addition, we also require all recycling suppliers to comply with Acer's waste processing standards.

### I Acer's Recycling in North America by Year



Note1. Unit: kg

Note2. Includes Acer, eMachines, and Gateway brands

Note3. As of April 2017, PC3R statistics for 2016 were unavailable. When they are formally announced, Acer will immediately publish them to our Acer Sustainability website, and they will also be disclosed in next year's report.

Note4. Incl. All-in-One PCs



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# RESPONDING TO ENERGY AND CLIMATE CHANGE

## Risks and Opportunities of Climate Change

World Meteorological Organization (WMO) research shows that 2016 had the highest yearly average temperature since meteorological records began, and carbon dioxide levels in the atmosphere continued to rise. This information illustrates that the global temperature is increasing, and that this and the attendant climate change are issues confronting social and business sustainability that cannot be ignored.

With the Paris Agreement coming into effect in November 2016, as a responsible global citizen and leading brand in the ICT industry, Acer fully supports the agreement's aims to hold the increase in the global average temperature to below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above sea levels. We also intend to cooperate in the implementation of efforts to meet nationally determined contributions for both countries in which we operate and those in which our supply chain operates.

Through our Working Group on Risk Management, we continue to consider the potential impacts of climate change, forecasting the probability and potential impact of these risks, drafting contingencies and risk mitigation measures, and developing crisis management and early warning mechanisms to mitigate the impact of risks on operations.

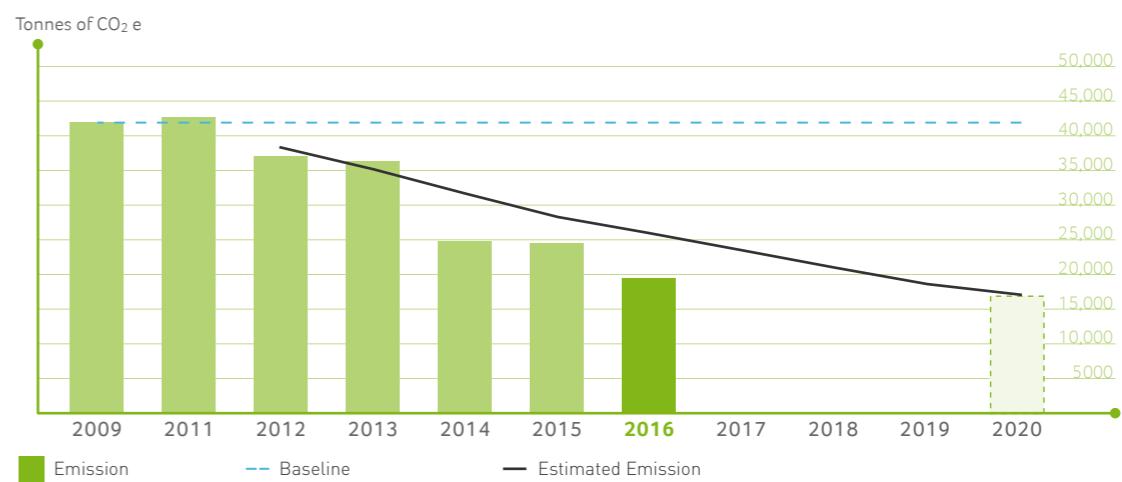
With regard to the main climate change risks, we expect a more significant decrease in the impact of foreseeable natural disasters and the implementation of the various relevant national energy efficiency and brand labeling laws and consumer preferences. With regard to these risks, we are analyzing and developing countermeasures for the various factors according to their probability of occurrence and their potential impact, and we anticipate seeing a reduction in the impact of climate change risks.

As we continue to strive to stay on top of the opportunities presented by climate change, we will not only continue to improve product energy efficiency, but also to integrate existing and new business groups to draft low-carbon, sustainable, smart strategies and concrete services such as smart parking systems. By making the best use of our professional ICT capabilities, Acer aims to help society and our own various departments to achieve and adjust to a lower-carbon environment.

## Greenhouse Gas Inventory

Since 2011, Acer has contracted a third-party verification agency with both CDP and Taiwan EPA accreditation to undertake GHG Protocol Scope 1, 2, and 3 inspections of emissions produced by our departments around the world. Through this, we found that the Acer Group was responsible for 19,658.07 tons of Scope 1 and Scope 2 (market-based) carbon emissions in 2016, with Scope 1 emissions primarily from North American and European natural gas usage and global fuel combustion activity. Scope 2 electricity usage approximately goes down to 70% of those emissions because the amount of green energy usage is raising. Total emissions in 2016 were reduced by approximately 53.23% compared with the baseline year. Per capita emissions were approximately 2,537 tons.<sup>Note 5</sup>

### Annual Group Greenhouse Gas Emissions and Reduction Targets



Note5: Based on 2016 year-end number of employees 7033 formal employees and 716 temporary workers, total number is 7749



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In addition, in accordance with GHG Protocol Scope 3 principles, we inspect the emissions produced by staff business travel, purchased goods and services, product shipping, and leased assets. Through inspections, we better understand how to control the carbon risks and opportunities in the value chain, which will further help in reduction strategies.

#### I Scope 3 Greenhouse Gas Emission Sources and Levels

##### Staff business travel

**5,728.899** tons



Emissions levels cover worldwide employee business flights; primary source of data for inspection comes from Taiwan regional staff flights

##### Purchased goods and services

**58,980.039** tons



Based primarily on 2016 distribution information on main 13 (ODM) product lines, including notebooks, desktops, displays, and projectors.

##### Product shipping

**75,665.916** tons



Based on global information, including the Europe-Africa-Middle East Region, Taiwan, China, Pan American

##### Leased assets

**45,522.746** tons



Based primarily on rental of Acer eDCs and North Sioux City facilities

## Greenhouse Gas Reductions and Strategy

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) and carbon credits to support the development of renewable energy and climate protection plans.

In terms of green electricity, in 2016 Acer's use of renewable energy at its operating locations expanded to include Thailand and Malaysia. Usage methods differ by region, with Taiwan setting up its own renewable energy generators, such as solar panels and wind turbines; the US and Canada going through local Green-e certified Renewable Energy Certificates (RECs) primarily; and European countries such as Germany and Spain purchasing renewable energy Guarantees of Origin (GOs). Asia areas like Thailand and Malaysia are purchasing International Renewable Energy Certificate (I-RECs). Additionally, Acer's US subsidiary participates in the EPA Green Power Partnership Program and other renewable energy certifications, leading to 100% of the company's electricity within the United States coming from wind, solar and other renewable energy sources.

According to EPA Green Power Partnership statistics as of year-end 2016<sup>Note 6</sup>, Acer ranks in the top 30 largest renewable energy users of all companies in the ICT sector, known as the Top Tech 30. In total, Acer Group uses as much as 21,674,069.20 kWh of green electricity, accounting for 47.89% of Scope 2 electricity usage.

Into the future, we will continue to consider the accessibility, effectiveness, and institutional maturity of green electricity or renewable energy in our operating locations worldwide in an effort to achieve our long-term goal of a 60% carbon reduction by 2020.

Note6: EPA Tech Top 30 website: <http://www.epa.gov/greenpower/toplists/top30tech.htm>



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# OUR OPERATIONS AND ENVIRONMENT

## Sound Environmental and Health Management

Acer is a brand that operates under a global model, with our headquarters located in Xizhi's Eastern Science Park in an otherwise ordinary office building. Our other Taiwanese branch outlets, service centers, and distribution centers are all also ordinary office or industrial buildings.

We adhere to the Acer Environmental Health and Safety Policies, implementing thorough environmental health and safety management systems to help us achieve our goals and commitments in this regard. These include regular monitoring of adherence to and applicability of Acer standards to manage potential risks to people and the environment and the environmental impact of our products. A range of measures have been put in place to help ensure staff have a comfortable working environment that values health and safety.

Since 2012, we have been expanding the scope of our environmental health and safety management mechanism until it covers all offices and operating locations in Taiwan. We continue to organize courses related to environmental health and safety, as well as organizing on-site guidance in our offices and service centers in central and southern Taiwan. Additionally, our Environmental and Occupational Health and Safety Committee holds regular meetings and discussions regarding progress and work reports in related areas. All of Acer's Taiwanese business units (excluding Nanpiao, Kaohsiung) and our office in Beijing, China, passed third-party audits in 2016, extending the validity of their ISO 14001:2004 certification. In 2017, Acer plans to introduce the latest environmental management system in line with the new ISO 14001:2015 guidelines, along with replacing the current OHSAS 18001 with the new ISO 45001 Occupational health and safety management systems - Requirements.

## Energy Conservation Projects

Acer's energy consumption primarily comes from office electricity usage. We are currently aiming to reduce energy usage through a three-pronged approach: the use of green electricity, improved office equipment, and adjustments to power consumption habits. In 2016, Acer Taiwan's main energy saving measures included: Aspire Park's Aspire Research Complex, along with Aspire Resort, Aker eDC, and other large building complexes making continued use of solar power generation systems for green electricity; the Aspire Park parking lot making use of energy-saving LED bulbs; Aspire Resort II using energy-efficient air conditioning; and the Xizhi headquarters, Aspire Resort, and Aker eDC implementing an energy management system and ongoing energy usage monitoring. Compared with 2015, we were able to reduce total power consumption by some 1,337,654 units.

### | Acer Taiwan's 2016 Main Water Saving Measures

	Category	Method
	<b>Green Electricity Usage</b>	<ul style="list-style-type: none"> <li>Production of Green Electricity           </li> </ul>
	<b>Improved Electrical Equipment</b>	<ul style="list-style-type: none"> <li>Air-conditioning System           </li> <li>Lighting Equipment           </li> </ul>
	<b>Adjusted Electricity Usage Habits</b>	<ul style="list-style-type: none"> <li>Employed electricity monitoring           </li> <li>Air-conditioning usage           </li> <li>Lighting           </li> </ul>
		<ul style="list-style-type: none"> <li>Solar Power Generation System           </li> <li>Updated air conditioning equipment           </li> <li>Reduced air-conditioning cold-air leakage in data centers           </li> <li>Strengthened window thermal insulation           </li> <li>Installed secondary chilling variable-flow air conditioning systems           </li> <li>Installed additional dehumidifiers to reduce air conditioning use           </li> <li>Moved to energy-efficient LED lighting           </li> <li>Energy management system           </li> <li>Raised water cooler temperature           </li> <li>Adjusted hours of air-conditioner control system operation           </li> <li>Lighting system that automatically turns off           </li> <li>Sensor-based lighting managed in accordance with time and location           </li> </ul>



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To protect and live with the environment, we continue to explore a variety of energy saving opportunities. In 2016, Aspire Resort received for the third time a silver in the ROC's Annual Enterprises Environmental Protection Award, as well as a Gold Level Green Mark, while the Da'an office area also participated in the inaugural Save Energy, Love the Earth Awards, being honored with the Best Power Savings Performance award. While we may not have manufacturing plants, we nonetheless treasure our planet's resources and insist on a commitment to environmental protection.



At the award presentation ceremony

## Water Resource Management

With Acer's global business model primarily focused around product sales and customer service, with none of our own manufacturing, our working environment is primarily that of office buildings. As such, there are no large-scale water uses, with the major use being daily-use water in the offices, which is drawn from municipal sources and thus has no significant impact on water resources. The waste water produced by our global offices is primarily ordinary sewage and waste water. Our waste water 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 2016, the staff rooms Acer Taiwan's Xizhi headquarters switched to Green Mark-certified dishwashing liquid and reduced water used on cleaning of dishes and utensils, thus reducing environmental pollution.

In 2016, Acer Taiwan's water saving focus continued to be on water reclamation and reuse, improving water facilities, and managing water usage, as well as conducting regular inspections of the aforementioned. Our main water-saving measures include: the reuse of water used in Aspire Park for the irrigation of grass and greenery; the collection and joint processing of waste water from swimming pools and paddling pools at Aspire Resort, with water passing through filtration systems and an ozone sterilization process for reclamation and reuse; the establishment of a condensate reclamation system for Aspire Resort's air conditioners and dehumidifiers; and Acer eDC's use of reclaimed rainwater and application of well-water for air conditioner cooling. Compared with 2015, we were able to reduce total water usage by some 3,538 m<sup>3</sup>.

## Acer Taiwan's 2016 Main Water Saving Measures

### Usage management

- Regular inspections and promotion of water conservation



### Improved water usage facilities

- Set up water tower prefilter system, reducing frequency of washing and relevant water usage



### Water recycling and reuse

- Used reclaimed water for irrigation of grass and greenery
- Waste water from swimming and paddling pools collected and processed, undergoing filtration and ozone sterilization before reuse
- Rainwater reuse and recycling
- Used wells to provide water for air conditioner cooling
- Air conditioner and dehumidifier condensate recycled and reused



## Waste Management

With no manufacturing facilities, the primary source of waste products for Acer is daily office operations. We continue to strengthen our waste product management, collecting statistics on garbage production, recycling, and waste IT equipment at our office locations around the world to stay on top of any changes and investigate potential improvement measures.

In compliance with our corporate environmental policy, we are committed to adherence to waste product management legislation, industrial guidelines, and our own commitments. For example, Acer Taiwan's garbage is handled in line with the building management committee's guidelines or handed over directly to local cleaning teams; recyclables are sorted and turned over to recycling plants or local recycling transport; and waste IT products are regularly turned over once each year to qualified, contracted processing facilities.

