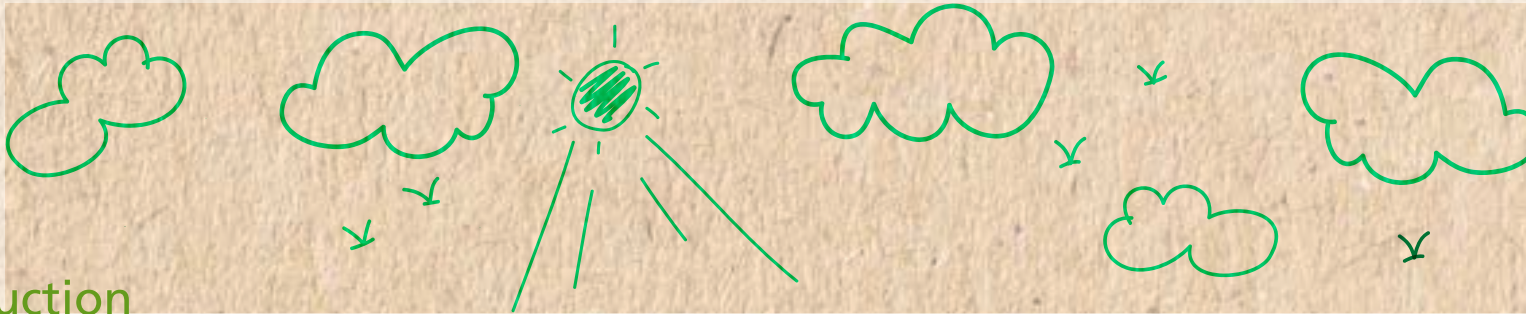




# ATEN International

## 2013 Corporate Social Responsibility Report





## > Introduction

### About the ATEN 2013 Corporate Social Responsibility Report

The “ATEN 2013 Corporate Social Responsibility Report” is the third corporate social responsibility report issued by ATEN International Co., Ltd. ATEN’s core corporate values of Integrity, Caring, Ambition and Novelty are comprehensively incorporated standards of behavior throughout ATEN. These core values have manifested in our “corporate strategy”, “operational management”, “corporate governance”, and “product strategy”. They have expanded into “corporate commitment”, “social participation”, “environmental protection”, and other levels of corporate social responsibility. By publishing this report every year, we vow to bring into being the determination to make continued progress on the basis of our concepts of corporate social responsibility.

### Report Scope

The information disclosed in this report covers ATEN’s concepts and actions in the areas of corporate governance, protecting the environment and participation in the community from January 1 to December 31, 2013, while the scope for key events extends to the March 31, 2014. The content of this report includes ATEN’s headquarters in Taiwan and subsidiary companies in the PRC, America, Belgium, and other countries.

### Guiding Principles Used in Writing this Report

This report was compiled in order to respond to the ever-growing trend for emphasis on corporate social responsibility on the part of major world enterprises, and also to the promotion of strengthened disclosure of corporate social security information in the Taiwanese securities market, participation in the third generation of GRI’s Sustainability Reporting Guidelines (GRI G3.1 Guidelines). The report is issued annually in Traditional Chinese and English.

### Verification

A third-party verification agency has not been engaged to verify this report; all subsequent editions shall be published after undergoing such verification in order to promote the transparency and reliability of the information within this report.

### Publishing the Report

Current edition: published in June 2014 (the English edition will be published in the 3rd quarter of the year).

Next report: to be published in June 2015.

In order to protect the environment and cherish natural resources, this report will only be published electronically on ATEN’s Chinese and English website.

### Contact Us

We welcome any opinions or enquiries for information related to this report.

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## Chapter 1 > Manager's Preface

Over the years, "Corporate Social Responsibility" (CSR) has become an important aspect of ATEN's corporate culture. Facing the trust placed in us by our shareholders, all ATEN management and employees have striven to achieve operations profit targets in accordance with the principle of "Integrity" and the spirit of "Novelty." They have simultaneously assimilated this achievement into a motive force for sustainable development, injecting "Caring" and more positive energy into the environment, education, and society.

The various issues facing the stakeholders include: Corporate governance, operating efficiency, enterprise profitability, employee benefits, environmental protection and investor relations. We are never satisfied with the status quo. We also understand the principle of "There is no such thing as perfection, there is only improvement." That is why we stay humble and strive toward continuous improvement. In an environment in which industrial prosperity and decline are in constant flux, we hope to seize opportunities as they arise, creating a competitive advantage through continuous product development and our progressive business model. We aim to make further steps toward greenness, energy efficiency, and environmental protection, as well as increasing the happiness of humanity as a whole. In taking up the



corporate social responsibilities, ATEN will simultaneously be able to meet the expectations of all stakeholders.

In August 2013, we were once again honored with CommonWealth Magazine's "Excellence in Corporate Social Responsibility" Award. In the same year, we won 3rd place in the Medium-Sized Enterprises Group Award: this marked the 5th time ATEN has been placed in the top 10 candidates for the CommonWealth's Medium-Sized Enterprises Group Award in the 7 years since the award begun. Over the last seven years awareness of CSR has become widespread across Taiwanese enterprises. CSR has gradually become one of the key aims of enterprise operation. The fact that an ever-greater number of outstanding companies are competing for CSR awards, shows that this good practice has spread widely across the corporate world. Nowadays, enterprises strive to no longer sacrifice the environment or employee benefits for profit. Honest management will further share operating achievements with all concerned stakeholders in order to pursue sustainable development. ATEN hopes to be able to continue to lead such virtuous trend, and will also enact corporate social responsibility in a more strategic, more systematic way.

The ATEN Volunteer Club, founded at the end of 2012, successfully joined in the operations of the CSR Group throughout 2013. It has attracted more than 700 employees and their families to participate in 13 volunteer activities, further deepening and broadening social service and care for the disadvantaged. From the beginning, members of the Volunteer Club have assisted individuals and groups who need help in "Juvenile Care", "Environmental Restoration", "Care for the Disadvantaged", and "Care for Women and Children" using limited resources and manpower, relying on a wave of warmth. They have also consistently carried out observation and appraisal of the actual benefits of volunteer activities done in the hope that each activity will not only provide real help to its beneficiaries, but also imbue volunteers with an inexhaustible motivation and incorporate "Employee Social Responsibility" within the circle of ATEN's corporate culture.

ATEN, whose success is built on the values of honesty and integrity, marked its 35th anniversary in 2013. Aside from concentrating on our business and striving to increase operating efficiency, we continually monitor industry trends and movements with the aim of achieving sustainable development, and striving to deliver returns for shareholders by means of steady, stable decision-making. We further hope to create a win-win situation for stakeholders including employees, clients, the community, suppliers, and the government.

CEO & President of the Board



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# Implementation of CSR

2.1 CSR Policy Statement

2.2 Stakeholder Relations



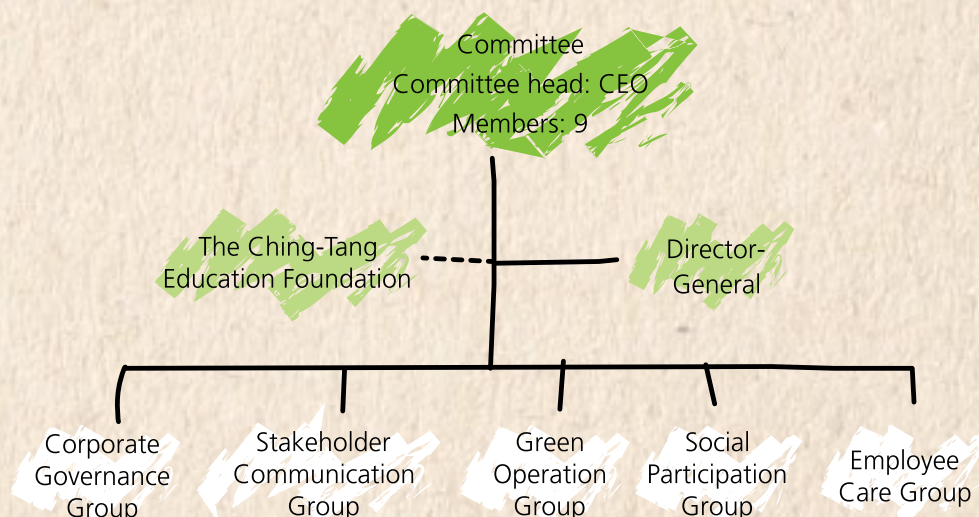




## Chapter 2 > Implementation of CSR

ATEN has been cultivating a culture of CSR for over 10 years. Within the last few years government departments and NGOs have begun advocating for the internalization of CSR within enterprise and have promoted this concept by publishing sustainability reports and various awards. ATEN has fallen right into line with the trend, and the ATEN Corporate Social Responsibility Committee was defined as the highest CSR group within ATEN at a meeting of the Board on April 24, 2012 through a policy announcement regarding CSR as well as an institution and management system through which it could be implemented. Institutionalizing operations allows the head of the group to convene CSR panel meetings at which items related to CSR can be formulated and enacted every month. Furthermore, each group makes a report on their implementations of trends and strategies drawn up by the CSR Committee to the chairman and members of the CSR Committee at least every 6 months. The annual status and implementation state of all CSR projects formulated by the CSR Committee should be reported regularly to the Board of Directors.

### ATEN CSR Committee Group Structure



### 2.1 CSR Policy Statement

ATEN holds to the four core corporate values of Integrity, Caring, Ambition, and Novelty, and uses them to make CSR a reality, allowing us to become a force for improving society, providing more benefits to the environment and stakeholders with whom we interact, while simultaneously pursuing sustainable development.

As a global brand, ATEN will use the influence of all of the strongholds it has established across the globe to establish CSR as a duty, so that products; services, environment protection, energy efficiency, employee health and safety, corporate governance, human rights, morality, public welfare, and social participation can be carried out in the course of corporate operations.

In order to strengthen ATEN's communication with stakeholders such as: shareholders/ employees/ clients/ suppliers/ social groups/ supervisory agencies, ATEN will disclose information related to CSR by issuing a Corporate Social Responsibility Report every year, thereby simultaneously affirming that we are continuing to take action in the area of CSR and also enabling us to reflect on formulating more concrete, diverse, and effective operational activities with a developed direction, which will be in accord with stakeholder expectations.

Corporate Social Responsibility is not only a trend seen in enterprises around the world, but also unquestionably a necessary channel for enterprises to pursue "sustainable development", allowing humanity and the natural environment to co-exist. ATEN ardently hopes to do all it can to make greater contributions to the Earth and the world.





## 2.2 Stakeholder Relations

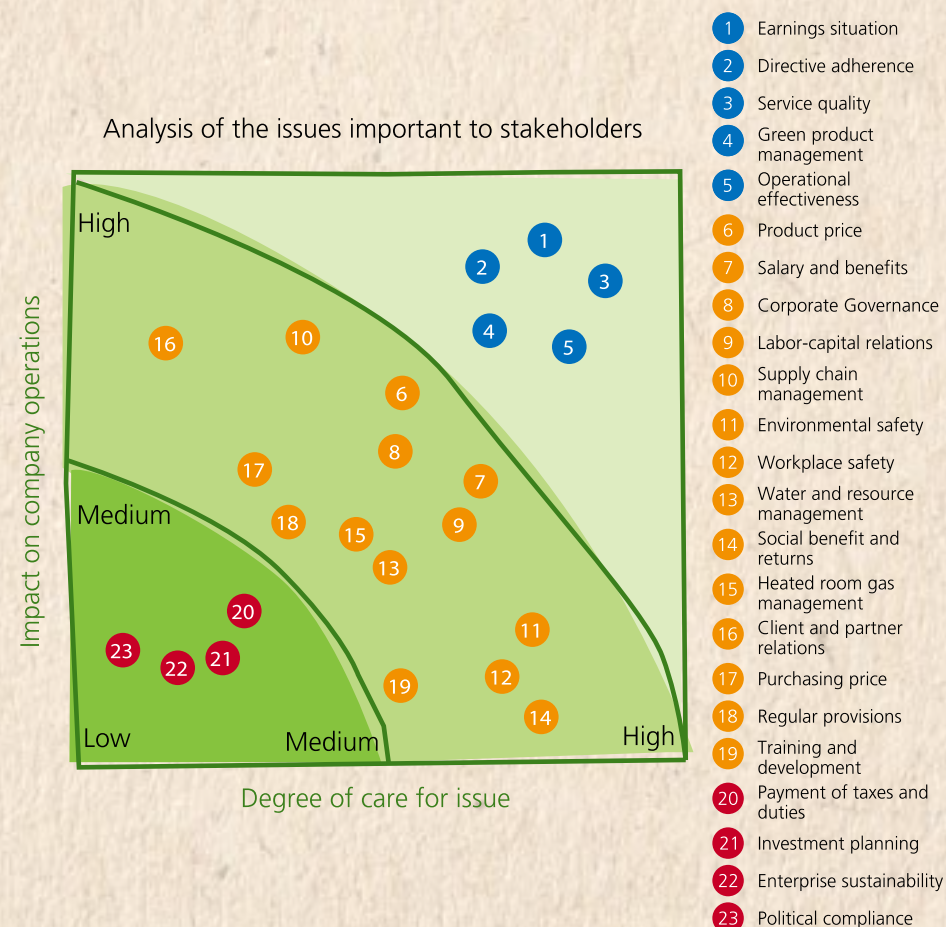
There are five groups under the jurisdiction of the ATEN CSR Committee: the "Corporate Governance Group," "Stakeholder Communication Group," "Green Operation Group," "Social Participation Group," and "Employee Care Group." Members of these groups are drawn from the staff of the President's Office, Human Resources Center, Manufacturing Division, Quality Assurance Center, Global Customer Services Division, Marketing Divisions, Investor Relations Department, Management Department, and Environmental Safety Office. As well as inspecting the progress of all CSR work, the monthly CSR panel meetings also discuss all of the feedback and advice which has been collected from stakeholders through the group's communication channels. We value the expectations and requirements stakeholders have of ATEN, and often use them as reference material for the direction of future CSR strategy.

