

Acer U.K. Limited
(“Acer”)

SLAVERY AND HUMAN TRAFFICKING STATEMENT

FINANCIAL YEAR

This slavery and human trafficking statement relates to the company's financial year ending on December 31, 2016.

INTRODUCTION

We are committed to a programme of continuous improvement in our practices to combat slavery and human trafficking in our supply chains and in our business.

It is our policy to conduct all our business ethically and in accordance with the UK Government's Modern Slavery Strategy, as amended from time to time, and as outlined in the UK Home Office Guidance "Transparency in Supply Chains: a Practical Guide" published on 29 October 2015.

We therefore take a zero-tolerance approach to slavery and human trafficking both in our business and in the businesses of our suppliers. We are committed to acting ethically in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter slavery and human trafficking.

ORGANISATION'S STRUCTURE

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.

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. 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.

OUR SUPPLY CHAINS

We at Acer regard our suppliers as part of our greater corporate family. We give clear directives to our suppliers regarding social and environmental issues to keep them on the cutting edge, and support their capacity building through multiple ways.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

Our [Acer Group Standards of Business Conduct](#)¹ reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

As a member of the Electronic Industry Citizenship Coalition (EICC) -- a nonprofit coalition of electronics companies committed to supporting the rights and well-being of workers and communities engaged in the global electronics supply chain -- we demonstrate our commitment to environmental and social responsibility. EICC members commit publicly to the [EICC Code of Conduct](#)² (the “Code of Conduct”) and are expected to actively pursue conformance to the Code of Conduct and its standards as a total supply chain initiative.

The Code of Conduct outlines necessary management systems to ensure workers’ rights are protected.

We require all manufacturing suppliers to abide by all applicable laws and regulations and by the EICC Code of Conduct, by treating employees with respect and dignity. We have taken multiple actions to ensure social responsibility and labor rights in our supply chain.

Acer believes that all work shall be voluntary and workers shall be free to leave work at any time or terminate their employment. Through the 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.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk, our steps taken this year include:

- 1. Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the Code of Conduct, Section A.1, which states, among other standards, that: Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used.

¹<http://www.acer-group.com/public/Sustainability/pdf/Standards%20of%20Business%20Conduct-2016.pdf>

² <http://www.eiccoalition.org/standards/code-of-conduct/>

We pursue conformance by using the EICC's the Supplier Self-Assessment Questionnaire and Supplier On-Site Audits.

- **Supplier risk assessment:**

Acer requests our supplier to implement a Supplier Self-Assessment Questionnaire(SAQ). The SAQ is a self-evaluation that inquiries about demographics and existing policies at both the corporate and the facility level against all sections of the Code of Conduct. Acer assesses the risk of its suppliers and their operations by evaluating several factors. These factors include the results of self-assessment questionnaires, the type of factory operations, the suppliers' business relationship with Acer, the results of prior audits, while also taking into consideration the concerns of our stakeholders.

- **Supplier audits:**

Acer believes that on-site audits are the most direct and comprehensive way to confirm that our suppliers are living up to their social and environmental responsibilities. Auditing methods include audits led by management personnel, audits run by third parties, EICC Validated Audit process (VAP), and report review. We select suppliers to undergo on-site audits based on the results of the risk assessment described above.

In 2016, we conducted on-site audits of the manufacturing plants of 70 suppliers with higher risk. The workers at audited plants are over 40,000, of whom some 450 were interviewed. Between 2008 and 2016, a total of 422 supplier audits have been undertaken.

- **Supplier Declaration:** Acer requires manufacturing suppliers to sign a Declaration of Compliance with EICC Code of Conduct, pledging not only their compliance with Acer requirements to disclose social and environmental information, but also to confirm their operations and their suppliers' operations adhere to the EICC Code of Conduct and applicable laws and regulations. The purpose of this is to let suppliers clearly understand Acer's requirements regarding supplier conduct then obey it.

- **Supplier training:** We take to heart our responsibility to educate our suppliers and make sure they are up to date with the latest international concerns. Acer holds the Supplier Conference for CSR each year. The conference is the time when we announce the global trend and targets that we expect our suppliers to meet, which is in line with international practice. At the conference, we communicate with our suppliers about the EICC Code of Conduct, major noncompliance of on-site audit and main global labor issues, such as the issue of conflict minerals. We will continue to communicate and cooperate with our

suppliers in order to bring the collective strength of Acer's supply chain to bear on social and environmental issues. We are taking a more proactive stance and looking at the big picture as we investigate sustainable development issues that require our response.

EFFECTIVENESS

It is too early to say with any certainty how effective the steps we are taking have been and will be in ensuring that slavery and human trafficking is not taking place in our business or supply chains. As part of our work for the next financial year we will be considering how best to monitor the effectiveness of the actions taken.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It has been approved by the board of Acer UK Ltd and constitutes our slavery and human trafficking statement for the financial year ending on December 31, 2016.

Signed:



Director
Emmanuel Fromont

ACER UK LTD

Date: 23 JUNE 2017