## Paper Reduction and Recycling

In view of deforestation and loss of biodiversity and the serious impact on the ecosystem these cause, Acer Taiwan remains committed to the usage of FSC certified copier paper and to ensuring that paper is sourced from sustainably managed forests. We also encourage our staff to reduce their usage of copier paper, to print on both sides of paper, and to make multiple uses of sheets of paper, along with promoting the recycling and reuse of paper and the provision of recycling stations next to copiers to facilitate said recycling.

## Staff Transportation and Commuting

In order to reduce the environmental impact of staff transport, we encourage staff to carpool to and from work, to prioritize public transportation, and to make greater use of teleconferencing in place of domestic or international business trips. In 2016, gas usage by company vehicles was down approximately 3.05% on 2015, while business-trip flight mileage was down by 20.69%.



## Environmental Information

Information on Acer's total inputs (direct and indirect energy usage) and outputs (greenhouse gasses, waste water/products) for the past three years is collected in the table below.

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		<b>Total Input</b>			<b>Total Output</b>					
		<b>Direct Energy Resource Usage</b>								
year		2014	2015	2016	year	2014	2015			
Gas Natural (m <sup>3</sup> )		1,093,260.41	1,726,991.867	1,318,428.59	Gasoline (liters)	841,655.72	841,312.06			
Energy consumption (GJ)		40,565.23	64,330.90	49,111.81	Energy consumption (GJ)	28,363.80	28,352.22			
% of total energy consumption		14.88%	22.02%	19.11%	% of total energy consumption	10.41%	9.70%			
Diesel (liters)		730,753.59	665,059.90	586,970.62	Water (m <sup>3</sup> ) <sup>Note3</sup>	209,744.75	215,101.74			
Energy consumption (GJ)		28,207.09	25,671.31	22,657.07	Water (m <sup>3</sup> ) <sup>Note3</sup>	209,744.75	215,101.74			
% of total energy consumption		10.35%	8.79%	8.81%	Water (m <sup>3</sup> ) <sup>Note3</sup>	209,744.75	215,101.74			
		<b>Indirect Energy Resource Usage</b>								
year		2014	2015	2016	year	2014	2015			
Electricity Consumption (kWh) <sup>Note4</sup>		48,729,267.43	48,276,132.31	45,259,748.98	Including Green Electricity Usage (kWh) (including self-owned generation facilities and renewable energy certificates)	15,682,202.64	19,802,992.09			
Energy consumption (GJ)		175,425.36	173,794.08	162,935.09	Including Green Electricity Usage (kWh) (including self-owned generation facilities and renewable energy certificates)	15,682,202.64	19,802,992.09			
% of total energy consumption		64.36%	59.49%	63.39%	Including Green Electricity Usage (kWh) (including self-owned generation facilities and renewable energy certificates)	15,682,202.64	19,802,992.09			
		<b>Greenhouse Gas Emissions (unit: tonnes of CO<sub>2</sub> equivalent)</b>								
year		2014	2015	2016	year	2014	2015			
Scope 1:		6,899.26	7,920.46	5,620.90	Scope 2 (market-based)	17,841.39	16,733.89			
Sewage Discharge (tonnes) <sup>Note5</sup>		167,795.80	172,081.39	135,565.4104	Sewage Discharge (tonnes) <sup>Note5</sup>	167,795.80	172,081.39			
		<b>Waste water</b>								
year		2014	2015	2016	year	2014	2015			
Ordinary Garbage (tonnes) <sup>Note6</sup>		888.00	681.15	749.649	Ordinary Garbage (tonnes) <sup>Note6</sup>	888.00	681.15			
Resource Recycling (tonnes) <sup>Note7</sup>		2,557.00	2,267.77	2,058.281	Resource Recycling (tonnes) <sup>Note7</sup>	2,557.00	2,267.77			
Electronic Waste Recycling (tonnes) <sup>Note8</sup>		1,831.00	1,443.57	1,771.165	Electronic Waste Recycling (tonnes) <sup>Note8</sup>	1,831.00	1,443.57			

Note 3 : Water usage statistical scope: 2014 figures cover 100% of Acer global staff; 2015 figures cover 100% of Acer global staff; 2015 figures cover 100% of Acer global staff (some regional data uses per-capita estimates)

Note 4 : Global per-capita electricity usage: 6,291.71 kWh in 2014; 6,346.2 kWh in 2015; 6,291.71 in 2016

Note 5 : 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.

Note 6 : "Ordinary garbage" statistical scope: 2014 figures cover 100% of Acer global staff; 2015 figures cover 100% of Acer global staff; 2016 figures cover 100% of Acer global staff (some regional data uses per-capita estimates)

Note 7 : "Resource Recycling" statistical scope: 2014 figures cover 99% of Acer global staff; 2015 figures cover 100% of Acer global staff; 2016 figures cover 100% of Acer global staff (some regional data uses per-capita estimates)

Note 8 : "Electronic Waste Recycling" statistical scope: 2014 figures cover 89% of Acer global staff; 2015 figures cover 93% of Acer global staff; 2016 figures cover 93% of Acer global staff

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## **6 CARING PEOPLE AND SOCIETY**

Acer is keenly aware that corporate development is built upon our staff and our community, and is thus deeply connected to society. The greatest value a business can create is that which is used to strengthen the community, and as such, by caring for our staff and their families, and by putting our core competencies to work toward community welfare, we strive to use our resources and influence as a stable force for progress.





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# EMPLOYEE CARE AND DEVELOPMENT

Acer have strived to create a working environment that creates staff who are passionate, positive, and dare to dream, and this entails consideration and communication that supports and encourages the team. Through competitive compensation, we are able to attract and retain talented people; through promoting work-life balance, we care for both the bodies and the souls of our staff; through systematic personnel training, we activate the power to change the world.

## Staff Structure



## Staff Employment

As of the end of December 2016, Acer employs

**7,033**

Acer values human rights and gender equality. In 2016, female share for 35.3% of total workforce , while females in management positions for 28.5%, females in top management positions for 14.7%.

Technical Staff **2,520**

Management Staff **1,513**

Professional Staff **2,296**

Administrative staff **704**

Taiwan region **2,735**

Asia Pacific **1,271**

Pan Americas **616**

EMEA **1,682**

China **729**

average age **37.4**

average seniority **7.7**

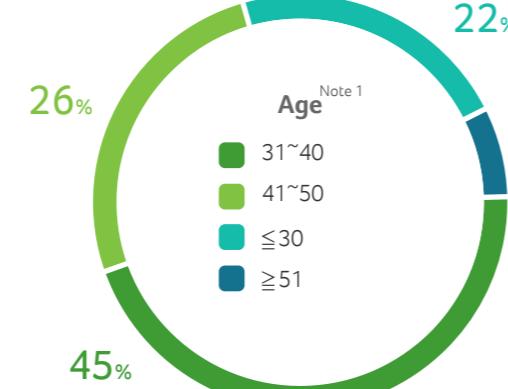
contracted and temporary staff number

male **520**

female **196**



## Other contracted and temporary staff Gender<sup>Note 2</sup>



Note 1 : In accordance with limitations imposed by local information law, a total of 85 staff members could not disclose their ages and were thus not included in the statistics

Note 2 : In accordance with limitations imposed by local information law, a total of 5 staff members could not disclose their genders and were thus not included in the statistics



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## Recruitment

Wherever we are in the world, we strive to adhere to the local labor laws when hiring staff and focus primarily on recruiting locally. We insist on being an equal opportunity employer, hiring through an open selection process that does not discriminate on the basis of ethnicity, gender, age, religious belief, nationality, or political affiliation. We neither tolerate nor accept child labor, and by offering talented people opportunities to make use of their skills in the most appropriate ways, we have assembled a diverse team of outstanding people. In 2016, our average employee turnover rate was 18%, primarily due to corporate restructuring, organizational readjustment, and a reduction in required manpower.

### I 2016 Turnover and Employment Statistics

Taiwan	Departures	Turnover Rate <sup>Note 3</sup>	Employment	Employment Rate <sup>Note 4</sup>
	419	15.72%	483	17.97%
China	Departures	Turnover Rate	Employment	Employment Rate
	228	30.7%	97	13.1%
Europe, the Middle East, and Africa	Departures	Turnover Rate	Employment	Employment Rate
	257	14.98%	150	8.72%
Pan Americas	Departures	Turnover Rate	Employment	Employment Rate
	93	15.06%	76	12.35%
Asia Pacific	Departures	Turnover Rate	Employment	Employment Rate
	261	20.72%	150	12.02%
Total	Departures	Turnover Rate	Employment	Employment Rate
	1258	18%	956	13.67%

Note 3 : Turnover rate is calculated as the number of departures in a month divided by the number of current staff in that month; annual turnover rate is calculated across 12 months  
 Note 4:Employment rate is calculated as the number of new hires in a month divided by the number of current staff in that month; Employment rate is calculated across 12 months

## Recruitment Platform

In response to this era of global talent mobility, as well as to maintain our competitive advantage, Acer has implemented a cloud-based talent recruitment system, bringing together our personnel resources to support global competitiveness. This platform brings together various sources of recruitment and performance information, collecting them in an established data warehouse. Specialists analyze staff data, helping the company understand staffing trends and impact on business operations & HR, ensuring we can optimize our talent attraction and retention strategies.

### Summer Internship Program

Building on previous success, in 2016 Acer's "New Acer Seed Program" summer internship program saw a notable jump in registrations to over 700 people thanks to its strong accumulated reputation. Several interns from among that number also requested extended internship periods, indicating exciting potential for continued growth.



Summer Internship Program Logo



CEO and global president Jason Chen (middle row, fourth from left) and HR director Andy Lin (middle row, second from right) pose with student interns.



Chairman George Huang (front row, third from left) with interns.



### Reaching Out to Future Talent

Spain



In Spain, Acer has opened its office and service center to student visits, answering questions and helping students understand how the ICT industry runs. This also gives them a deeper understanding of Acer, and plants the seeds of future ICT talent.



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## Competitive Compensation Packages

### Remuneration Policy

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

### I Acer Salary Policy Principles

 <b>Overall Remuneration for Competitiveness</b>	<ul style="list-style-type: none"> <li>Must protect the rights of both shareholders and staff</li> <li>Must be able to attract and retain talent</li> <li>Provides appropriate incentives to reward staff that contribute to the company</li> </ul>
--	---

### Incentives System

Acer has established internal awards for colleagues who have made significant contributions in sales, management, and R&D. These awards are presented at public ceremonies, simultaneously rewarding excellent performance and sharing their results with the staff body.

## Recognizing Achievement in R&D

In addition to providing bonuses for R&D staff receiving patents, Acer also recognizes outstanding achievement in this regard with awards at the AGM.

### Rewarding Product and Business Teams

We also give public recognition to business and product teams who have shown outstanding performance or developed a breakthrough product.

### Employee benefits

In addition to the benefits as stipulated by law, Acer also provides group medical insurance and outstanding employee benefits based on local customs. For example, the Taiwan Employee Welfare Committee - Acer Welfare Committee provided the following three major employee benefits in 2016:



### Recreation and Entertainment Benefits



Playing with giant balls on Acer Family Day

Staff participating in the Wan Jin Shi Marathon



### Swiss Summer BBQ



Switzerland

Over the past three years, we have organized the Acer Marathon and summer BBQ, celebrating the summer together with our staff and their families. Our 2016 activities included runs, walks, soccer, ping pong, and games for children, creating wonderful memories for all who took part.



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## Fellowship Activities

We provide a variety of club activity subsidies, with 19 staff clubs including a wilderness club, a gardening club, an ironman triathlon club, a street dance club, an aerobics club, a board games club, and a coffee club. Each of these clubs gives our staff opportunities to learn together and to cultivate interests together.



By providing subsidies through each department, we offer the staff of those departments the means to plan their own recreational activities independently.



We have also set up staff recreation areas, a dance studio, a cafe, and other spaces for staff to interact with one another, as well as providing massage chairs, video games, and gym equipment for their enjoyment.



## Cash Benefits and Gift Coupons

We provide bonuses for the three major festivals (Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival) as well as birthdays, along with scholarships and cash subsidies for weddings and funerals, and non-cash benefits such as gift coupons.

## Retirement System

Acer's retirement system adheres to the regulations for each of the Company's global locations. In Taiwan, for example, staff pensions are contributed to 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. As of the end of 2016, the Company's deposits with Bank of Taiwan under the old system totaled approximately NT\$261 million. As for the new system, the Company currently contributes 6% of employee pay, while the employees may contribute anything between 0% and 6%.

## Employee Relations

### Staff Communication

As the company transforms, we continue to strengthen internal staff communication to equip everyone with a shared credo and vision, along with shared core values. In this way, we facilitate working together toward successful change.



#### "Fantastic Acer"

Through seminars and lectures on the theme of "Fantastic Acer," chairman George Huang discussed with the company's innovative business units Acer's goals, strategies, and developmental direction for the future. In 2016, a total of 9 such events were held for a total audience of 1,104 people.



#### An Appointment with Jason

Global President and CEO Jason Chen has also held "An Appointment with Jason" communication meetings to share in face-to-face discussions the company's results and future direction, as well as taking questions and suggestions from the staff. He has also held face-to-face meetings with staff in our various global locations, explaining new policies to our global staff.



#### Acer Daily News

Acer Daily News enables colleagues to get prompt access to media information relating to the Company.