### Stakeholders



### Classification of Issues Related to Stakeholder Care

All of the stakeholder opinions and information collected by members of each panel is incorporated into the issues which concern stakeholders, and monitored and filtered according to their influence on two factors: "attention paid to the issue" and "impact on company operations." They are then divided into the three categories of: "important issues", "secondary issues", and "ordinary issues". These issues are incorporated into each department's annual work plan and inter-department solutions, which serve as an important basis for each department's sustainable operational strategies.







## Communication Systems and Interactions with Stakeholders

ATEN stakeholders include clients, investors, employees, suppliers, social organizations, the media and government agencies, etc. There are appropriate channels for all issues which concern stakeholders, and the relevant departments can undertake prompt communication and handling of such issues. The various channels and frequency with which each issue is used are as follows:

Stakeholder	Issues	Communication channels	Frequency of communication
Clients	Product price	Client satisfaction survey	Annually
	Service quality	Website e-support platform	No set time
	Client and partner relations	Customer service line	Constantly
	Supply chain management	Agent conference	Annually
Investors	Operational effectiveness	Convening a Regular (Provisional) Shareholders' Meeting	Annually
		Investor Conference	No set time
	Earnings situation	Financial report	Quarterly
	Investment planning	Spokesman system	Constantly
	Corporate Governance	Establishing investor relations department	Constantly
	Enterprise sustainability	Company website announcement	Constantly
		Information Disclosure and Transparency	Annually
Employees	Salary and benefits	Employee Benefit Committee	Constantly
		Capital-labor meetings	Constantly
	Labor-capital relations	Solution provision and improvement system	Constantly
	Training and development	Employee opinion channels such as activity satisfaction surveys, catering service satisfaction surveys, and birthday present surveys	No set time
	Workplace safety	Company advertisements	Constantly

Stakeholder	Issues	Communication channels	Frequency of communication
Suppliers	Purchasing price	Regular quality inspection	Monthly
	Regular provisions	Green product management	International list
Social organizations	Heated room gas management	Company website	Constantly
	Water and resource management	CSR Report	Annually
	Environmental safety	The Ching-Tang Education Foundation	Constantly
	Social benefit and returns	Employee Benefit Committee	Constantly
The media	Operational effectiveness	Press releases	Constantly
	Earnings situation	Press conferences	No set time
	Recruitment	Interviews	No set time
Government agencies	Investment planning		
	Directive adherence	Explanatory meetings held by supervisory agencies	No set time
	Environmental safety	Corporate governance appraisal	Annually
	Payment of taxes and duties	Publishing directives	Constantly
	Political compliance	Government agency websites	Constantly



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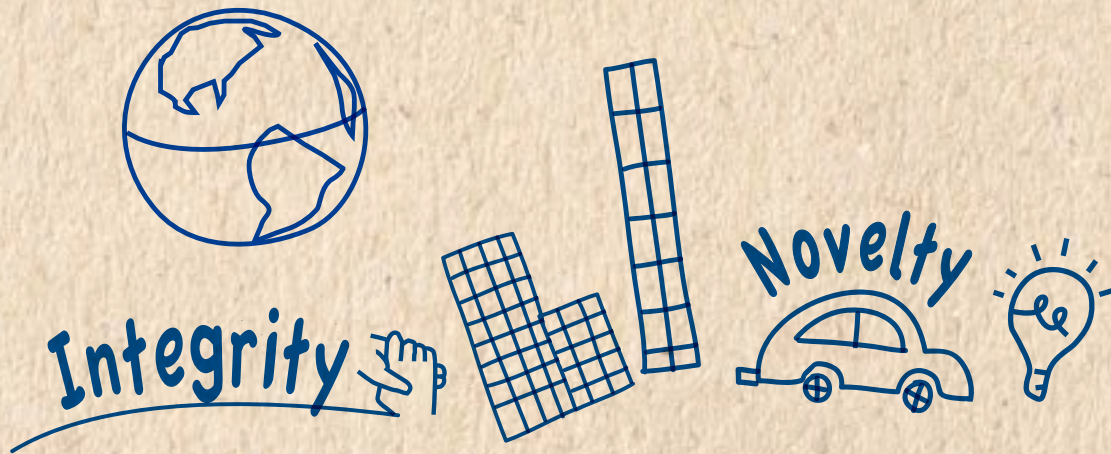
# Enterprise Operations

3.1 Introducing ATEN

3.2 Worldwide Presence

3.3 Operational Achievements

3.4 Awards Won







## Chapter 3 > Enterprise Operations

### 3.1 Introducing ATEN

ATEN International Co., Ltd., was founded in 1979. It has continued to concentrate on developing connectivity and management solutions for 35 years, so as to access and share all kinds of innovative technology. ATEN is a world-leading supplier of digital information sharing, connectivity, and switching products, taking “Simply Better Connections” as its enterprise motto, and has always striven to provide clients with the most efficient, reliable and pleasant connectivity solutions to assist enterprise to respond to the issues of computer and server upgrade and management, and also to satisfy the need of enterprise when facing globalized competition. In addition to selling world-leading KVM switches, ATEN also provides many kinds of connectivity and sharing solutions, including Data Center Solutions, Professional Audio/Video Solutions (A/V Solutions), KVM Extenders, and Interface Switches. This allows enterprises of all sizes and individuals to achieve more outstanding efficiency and more successful and beneficial data sharing, connectivity, and switching.

The headquarters of ATEN International Co., Ltd. has been established in Sijhih District, New Taipei City. ATEN is currently the only world-leading provider of KVM switches to have been floated on the stock market.

ATEN International Co., Ltd.

- ✓ Established: July 1979
- ✓ Net Capital: 1,194,711,660 New Taiwan Dollars
- ✓ Headquarters: 3F., No.125, Sec. 2, Datong Rd., Sijhih District, New Taipei City, Taiwan
- ✓ Business scope: Development/Manufacturing/Export
- ✓ Number of employees: Approx. 1,700 worldwide (approx. 600 in Taiwan)
- ✓ Main products: KVM switches/remote management solutions/video products/USB peripheral products/industrial control products/green energy-management systems.
- ✓ Company certifications: ISO 9001:2008 UKAS ISO 14001:2004 UKAS
- ✓ Market of provision for products and services: Worldwide
- ✓ Key brand: ATEN
- ✓ Stock symbol: 6277







## Key brands, Products and Services:

ATEN is the brand of ATEN International Co., Ltd. There are many product lines under the ATEN banner, divided by the markets to which they are applied. All products and services sold under the ATEN banner worldwide use the brand “ATEN” in order to provide clients with a high, uniform standard of service. ATEN brand products cover IT Infrastructure Access Management, Professional Audio/Video (A/V) and Energy Intelligence Power and Cooling Distribution System. They can be divided into those which met the needs of individual users, Small Office and Home Office users (SOHO), and small-to-medium business (SMB), up to the diverse needs of large-scale enterprise clients.



### Altusen™

ATEN's Altusen™ IT Infrastructure Access Management solutions provide SMBs and large enterprise with connectivity and control, and can allow the user to effectively manage IT equipment from any corner of the world.

### VanCryst™

ATEN's VanCryst™ range of professional A/V solutions provides signal management and system control ability. They can be installed at home or in professional A/V installation, and can be used in a company office, in education, government, hospitals, and home theaters, etc.

### NRGence™

ATEN's NRGence™ Green Energy series, designed especially for data centers, have provided energy-saving hardware and software solutions equipped with sensors. The smart power and cooling distribution unit in one series can be installed separately, allowing it to provide real-time resource management and indicators of performance from the device on-site or remotely.

### IOGEAR®

IOGEAR™, a consumable electronics brand under the ATEN Group banner, has achieved exceptional sales and fame in the American market. It provides a diverse selection of integrated consumable electronics and IT products suitable for home, office, and mobile use. They can be connected easily, bringing technology into the home, and efficiently sharing resources.

ATEN satisfies the varied needs of our international client base through a global sales network ATEN demands high product quality, and holds to the concept of putting the customer first. We will also continue to fulfill our promise to provide the very best services to clients.



<b>1979</b>	Company approved for registration, named HOZN Co., Ltd., with net capital of NT\$ 2,000,000.
<b>1982</b>	Launched first product, "Little Sprite Home Electricity Control System" GL Series, which is a central control instrument to monitor, control, and operate many individual sensors, lights, and power sources.
<b>1984</b>	<ul style="list-style-type: none"> <li>Company renamed as ATEN International Co., Ltd.</li> <li>Released DATA Switch Box products.</li> </ul>
<b>1986</b>	Introduced first MP/MS series Auto Switch and Convert Series.
<b>1988</b>	Introduced INDATA Industrial Computer Series.
<b>1988</b>	<ul style="list-style-type: none"> <li>ATEN's English name changed to "ATEN INTERNATIONAL Co., Ltd."</li> <li>Started manufacturing of power supplies for computers.</li> </ul>
<b>1991</b>	<ul style="list-style-type: none"> <li>ATEN's own brand products went on sale.</li> <li>Began using ATEN ASIC chips developed internally.</li> </ul>
<b>1992</b>	<ul style="list-style-type: none"> <li>Released world's smallest printer buffer.</li> <li>Launched first ATEN brand product: AS251P.</li> <li>Launched AS-248 Series networked print switches.</li> </ul>
<b>1995</b>	<ul style="list-style-type: none"> <li>Factory introduced "Free Flow" production to improve capacity.</li> </ul>
<b>1996</b>	<ul style="list-style-type: none"> <li>Awarded ISO-9002 certification.</li> <li>Established American sales subsidiary company, "ATEN TECHNOLOGY INC.", in California.</li> </ul>
<b>1999</b>	<ul style="list-style-type: none"> <li>Registered as a public company.</li> <li>Invested in the Cayman Islands-registered company "TOPMOST INTERNATIONAL Co., Ltd."</li> <li>Subsidiary "TOPMOST INTERNATIONAL Co., Ltd." invested in Niue-registered company "EXPAND INTERNATIONAL Co., Ltd."</li> <li>Established "Yasheng High-Tech Electronics Factory", used for processing, in Songgang, Shenzhen, China</li> </ul>
<b>2000</b>	<ul style="list-style-type: none"> <li>Headquarters moved to present address: 3F., No.125, Sec. 2, Datong Rd., Sijhih District., New Taipei City, Taiwan.</li> <li>Unveiled world's first USB KVM at the Comdex Fall trade fair in the USA.</li> <li>Successfully developed the world's first 4-port USB 2.0 hub certified by the USB Association, which also used ATEN's products as the USB 2.0 world testing standard.</li> <li>Established subsidiary sales company, "ATEN INFOTECH N.V." in Belgium.</li> <li>CS182, CS124, CS1016 won Taiwan Excellence Award.</li> </ul>