#### Acer Good News

Acer Good News also reports the awards the company's products have received, along with news on the company's growth.



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## Staff Communications Channels

Only through effective two-way communication can we create unity and a sense of identity among the staff of the organization, while also ensuring that staff can develop and grow in an organizational culture of respect and consideration. In this way, we create a win-win situation for both the company and its employees. Taiwan, we organize quarterly Employee Representative Meetings headed by the Global President and CEO. At these meetings, the President meets with the head managers of the various business units and the senior management and staff of logistical support units to discuss and implement resolutions for matters relating to operations management, work environment, and employees' rights. In 2016, employees in Taiwan reported the following major proposals through the Employee Representative Meetings. We have formulated and are carrying out improvement plans for each resolution.

### | Major Proposals from Taiwan Region 2016 Employee Representative Meetings

#### Strengthening company's explanations of new systems

Explanations of factors behind changes in staff leave system and timetable for employee stock fee payments, along with stronger performance management and promotion systems.



#### Disputes over employee rights and benefits

Company sponsorship of staff participation in major sporting events was recommended, along with establishment of Acer Group global user survey platform.



#### Company brand image/values

Company sponsorship of staff participation in major sporting events was recommended, along with establishment of Acer Group global user survey platform.



#### Office environment improvement measures

Company sponsorship of staff participation in major sporting events was recommended, along with establishment of Acer Group global user survey platform.



#### Improvements to traffic safety around Acer Building

Increased guidance system, applied for adjustments to traffic lights, etc.



In addition, the following communication channels are available to facilitate rapid communication of ideas and views by staff to the company:

 <b>Occupational Welfare Committee</b>	 <b>Departmental service hotlines</b>	 <b>Volunteer Care and Sharing Meetings</b>
 <b>"Little Nurse" hotline</b>	 <b>Letters to the Chairman /General Manager</b>	 <b>Complaints Mechanism</b>

Where there are major changes in our operations, Acer will always notify employee of any impact such changes may have on them in accordance with local laws. At Acer's Taiwan headquarter, for example, employee who have worked for more than three months, but less than 12, are given 10 days' notice; those who have worked for more than one year, but less than three, receive 20 days' notice; and those who have worked for more than three years receive 30 days' notice.



Group photo of participants at Employee Representative Meeting, along with CEO.

## Compliance with Labor Laws

In 2016, Acer had one incident of a staff member working extended hours in contravention of Article 32 of the Labor Standards Act, receiving a fine of NT\$20,000 from the Labor Standards Inspection Office of New Taipei City. For strict adherence to laws and regulations, we not only strongly encourage staff at all levels to focus on work-life balance and limit overtime to a maximum of 46 hours a month in line with Taiwan's legal restrictions, but also, in line with Article 84-1 of the Labor Standards Act, provide for flexibility of working hours through two-way negotiations with the company; agreements thus produced were submitted to the Taipei City Government and approved on October 24, 2016.

## Human Rights and Freedom of Association

Acer believes that every employee has the right to receive respect and fair treatment. In addition to its commitment to respecting internationally recognized human rights, including Universal Declaration of Human Rights, as well as International labor standards, the company has formulated the Standards of Business Conduct, which sets down related human rights policies including respect for diversity, fair treatment, and anti-discrimination and harassment. The company has also never prevented nor hindered the freedom of association of any employee. The percentage of employees covered by collective agreements in countries and areas with unions is 10.9%, mainly in Italy, France, Germany, Netherlands, Finland, Brazil, Vietnam, and Shanghai of China.

In order to protect gender equality and human dignity and provide a work environment free of sexual harassment and gender discrimination, the Taiwan region has specifically drawn up the Sexual Harassment Prevention Measures and Disciplinary Actions, clarifying complaints channels, operating procedures and disciplinary regulations, as well as providing training courses for the prevention of sexual harassment to increase employee awareness and preventing sexual harassment. The company received no complaints of sexual harassment for 2016.



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## Continuing Learning and Growth

### People Development and Career Growth

To achieve our vision of breaking down barriers between people and technology, Acer continues to explore new trends in end-user-demand-driven services. In 2016, we actively strived to aid our staff in keeping pace with these developments, providing training in areas including digital applications, effective social media management, shared economy, platform strategy, and big data analysis. In addition, we continue to strengthen Acer's core values and their implementation in daily work.



With regard to professional training, we have systematically organized a series of seminars on the latest trends, aiming to help our staff both understand end users better and stay on top of technological developments. We also strive to integrate these into new product development and troubleshooting, facilitating a quick, accurate response to market demands.

Management training, meanwhile, worked to improve people management skills, aiming to teach management how to choose the most suitable people, enhance coaching and performance management skills, and employ motivational tools skillfully to improve both team and individual performance.

As for general education and training, by guiding staff in their application of the latest technological trends to marketing and sales, we are able to make them more effective and more efficient. Guided by our core values, we continue to promote the full range of skills, including fostering innovation, improving cross-team cooperation, encouraging "5C" (communication, communication, communication, consensus, commitment) communication, and promoting integrated project promotion.

To ensure the quality implementation of such training, all training is done in accordance with the "Management Process of Internal and External Training." In 2016, for example, a global total of 19,129 attendees participated in such training, accounting for 52,272 man-hours. All training was done in accordance with the principles of operational necessity, gender equality, and equal opportunity.

### Global Staff Participation in Training Activities, 2016

Staff Category	Training Attendees	Participants	Course Man-Hours	Average Hours of Training Per Person
Senior Management	759 people	141 people	1,765 hr	12.5 hr
Middle/Base-level Management	2,812 people	985 people	7,741 hr	7.9 hr
General Staff	15,558 people	5,907 people	42,766 hr	7.2 hr
<b>Total</b>	<b>19,129 people</b>	<b>7,033 people</b>	<b>52,272 hr</b>	<b>7.4 hr</b>



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Middle and senior management attending seminar by global innovation guru Dr. Verganti on "Innovation in Dynamic Environments."



The Head of Business Group was invited to share their valuable experience in our course on Coaching for Improvements.



Senior management attending "Retail 4.0: Channel Trends" seminar, sharing ideas with Taiwanese godfather of e-commerce Steven Ho.



Case discussion and sharing in course on Delegation Skills training.

## Development of Diversified Learning

In order to promote a user-oriented and innovative organizational culture, as well as to inspire a passion for changing world among our staff, Chairman George Huang has held seminars on "Appreciating life". In addition, we also invited well-known figures to share their insights and experiences in industry trends and innovation to help hone the management vision of our colleagues. On top of this, through the My Acer internal communications platform, we have been able to further promote Wangdao belief.

With regard to the enhancement of professional competencies, development opportunities are provided within the company, which includes job training, coaching, job transfers, seminars, and online learning. Employees can also participate in professional seminars and short-term training courses at prestigious foreign universities and training organizations. In order to encourage colleagues to obtain professional certification and improve their professional capabilities, we formulated the regulation of Incentives for Professional Certification to provide subsidies and bonuses to cover test fees for professional certification.

## Training System

### I Focal points of training plans at all levels.

- Core Values Training
- Self-Management Training
- Communications Skills Training
- Office Computer Applications Training
- Cloud Applications (Digital Marketing, Social Media)

- Personnel Management (Interviewing and Selection, Goal Setting, Delegation, Work Instruction, Performance Management)
- Project Management
- Problem Analysis and Solving
- Efficiency

- End Consumers' Needs and Innovation
- Authority Management and Goal Implementation
- Problem Analysis and Solving
- E-Commerce and Digital Marketing
- Personnel Management (Interviewing and Selection, Goal Setting, Delegation, Work Instruction, Performance Management)
- Resource Integration and Application

- Wangdao Business Philosophy
- End Consumers' Needs and Innovation
- Global Logistics and Strategy
- End-to-End Resource Management (New Core Business—Supply Chain Efficiency; Value Innovation Business—Management and Controls for Digital Devices)
- E-Commerce and Platform Strategy
- Global Business Skills

### General Staff



### Base Management



### Middle Management



### Senior Management





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## Management Capability Training

In terms of management training for senior management, the focus has been on how to enact a culture of innovation within the organization, including inviting a professor from the Politecnico di Milano to give a seminar on how to enact meaningful innovation in dynamic, changing environments. We also invited Taiwan's godfather of e-commerce, Steven Ho, to introduce our management to developments in "Retail 4.0" in order to further strengthen their strategic thinking regarding sales channels.

With regard to strengthening middle and base-level management's managerial capabilities, we continued our focus on personnel management, holding courses in five areas: interview and selection skills, goal setting, delegation of responsibility and authority, coaching for improvement, performance management and motivational skills. Every leader was required to complete this series of classes.



### European Headquarters

Europe



EMEA Swiss - Lugano management participate in training in interdepartmental negotiations and conflict management.

At our European headquarters, senior management was dispatched to a leadership course run by London Business School and a senior management training program at Lausanne's International Institute for Management Development (IMD). Middle management, meanwhile, was dispatched to a conference held by the Instituto de Empresa Business School (IE) in Spain.



### Pan Asia-Pacific regional operating headquarters

Asia

In our Pan Asia-Pacific regional operating headquarters, we organized a special two-day course on effective communication and team management in order to elevate the communicative and leadership skills of our management in China, with a total of 16 middle and senior managers participating. In India, to strengthen local marketing staff's familiarity with Acer's latest products and boost their marketing skills, we held 38 marketing training sessions across the country. To elevate performance management in our Australian branch, we held a performance improvement training camp, with a total of 15 local managers taking part. To inspire our Philippine team, we held a team performance motivation camp for 205 local staff.



Members of our Philippines branch take part in a team motivation program.



Our Thai branch comes together to share customer grievance handling techniques.



### Pan America operating headquarters

America

At our Pan America operating headquarters, we held customer service quality leadership training lessons to help reinforce our the leadership skills of our customer service quality department, as well as holding customer experience management training sessions at service points across the Americas.

## Professional Occupational Training

This system provides the technical training required by the Company's various departments, as well as seminars by specialist speakers given to help keep staff up on the latest trends in product development. 2016 marked the start of our series of seminars on business trends, with a team of senior analysis from the Institute for Information Industry invited each month to discuss with production-line staff analyses and observations on IoT consumer trends. These seminars covered topics including new Internet ideas (social media marketing, mobile commerce, big data applications), developments in smart health and safety, opportunities in smart transportation, and trends in innovative applications. Each department also held its own experience sharing sessions, with many focusing on implementing consumer insights in product concepts or discussing how to make business opportunities through product innovation.

## General Education Courses

The focus of our general education courses is on the application of technology to enhancing business performance, including rapid production of business intelligence analysis reports, management of cloud-based digital information and files, and so forth. We also continue to promote stronger core competencies and basic professional skills through courses covering areas like improving workplace communication and the protection and use of patents. In marketing, we cover areas including storytelling marketing, the application of website analysis to marketing, and learning presentation skills through TED Talks.



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### New Staff Training

On their first day of work, new staff are given orientation training to help them quickly come to grips with the Company's basic operating processes. Within their first month, new staff are put through training to better understand the company's mechanisms, regulations, core values, brand values, corporate culture, and the Standards of Business Conduct (including instruction on labor rights, freedom of expression, individual privacy rights, sexual harassment prevention, and corruption prevention), thus helping them become fully integrated parts of the team.

New staff working in product-related positions also receive training on patent protection, CSR (including green products, EICC, and greenhouse gasses), and electrostatic discharge (ESD). We also actively encourage staff to take training in CPR and automated external defibrillator (AED) use.

### 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 2016, the proportion of Acer Taiwan employees involved in performance evaluations approached 90%.

### Standards of Business Conduct

In addition to carefully abiding by relevant laws and regulations, Acer requires staff to demonstrate integrity and exceed the public's expectations for Acer. We have also set out our Standards of Business Conduct, and Acer management, global HR headquarters, and global legal headquarters are available for both staff inquiries and external inquiries. In the event that the SBC is violated, the situation will be handled according to the severity of the violation, with serious cases subject to disciplinary action and even dismissal.

The SBC requires all Acer employees to carry out business activities to the highest standard of conduct, and every new employee receives training to ensure compliance with these standards. The SBC is integrated into performance appraisals to remind colleagues of their obligation to adhere to the code, and management is expected to supervise to ensure that all staff under their leadership follow the code.

All new staff are required to undergo training regarding anti-corruption measures. During annual performance reviews, we require management and colleagues to review their adherence to our standards of professional behavior. In the event of corruption being found, the company must immediately report the incident and implement management measures, while also reminding staff that they must adhere to the regulations of the Standards of Business Conduct.



### Promoting Core Values

Switzerland



In Switzerland, to help Acer's core values take deeper root in staff, we organized six cakes, each themed for one of our core values. The sharing of the cakes served as an opportunity to answer questions and create a positive environment conducive to internalization of these values.



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# HEALTH AND SAFETY IN THE WORKPLACE

In order to provide a healthier, safer work environment and protect the physical and mental health of our staff, Acer Taiwan has set up a Safety and Health Management Department, hired specialist health & safety managers and nurses, and planned and implemented an Occupational Safety and Health Unit. At the same time, to ensure that the organization can improve environmental, health, and safety performance through effective communication, we have put in place an Environmental Health and Safety System of 43 members, 41 of whom are chosen from the most suitable candidates from various business units for a labor representation of 95%. Through annual education, training, meetings, and auditing, the system's effective operation is maintained. In addition, Acer Taiwan organizes regular Employee Representative Meetings, with regional representatives elected by employees. Meetings are held quarterly to discuss topics including health and safety issues and improvement follow-up.

## Government Certification

In 2016, the Ministry of Education's Sports Administration launched the "Sporting Enterprise Mark," aiming to encourage businesses to actively promote sports and inspire their staff to maintain a habit of



Vice President Chen Chien-Jen makes a presentation to HR director Andy Lin.

regular exercise. In this way, they not only bring to life the spirit of corporate social responsibility, but also lend their weight to the development of the sports industry in Taiwan by promoting themselves as brands that value healthy staff. Acer has actively promoted a variety of sporting and exercise clubs, with staff getting passionately involved in intra- and interdepartmental competitions and hundreds of our team taking part in the Wan Jin Shi Marathon. For our efforts, we have received the Sports Administration's mark and been recognized as a company that cares about health and is passionate about sports.

In addition, in line with the government's policy promoting and protecting breastfeeding, Acer has worked to create an excellent environment for breastfeeding, being honored in 2016 by being selected as one of New Taipei City's Most Outstanding Breastfeeding Rooms (Mother & Child Friendliness Category, Friendly Workplaces Group). We consider this a testament to our care for the mothers among our team.

### | Parental Leave at Acer Taiwan in 2016

Number of Employees Entitled to Parental Leave		
Male	Female	Total
77	31	108

Number of Employees that Returned to Work After Parental Leave the Previous Year		
Male	Female	Total
1	9	10

Number of Employees Who Took Parental Leave		
Male	Female	Total
5	19	24

Number of Employees Expected to Return to Work After Parental Leave		
Male	Female	Total
4	13	17

Applicants for Parental Leave (%)		
Male	Female	Total
6.49%	61.29%	22.22%

Number of Employees that Returned to Work After Parental Leave		
Male	Female	Total
3	6	9

Post Parental Leave Return-to-Work Rate (%)		
Male	Female	Total
75.0%	46.15%	52.94%

Post Parental Leave Retention Rate (%)		
Male	Female	Total
100.0%	88.9%	90.0%

Number of Employees Still Employed 12 Months After Return		
Male	Female	Total
1	8	9

Note 5 : Number of Employees Who Took Parental Leave during the Year/Number of Employees Entitled to Parental Leave during the Year\*100

Note 6 : Number of Employees that Returned to Work After Parental Leave during the Year/Number of Employees Expected to Return to Work After Parental Leave\*100

Note 7 : Number of Employees that Took Parental Leave the Previous Year/Number of Employees that Returned to Work After Parental Leave the Previous Year\*100



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## A Healthy Workplace

Staff are a company's most vital asset, and so to help our staff stay on top of their own health and create a healthy workplace environment, we provide health checks, health check report analysis, health management, and a variety of activities that promote good health.

<b>Health Checks</b>	<b>Approach</b>	<b>Number</b>
Health Checks for New Colleagues	Pre-work health checks are given to new staff by a contracted health check provider, with reports paid for upon commencement of work	· 405 people
Staffwide Health Checks	Given once every 2 years, next scheduled will be held in 2017.	· 1,938 people
Management Health Checks	Signed special contracts with health check providers, arranged checks based on management staff's ages and seniority	· 321 people

	<b>Approach</b>	<b>Quantitative Statistics</b>	<b>Health Management</b>
Health Check Report Category Management	Filtering for medium-risk staff and providing healthcare education, and targeting high-risk staff with health consultations and follow-up.	· 8 categories · 5 levels of management	
Plant visits by occupational health physicians	Physicians visit once monthly, conduct office environment assessments, discuss health issues with staff, and undertake follow-up.	· Once per month, 3 hours per visit	
Promotion of Ergonomic Hazards Prevention Program	Surveying staff members' levels of skeletomuscular pain, with cases of severe pain entered into tracking management	· Follow-up Management: 22 people	
Cardiovascular Disease Prevention Program	Entering staff members at high risk of cardiovascular disease, as judged by relevant risk assessment, into tracking management.	· Follow-up Management: 24 people	
Health Protection for Working Mothers Program	<ul style="list-style-type: none"> <li>· Pregnant staff: Chairs, gear bags, work hazard assessments, and occupational health consultations provided</li> <li>· Breastfeeding staff: Breastfeeding rooms/spaces provided</li> <li>· Female staff: Women's Issues and Health seminars and pap smears provided</li> </ul>	<ul style="list-style-type: none"> <li>· Pregnant Colleagues Making Use of Occupational Health Consultations: 28 people</li> <li>· Use of Breastfeeding Rooms: 5,938 people</li> <li>· Women's Issues seminars: 3,230 people</li> <li>· Cervical smears: 65 people</li> </ul>	



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## Health Promotion



	Approach	Quantitative Statistics
Health Seminars	Professional speakers Target Participants: All staff	• 17 seminars • 2,450 people
Healthy Weight Loss Classes	• Health seminars • Health seminars Target Participants: Staff with BMI>24	• 46 participants • Total weight loss: 60 kg
Smoking Cessation Classes	• Smoking cessation clinic • Oral screenings • Pharmaceutical assistance Target Participants: Staff with BMI>24	• 20 participants • 6 full cessations • 10 reductions
Physical Fitness Checks	Tests and explanations Target Participants: All staff	• 167 participants
Promotion of exercise	• Wan Jin Shi Marathon • Hiking events • Sports clubs Target Participants: All staff	• 125 participants • 1,011 participants • 11



### Vladivostok International Marathon, Russia

## Health and Safety Education and Training

In order to implement our health and safety policies, Acer runs a series of training and education programs tailored to different groups, aiming to create a corporate culture of health and safety.

### | Health and Safety Education and Training, 2016

<b>New Employee Health and Safety Education and Training</b> Target: New Colleagues Total <b>9 Stages</b> Internal Course Online Course	<b>Emergency Personnel On-the-Job Training</b> Target: Emergency Personnel Total <b>2 Classes</b> Internal Course
<b>CPR-AED Training</b> Target: General Colleagues Total <b>4 Classes</b> Internal Course	<b>Fire Safety Seminar</b> Target: Fire Defense Personnel Total <b>2 Classes</b> Internal Course
<b>Fire Prevention Management Staff On-the-Job Training</b> Target: Fire Prevention Management Staff Participants <b>1 people</b> External Course	<b>Occupational Health and Safety Management Personnel On-the-Job Training</b> Target: Occupational Health and Safety Management Personnel Participants <b>10 people</b> External Course



Acer is a team that prides itself on being healthy, active, and vibrant, and so Acer Russia sponsors the Vladivostok International Marathon, an event a number of staff also participate in. Through this event, we communicate to the public our passion for exercise and that each of us can choose to live a healthy life.



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In 2016, Acer Taiwan experienced a total of 6 occupational accidents, 3 scooter accidents (on the way to or from work), 2 injuries from accidental falls (1 on the way to/from work, 1 client-side), and 1 collision on the way to/from work. The three scooter accidents that accounted for 50% of our occupational accidents led to a total of 24 lost days (65% of total). To reinforce our staff's defensive driving awareness, we have not only used our general affairs website to promote traffic safety and discuss incidents, we have also put on defensive scooter driving seminars and invited colleagues involved in accidents to participate, receiving a total of 146 registrations.

### | Injury and Lost Day Rates for Acer Taiwan, 2016

#### Injury Rate (IR):

(total occurrences of disabling injury×200,000)/total work hours

Male	<b>0.19</b>
Female	<b>0.04</b>
Total	<b>0.23</b>

#### Lost Day Rate (LDR)

Total number of injuries×200,000/total work hours

Male	<b>1.02</b>
Female	<b>0.38</b>
Total	<b>1.40</b>

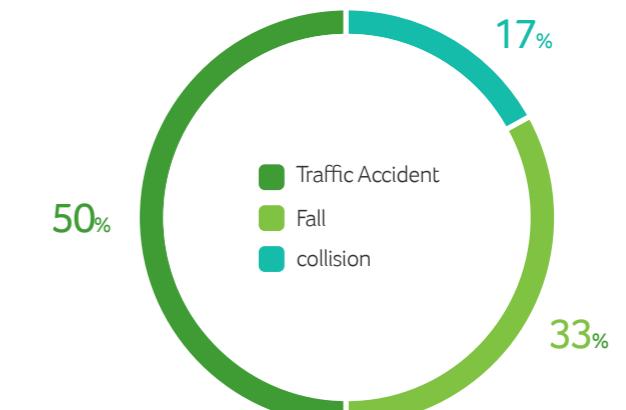
### | Absence Rate

#### Absence Rate

Total number of injuries\*200,000/total work hours

Male	<b>0.64%</b>
Female	<b>0.46%</b>
Total	<b>1.10%</b>

### | Injury Type



### | Loss Day



## Improving Hardware and Software Facilities in the Work Environment

To ensure workplace health and safety, every year we convene an environmental health and safety affairs committee, who review workplace hazard risk identification and environmental impact consideration assessment for every ongoing project, with any significant risks or high-impact items put forward for improvement. We also conduct full cleaning, maintenance, and disinfection of office spaces and continue to test drinking water potability, interior carbon dioxide levels, cooling tower legionella, post-renovation indoor air quality, and other environmental factors, as well as monitoring and maintaining the office environment. In response to these factors, we pursue a variety of office hardware and facilities improvements, ensuring we provide our staff with an excellent workplace environment.



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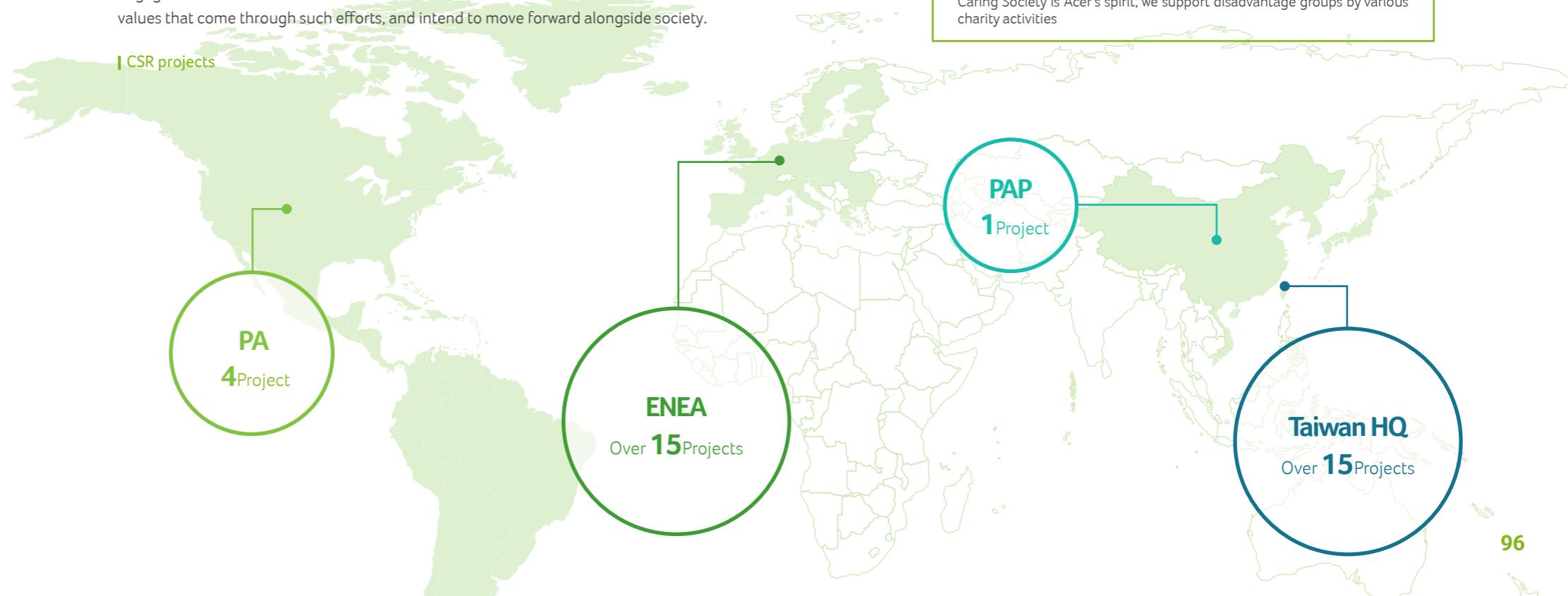


# THE POWER TO CHANGE THE WORLD

## Strategy and Contributions

Throughout our many years, Acer has remained committed to a culture built around people, a spirit of charity, and a combination of professional capability and contribution to society. We particularly consider promoting and popularizing science to be among our missions, and we strive to make use of our influence in the industry to light the way forward with a commitment to “a scientific heart that opens minds to the world.”

In terms of contributing to society, through our focus on education, the environment, and philanthropy, Acer engages in community work and charitable efforts by providing volunteer services and resources like products, technologies, and capital. In recent years we have developed long-term cooperative relationships with stakeholders including local governments, schools, and non-profit organizations, focusing on the value of local experience and aiming to put our resources to the most effective use. In 2016, Acer's global community engagement investments amounted to over NT\$33 million. We continue to value the feedback and shared values that come through such efforts, and intend to move forward alongside society.