<b>2001</b>	<ul style="list-style-type: none"> <li>New ATEN factory at Sijhih completed. Had 210 staff and occupied an area of 7,000m<sup>2</sup>.</li> <li>Ching-Tang Education Foundation established with the aims of nurturing talents in technology, advocating progressive thoughts, and promoting social progress.</li> <li>CS428/CS9138 won Taiwan Excellence Award.</li> </ul>
<b>2002</b>	<ul style="list-style-type: none"> <li>ATEN's shares registered as "emerging stock" in the GreTai Securities Market.</li> <li>Awarded ISO-9001 certification.</li> <li>ACS1714 and ACS1808 won Taiwan Excellence Award.</li> </ul>
<b>2003</b>	ATEN shares officially went on the market in Taiwan.
<b>2004</b>	<ul style="list-style-type: none"> <li>Subsidiary sales company, "ATEN JAPAN YKK", established in Japan.</li> <li>Awarded MOEA's Industrial Technology Development Award.</li> <li>Won the Golden Root Award.</li> </ul>
<b>2005</b>	<ul style="list-style-type: none"> <li>Acquired "Wellsyn Technology INC.", thereby obtaining advanced IPMI technology.</li> <li>Released first wireless KVM solution - KW1000.</li> <li>KM0432 won Taiwan Excellence Award.</li> </ul>
<b>2006</b>	<ul style="list-style-type: none"> <li>KL1116, KM0832 and KA9233 won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>Named to Forbes Magazine's List of Asia Pacific's 200 most outstanding SMBs.</li> <li>KL1116, KN2116, and CS1774 won Taiwan Excellence Award.</li> <li>Comprehensive introduction of ROHS manufacturing.</li> <li>Passed IS14001 certification.</li> <li>Established holding company, "ATEN EUROPE Ltd.", in the UK.</li> <li>Established subsidiary sales company, "ATEN UK Ltd.", in the UK.</li> <li>Established holding company, "ATEN US HOLDINGS INC.", in the U.S.A.</li> <li>Established subsidiary sales company, "ATEN NEW JERSEY INC.", in New Jersey, USA.</li> </ul>
<b>2007</b>	<ul style="list-style-type: none"> <li>Awarded one of the Best Corporate Citizens by the CommonWealth Magazine (ranked 3rd among Medium-sized Enterprises).</li> <li>ATEN R&amp;D headquarters founded.</li> <li>Established a subsidiary sales company in Korea ("ATEN ADVANCE Co., Ltd.", renamed "ATEN KOREA Co., Ltd." in 2009).</li> <li>Established holding company, "FOREMOST INTERNATIONAL Co., Ltd.", in Mauritius.</li> <li>Established subsidiary sales company, Beijing ATEN Co., Ltd., in Beijing.</li> <li>CS52 series and CS62DU/CS62D won Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>Launched first KVM switch supporting IPMI functionality - KH98.</li> <li>Launched first DVI KVM Switch - CS62DU/CS62D.</li> <li>Launched world's first 19-inch LCD KVM Switch - KL1508/1516.</li> <li>KL9116 Dual-rail LCD KVM switch won iF China Award.</li> <li>KH98, KL9108/9116, and CS52 series &amp; CS62DU/CS62D won Taiwan Excellence Award.</li> </ul>





2008	<ul style="list-style-type: none"> <li>• ATEN launched first notebook USB KVM switch - the CS661.</li> <li>• Promoted core enterprise values of "Integrity", "Caring", "Ambition", and "Novelty".</li> <li>• Established wholly-owned factory, ATEN (Shenzhen) Co., Ltd., in Shenzhen, China.</li> <li>• KE8220, CL5708/5716, and CS1782/1784 won Taiwan Excellence Award.</li> </ul>
2009	<ul style="list-style-type: none"> <li>• Global distribution reached 668 entities around the world, and ATEN held 244 recognized patents.</li> <li>Named no. 86 of the "Top 100 companies and research institutions in Taiwan in 1997".</li> <li>• Bought land in Belgium, and constructed the "Europe Operations Center. This large office and warehouse was officially completed and opened, serving as the logistics and management center for all of Europe, actively expanding trade opportunities in Europe.</li> <li>• Awarded one of the Best Corporate Citizens by the CommonWealth Magazine (ranked 9th among Medium-sized Enterprises).</li> <li>• Won the contribution award at the National Invention and Creation Award by the MOEA.</li> <li>• ATEN's CEO, Mr. Kevin Chen, commended for outstanding commercial contributions and technological achievements by King Badouin of Belgium.</li> <li>• HDMI KVMP CS1792/CS1794 switches won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>• VS1504/1508 Cat-5 audio/video splitters won Taiwan Excellence Award.</li> <li>• KN4140v honored with Computex 2009 "Best Choice Award" and Japanese "Interop Tokyo Best Show Award".</li> </ul>
2010	<ul style="list-style-type: none"> <li>• Officially launched the all-new video product line - VanCryst™. This product was created to satisfy the broad video requirements of many enterprises and provide professional audio/video solutions.</li> <li>• Established office in Moscow, Russia.</li> <li>• Korean subsidiary expanded to Gasan-dong, Geumcheon-gu, Seoul, and established a client service center, consolidating ATEN's leading position by strengthening local support service.</li> <li>• Awarded one of the Best Corporate Citizens by the CommonWealth Magazine (ranked 9th among Medium-sized Enterprises).</li> <li>• Won 2010 Taiwan Superior Brand Award, awarded by the Bureau of Foreign Trade under the Ministry of Economic Affairs.</li> <li>• KL3116T awarded "2010 Computex Taipei D&amp;I Award".</li> <li>• CE790, KM0932, PN7212/PN7320, CS1792/CS1794 won Taiwan Excellence Award.</li> </ul>

2011	<ul style="list-style-type: none"> <li>• Japanese subsidiary expanded to Arakawa-ku, Tokyo, which served as ATEN Japan's headquarters, integrating business, sales, technical support/ client services, storage and logistics functions.</li> <li>• CM0264 won Taiwan Excellence Award.</li> <li>• VM0808T honored with Computex 2011 "Best Choice Award".</li> </ul>
2012	<ul style="list-style-type: none"> <li>• Officially launched NRGence™ green product line. Featuring the core concept of "Energy Intelligence," NRGence™ provides a series of optimizable energy-efficient integrated green server farm solutions.</li> <li>• ATEN issued its first "Corporate Social Responsibility (CSR) Report", honestly disclosing ATEN's status and behavior with regard to CSR.</li> <li>• Awarded one of the Best Corporate Citizens by the CommonWealth Magazine (ranked 4th among Medium-sized Enterprises).</li> <li>• ATEN Industrial Operation Console won the invention award at the MOEA's National Invention and Creation Award.</li> <li>• iListen, smart communication software for the deaf designed by ATEN in cooperation with the Taiwan University of Technology, won first place in the 2012 Samsung App Contest and was awarded German Red Dot Design Award.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• VM0808H, EC1000 won Taiwan Excellence Award.</li> <li>• EC2004 Energy Box won the 2013 Computex Best Choice Golden Award.</li> <li>• KL1516Ai LCD KVM over IP won Computex d&amp;i Award.</li> <li>• 2012 ATEN Corporate Social Responsibility Report published.</li> <li>• Awarded one of the Best Corporate Citizens by the CommonWealth Magazine (ranked 3rd among Medium-sized Enterprises).</li> </ul>
2014	<ul style="list-style-type: none"> <li>• VE892, CCVSR products won Taiwan Excellence Award.</li> </ul>







## Competitive Advantages

### ✓ Global Technology Patents

In order to guarantee ATEN's competitive advantage, ATEN spares no effort to protect the fruits of its own development. The distribution of patents and intellectual property benefits ATEN by striking out illegal duplication, increasing product profit, and guaranteeing the rights of stockholders. By the end of 2013, ATEN had applied for a total of 609 global patents, of which 418 had been further approved. ATEN occupies a leading position within Taiwan with regards to investment and achievement in patents and intellectual property rights.

### ✓ ASIC Core Technology

ATEN possesses the unique ability to develop Application Specific Integrated Chips (ASICs), which can effectively lower costs, strengthen product functionality and reliability, improve product cost/performance ratios, and further support ATEN's requirement for and image of high quality.

### ✓ Completely Automated Equipment and an Advanced Manufacturing Process

ATEN boasts the most advanced storage facilities which can undertake digitized searching of over 2500 components. The handling of all products from manufacturing to dispatch undergoes meticulous quality control so as to ensure defect-free manufacturing. Advanced surface mount technology (SMT) equipment can further increase factory output by reducing shutdown and turnaround time.

### ✓ High Product Compatibility

ATEN has accumulated over 30 years of experience in industry, and compared to its competitors, has higher compatibility in screens, keyboards, mice, and supporting cross-platforms systems, providing users with the most reliable products.

### ✓ Ability to Innovate and Develop

Research and development has always been an important core advantage through which ATEN has maintained a leading position in the industry. As well as investing a large amount of resources in development each year, ATEN has also established a "R&D Headquarters" on the 5th floor of their corporate

headquarters. The R&D Headquarters works constantly with the development teams in Canada and Wuhan, which gives full play to the strengths of talents in each area and injects limitless force into company R&D and innovation.

### ✓ Globalized Sales Network

ATEN has kept to the path of its own brand, establishing sales companies or offices in America, Europe, Asia and other important markets to bring ATEN to the whole world. In addition to allowing us to grasp the structure of local roads and market information, effective improvement can be made in the areas of market price control, maintaining customer relations, promoting service quality and implementing sales expansion strategies.

### ✓ Perfect Client Service

ATEN products are sold the world over, and aside from facilitating business expansion, the operational points established in each area more importantly hope to be able to provide instantaneous, localized client services. We have achieved service standards other companies in our field could not achieve through the close integration of our Customer e-Support & e-Service Platform and appropriate actions with local partners in each region. We also believe that excellent product quality and outstanding, prompt customer service are equally important.

### ✓ Preeminent Talent

Employees are a company's most precious asset, and ATEN believes that products of the highest quality come from the happiest employees. Accordingly, we provide an excellent benefit system, annual salary adjustments, festival and performance bonuses, profit sharing, flexible working hours, and a clean, comfortable and humanized work environment. Not only can this increase employees' work efficiency and motivation, it can also simultaneously feed back to such higher levels as product quality and company earnings.





## Factors Conducive to Long-Term Development

- The KVM product line has been in development for over 10 years, and has already put ATEN on the world map.
- Outstanding, reliable product quality.
- ATEN plans to expand our sales system to every major area of the world, in order to expand our effective base for future operations.
- Our product application scope is increasing constantly: the gradual expansion of KVM into the Pro A/V product and green energy product lines is laying a strong foundation for the growth of income and profit.
- Outstanding, experienced development and production teams.
- Our core technology includes etched circuit design, hardware, control software/Intel, A/V network communication and other high-end technologies, the competitive advantage of which is guaranteed by patents.
- Integrity
- Continuing to act according to CSR, strengthening the positive image of our enterprise.
- Harmonious relationships with our assistant manufacturers.
- Constantly nurturing and introducing outstanding talent.
- Sound financial health.

## Factors in Worsening Development Prospects

- Sluggish global economic growth.
- Changes in exchange rates.
- Entry of new competitors.
- Consumers lack of product knowledge.
- Products which imitate or infringe upon intellectual property confuse markets.

## Response Strategies and Opportunities

- We are actively promoting the rate of return on the two major product lines of Professional Audio/Video solutions, as well as intelligent PDUs. In doing so, we hope to be able to distribute the risk inherent in having the KVM product line as our sole main source of profit.
- The financial unit is constantly researching and assessing fluctuation trends in the exchange rates in which all payments are made. They strive to effectively avoid the risk of losses due to foreign exchange through the operation of financial tools, and also adjusting ATEN's American Dollar liabilities and net position. This is done to effectively respond to the influence of fluctuations in the exchange rate of the US Dollar.
- As to the KVM market, a small one in which competition is fierce, product development and R&D ability increases product differentiation and improves product quality. Customer service and product maintenance efficiency is increased through a global presence, creating a clear difference between ATEN and cut-price competitors.
- The Solution method of sale and promotion allows potential customers, such as system integrators, normal businesses, government agencies, and normal consumers to understand the application of each product line more easily. It also advertises the varied benefits of ATEN's products, such as saving energy, protecting the environment, saving space, and improving server room efficiency.
- Taking action to strengthen counterfeit product auditing, taking legal measures against suppliers who infringe on ATEN's trademark and patent rights help to guarantee ATEN's rights and interests.