## | The Core of Acer's Community Engagement Efforts

### Education

Deepening the application of technology in education, and increasing digital inclusion, offering more people access to knowledge through technology

### Environment

Acer not only provide sustainable transportation solution, in response to the goal, Acer held a creative competition around green commuting to encourage every employee to choose a “low-carbon lifestyle”

### Charity Philanthropy

Caring Society is Acer's spirit, we support disadvantaged groups by various charity activities



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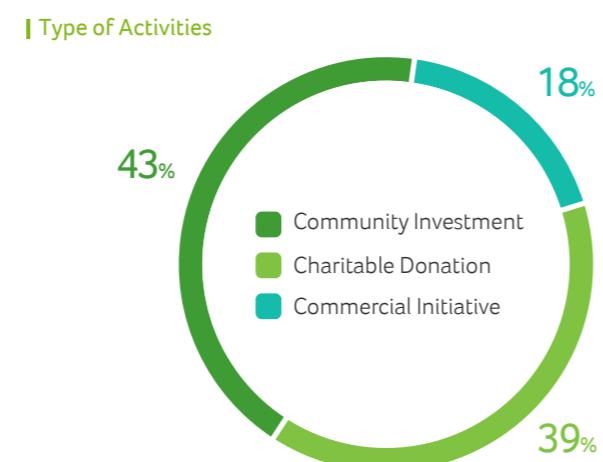
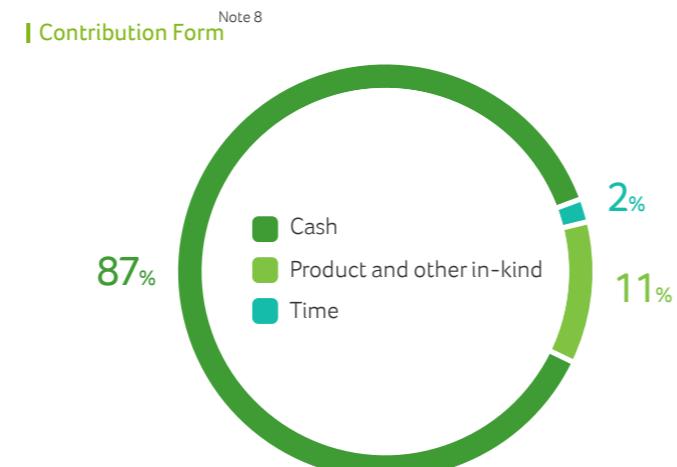
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## Lighting the Way with Education

Education provides people with the knowledge to find and seize opportunities. Technology is an essential tool for education, as it can accelerate access to information and deepen connections with the world. We believe that education is the most valuable possible investment in the future, and we strive to apply our core competencies toward these goals:

Note 8 : Conversions of product donations into monetary values are based on quoted prices given by each location. Time investments are converted into monetary values based on hourly wages at each location. Donations of supplies are converted into monetary values based on estimates calculated using local commodity prices.

Increasing digital inclusion, offering more people access to knowledge through technology.



Cultivating the next generation of scientists and technologists, creating opportunities for the youth.



Deepening the application of technology in education, using technology to transform education.



Addressing the lack of educational resources to help children continue their education.



## Digital Inclusion

Technology can hugely improve quality of life and open up new possibilities. Helping everyone enjoy the convenience and opportunities technology brings is one of our goals, and through cooperation between our global locations and non-profit organizations, we are able to extend the reach of technology to different groups.

## Digital Mobile Vans, Roll Out!

The digital divide in Taiwan between urban and rural communities is dramatic, with remote rural areas lacking IT education resources and facilities and resources for IT education and planning in regard to those with disabilities limited. The Digital Mobile Vans project, launched in 2010 in cooperation with the Hanguang Education Foundation, aims to bridge the information divide by bringing free computer education to groups in Yilan and Hualien that rarely have opportunities to engage with technology, including children, Aboriginal peoples, immigrants, and the elderly. We also encourage our staff to serve as volunteers, teaching members of the public how to effectively use hardware, software, and the Internet, thus elevating technological skills among the general populace.

## Achievements of the Digital Mobile Van Project, 2016:



To better understand the long-term impact of this project, in late 2016 we began introducing the concept of “social return on investment” (SROI). Through methods including identifying stakeholders, collecting information from the previous year, estimating inputs and outputs, and measuring results and impacts, and we look forward to being better able to grasp the qualitative and quantitative value of this project in the future, helping us optimize resource investment strategies.



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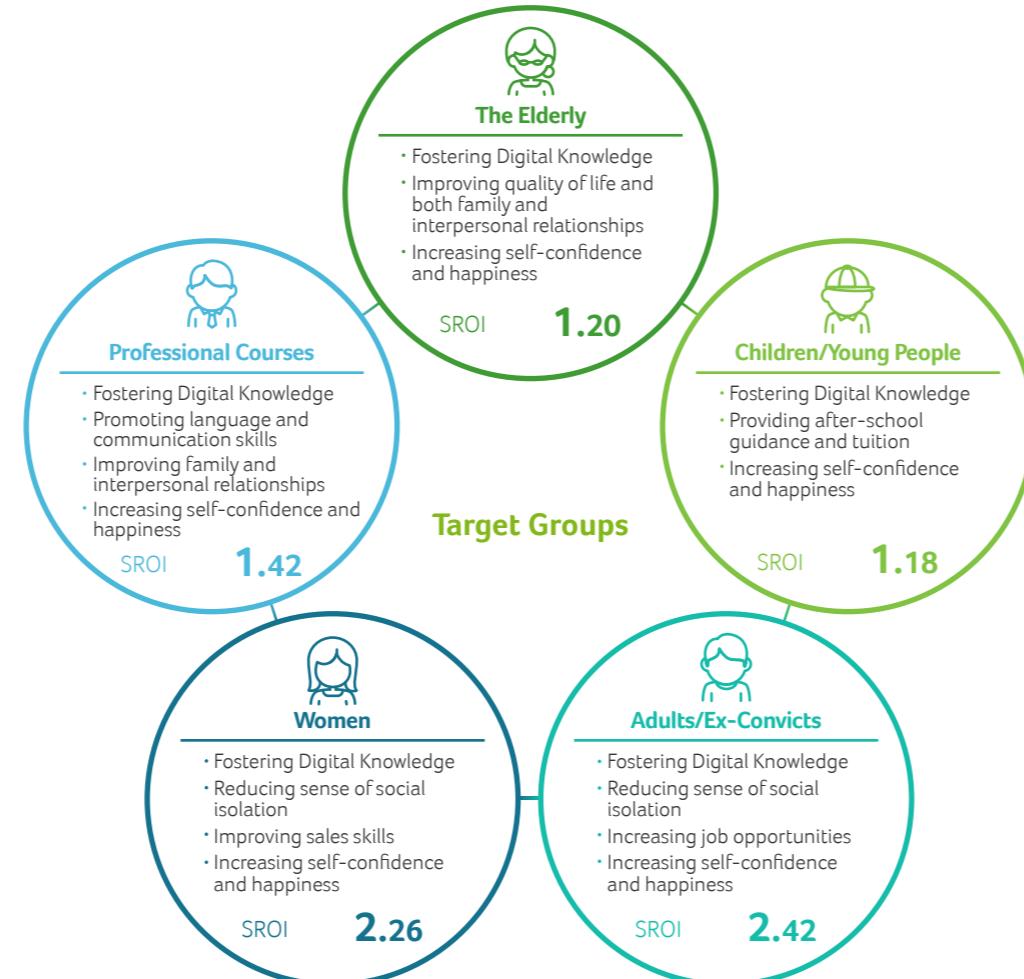
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Through the long-running Digital Mobile Vans Project and the broad scope of its course service coverage, we have been able to focus our courses in five main areas: young students, the elderly, women, adults, and professional skills. Through monitoring investment, production, results, and impact of the program, along with any changes it creates, we are able to establish impact maps. Additionally, through interviews in person or by phone to gather feedback from students and partners, we are able to evaluate results and SROI, as shown below:



When comparing our programs with similar digital skills projects in other countries, we have found that many of those we target don't have access to the Internet at home or nearby, and in some cases have never used a computer or the Internet before. As a result, after our lessons, the younger people find their self-confidence boosted and their sense of connection with society strengthened. The increased employment capabilities that come with these lessons also elevate their ability to contribute value to society. We are evaluating the potential for expanding this program to our overseas locations, making further concrete efforts to address digital skills development across borders and cultures as well as elevating the social benefits that come with them.

### Initial Results, 2016:



Students and seniors use Digital Mobile Vans to learn about notebook and tablet computers



### Column .....

"The oldest person we've encountered was 94 years old. People that old require special assistance, including help with data input for those who are illiterate." Linus Chang, director of digital education for the Hanguang Education Foundation, remarks that they once encountered an octogenarian man who had never touched a computer, and after just a week of lessons, he was able to type quickly. These results, says Chang, gave him a new admiration for the elderly's commitment to learning.

Older people find an easier sense of accomplishment and get eagerly involved in teaching and challenging one another in class. A group of young people, after their lessons, ventured out into an Aboriginal village where they found that not only were many of the elderly residents illiterate, they also couldn't speak Mandarin or Taiwanese, meaning the lessons conducted there relied on the help of Aboriginal volunteers who spoke the local language. Despite this, the spirits of these elderly students were just as high as anywhere else! Through those lessons, they were able to learn to use Facebook and instant messaging service Line to video chat with their children and grandchildren, and even take cell phone photos, edit them, and upload them to share with friends and family.



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## Solar-Powered Mobile Container Computer Learning Center

Myanmar

In June 2016, Acer began assisting the Ministry of Foreign Affairs with their Taiwan Digital Opportunity Center Project, setting up Myanmar's first solar-powered mobile container computer learning center. Generating electricity through solar power, the center is equipped with high-performance computer education equipment and travels, with teachers and courses, to different parts of Myanmar to promote computer and Internet skills and reduce the urban-rural digital divide.



## Promote Computer Education Cooperation Projects

Latin America

Acer has long been a strong supporter of computer literacy in order to fulfill our commitments to SDGs. In 2017 January, Acer has supported Taiwan's government and NGOs in their efforts to promote computer education cooperation projects in Southeast Asia and Latin America., thereby helping people connect to the Internet and take part in the digital age. At the same time, Acer's efforts have shown the world Taiwan's prowess in the field of information and communications technology. We have trained 500 CloudProfessor seed instructors in Latin America. In the future, these people will all serve as links between Taiwan's ICT firms and local markets, and will be ideal helpers as our firms work to establish themselves in the region.



## Technology Courses For Swiss Seniors

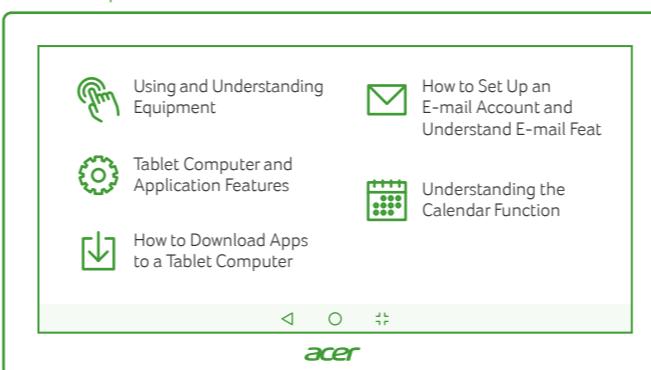
Switzerland



## DIGITAL SENIORS

Technology is no longer the sole domain of the young. In Switzerland, we held tablet computer classes for over-60s, with Acer employees teaching lessons of 3-4 hours to help these elderly people learn to use hardware and software to create more convenient lives and foster a passion for tech among the older generation.

### Tablet computer classes:



## Creating Opportunities for Young Learners

Today's children 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 continue to use our products and expertise to provide youth with better development opportunities.

## Longterm Smile Competition

The Longterm Smile Competition is aimed at tertiary and postgraduate students and encourages the creation of innovations with market value by providing entrepreneurial guidance and a mechanism for innovation teams, industry, and academia to cooperate. Since its founding, the competition has hosted over 1,768 teams and become the collegiate entrepreneurship competition in Taiwan that offers the biggest prize, with four to six teams chosen for a venture capital opportunity. When signups closed in January 2017, a total of 673 people in 120 teams had registered, 10.6% up on five years ago. It is our hope that through this competition, we will be able to foster continued strengthening in industry-academia partnerships in innovation, while also boosting R&D capabilities and changing the world.

<http://longterm.cheers.com.tw/>



## BeingLife Creativity Competition

Acer's Digital Creation Awards were first held in 2004, and over 12 years encouraged many to embrace the digital era by transitioning from traditional media to digital creativity. In 2016, the awards transformed, becoming the first Acer BeingLife Creativity Competition, turning attention to the emerging Internet of Beings amid the IoT age, creating user-centric ideas and providing a competitive platform for bringing young people together in mutual creation.





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Acer's "BeingLife Creativity Competition" is leading young students through education and learning, to practice new ideas and spur creativity. Meanwhile, Acer spares no effort on Taiwan's science and technology education rooted by holding the competition and launching the seed school.

Acer has launched the seed school promotion reward program for the promotion of intellectual networking technology to create the concept, and to strengthen the seed school science and technology and information personnel training, we has sponsored the domestic public and private high school and the country schools, class and community in two consecutive years . The spirit of the seed school is to let students in addition to imagination and plans, but also through the Acer cloud teaching things networking suite of their own hands-on design, assembly, control program system to learn directly, so that the technology of cloud and the IoT really implemented. The program will retain some of the school in remote areas. We have ten successful applications for seed program schools, each school will receive five sets of Acer CloudProfessor with NTD\$ 25,000 grants and the training courses provided by Acer.