## 3.2 Worldwide Presence

ATEN has been successfully operating a global brand for 23 years, and aside from successfully establishing a leading brand image in the area of KVM, also continues to expand this influence into other product lines. To provide sales partners with more rapid, direct assistance, and to provide solutions most in accordance with local market needs, we are continuing to expand our global presence so as to further exploit each local market. By doing so, we can also differentiate ourselves from competitors in service and supply chain efficiency.

ATEN's headquarters are in Taiwan, and research centers have been established in Taiwan, China, and Canada. Manufacturing centers have been established in China and Taiwan; simultaneously, ATEN has subsidiary sales companies in Taiwan, China, Japan, Korea, the USA, the UK, and Belgium, as well as distribution centers in Belgium and Finland. In 2010, ATEN further established an office in Moscow, Russia so as to strengthen local sales and the channel for gathering local market information.



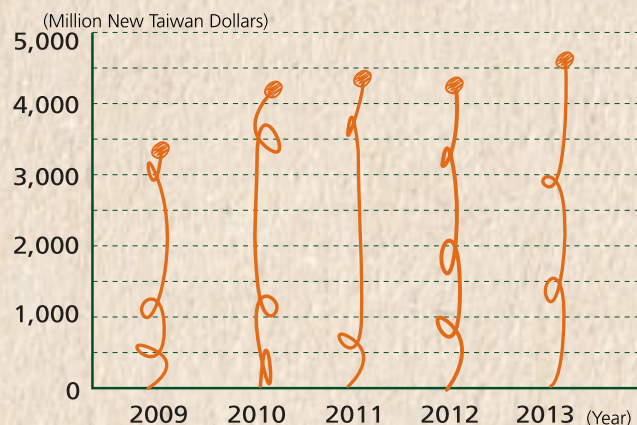




### 3.3 Operational Achievements

2013 was a year of earnings growth and rich returns. ATEN's operational achievements have always been positive, whether measured in terms of changes in our economic health, performing our duties to our shareholders, or creating profit for them. Responding to the advent of globalization as well as adjustments in governments' financial management strategy, ATEN has already begun to use International Financial Reporting Standards (IFRS) fully in compiling and consolidating financial reports. Based on operating data from the last five years, the average Earning Per Share (EPS) is NT\$4.53, and average Return On Equity (ROE) has held at the high level of 18.7% for five years. This adequately shows that the operations team's adaptability in daily operations and when facing crisis is worthy of shareholders' trust and reliance.

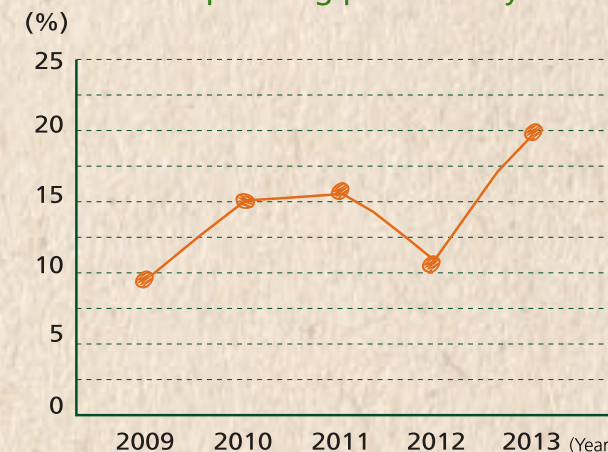
Revenue



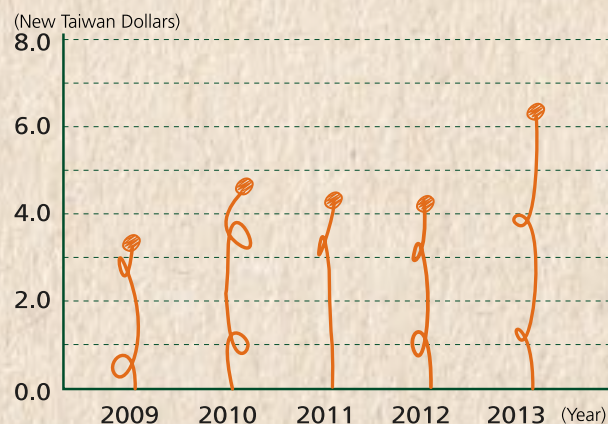
Gross profit margin



Operating profitability



Earnings per share



Return on Equity (ROE)



CommonWealth Magazine issue 547, Top 2000 Survey: Manufacturing

According to the operating returns rankings of manufacturers, ATEN was ranked 545th in 2013, advancing 19 places from 2012. Furthermore, when ranked according to return on equity (ROE), ATEN occupied the 17th place among all manufacturing companies listed on the Main and OTC Stock Market of Taiwan by means of a 10-year average ROE of 20.91%. Compared to the average ROE of 1.65% among all manufacturing companies listed on the Main and OTC Stock Market of Taiwan in 2013, ATEN's profit performance is unquestionably worthy of shareholders' long-term trust and confidence.





## 3.4 Awards Won (2007- 2013)

2013



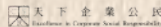
Taiwan Excellence Award



Computex Best Choice Golden Award



Computex d&i Award  
Awarded one of the Best Corporate Citizens by the  
CommonWealth Magazine, ranked 3rd among Medium-  
sized Enterprises Group



Russia Technical Perfection Award



Hong Kong PC Station Best Design Award



Russia technokitchen Silver Award

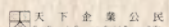
2012



ATEN and the National Taiwan University of Science  
and Technology together developed the ilisten  
communications software for the deaf, winning the  
German Red Dot Design Award



Won the silver medal of invention award at the MOEA's  
National Invention and Creation Award



Awarded one of the Best Corporate Citizens by the  
CommonWealth Magazine, ranked 4th among Medium-  
sized Enterprises Group

2011



Computex Best Choice



Taiwan Excellence Award



ComputerDIY Recommended Purchase



ComputerDIY Best Design



Russia technokitchen Gold Metal



Electric House\_Products of the 2011 year  
awards\_Gold Winner

2010



Taiwan Excellence Award



Computex Taipei D&I Awards



Awarded Taiwan Superior Brand Award by the  
Ministry of Economic Affairs



Awarded one of the Best Corporate Citizens  
by the CommonWealth Magazine, ranked 9th  
among Medium-sized Enterprises Group



ComputerDIY Product of the Year



ComputerDIY Recommended Purchase



Korea PC Award



Interop Tokyo Best of Show Award



2010 Russia IT Expert's Choice

2009



Taiwan Excellence Award



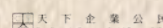
Computex Best Choice



Winner of contribution award at the MOEA's  
National Invention and Creation Award



ComputerDIY Product of the Year



Awarded one of the Best Corporate Citizens  
by the CommonWealth Magazine, ranked 9th  
among Medium-sized Enterprises Group



Interop Tokyo Best of Show Award

2008



Taiwan Excellence Award



ComputerDIY Product of the Year



Malaysia Editors' Choice Award



Netadmin World Magazine Editors'  
Choice Award

2007



Taiwan Excellence Award



Awarded one of the Best Corporate  
Citizens by the CommonWealth  
Magazine, ranked 3rd among Medium-  
sized Enterprises Group



China iF Design Award



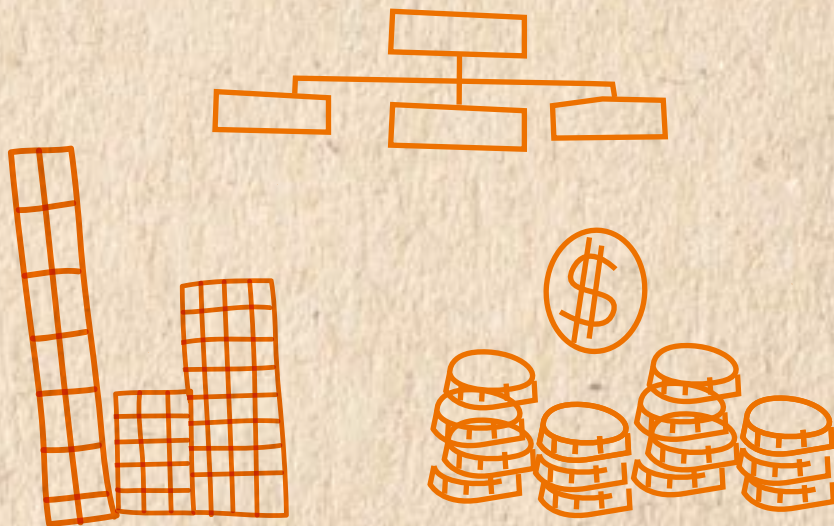
Russia XBT Original Design Award



## ch 4\_e

# Corporate Governance

- 4.1 Corporate Governance Structure
- 4.2 Shareholders' Meeting
- 4.3 Board of Directors
- 4.4 Remuneration Committee
- 4.5 Domestic and International Associations





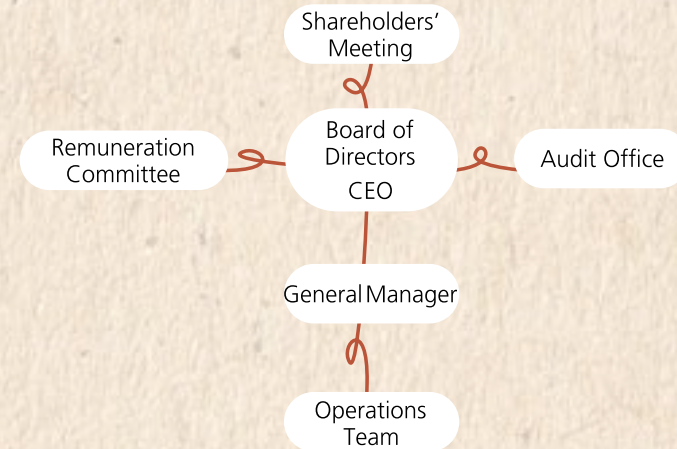


## Chapter 4 > Corporate Governance

ATEN holds to the belief that corporate governance is the most important foundation of steady company operation and pursuit of investors' interests, and is also the vital nucleus of sustainable business operation. A company with outstanding corporate governance will be able to formulate appropriate operating policy, effectively monitor the execution of policy, guarantee stockholders' interests, and make related information public at a suitable time. This is particularly important in winning investors' confidence, attracting long-term funding, and winning foreign investors' favor. Throughout the last decade, ATEN has also continually striven to make great progress in achieving corporate governance aims from how meetings of the Board and shareholders' conferences are carried out, guaranteeing the interests of stakeholders, and undertaking the voluntary disclosure of financial and operating information, to establishing enterprise core values at the levels of values and morality. ATEN's managers also believe that enacting corporate governance is a necessary method for making corporate social responsibility a reality.



### 4.1 Corporate Governance Structure



In regards to corporate governance, in addition to respecting laws and regulations related to companies listed on the Main and OTC Stock Market of Taiwan, we have also incorporated them within our core company value of "integrity with pragmatism". We demand that all employees of the company enact these rules to the highest standard within the scope of their work. Simultaneously, we repeatedly inspect compliance with regulations and our internal control mechanisms through our internal audit system, which uses both regular and irregular audits. If any defect in the internal control system or irregularity is discovered, the problem is identified immediately. Related departments continue to investigate and trace the situation until it has actually been resolved, corrected, and all laws and regulations have been complied with. After the audit reports about each work unit and overseas subsidiary have been compiled, the head of the Audit Division gives a report of the audit to the supervisor of each department and the Board at regular intervals to ensure transparency.





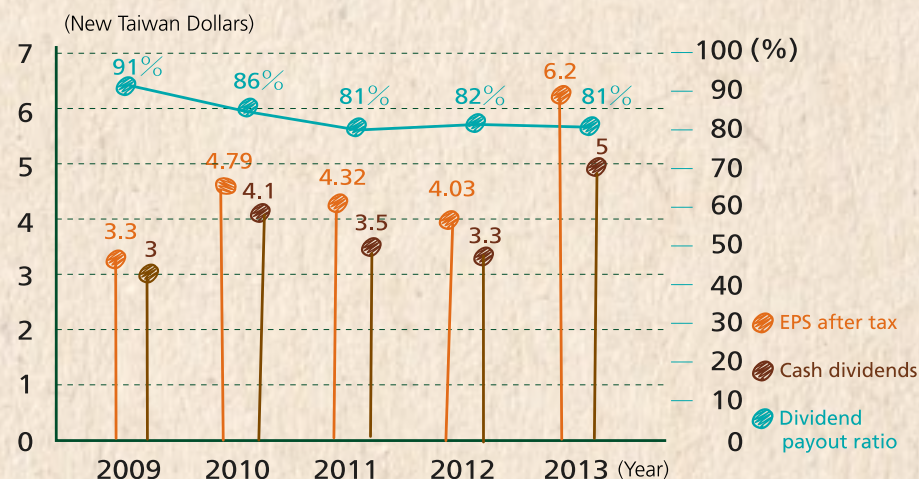
## Concrete Recent Action Taken to Promote Corporate Governance

Area	Concrete Evidence
Strengthening Board and Supervisory Roles	<ul style="list-style-type: none"> <li>Establishing Independent Directors and a system for their nomination.</li> <li>Establishing the supervisor system.</li> <li>Establishing the functional "Remuneration Committee".</li> <li>Formulating methods related to CSR.</li> </ul>
Emphasizing the interests of shareholders and stakeholders.	<ul style="list-style-type: none"> <li>Holding Investor Conferences.</li> <li>Holding one-to-one or conference meetings with institutional investors to explain ATEN's situation.</li> <li>Establishing the "spokesperson system".</li> <li>Establishing an Investor Relations Department to handle investor advice and issues.</li> </ul>
Promoting transparency and timely disclosure of information	<ul style="list-style-type: none"> <li>Major information has been announced in English and Chinese since 2013, further guaranteeing the interests of foreign investors, and promoting transparency.</li> <li>Report handbooks and ample information on the Meeting are uploaded to the Market Observation Post System, and disclosed on the official ATEN website in order to further prompt timeliness of disclosure.</li> <li>We voluntarily compile English versions of the Shareholders' Meeting notices, report handbooks, minutes of the meetings, and annual reports. We upload these to the Market Observation Post System and the official ATEN website for investors' reference.</li> <li>A "CSR" section has been established on both the Chinese and English websites, and both Chinese and English versions of the CSR report are provided for stakeholders to download.</li> </ul>



## 4.2 Shareholders' Meeting

ATEN holds both regular and provisional Shareholders' Meetings. The regular Shareholder's Meeting is held annually, convened by the Board within 6 months of the end of each financial year, while provisional Shareholders' Meetings are convened when necessary, both in accordance with the law. Shareholders' Meetings are held regularly every year, in order to report on the company's operational and financial situation. Investors can also submit a written request to ATEN for a Shareholders' Meeting. Before notifying shareholders of the date of the meeting, ATEN will notify the submitting shareholder of the result of their request and convene the meeting as required by company regulations. In the case of a proposal not being added to the Shareholders' Meeting agenda, the Board should explain the reason for this to the submitting shareholder. ATEN values shareholders' interests: our recent dividend release policy requires that all profits be released to shareholders, apart from that part retained as a result of legal considerations. This allows shareholders to share in the company's profits and achievements – payout ratios have been in excess of 80% in recent years.



Note: dividend allocation for 2013 will be decided at the 2014 Shareholders' Meeting.

As well as disclosing information in public observation stations as required by law, ATEN's operational and financial situation is placed on the official company website and annual reports, enabling investors to understand the company's business. Additionally, the spokesperson system and Investor Relations Department have been established to handle shareholders' advice. Shareholders can also provide any suggestions to the Investor Mailbox (ir@aten.com.tw). Related information is also disclosed on the Shareholder Relations section of the ATEN website.





## 4.3 Board of Directors

The ATEN Board of Directors is comprised of seven Directors and three Supervisors. They serve for terms of three years. Two of the Directors are Independent Directors, who are nominated according to the system for the selection of Independent Directors. In accordance with law, the Board meets at least quarterly. There were seven meetings of the Board in 2013.

If any conflict of interest is discovered during Board operations, the Director in question must retire, according to Article 16 of "Rules Governing the Board of Directors," which states: "The director may present his opinion and answer relevant questions of but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party and where such participation is likely to prejudice the interests of the Company. The director shall not vote on such a proposal as a proxy of another director in such circumstances as well." Any such conflict of interest is also recorded in the Minutes.

According to company regulations, compensation for Directors and Supervisors ranges from 1% to 3% of total annual dividends in the year served. The Remuneration Committee appraises the achievements of ATEN's Directors, Supervisors and managers according to their work targets.

### Members of the Board of Directors

Title	Name	Notes
CEO	Kevin Chen	Also serving as CEO
Vice-Chairman of the Board	Steven Chen	
Director	China Development Industrial Bank Technical (Shares) Consultant Company Representative: Shu-Shan Lin	
Director	Lung-Chi Tsai	Elected as Director at a regular Meeting of the Board on June 17, 2013
Director	Zhen-Yu Xiao	Retired on November 1, 2013
Independent Director	Wei-Jen Chu	
Independent Director	Chung-Jen Chen	Retired as an Independent Director for reasons of personal health on April 1, 2013 Chung-Jen Cheng was elected as an Independent Director at a regular Meeting of the Board on June 17, 2013
Supervisor	Shiu-Ta Liao	
Supervisor	Se-Se Chen	
Supervisor	Chen-Lin Kuo	Independent Supervisor



### Qualifications of the Board of Directors

All Directors have the operating judgment, accounting and finance analysis ability, operational and management ability, and leadership required to fulfill their duties. All have at least five years of experience in business, law, finance, accounting, or other fields required by the company; please see the following table for further information.

Name	Conditions	Do they possess over five years of work experience and the following professional qualifications?		
		Business, law, finance, accounting or other discipline essential to the company at the level of college professor or higher.	Judge, prosecutor, lawyer, accountant or other specialist or technical employee possessing certification or a national exam qualification in a field required by the company.	Work experience in business, law, finance, accounting or other field essential to the company.
Kevin Chen				✓
Steven Chen				✓
China Development Industrial Bank Technical (Shares) Consultant Company Representative: Shu-Shan Lin				✓
Lung-Chi Tsai				✓
Wei-Jen Chu			✓	✓
Chung-Jen Chen	✓			✓
Shiu-Ta Liao				✓
Se-Se Chen				✓
Chen-Lin Kuo			✓	✓

In order to allow Directors to effectively discharge their duties, ATEN encourages the Board to continue to study so as to grasp the latest knowledge and improve their adaptability. Information on the Chairman of the Board, Supervisors, and situation with regard to training undergone by Board members is disclosed on the Market Observation Post System. The training undergone by Directors in 2013 is as follows:

Title	Name	Date of course	Course organizer	Course taken	Course taken
Director	Lung-Chi Tsai	9/3	Securities & Futures Institute	Latest Company Law amendments and Denial of the Personality Rights of a Corporate Legal Person	3
		9/24	Securities & Futures Institute	Practical Operation of Taiwanese Audit Committees	3
		9/26	Securities & Futures Institute	Prevention and Avoidance of New Forms of Insider Trading	3
Supervisor	Se-Se Chen	9/24	Securities & Futures Institute	Practical Operation of Taiwanese Audit Committees	3
Supervisor	Shiu-Ta Liao	9/24	Securities & Futures Institute	Practical Operation of Taiwanese Audit Committees	3



ATEN established a Remuneration Committee with three members, one of whom is an Independent Director, on December 20, 2011 by resolution of the Board. The Remuneration Committee's work responsibilities include formulating and regularly examining annual and long-term work targets and policies, systems, standards, and structures for the remuneration of ATEN's Directors, Supervisors and managers. By means of regularly appraising the achievement of ATEN's Directors, Supervisors and managers in meeting their work targets, the content and total of their individual remuneration is drawn up.

Remuneration of Directors and Supervisors includes payment of travel expenses and allocation of dividends. Travel expenses are paid according to normal industry standards, while dividends are allocated according to company regulations: they are proposed by the Remuneration Committee, and paid after being passed by the Board and reported to the Shareholders' Meeting. Managers' compensation includes salary, bonuses, and dividends awarded to employees. Standards for payment are derived from ATEN's employee compensation management method.

Title	Name	Key experience
Chairman	Wei-Jen Chu	Currently serving as an ATEN International Independent Director and Partner and Director of Candor Taiwan CPAs
Member	Chen-En Ko	Professor at the National Taiwan University College of Management Department and Institute of Accounting
Member	Zhen-Yuan Huang	Currently serving as Chief Financial Officer of Reading Times Co., Ltd.

ATEN participates in all kinds of associations, strengthening connections within the industry and within new technology federations to promote ATEN's competitiveness. The Taipei Computer Association and the Taiwan Electrical and Electronic Manufacturers' Association provide opportunities to share and exchange experience related to the Taiwanese electronics industry, while participation in the Institute of Internal Auditors represents the importance with which ATEN regards internal control and standards. Aside from this, ATEN has recently joined the HDBaseT Alliance in order to continue to strengthen the improvement of ATEN's A/V technology and service ability. This is an important milestone in the overall advancement of ATEN's professional A/V solutions. ATEN participates in the following groups:

Association Name	
• Apple Developer Program	• UL
• Bluetooth SIG	• USB Implementers Forum
• Digital Content Protection LLC(HDCP)	• VCCI
• GS1 Taiwan	• VDE
• HDBaseT Alliance	• Veri Sign
• HDMI Licensing, LLC	• Industrial Safety and Health Association of the Republic of China (Taiwan)
• Microsoft WHQL	• The Institute of Internal Auditors, ROC (Taiwan)
• MSDN	• Taipei Computer Association
• RTI/RCI	• Taiwan Electrical and Electronic Manufacturer's Association





## ch 5\_e

# Employee Care

- 5.1 Employee Status
- 5.2 Talent Nurturing
- 5.3 Compensation and Benefits
- 5.4 A Healthy Workplace
- 5.5 Human Rights







## Chapter 5 > Employee Care

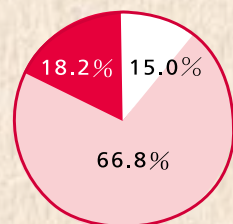
### 5.1 Employee Status

"The most vital part of company operation is talent." An enterprise can only grow and flourish sustainably if it is sufficiently able to attract, retain, and develop talent. ATEN is unstinting in its operation of human resources. As well as incorporating professional HR management thoughts, we also stay true to our belief in pursuing success and sharing achievements. We have formulated labor conditions superior to those required by the Labor Law, and have simultaneously established a remuneration system which values both achievement and time spent within the company. Under the premises of sustainable operation and enriching humanity, ATEN is actively realizing the company corporate values of "Caring" through respect for professionalism, diversity, differences; care for clients, employees, and the disadvantaged. Looking to the future, ATEN will unstintingly develop a professional HR system, and establish an organization development policy in accordance with our group vision. ATEN will look toward promoting employees' key skills to be the core of company management, assisting employees to develop achievements and in their self-growth, while simultaneously producing upright, friendly, and competitive talent and an operating environment with the same traits. ATEN has stood firm for 35 years, and has always ensured stable, growing operational achievements. Today, courtesy of our talent development advantage, ATEN has accumulated sufficient capacity to look forward to a glorious future.

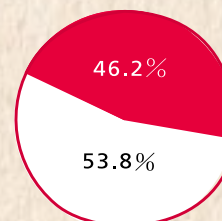


#### Human Resources

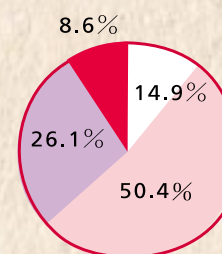
As of December 31, 2013, ATEN employed a total of around 1700 personnel around the world, of which 606 were in Taiwan (female employees comprised 46.2% of this total). The Taiwanese division consists of: 91 high-level managers (22.0% female), 405 indirect professional staff, 110 technical professional staff, with an average age of 38, an average of 8 years spent with the company, of whom 75.1% are university graduates, and of whom the proportion of persons with a disability is 1.67 times higher than the amount required by law.