#### 2016 "Creative Stars" Acer Battle

Startups and innovation are firmly established as the mainstream of the contemporary marketplace. This competition, built around smart hardware and the Internet of Things, invites individuals, Taiwanese campuses, and startups to put their best works up against one another. This competition has created a new stage upon which Taiwanese startups can showcase themselves to the world, while at the same time promoting the development of the Internet of Beings. It is our hope that through it, we will encourage the bringing of more creative ideas into reality and uncover teams and talent with potential, working together to create value. In 2016, a total of 85 pieces were entered into the competition, with 15 teams making the finals and a total of NT\$2,776,000 in prizes awarded.



#### Fostering Professional and Career Development

We continue to use our products and expertise to provide youth with better development opportunities. In 2016, our investments in this regard included:



#### Home Run Scholars program

Canada



Home Run Scholars

In Canada, Acer worked for the second year running with the Home Run Scholars program, which is run by the Toronto Blue Jays' Jays Care Foundation. Through this program, we provided

notebook computers to outstanding students from low-income communities, helping them complete high school and pursue their dreams of higher education and successful careers.



#### Provide resume writing and interview guidance to students

Netherlands

In the Netherlands, Acer worked with local governments to provide resume writing and interview guidance to students who, for whatever reason, have had to cut short their studies. Thanks to the help of our colleagues in HR, these young people have been able to boost their job interview, and in 2016, some 40% of them were able to find desirable work within two weeks of completing our training. This project has not only elevated the students' self-confidence but also successfully helped them find opportunities for work and training.



#### Career Exploration Day

Switzerland

Switzerland's National Future Day aims to break down society's stereotypes of gender roles and encourage Swiss youth to pursue job choices and life plans without concern for gender expectations, instead showing the world their true talent and potential. To create such equality, though, also requires the help of schools, families, and society more broadly. These aspirations have resonated with Acer's Swiss office, and in response they organized Career Exploration Day, during which Acer staff introduced their jobs to children, giving the students a chance to explore for themselves and discover their own gifts and interests. In this way, they are then better prepared for early life and career planning.



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## Prioritizing Employment Opportunities

After the dust explosion at Formosa Fun Coast in 2015, Acer not only provided financial donations at the time, but also promptly announced that we were looking into other related programs to help. While the victims of the explosion continue down the long, hard road to recovery, Acer has continued to follow their progress. When some are ready to return to the workplace, we are there to provide appropriate job opportunities. In November 2016, we officially hired our first such outstanding new colleague. We also plan to provide a current student a four-month internship in February 2017. Acer continues to work to provide appropriate and relevant assistance, in the hopes that our support can help these young people return to normal lives as soon as possible.

## Using Technology to Transform Education

Not only do we provide the educational world with hardware that is both high-quality and reasonably priced, through skilled application of our products and technologies, we help with the creation of digital education resources and the development of smart educational concepts.



### Digital Learning Center

South Africa



Since 2012, Acer has worked with South Africa's Department of Basic Education, Microsoft, and two football clubs, South Africa's Orlando Pirates FC and the British Queens Park Rangers FC, to run a digital learning center at the Orlando Pirates' home stadium, helping local students learn more and giving them opportunities to explore a world of limitless possibilities through technology.

Through sports, communities can unite and create role models for the youth. In 2016, our main focus was on a student exchange program in which aspiring participants from the UK and South Africa submitted to us essays, presentations, or videos telling us what soccer means to them and why football clubs matter to the community. After this, we selected the strongest candidates and sent them on exchanges to each other's countries. During their week-long exchanges, the four youths participated in a series of cultural exchanges, sporting events, and educational activities, inspiring them to pursue their dreams and develop their potential.

For more information, please see:  
<https://www.acer.com/ac/en/ZA/content/professional-education-orlando-pirates-program>



### CloudProfessor Summer Camp

Taiwan

In cooperation with the labor departments in Taichung, Changhua, and Nantou, in 2016 Acer launched the Central Taiwan Makers Train project, donating BYOC cloud technology training lessons and products to help cultivate seed teachers for cloud education. Such teachers will then be able to help the youth of central Taiwan learn the basic ideas and skills behind the Internet of Things and cloud computing. In addition, we also organized the CloudProfessor Summer Camp, offering students from underprivileged families in Xizhi District a free way to learn about cloud computing, including opportunities to participate in lessons and hands-on tutorials at Acer's headquarters



In the future, we aim to expand our promotion of introductory education in cloud computing and the Internet of Things around the world, using the CloudProfessor IOT starter kit as the foundation and working together with technology education organizations in each region. Using the resources and comprehensive cloud services Acer provides, we aim to provide training to seed teachers in each location, enlisting their help in promoting technology education and helping us uphold our corporate social responsibility.

## Addressing Lacking Educational Resources

Education is the key to change someone's life, but the lack of resources in some areas can negatively impact the quality of education available, impacting children's ability to access schooling. In 2016, through donations of products, stationery, and funds, we helped improve educational quality in several ways:



### Complete Classroom Makeover

Netherlands



Acer Benelux used Facebook as a platform to launch the Complete Classroom Makeover project. A total of 75 schools entered, with Belgian special education school Katrinahof Buitengewoon Secundair Onderwijs winning the grand prize. They made a video about the old, slow computers in their classroom that were hindering the students' opportunities to learn, and how new touchscreens would be a gift from Heaven to them. In 2016, we gave the school 15 notebook computers

and 10 tablets, helping the students realize their dreams and continuing Acer's commitment to the use of technology to break down barriers to learning.

<https://www.youtube.com/watch?v=8FbPlcW4IE8&feature=youtu.be>



### San Salvador Home for Intellectually Disabled Women

South Africa

Acer's South Africa office donated notebook computers to the San Salvador Home, a charitable organization that is primarily dedicated to providing shelter and support to women with intellectual disabilities. We hope that by providing these computer facilities and working with the organization, we will be able to improve the quality of life these women enjoy and be a positive influence on their futures.



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## Environmental Protection

In addition to exercising prudent management of energy and resources in our operations and striving to develop environmentally friendly products, Acer is also committed to using volunteer work and participation in environmental advocacy to raise awareness of environmental issues in the public and inspire action.

Every year, Acer offers staff a number of opportunities to volunteer in environmental work, opportunities that have been warmly embraced, including:



### 2016's Golden Pothos Planting Event

Taiwan



Holding environmentally focused activities on Earth Day each year, including 2016's golden pothos planting event to promote reduction of PM2.5 particulate.



### Organizing eco-working holidays at Mt. Baxian

Taiwan



Organizing eco-working holidays at Mt. Baxian, one-day farmwork holidays, and so forth, encouraging staff to get out into nature and invest themselves into work protecting our environment.



### Green to Work

Switzerland



Acer's Swiss office really puts "low-carbon lifestyle" into practice. The office holds a creative competition around green commuting. Employees uploaded photos of how they get to and from work, and after an internal vote, a winner was

selected to receive an electric bicycle, with everyone else also in the running to win lottery prizes. The competition was an impressive demonstration of everyone leading by example as global citizens, implementing the spirit of low-carbon love for our planet and making it part of everyone's daily lives.

## Charity and Philanthropy

The global distribution of our operating locations enables Acer to develop strong connections to local communities around the world, inspiring us to contribute toward addressing the challenges these local communities face. Each of Acer's location teams has fostered long-term relationships with local organizations, working with them to put our resources to their most effective use.

### Bringing Together Resources for Fundraising

Acer hopes to bring all levels of society together to make shared contributions. Through various events and promotional practices, we get more people involved, bringing together even more resources for those in need.



### Charity Soccer Match

French



SOS Children's Villages is an international non-profit organization dedicated to promoting children's rights and well-being. For the past three years, Acer staff in France have voluntarily participated in the SOS Children's Villages charity soccer match, further supporting the organization's efforts to help children.



### Mandela Day Donation Drive

South Africa



Mandela Day, commemorated in South Africa since 2009, aims to encourage people to honor Nelson Mandela's legacy through volunteering and community service, calling on people everywhere to help shoulder the responsibility to change the world, because making the world a better place starts with one small step by every one of us.

Acer is proud to be involved with such a monumental commemoration, and working with international NGO the People Upliftment Programme (POPUP), we have donated 11 notebook computers to help local underprivileged people get the chance to build their technological skills and better equip themselves to find work, or to even start their own businesses.



### Scilly Walk Charity Challenge

UK

The Royal National Lifeboat Institution (RNLI) is a charitable organization focused on maritime rescue. The Scilly Walk is a charity challenge and fundraiser that was held in July 2016, with Acer's own team walking, swimming, and canoeing through five uninhabited islands and collecting a total of £3,200 over the three days. On the final day, we also took part in a beach cleaning event with a local wildlife charity, clearing plastic and dangerous items from the beach to return it to its natural splendor.



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## Partnership with Soles4Souls

USA



In May 2016, Acer launched a fundraiser based around gathering Likes on Facebook, donating US\$1 to global non-profit organization Soles4Souls for every Like received. Soles4Souls focuses primarily on issues of poverty, and through collecting shoes & clothing and distributing these to people in need in the community, they are able to ensure those recipients are able to enjoy the basic material needs of life.

The event raised over US\$10,000, and Acer staff were able to donate over 250 pairs of new shoes to children in need in Seattle and San Francisco communities.

## Rainha da Paz. Donation and Volunteering

Brazil



The Comunidade de Amor Rainha da Paz is an institution that provide assistance for especial children's with disabilities. We will help 313 children's with disabilities and 965 indirect people like families of people with disabilities, with the technology through the computer classes. This active allow them to learn the computer skill and gain confidence.

## Reverse Advent Calendar

Switzerland



On Christmas Eve 2016, our staff collected a pile of donated food and household items, donating them to charitable canteen Mensa Sociale to help those in dire economic circumstances without any means of cooking for themselves to enjoy hot meals and shelter.

## Santa Shoebox Project

South Africa



In South Africa, the Santa Shoebox Project gives gifts and joy to children in low-income families. This project has attracted widespread support in South Africa and Namibia, with many people volunteering their time, energy, and knowledge. Acer is also a sponsor of the project, and we hope the children that receive gifts on Christmas will feel the warmth of spirit with which they are given.

## Caring for Kids

South Africa

Acer supports the South African non-profit organization Kids Haven through donations, helping Kids Haven in their mission to help street children and others in need in the community by providing a loving, safe environment and shelter. The organization strives to help these people face life's challenges with the right attitude and to inject some positive energy into the community.

In 2016, we also sponsored the charity Magical Moments, which reaches out to children between the ages of 2-12 in Johannesburg, most of whom come from economically disadvantaged or impoverished environments. Our hope is that we can create some happiness for these children, and Magical Moments connects deeply to communities and families to make sure they get to see a different side to the world.

## Promoting Health and Happy Children For Swiss Staff

Switzerland

At our Swiss office, we have provided lessons in yoga and pilates, helping our staff get a stretch during lunch breaks while also promoting good health. In 2016, a total of 20 staff members participated, with the HR department donating the approx. NT\$60,000 collected in course fees to the Theodora Association to help children with disabilities develop their talents and to work with hospitals to provide specialist training for these budding young artists.



## Gateway Foundation

USA

Acer US's Gateway Foundation donated 20 notebook computers to the Boys & Girls Clubs of America, aiming to inspire more youth to realize their potential.



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## Volunteer Activities

We encourage all Acer employees to participate in volunteer activities to gain new experiences and ideas, as well as the energy and skills needed to face the challenges presented by their jobs. Since its 2003 inception, the Acer Taiwan Volunteer Team has continued to go from strength to strength. Every employee of Acer Taiwan enjoys two days of paid volunteer leave each year. Starting in 2015, Acer America staff will also enjoy two days of paid volunteer leave to enable them to get involved with company-approved charitable activities.

## Charity and Philanthropy

Acer Taiwan's volunteer team organizes a variety of community-oriented activities each year, such as:

Training IT volunteers within the company and holding summer camps on cloud computing for underprivileged children.



We are also long-time supporters of the Chinese Association of Early Intervention Program for Children with Developmental Delays' (CAEIP) efforts to provide healthcare to sick children in the Hualien-Taitung area.



Organizing receipt collection fundraisers with Hope Foundation for Cancer Care and Huashan Social Welfare Foundation to help the underprivileged.



Working with the Old Five Old Foundation, for the past six years we have organized distribution of festive meals and accoutrements for Chinese New Year's Eve to elderly people living alone, providing them a sense of care and warmth.



Our long-term efforts to help underprivileged children in the Xizhi area, home to Acer headquarters, holding Christmas gift collection drives, and other activities that help provide children suitable guidance and encouragement.



Every year, Company staff also hold regular blood drives, including at our Xizhi headquarters. In 2016, a total of 1,800 people participated, donating a total of 2,877 bags at 250cc per bag, as well as NT\$1,609,500 in monetary donations.



Organizing screenings of films and bookings of art shows regarding dementia with the Taiwan Catholic Foundation of Alzheimer's Disease and Related Dementia



The drama theme is to appeal Dementia elders caring

In cooperation with the AAEON Foundation, for the fourth year we participated in their "Art Spotlight" project to broaden the artistic horizons of children in rural areas.