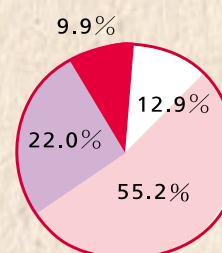
Work Type	No.	Percentage
Mid and Upper Management	91	15.0%
Indirect Professional Employees	405	66.8%
Direct Technical Employees	110	18.2%
Total	606	100.0%



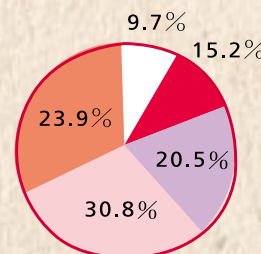
Gender	Total	Percentage
Female	280	46.2%
Male	326	53.8%
Total	606	100.0%



Age	No.	Percentage
20~29	90	14.9%
30~39	306	50.4%
40~49	158	26.1%
50~65	52	8.6%
Total	606	100.0%



Seniority	No.	Percentage
Less than 1 year	78	12.9%
1-10 years	335	55.2%
10-20 years	133	22.0%
Over 20 years	60	9.9%
Total	606	100.0%



Academic degree	No.	Percentage
Lower than senior high school	59	9.7%
Senior high school	92	15.2%
Technical college	124	20.5%
University	187	30.8%
Post-graduate education	144	23.8%
Total	606	100.0%

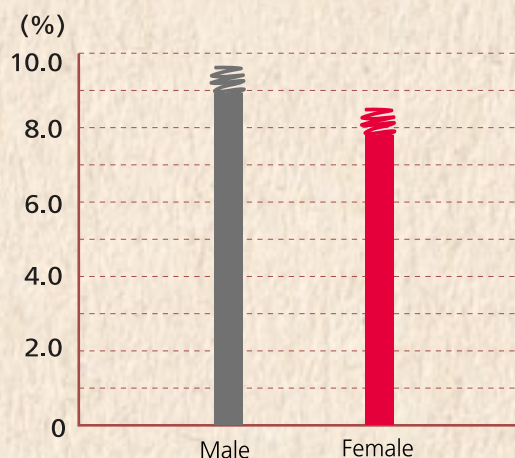




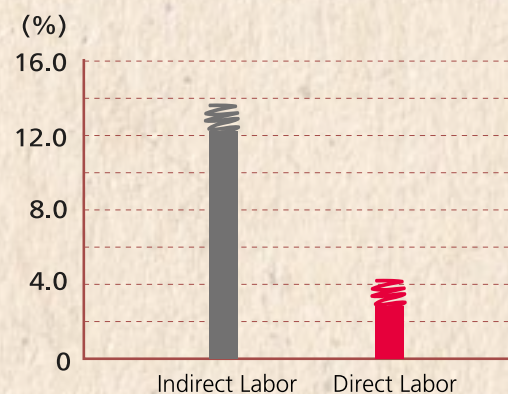
## Employee Retention

To complement our human resources development blueprint, ATEN is also working to enact the recruitment principles of eliminating discrimination and promoting equality of opportunity. We are doing so through dual-ladder careers, talent appraisal aimed at putting employees in the right place, a professional education and skills development talent cultivation plan; a talent-retention system characterized by equal pay and comprehensive benefits. Additionally, we especially value our employees' work-life balance. Not only have we planned a system including things such as an annual family day, employee health management, and flexible working hours, there's also a small but comprehensive leisure activity center, a variety of clubs, as well as the Starlight Avenue singing contest. ATEN's measures which support childbirth and postnatal care, has led to 100% of female employees returning to work after giving birth.

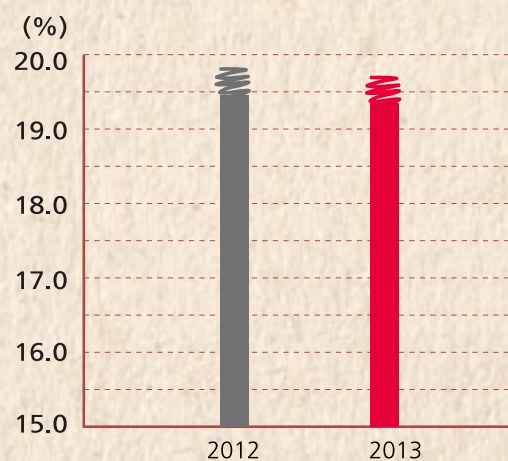
In 2013, turnover of male employees at ATEN was 9.7%, while that of female employees was 8.6%, this is 0.6% lower than 2012. The turnover among direct labor was only 4.5%, including four who had reached retirement.



Turnover Rate	Percentage
Male	9.7%
Female	8.6%
Total	18.3%



Turnover Rate	Percentage
Indirect Labor	13.8%
Direct Labor	4.5%
Total	18.3%



Turnover Rate	Percentage
2012	18.9%
2013	18.3%

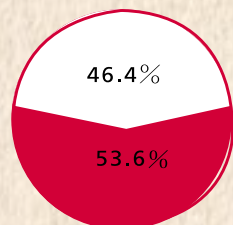




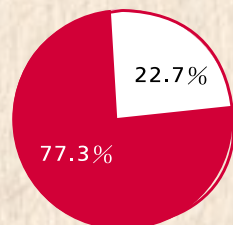
## Recruiting Talented Employees

ATEN supports the concept of "Root in Taiwan". All divisions, including Production, Sales, HR, R&D, and Finance, have bases in Taiwan. In the face of outsourcing, it is all the more estimable that ATEN is still willing to retain a production factory at relatively high cost in New Taipei City. With regard to recruiting talented employees, we have always held to our principles: eliminating discrimination, equality of opportunity, and respecting the diverse backgrounds of employees. ATEN recruits outstanding talent who share our values from any area through many channels, including attending many campus recruitment activities, and reserving part of our work opportunities for fresh new talent. ATEN has clarified the "Recruitment, Employment, and Management Method", which serves to create a standardized, fair, and objective talent selection process. The principles of mutual respect and confidence govern the staff management system, and interviews with applicants are conducted to determine whether they are suitable and willing to join ATEN as work partners.

ATEN employed 110 new employees in 2013, of which the male-female ratio was 53.6% – 46.4%. The direct-indirect labor ratio was 22.7% – 77.3%.



Gender	No.	Percentage
Female	51	46.4%
Male	59	53.6%
Total	110	100.0%



Gender	No.	Percentage
Female	25	22.7%
Male	85	77.3%
Total	110	100.0%



Job fair



Media Report on A Aampus Recruitment Activity



Campus Recruitment Activity



Key Talent Recruitment Requirements

## Performance Management and Development

Aside from a probationary period for new employees, ATEN carries out performance appraisals twice a year. The appraisals are based on the five principles of: employee achievements and responsibilities; participation from managers and subordinates; sustained interaction and communication; emphasis on achievement and development as well as discussing disparities in achievement and contribution. Achievements and accomplishments serve as reference points for reassignment of duties, salary adjustments and payment of bonuses and awards. Aside from this, we are establishing an improvement suggestion system for advice useful to ATEN. It will reward employees for suggesting improvements to work procedures and creative suggestions through awarding "Sun Medals".



Sun Medals

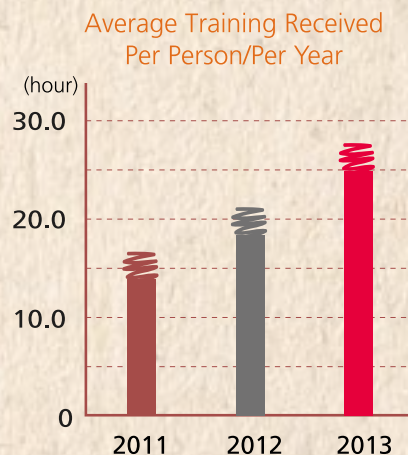
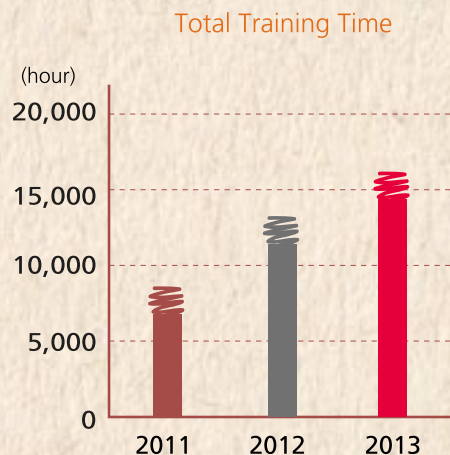




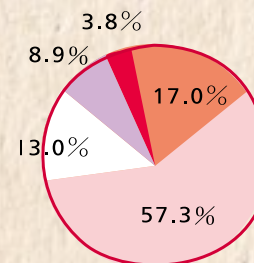
## 5.2 Talent Nurturing

The “Education and Training Method” stipulates that “In accordance with company policy and annual targets, an education and training plan will be submitted annually, each year’s education and training budget comprising a set proportion of the previous year’s company revenue.” Furthermore, ATEN’s determination to support the development of education and training can be seen more directly from the following material, which shows sustained growth of training. In 2013, the total length of training organized by ATEN in Taiwan reached 16,531 hours, 23.6% higher than the preceding year’s total. Average length of time spent in training by each employee increased from 22.2 hours to 27.3 hours.

Project	2011	2012	2013
Total Time Spent in Training Annually	9,300	13,374	16,531
Average Training Received Per Person/Per Year	15.5	22.2	27.3



Proportion of Time Spent in Training by Type



Training Type	Training Time	Percentage
Management Skills	2,818	17.0%
Professional Skills	9,478	57.3%
Core Skills	2,143	13.0%
Personal Growth	1,466	8.9%
New Employee Training	626	3.8%
Total	16,531	100.0%







To implement ATEN's education and training blueprint, a high- budget "Digital Education, Training, and Development Platform" was planned in 2013. A "cloud learning platform" was simultaneously established, allowing colleagues and suppliers around the world to share training resources.



### Education and Training System Blueprint

To accompany organizational development of strategic training and education, ATEN has integrated the company's expectations and the skills and career track development needs of individual employees. ATEN has planned three main facets of learning and development: Annual Strategic Training Plans, Continual Development and New Talent Nurturing. There are also three main skills: Management Skills, Professional Skills and Core Skills, in addition to Personal Growth. Together, these build ATEN's learning and development blueprint.



Annual Strategic Planning Training



New Employee Training



Management Skills Training



Professional Skills Training



Core Skills Training



Digital Personal Growth Course

As well as mapping out different levels of management course, and study differentiated by function, and induction for new employees, this blueprint has also added annual strategic training plans and professional skills training with key indicators. Four series of lectures will be implemented over a period of years: lectures on operations management, professional trends, core values, and happy and healthy living. This is establishing a culture of learning and development unique to ATEN.



Core Skills Lectures



Lectures on Professional Trends





## 5.3 Compensation and Benefits



ATEN participates in external industry salary surveys to ensure competitive salary levels, and has formulated a salary adjustment plan based on the operational situation within the company with reference to the situation with regard to fluctuations in the consumer price index. ATEN will also provide bonuses and dividends within the scope of the law based on a variety of operating indices. In addition to the standard: Dragon Boat Festival, Mid-Autumn Festival and New Year bonuses, ATEN will also provide bonuses based on the achievement of group targets and individual accomplishments. ATEN considers both retention factors and incentive factors. Under a diverse and competitive salary policy, ATEN will succeed in attracting and retaining outstanding talent, achieving a win-win situation for both the company and employees.

ATEN is committed to provide perfect, high-quality benefit measures, providing benefits in many areas, including: food, clothing, housing, transportation, education, and entertainment. ATEN offers extensive subsidies in the company canteen, free, fashionable and practical seasonal uniforms, clean office environments, comfortable individual work spaces, a spacious, convenient car park, generous overseas travel subsidiaries, a comprehensive health insurance plan which includes dependents and parents, and there is also a company sponsored nursery, allowing employees to leave their children close by and giving employees peace of mind. In addition, we also have paid vacation time in excess of that legally required (nine days), paternal leave for male employees (four days), prenatal diagnosis leave for female employees (sixteen hours); gifts featuring ATEN's cultural characteristics for expatriate employees, gratitude ceremony for retired employees and commendation ceremony for senior employees, which also allow employees and their dependents to experience the sincerity with which we care for our employees.



Healthy, Nutritious Lunch



Senior Staff Recognition Programs



Gifts on The Three Festivals for  
Expatriate Employees



Clean and Comfortable Office  
Environment

ATEN has an independent, self-governing Employee Benefit Committee, which implements the benefit budget in accordance with regulations every year. In addition to activities including regular domestic and international travel, monthly birthday celebration desserts, and a Christmas party, there are also cash gifts and gift vouchers for weddings, funerals, childbirth, and education, movie theater tickets. Employees can also participate in all kinds of clubs to pursue a healthy, balanced lifestyle.