Acer staff accompany children from rural Taiwan on a trip to Taipei to journey into the world of the arts



## Singaporean Volunteers Visit the Elderly

Singaporean

In September 2016, 18 Acer volunteers participated in an activity held by All Saints Home, helping care for some 20 elderly people. All Saints Home is a non-profit organization with a 30-year history of serving and caring for the aged. For this particular activity, everyone gathered in a large hall to play bingo, before the volunteers then led their guests through singing practice. Many elderly people who live alone have little to no family or friends to keep them company in their daily lives, and so the visits by these volunteers help bring a little warmth and joy to their lives.



## Toys for Tots in the US

USA

Toys are always a source of joy for children. Everyone remembers their most cherished toy from childhood, and Acer's staff hope to give financially underprivileged children similar memories through donating toys through the Toys for Tots program. Our efforts have included helping sort and pack toys, and then distributing those toys to local non-profit organizations.



Acer volunteers packed toys for children

## International Volunteer Work

Since 2011, Acer has been actively involved in promoting international volunteer work, working with the Taiwan Dental Association to hold regular dental clinics for impoverished children in Cambodia and assisting with distribution of goods, with more targets around the world upcoming.



Volunteers providing charitable service in Cambodia in 2016



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# SOCIAL INFORMATION

## Staff Employment<sup>Note 9</sup>

Number of Employees <sup>Note 10</sup>	2014	2015	2016
(incl. 716 contracted staff)	7,745	7,607	7,749
Average Age (years)	37.6	37.6	37.4
Average Seniority (years)	6.7	7.1	7.7
Turnover Rate (%)	16.4%	22.71%	18.00%
Hiring Rate (%)	9.7%	18.41%	13.67%
Applicants for Parental Leave (%)	14.8%	13.5%	22.2%
Post Parental Leave Return-to-Work Rate (%)	42.1%	66.7%	52.9%
Post Parental Leave Retention Rate (%)	100.0%	100.0%	90.0%

## Continuing Learning and Growth<sup>Note 11</sup>

Average Number of Training Hours for Staff Members (hours)	2014	2015	2016
4.07	6.82	7.4	

## Financial Value of Community Engagement and Investment

Financial Value of Community Engagement and Investment	2014	2015	2016
NT\$41 million (approx.)	NT\$36 million (approx.)	NT\$33 million (approx.)	

## Donation Type

Cash (%)	2014	2015	2016
67%	87%	87%	

Time, Products, or Other In-kind Donations (%)	2014	2015	2016
33%	13%	13%	

## Health and Safety in the Workplace<sup>Note 12</sup>

Disabling Injury Rate	2014	2015	2016
0.14	0.14	0.23	
Lost Day Rate			
0.35	1.70	1.40	
Absence Rate (%) <sup>Note 13</sup>			
0.90%	0.87%	1.10%	
Rate of occupational injuries	0	0	0

## Participation Type

Community Investment (%)	2014	2015	2016
42%	43%	43%	
Charitable Donations (%)			
25%	29%	39%	
Commercial Initiatives (%)			
33%	28%	18%	

Note 9 : Aside from Applicants for Parental Leave, Post Parental Leave Return-to-Work Rate, and Post Parental Leave Retention Rate, statistics for which cover only Taiwan region staff, all other statistics are for global staff.

Note 10 : Includes regular and temporary staff.

Note 11 : Statistics for 2013 and 2014 cover only Taiwan region staff; 2015 and 2016 statistics cover global staff.

Note 12 : Statistics cover Taiwan Region staff.

Note 13 : Including sick leave and personal leave.



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# INDEPENDENT LIMITED ASSURANCE REPORT



安侯建業會計師事務所

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## Independent Limited Assurance Report

### To Acer Incorporated

We have been engaged by Acer Incorporated ('Acer') to provide limited assurance on the Corporate Responsibility Report ('the Report') of Acer for the year ended December 31, 2016.

### Acer's Responsibilities

Acer is responsible for the preparation and presentation of the Report, and for the information and assertions contained within it. It is also responsible for determining Acer's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, as well as for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

In preparing the Report, Acer applied the Global Reporting Initiative's ('GRI') Sustainability Reporting Guidelines (G4) Core option as set forth in 'About This Report' section of the Report.

### Our Responsibilities

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board, which requires that we comply with the applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Our engagement was designed to carry out a limited assurance engagement and to express a conclusion on whether the information in the Report is free from material misstatement based on GRI G4 Core option, excluding Report section "Greenhouse Gas Inventory" and "Greenhouse Gas Reductions and Strategy" on greenhouse gas emissions (Scope 1, 2 and 3), and associated energy, electricity consumption related data. The above mentioned data and performances will be verified (and modified if necessary) independently by a third party verification company. This assurance engagement will not express any conclusion on the greenhouse gas emissions (Scope 1, 2 and 3), and associated energy, electricity consumption related data.

### Summary of Work Performed

A limited assurance engagement on a corporate responsibility report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the corporate responsibility report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of Acer's processes for determining the material issues for Acer's key stakeholders;
- Interviews with management and relevant staff at Acer concerning sustainability strategy and policies for material issues, and the implementation of these across its business;

KPMG, a Taiwan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity.



- Interviews with relevant staff at Acer who are responsible for providing the information in the Report;
- Inquiries about the design and implementation of key systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Report;
- Comparing the information presented in the Report with the corresponding information in the relevant underlying sources on a sample basis to determine whether the relevant information contained in such underlying sources has been included in the Report;
- Reading the information presented in the Report to ensure it is consistent with our overall knowledge of, and experience with, the sustainability performance of Acer.

A limited assurance engagement is substantially less in scope, based on the extent of evidence-gathering, than a reasonable assurance engagement conducted in accordance with the International Standards on Assurance Engagements or an audit conducted in accordance with the International Standards on Auditing. Therefore, the extent of evidence gathering procedures performed in a limited assurance engagement is less than that of a reasonable assurance engagement, thus, a lower level of assurance is provided, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Report of Acer for the year ended December 31, 2016 is not presented fairly, in all material respects, in accordance with GRI G4 Core option.

### Restriction of Use of Our Report

Our limited assurance report is made solely for Acer in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Acer those matters we have been engaged to state in this limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Acer for our work, for this limited assurance report, or for the conclusions we have reached.

*KPMG*

Taipei, Taiwan  
May 05, 2017

### Notes to readers

The assurance report and the accompanying Corporate Responsibility Report are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language assurance report and Corporate Responsibility Report, the Chinese version shall prevail.



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# GREENHOUSE GAS VERIFICATION STATEMENT





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### Indicators

		Location	Page No./Description	External Assurance
	<b>Strategy and Analysis</b>			
G4-1	Provide a statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Message from the Chairman Message from the Corporate President and CEO	4 5	Assured by KPMG
G4-2	Provide a description of key impacts, risks, and opportunities.	Current Status and Development Management of Sustainable Risk Risks and Opportunities of Climate Change	10 52 77	Assured by KPMG
	<b>Organizational Profile</b>			
G4-3	Report the name of the organization.	Current Status and Development	10	Assured by KPMG
G4-4	Report the primary brands, products, and services.	Our Business Overview	10	Assured by KPMG
G4-5	Report the location of the organization's headquarters.	Our Business Overview	10	Assured by KPMG
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Current Status and Development	10	Assured by KPMG
G4-7	Report the nature of ownership and legal form.	Current Status and Development	10	Assured by KPMG
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Current Status and Development	10	Assured by KPMG
G4-9	Report the scale of the organization.	Current Status and Development Financial Performance Staff Structure	10 13 83	Assured by KPMG
G4-10	Report the total number of employees by employment contract, employment type, region, broken by gender	Staff Structure	83	Assured by KPMG
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Employee Relations	87	Assured by KPMG
G4-12	Describe the organization's supply chain.	Supplier Social and Environmental Management Structures	34	Assured by KPMG
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Our Business Overview Supplier Social and Environmental Management Structures	No significant changes took place during 2016	Assured by KPMG
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Management of Sustainable Risk	52	Assured by KPMG
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Major Initiatives and Participation Managing Greenhouse Gases in the Supply Chain Conflict Minerals Management	32 43 41	Assured by KPMG
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	Stakeholder Engagement Major Initiatives and Participation	19 32	Assured by KPMG



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Indicators		Location	Page No./Description	External Assurance
<b>Identified Material Aspects and Boundaries</b>				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About this Report	Please refer to Ace's 2016 annual report for details on the Company's related entities.	Assured by KPMG
G4-18	a. Explain the process for defining the report content and the aspect boundaries. b. Explain how the organization has implemented the reporting principles for defining report content.	Material Analysis and Boundaries Identification	23	Assured by KPMG
G4-19	List all the material aspects identified in the process for defining report content.	Material Analysis and Boundaries Identification	23	Assured by KPMG
G4-20	For each material aspect, report the aspect boundary within the organization	Material Analysis and Boundaries Identification	23	Assured by KPMG
G4-21	For each material aspect, report the aspect boundary outside the organization	Material Analysis and Boundaries Identification	23	Assured by KPMG
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	About this Report	No restatement of information provided in previous reports	Assured by KPMG
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries.	About this Report Material Analysis and Boundaries Identification	No significant changes in the scope and aspect boundaries	Assured by KPMG
<b>Stakeholder Engagement</b>				
G4-24	Provide a list of stakeholder groups engaged by the organization.	Stakeholder Engagement	19	Assured by KPMG
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	19	Assured by KPMG
G4-26	Report the organization's approach to stakeholder engagement	Stakeholder Engagement	19	Assured by KPMG
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded.	Stakeholder Engagement	19	Assured by KPMG
<b>Report Profile</b>				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About this Report	3	Assured by KPMG
G4-29	Date of most recent previous report (if any).	About this Report	3	Assured by KPMG
G4-30	Reporting cycle (such as annual, biennial).	About this Report	3	Assured by KPMG
G4-31	Provide the contact point for questions regarding the report or its contents.	About this Report	3	Assured by KPMG
G4-32	GRI content index	About this Report GRI Index	3 108	Assured by KPMG
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	About this Report	3	Assured by KPMG
<b>Governance</b>				
G4-34	Report the governance structure of the organization	Corporate Governance Structure	45	Assured by KPMG
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Responsibility Governance	15	Assured by KPMG
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Corporate Responsibility Governance	15	Assured by KPMG
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Corporate Governance Structure Corporate Responsibility Governance Employee Relations	45 15 86	Assured by KPMG



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G4-38 Report the composition of the highest governance body and its committees	Corporate Governance Structure	45	Assured by KPMG
G4-39 Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance Structure	45	Assured by KPMG
G4-40 Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Corporate Governance Structure	45	Assured by KPMG
G4-41 Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Corporate Governance Structure	45	Assured by KPMG
G4-42 Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance Structure Internal Audits Sustainable Risks Management Corporate Responsibility Governance	45 51 52 15	Assured by KPMG
G4-43 Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Corporate Governance Structure Corporate Responsibility Governance	45 15	Assured by KPMG
G4-44 Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	Corporate Governance Structure	45	Assured by KPMG
G4-45 Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance Structure Internal Audits Sustainable Risks Management Corporate Responsibility Governance	45 51 52 15	Assured by KPMG
G4-46 Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Internal Audits Sustainable Risks Management Corporate Responsibility Governance	51 52 15	Assured by KPMG
G4-47 Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Internal Audits Sustainable Risks Management Corporate Responsibility Governance	51 52 15	Assured by KPMG
G4-48 Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Corporate Responsibility Governance	45	Assured by KPMG
G4-49 Report the process for communicating critical concerns to the highest governance body.	Corporate Governance Structure Corporate Responsibility Governance Employee Relations	45 15 86	Assured by KPMG
G4-50 Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Corporate Governance Structure Corporate Responsibility Governance Employee Relations	45 15 86	Assured by KPMG
G4-51 Report the remuneration policies for the highest governance body and senior executives	Corporate Governance Structure	45	Assured by KPMG
G4-52 Report the process for determining remuneration	Corporate Governance Structure	45	Assured by KPMG
<b>Ethics and Integrity</b>			
G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Code of Ethics Standards of Business Conduct	49 91	Assured by KPMG
G4-57 Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Internal Audits	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Assured by KPMG
G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	Internal Audits	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com Assured by KPMG



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DMA and Indicators							
<b>Economic</b>							
<b>Economic Performance</b>							
G4-DMA	Generic DMA	Financial Performance	13	Assured by KPMG			
G4-EC1	Direct economic value generated and distributed	Financial Performance The Power to Change the World	13 96	Assured by KPMG			
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Sustainable Risks Management Risks and Opportunities of Climate Change	52 77	Assured by KPMG			
G4-EC3	Coverage of the organization's defined benefit plan obligations	Competitive Compensation Packages	85	Assured by KPMG			
G4-EC4	Financial assistance received from government	Please see details in 2016 Acer financial report		Assured by KPMG			
<b>Indirect Economic Impacts</b>							
G4-DMA	Generic DMA; Aspect-specific DMA	The Power to Change the World	96	Assured by KPMG			
G4-EC7	Development and impact of infrastructure investments and services supported	The Power to Change the World	96	Assured by KPMG			
G4-EC8	Significant indirect economic impacts, including the extent of impacts	The Power to Change the World	96	Assured by KPMG			
<b>Procurement Practices</b>							
G4-DMA	Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures	34	Assured by KPMG			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Supplier Social and Environmental Management Structures	34	Assured by KPMG			
<b>Environmental</b>							
<b>Materials</b>							
G4-DMA	Generic DMA	Incorporating Environmental Considerations into Product Design	71	Assured by KPMG			
G4-EN1	Materials used by weight or volume	Towards Green Packaging Design	72	Assured by KPMG			
G4-EN2	Percentage of materials used that are recycled input materials	Use of Post-Consumer Recycled Plastics Towards Green Packaging Design	71	Assured by KPMG			
<b>Energy</b>							
G4-DMA	Generic DMA; Aspect-specific DMA	Greenhouse Gas Reductions and Strategy Energy Conservation Projects	78 79	Assured by KPMG			
G4-EN3	Energy consumption within the organization	Environmental Information	81	Assured by KPMG			
G4-EN5	Energy intensity	Environmental Information	81	Assured by KPMG			
G4-EN6	Reduction of energy consumption	Greenhouse Gas Reductions and Strategy Energy Conservation Projects Staff Transportation and Commuting	78 79 80	Assured by KPMG			
G4-EN7	Reductions in energy requirements of products and services	Improving Product Energy Efficiency	74	Assured by KPMG			
<b>Water</b>							
G4-DMA	Generic DMA	Water Resource Management	80	Assured by KPMG			
G4-EN8	Total water withdrawal by source	Environmental Information	81	Assured by KPMG			



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DMA and Indicators	Location	Page No./Description	External Assurance
G4-EN9 Water sources significantly affected by withdrawal of water	Water Resource Management	80 Acer's global business model primarily focused on product sales and customer service and its facilities are largely office buildings; as such, the water used is drawn from municipal sources and has no significant impact on water resources.	Assured by KPMG
G4-EN10 Percentage and total volume of water recycled and reused	Water Resource Management	80	Assured by KPMG
<b>Emissions</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Greenhouse Gas Inventory Greenhouse Gas Reductions and Strategy	77 77	Verified by SGS
G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas Inventory	77	Verified by SGS
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas Inventory	77	Verified by SGS
G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Greenhouse Gas Inventory	77	Verified by SGS
G4-EN18 Greenhouse gas (GHG) emissions intensity	Greenhouse Gas Inventory	77	Verified by SGS
G4-EN19 Reduction of greenhouse gas (GHG) emissions	Greenhouse Gas Reductions and Strategy	78	Verified by SGS
G4-EN21 NOx, SOx, and other significant air emissions			Acer's global operations are primarily focused on product sales and customerservice, and its facilities are largely officebuildings; as such, the company produces no volatile organic compounds
<b>Effluents and Waste</b>			
G4-DMA Generic DMA	Water Resource Management Waste Management	80 81	Assured by KPMG
G4-EN22 Total water discharge by quality and destination	Water Resource Management Environmental Information	80 81	Assured by KPMG
G4-EN23 Total weight of waste by type and disposal method	Water Resource Management Environmental Information	80 81	Assured by KPMG
<b>Products and Services</b>			
G4-DMA Generic DMA	Incorporating Environmental Considerations into Product Design	71	Assured by KPMG
G4-EN27 Extent of impact mitigation of environmental impacts of products and services	Incorporating Environmental Considerations into Product Design	71	Assured by KPMG
G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category	Improving Product Recycling Channels	75	Assured by KPMG
<b>Compliance</b>			
G4-DMA Generic DMA	Legal Compliance	49	Assured by KPMG
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Legal Compliance	49	Assured by KPMG
<b>Transport</b>			
G4-DMA Generic DMA	Refining Product Transport Efficiency Staff Transportation and Commuting	47 80	Assured by KPMG
G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Refining Product Transport Efficiency Staff Transportation and Commuting	47 80	Assured by KPMG
<b>Supplier Environmental Assessment</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG



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DMA and Indicators	Location	Page No./Description	External Assurance
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
<b>Environmental Grievance Mechanisms</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Audit	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com	Assured by KPMG
G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Supplier Audit	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com	Assured by KPMG
<b>Social: Labor Practices and Decent Work</b>			
<b>Employment</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Staff Structure Competitive Compensation Packages Health and Safety in the Work Environment	83 85 92	Assured by KPMG
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region	Staff Structure	83	Assured by KPMG
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Competitive Compensation Packages	85	Assured by KPMG
G4-LA3 Return to work and retention rates after parental leave, by gender	Health and Safety in the Work Environment	92	Assured by KPMG
<b>Labor/Management Relations</b>			
G4-DMA Generic DMA	Employee Relations	87	Assured by KPMG
G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Employee Relations	87	Assured by KPMG
<b>Occupational Health and Safety</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Health and Safety in the Work Environment	92 95	Assured by KPMG
G4-LA5 Percentage of total workforce represented informal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Health and Safety in the Work Environment	92	Assured by KPMG
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Health and Safety in the Work Environment	95	Assured by KPMG
<b>Training and Education</b>			
G4-DMA Generic DMA	Continuing Learning and Growth	88	Assured by KPMG
G4-LA9 Average hours of training per year per employee by gender, and by employee category	Continuing Learning and Growth	88	Assured by KPMG
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Continuing Learning and Growth	88	Assured by KPMG
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Continuing Learning and Growth	91	Assured by KPMG
<b>Diversity and Equal Opportunity</b>			
G4-DMA Generic DMA	Staff Structure	83	Assured by KPMG
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Staff Structure	83	Assured by KPMG



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DMA and Indicators	Location	Page No./Description	External Assurance
<b>Equal Remuneration for Women and Men</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Competitive Compensation Packages	85	Assured by KPMG
G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Competitive Compensation Packages	85	Assured by KPMG
<b>Supplier Assessment for Labor Practices</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
<b>Labor Practices Grievance Mechanisms</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Internal Audits	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com
G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Internal Audits	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com In 2016, no grievances relating to labor practices were filed.
<b>Social: Human Rights</b>			
<b>Investment</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Employee Relations Continuous Learning and Growth	87 88	Assured by KPMG
G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Employee Relations Continuing Learning and Growth	87 88	Assured by KPMG
<b>Non-discrimination</b>			
G4-DMA Generic DMA	Supplier Social and Environmental Management Structures Employee Relations	34 87	Assured by KPMG
G4-HR3 Total number of incidents of discrimination and corrective actions taken	Supplier Social and Environmental Management Structures Supplier Audit Employee Relations	34 40 87	Assured by KPMG
<b>Freedom of Association and Collective Bargaining</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures Employee Relations	34 87	Assured by KPMG
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Supplier Social and Environmental Management Structures Supplier Audit Employee Relations	34 37 87	Assured by KPMG
<b>Child Labor</b>			
G4-DMA Generic DMA	Supplier Social and Environmental Management Structures Staff Structure	34 83	Assured by KPMG



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DMA and Indicators	Location	Page No./Description	External Assurance
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
<b>Forced or Compulsory Labor</b>			
G4-DMA Generic DMA	Supplier Social and Environmental Management Structure	34	Assured by KPMG
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
<b>Supplier Human Rights Assessment</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Social and Environmental Management Structures Conflict Minerals Management	34 41	Assured by KPMG
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	Supplier Social and Environmental Management Structures Supplier Audit	34 37	Assured by KPMG
G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	Supplier Social and Environmental Management Structures Supplier Audit Conflict Minerals Management	34 37 41	Assured by KPMG
<b>Human Rights Grievance Mechanisms</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Supplier Audit	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com
G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Supplier Audit	51	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com In 2016, no grievances relating to human rights impacts were filed.
<b>Social: Society</b>			
<b>Anti-corruption</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Internal Audits Legal Compliance	51 49	Assured by KPMG
G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	No identified risks related to corruption situation		Assured by KPMG
G4-SO4 Communication and training on anti-corruption policies and procedures	Supplier Audit Legal Compliance Continuous Learning and Growth Standards of Business Conduct	37 49 91 91	Assured by KPMG
G4-SO5 Confirmed incidents of corruption and actions taken	Legal Compliance	49	Assured by KPMG
<b>Public Policy</b>			
G4-DMA Generic DMA; Aspect-specific DMA	Acer made no political contributions in 2016		Assured by KPMG
G4-SO6 Total value of political contributions by country and recipient/beneficiary	Acer made no political contributions in 2016		Assured by KPMG
<b>Anti-competitive Behavior</b>			
G4-DMA Generic DMA	Legal Compliance	49	Assured by KPMG
G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Legal Compliance	49	Assured by KPMG



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DMA and Indicators	Location	Page No./Description	External Assurance
<b>Compliance</b> G4-DMA Generic DMA G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Legal Compliance	49	Assured by KPMG
<b>Supplier Assessment for Impacts on Society</b> G4-DMA Generic DMA; Aspect-specific DMA G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	Supplier Social and Environmental Management Structures Conflict Minerals Management	34 41	Assured by KPMG
G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	Supplier Social and Environmental Management Structures Supplier Audit Conflict Minerals Management	34 37 41	Assured by KPMG
<b>Grievance Mechanisms for Impacts on Society</b> G4-DMA Generic DMA; Aspect-specific DMA G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Internal Audits	Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com	Assured by KPMG
		Acer has established a contact channel for stakeholders to submit complaints: whistleblower@acer.com / Communication on CSR issues can be directed to cr@acer.com In 2016, no grievances relating to impacts on society were filed.	Assured by KPMG
<b>Social : Product Responsibility</b>			
<b>Customer Health and Safety</b> G4-DMA Generic DMA; Aspect-specific DMA G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Incorporating Environmental Considerations into Product Design Legal Compliance	71 49	Assured by KPMG
<b>Product and Service Labeling</b> G4-DMA Generic DMA; Aspect-specific DMA G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes G4-PR5 Results of surveys measuring customer satisfaction	Incorporating Environmental Considerations into Product Design Product Alerts and Recalls Legal Compliance Customer Satisfaction Survey	71 All product, service information and labeling are meeting environmental as well as social regulation 49 69	Assured by KPMG
<b>Marketing Communications</b> G4-DMA Generic DMA G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Marketing Communication Legal Compliance	11 49	Assured by KPMG
<b>Customer Privacy</b> G4-DMA Generic DMA G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Customer Privacy Protection	50	Assured by KPMG
<b>Compliance</b> G4-DMA Generic DMA G4-PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	Legal Compliance	49	Assured by KPMG
		49	Assured by KPMG



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Other Standard Disclosures		Location	Page No./Description	External Assurance
DMA and Indicators				
<b>Customer Service</b>				
DMA	Generic DMA	Multiple Service Channels Enhancing Service Quality	66 67	Assured by KPMG
Acer-EC1	Multiple service channels	Multiple Service Channels	66	Assured by KPMG
Acer-EC2	Enhancing service quality	Enhancing Service Quality	67	Assured by KPMG
<b>Innovative Research and Development</b>				
DMA	Generic DMA	Innovative Research and Development	63	Assured by KPMG
Acer-EC3	Innovative technology and application	Innovative Technology UN Sustainable Development Goals	63 53	Assured by KPMG
Acer-EC4	Open source and collaborative innovation	Open Source and Collaborative Innovation	65	Assured by KPMG
Acer-EC5	Acquisition and protection of intellectual property rights	Innovative Technology	63	Assured by KPMG
<b>Environmental programs related to cost saving and value creation</b>				
DMA	Generic DMA	Towards Sophisticated Packaging Design Refining Product Transport Efficiency Innovative Technology UN Sustainable Development Goals	72 74 63 53	Assured by KPMG
Acer-EN1	Environmental programs of cost saving and revenue generation	Towards Sophisticated Packaging Design Refining Product Transport Efficiency Innovative Technology UN Sustainable Development Goals	72 74 63 53	Assured by KPMG
<b>Management of Hazardous Substances</b>				
DMA	Generic DMA	Incorporating Environmental Considerations into Product Design	71	Assured by KPMG
Acer-EN2	Halogen-free products launched	Incorporating Environmental Considerations into Product Design	71	Assured by KPMG
<b>Social programs related to cost saving and revenue generation</b>				
DMA	Generic DMA	Enhancing Service Quality UN Sustainable Development Goals Customer Satisfaction Survey	67 57 69	Assured by KPMG
Acer-SO1	Social programs related to cost saving and revenue generation	Enhancing Service Quality UN Sustainable Development Goals Customer Satisfaction Survey	67 57 69	Assured by KPMG
<b>Corporate Citizenship and Philanthropy</b>				
DMA	Generic DMA	The Power to Change the World	96	Assured by KPMG
Acer-SO2	Donations	The Power to Change the World	96	Assured by KPMG
Acer-SO3	Activities of corporate citizenship and philanthropy	The Power to Change the World	96	Assured by KPMG
<b>Digital Inclusion</b>				
DMA	Generic DMA	The Power to Change the World	97	Assured by KPMG
Acer-SO4	Digital inclusion activity	The Power to Change the World	97	Assured by KPMG
<b>Talent Attraction and Retention</b>				
DMA	Generic DMA	Staff Structure	83	Assured by KPMG
Acer-SO5	Compensation packages and incentives	Competitive Compensation Packages	85	Assured by KPMG
Acer-SO6	Investment in and development of talent pool	Staff Structure Continuing Learning and Growth	83 88	Assured by KPMG
<b>Conflict Minerals</b>				
DMA	Generic DMA	Supplier Social and Environmental Management Structures Conflict Minerals Management	34 41	Assured by KPMG
Acer-SO7	Publish of Smelter List and annual Conflict Minerals Report	Conflict Minerals Management	41	Assured by KPMG



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