## 5.4 A Healthy Workplace

In accordance with the Occupation Safety and Health Act, ATEN has formulated the "Labor Safety and Health Committee Organization Statutes". A meeting of the Labor Safety and Health Committee is convened every three months to discuss and ensure the provision of a healthy work environment to staff, and encourage them to participate actively in clubs as well as all kinds of activities beneficial to body and mind:

### Regular Employee Health Checks

ATEN abides by the "Method for Automatic Inspection of Labor Safety and Health", and has formulated the "Employee Health Inspection and Management Method". ATEN provides subsidized regular health inspections beyond those required by law. In September, 2013 twenty-three types of inspections encompassing over 86 health indices were carried out. This process drew employees' attention to their health, and promoted regular health management.



Regular Employee Health Checks

### Employee Health Monitoring Management

Individual diagnosis at the ATEN clinic was arranged for employees whose inspection results were abnormal, helping employees to obtain follow-up inspections. The company has a clinic with one full-time nurse and has engaged a part-time doctor (who is in residence for a total of four hours on two occasions during the week), providing clinical health inquiries, referrals to doctors, and advice to employees on a voluntary and referred basis.



Clinic

### Environmental Safety Testing and Accident Drills

Office disinfection is undertaken quarterly and the Environmental Safety Office carries air quality inspections out every six months, to ensure that carbon dioxide concentration in the workplace is lower than 1000 ppm to guarantee employees' health. ATEN has also been working with the Fire Safety Association to hold fire safety drills and related lectures.



Fire Drill

### Lactation Rooms

ATEN has formulated the "Lactation Room Application, Use, and Management Method", established lactation rooms for the exclusive use of female employees, which have relevant equipment such as comfortable sofas, fridges, hot water bottles, and paper towels. This allows employees who have given birth to continue to breast-feed after returning to the workplace.



Lactation Room

### Gym and Leisure Center

ATEN has a small but comprehensive employee leisure center, which has equipment such as a yoga studio (the employees' favorite), a gym, a sauna, a large-screen LCD TV which shows sports, and an attached library, pool and table tennis areas. In 2013, the gym and library held some public benefit activities and in doing so they have won a high degree of popularity with employees.



Gym and Leisure Center

### Diverse Group Activities

ATEN currently has a diverse array of clubs including : a volunteer club, a yoga club, a basketball club, a softball club and a jogging club. ATEN provides subsidies for operating costs, encouraging employees to participate in leisure activities which are beneficial to body and mind, and allow them to positively contribute to the community.



Basketball club activities

### Health Activities and Lectures

The Human Resources Center holds a popular quarterly series of health and wealth lectures, which include lectures on investment and finance, travel information, family relations, and food safety. Additionally, ATEN provides all employees with diverse health promotion activities, including Yoga courses, weight loss courses, health and medical lectures, and relationship lectures for single people, meeting the individual needs of employees.



Lohas health seminars

### Employee Assistance Programs

In order to ensure that employees' physical and mental health will receive more comprehensive care, ATEN worked with professional consultancies to introduce Employee Assistance Programs (EAP) to provide employees with a 24-hour enquiry hotline. The hotline has professional legal consultants to help employees to handle issues in the five main areas of law, finance, management, health, and psychology.



Employee Assistance Programs





## 5.5 Human Rights

We strongly believe that every employee should receive fair, reasonable treatment and respect. Therefore, ATEN has formulated a company system according to the "Labor Standards Act", the "Act of Gender Equality in Employment" and other laws relevant to ensuring employees' human rights are respected. As well as stipulating that employees' rights and all benefits are guaranteed in writing, the "Work Regulations", "Employee Salary Management Method", "Recruitment, Retention, and Management Method", "Education and Training Method", "Employee Achievement, Evaluation and Management Method", and "Method for Withholding Employee Salary Upon Resignation/ Retention", also require that there be no disparities in the recruitment, probation, induction, distribution of bonuses, assignment, results, promotion or reassignment, training, salary, retirement, redundancy, resignation, dismissal, or provision of all benefits to employees as a result of race, gender, sexual orientation, age, political standpoint, or religious belief.

With regard to channels for communication and complaint, ATEN has formulated the "Regulations for the Preventive Measures, Appeal and Penalty of the Sexual Harassment in Public Places". We have also established a complaint hotline and dedicated e-mail address. Posters advertising these channels for complaints have been displayed in many offices. Furthermore, labor-capital meetings at which employees can voice their opinions directly to shareholders' representatives freely are regularly held, at which such opinions are entered into the meeting records as well as being published on the company's website. Plans are subsequently drawn up and carried out by a unit responsible for rights in order to promote good labor-capital relations. As a result, no cases of complaint of discrimination arose at ATEN in 2011, 2012 or 2013.



Capital-labor meetings are held regularly



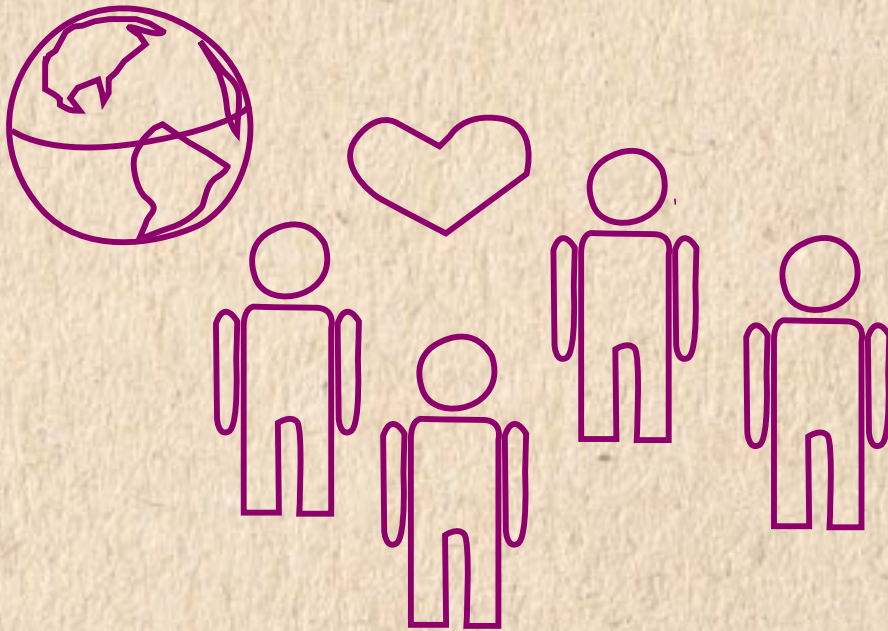
Sexual harassment prevention poster



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# Active Social Participation

- 6.1 Caring about Education
- 6.2 Community Relations
- 6.3 Environmental Protection
- 6.4 Overseas Record





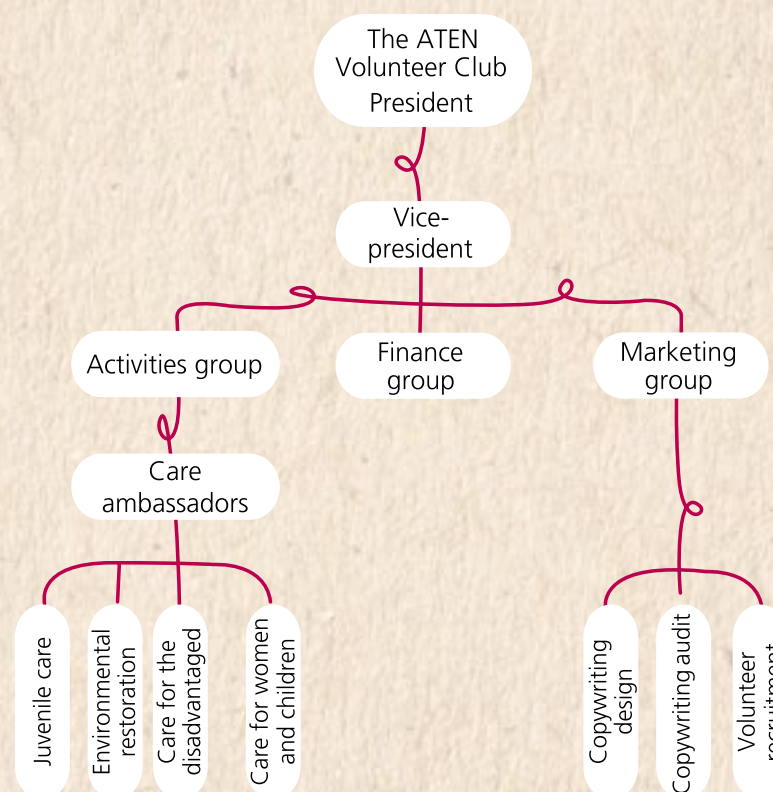


## Chapter 6 > Active Social Participation

ATEN has always placed great importance on actively and positively contributing within the community. To improve the reach of its efforts, ATEN has moved to more systematically and transparently organize its philanthropic activities.

The Ching-Tang Education Foundation and ATEN Volunteer Club are the two main agencies through which ATEN donates to the community and carries out beneficial activities. The Ching-Tang Education Foundation is concerned mainly with disbursing education subsidies, poverty relief scholarships, and disaster relief funds, and has greatly benefitted regional schools. The ATEN Volunteer Club is a voluntary group founded at the end of 2012. The Club, with the aid of the volunteers and the provision of company resources, aims to provide support in the following areas : "Juvenile Care", "Environmental Restoration", "Care for the Disadvantaged", and "Care for Women and Children". The Club held 13 volunteer activities in 2013 and recruited 183 volunteers. We are confident that, under the leadership of the CEO's wife, President Su-Qing Dong, there will be more creative, beneficial methods, through which the Club will further cultivate CSR together with ATEN.

Donations and support ATEN has given to education and the community over the past nine years from 2005 to 2013 exceeded NT\$22,000,000 (not including external subsidies from the Ching-Tang Education Foundation). These philanthropic outlays include: Donations to the disadvantaged, environmental improvement for schools, purchase of school supplies, subsidies for impoverished students, donations of ambulances and police cars, sponsorship for charity arts performances and educational activities, environmental protection and disaster relief.







## 6.1 Caring about education

Care for education constitutes the very beginning of ATEN's aspiration to participate in social charity. For over a decade, ATEN has often cooperated with the Ching-Tang Education Foundation in assisting 15 public senior high schools, junior high schools, and elementary schools in Sijhih District, where the ATEN headquarters is located. We have taken the initiative to care for schools in Sijhih District and provide them with vital funding. However, ATEN is aware that there is still a massive gap in the educational resources available to urban and rural schools. ATEN is beginning to expand their care to schools in the remote countryside, providing the most practical assistance through a deep understanding of their needs.

ATEN has always believed that it is only by walking the talk and giving back to the community that one can set a good example. ATEN hopes to raise a generation of students who strive to positively contribute within society.



### Details of Equipment and Funding Donated to Ku Keng Elementary School, Yunlin County.

Ku Keng Township in Yunlin County is the first remote area in which ATEN has become involved in care for education beyond Sijhih District. Many of the students in Ku Keng Elementary School come from farming or working-class families. Of the 300 students in the 13 classes at the school, 46% come from disadvantaged families, such as: low-income families or single-parent households, are raised by their grandparents, or have parents working elsewhere. It is not easy for them to apply to the Ministry of Education or the greater community for funding. The school is also currently facing problems with old, broken computers and having no funds to replace them, this severely affects the quality of IT teaching. After visiting the school and understanding the situation, ATEN decided to donate IT equipment including 23 PCs and 3 projectors. The new computers and projectors will significantly improve the students' learning environment and allow the teachers and administrators to do their jobs more effectively. [Number of beneficiaries: more than 300]



### Gu Keng Junior High School Travel Costs Donation

Almost half of the students at Ku Keng Elementary School, which is near Gu Keng Junior High School, come from disadvantaged families. The principal is aware that it is easy for students who live in a remote area with insufficient resources to be more easily distracted by negative influences, such as drugs. This is heightened by the fact that many students' parents have to work long hours and are therefore unable to look after their children after they have finished school. The Firefly Class Plan was drawn up in late 2012 with the assistance of a school alumnus. Teachers provide skills training, group activities and school and life coaching after class which helps to instill a more positive and healthy outlook amongst the students. A year after the plan began, it met with a great deal of approval and support from parents, and the school continued the program. However, as many students from disadvantaged families come from remote villages, there were no buses and no one to pick them up after class despite their willingness to attend. Accordingly, the school hoped to raise transport subsidies to help more disadvantaged students to overcome commuting constraints. After the school contacted ATEN, the CEO's wife and President of the Volunteer Club immediately decided to donate all fees needed for transport in her own name, allowing more students from remote families to overcome distance and time constraints to join the class, providing them with a safe, warm road home.

[Number of beneficiaries: more than 30]







### Donated Scholastic Achievement Award Funds to 101 Graduating Students from All Public Schools in Sijhih District

The "Ching-Tang Education Foundation" presents "Diligent Study Awards" before graduation every year in order to encourage graduates who are moving on to further study to continue to maintain a "stay hungry, stay humble" attitude and pursue academic excellence. One student from every class in public schools in Sijhih is chosen to be commended, and it is hoped that students will become pillars of society in the near future.

[Number of beneficiaries: 126]



### Donated Hard Up Funding to All Public Schools in Sijhih District

Ching-Tang Education Foundation carried out a school survey aimed at providing emergency relief to families who are poor yet not able to obtain low income subsidies. We hope that when the school year begins, these disadvantaged families will not need to worry about registration fees or having the money to provide nutritious and healthy lunches for their children.

[Number of beneficiaries: 223]



### Donating Computers to Qingshan Elementary School

The computers used for teaching at the elementary school in Qingshan Municipal Elementary and Junior High School were old computers from the Junior High school, mostly bought from 2004 - 2006. Although the school had applied to the Ministry of Education for more funding, budget problems meant that they would have to wait until 2016 for an opportunity to solve the problem. Based on its aim to promote education, the Ching-Tang Education Foundation immediately donated 10 desktop PCs to Qingshan Elementary School, avoiding any effect on the next generation's right to an education stemming from a shortage of resources. [Number of beneficiaries: more than 300]



### Awarding Poverty Relief Education Subsidies in 2013

The Ching-Tang Education Foundation provides public elementary schools, junior high schools, and senior high schools with poverty relief scholarships, hoping to encourage impoverished students to work hard at school and make contributions to society by disbursing education subsidies. This year, 205 students at a total of 15 schools were awarded subsidies, and a total of 600 people came to the award ceremony, including guests, students, and parents.

[Number of beneficiaries: 205]







## Yue Mei Elementary School Refurbishment Activity

In Spring 2013, the “ATEN Volunteer Club” recruited more than 40 colleagues to carry out campus renovation, assisting “Keelung Yue Mei Elementary School”, a school located in the mountains with inadequate resources. Colleagues helped the school to repaint peeling ceilings and walls, scrub the moss-covered playground, and also clear weeds from the flowerpots. The volunteers rolled up their sleeves and put their raincoats on, hoping their efforts would allow students to have a clean, safe and comfortable learning environment when the new year and new semester began.

[Number of beneficiaries: more than 90]



## The Garden of Hope Foundation Wool and Felt Goods

The “ATEN Volunteer Club” participated in the “Wool and Felt Pencil Case-Making Activity” by recruiting volunteers from ATEN. The volunteers handmade pencil cases from wool and felt, and donated them to orphans under the care of the Garden of Hope Foundation.



## One Person, One Book: Letting Love Flow

In response to the World Peace Society’s “Give Hungry Children a Future Activity Series”, the “ATEN Volunteer Club” developed the “One Person, One Book: Letting Love Flow” activity, in which colleagues donated books and ATEN donated money, hoping that donating books would allow more disadvantaged families to get help, and also keep the strength of knowledge flowing down. Nine hundred and seventy six (976) books for children and teenagers were gathered during this “One Person, One Book: Let Love Flow” activity. The books covered many genres including: history, literature, natural science, language, digital editing, math and logic, painting and illustration, music and literature, among them many complete collections. ATEN delivered the books raised, and donated NTD\$30, 000 to the World Peace Society, wishing all children from impoverished families well, and hoping that they would have an opportunity to transform their future lives due to a suitable book!



## Dazhen Mountain Natural Literature and History Camp

Ching-Tang Chen, founder of the “Ching-Tang Education Foundation” always hoped that the next generation would know their own land and love the land where they grew up. The Keelung River and Dachen Mountain provide the perfect backdrop for Sijhih’s many natural and cultural wonders. This guided tour introduced all of the important ruins, temples, and plants and ecology guided by professional literature and ecological teachers. This experience encouraged the next generation to understand local history, explore nature and love the environment in which they grew up. [Number of beneficiaries: 80]







## 6.2 Community Relations

ATEN uses close and remote, internal and external methods to participate in charity and care for the community. Through visits to low-income families on national holidays, care for the elderly, cultivation of parks and green spaces and promoting culture, we hope to be able to create a more harmonious community.



### Benevolent End-of-Year Disposing of Old Cloth Activity

The “ATEN Volunteer Club” and “Genesis Social Welfare Foundation Keelung Branch” planned the “Benevolent End-of-Year Disposing of Old Cloth Activity”. They helped people in a persistent vegetative state and the severely disabled to clean their environments. Thirty seven employees and family members participated in the activity. The Genesis Social Welfare Foundation volunteers introduced each patient and explained their condition, underpinning the value of life and importance of interaction. Colleagues also came to understand the difficulty of caring for individuals in a persistent vegetative state through cleaning windows/hospital beds and sweeping the floor, as well as putting daily necessities in order. This activity gave volunteers a greater awareness of the importance of helping those less fortunate.



### Good Days Marching in Step

In response to the “I Donate, You Run” activity launched by the “Syinlu Foundation”, the “ATEN Volunteer Club” encouraged colleagues to run 10 kilometers. For each volunteer who ran, ATEN donated NT\$10 to the Syinlu Foundation in support of their services for the mentally challenged. This activity also promoted the volunteers to spend time with their families and emphasized the importance of leading a healthy lifestyle. The number of miles run in the course of the activity was transformed into company donations through a model in which the company contributed money and employees contributed labor.

To this end, the Volunteer Club and the Syinlu Foundation planned a series of activities, including: the “Running, Marching, and Walking Warm Body Relay (2/26-3/8)”, the “Marching Along the Riverbank Jogging (2/28)”, as well as the final activity, a trip to Muzha Zoo together with some of our mentally challenged friends. Participation in this series of activities by employees and their families reached 300, and ATEN also cooperated by donating NTD\$50,000 to support the Syinlu Foundation in continuing to serve those with mental disabilities.







## The Eden Social Welfare Foundation's Diaper Donations

The ATEN Benefit Committee launched the "Mid-Autumn Festival Spread Love – Adult Diaper Donation" activity at the annual Mid-Autumn Festival, raising funds from employees for the purchase of adult diapers. The diapers were donated to the "Eden Social Welfare Foundation" and used in caring for bed-ridden elderly people, the severely disabled, and chronically ill. A total of 152 cases of adult diapers were gathered (costing a total of NT\$182,400 or comprised of 13,440 diapers). As arranged by the Eden Social Welfare Foundation, they were given to three care centers run by the society, "Aide", "Dalong" and the "Yilan Nursing Home."



## Yueqin Folk Ballad Ceremony

Passing culture on is important and necessary. The Yueqin is unique to Taiwan, just as the Samisen is to Japan. The Ching Tang Education Foundation helps to hold a Yueqin Folk Ballad Ceremony every year in the hope that Yueqin teaching, performance, exhibition and exchange will awaken, preserve, and develop memories of the Taiwanese culture.



## Support Non-Violence, We Are V-MEN

In response to the "Support Non-Violence, I am V-MEN" running activity held by the "Garden of Hope Foundation", male members of the Volunteer Society wore high-heeled shoes in a symbolic gesture of support. After this experience, the male members called for more work to be done to better understand and empower women. The V stands for: Valentine (being a good partner), Vagina (being kind to women), Violence (stopping violence), Victory (win-win intimate relationships), and the group invites male friends to carry out the "V-MEN Commandments" : (1) Replace criticism with positive word. (2) Replace fists with hugs. (3) Good men do not buy sex. (4) Don't tell lewd jokes. (5) Do something kind for women.



## Blood Donations

ATEN holds a blood drive every year. Fifty one employees at the Sijhih factory participated in this year's drive, donating a total of 95 bags of blood.







## A Future without Violence: End Violence

The ATEN Volunteer Club assisted the “Taipei Women’s Rescue Foundation” and “Taipei City Center for Prevention of Violence and Sexual Assault” in holding the “End Violence” online and offline activity in two separate sections and in four places. They installed “End Violence” ticket machines and invited the public to upload photos of themselves using the machines to their Facebook pages, affirming that they were one of the seeds helping to end violence. The whole activity was fascinating, attracting participation from youth groups, who invited members of the public to hold signs with anti-violence messages such as “Support zero tolerance for violence”, “Use love to end violence”, “I want to be held, not hit”, and “Punch cards, not people” to promote the benefits of opposing violence.



## Mid-Autumn Festival Compassionate Mooncake Donations

The “ATEN Volunteer Club” recruited volunteers to show their benevolence by purchasing 250 boxes of mooncakes to care for disadvantaged families in New Taipei City in response to the promotional efforts of the New Taipei Foodbank. In doing so, they hoped to allow the disadvantaged to savor delicious mooncakes. The mooncakes were distributed to disadvantaged families on the second floor of the Community Government Building at No.10 Zhongzheng Road in Banqiao with the assistance of the Social Welfare Department on the morning of September 17.







## 6.3 Environmental Protection



### Adopted Fulong Beach

ATEN extended their agreement to care for around 360 meters of beach in front of Fulong Dongxing Temple in Gongliao District in 2012, staying true to our promise to protect the environment. There were four beach-cleaning activities in 2013, and “paid volunteer leave” was provided to allow volunteers to clean the beach on Friday afternoon. One of these took the form of an “ATEN family day” activity, during which colleagues and their families were invited to clean and care for the beach. While a beach contest, ocean preservation and local culture pass, bicycle tours, and a meal were all arranged. This allowed all employees and their families to participate in beach cleaning in a relaxed, happy atmosphere, learn about protecting the ocean, and also support ATEN’s diligence in protecting the environment.



### The Long Road is Overgrown – Let’s Prevent Cancer Together

The “Taipei City Jiannan Butterfly Trail” is a treasure trove of natural resources very near to the city. The Taipei City Jiannan Butterfly Trail’s rich ecological resources, especially butterflies, make it an excellent place to undertake ecological education within Taipei. However, the appearance of Jiannan Road is still changing as a result of natural change and human interference. The road is simultaneously facing pressure from invasive species. The “Taiwan Butterfly Association” was helped by employees from the “ATEN Volunteer Club” to clear invasive, introduced species from the area, giving the native flora and fauna a space to live.







## 6.4 Overseas Record



### Overseas Charity Work Done by ATEN's American Subsidiary (ATEN Technology)

ATEN's American subsidiary, ATEN Technology, has stayed true to its parent company's spirit by carrying out a great deal of social participation and social work in 2013.

#### ✓ Sponsoring Breast Cancer Research:

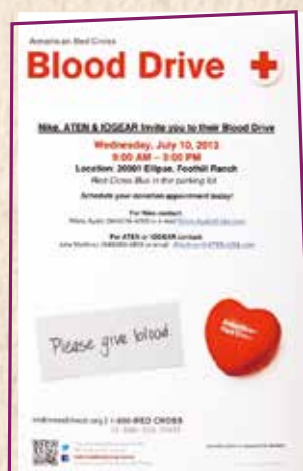
ATEN has continued in their support of the sponsorship cooperation plan with the "Susan G. Komen Foundation", an American foundation dedicated to breast cancer research. Over the period covered by the plan, US\$1 is donated to the Foundation to assist breast cancer research every time a pink card reader is sold. Annual donations from this plan total in excess of US\$20,000.

Another charity plan was enacted between March and August 2013, when ATEN Technology donated US\$3.5 to the Foundation every time consumers purchased an IOGEAR Mobile Power Station. Annual donations from this plan were also in excess of US\$20,000.



#### ✓ American Red Cross Blood Drive

All ATEN Technology offices have become regular sponsors of American Red Cross blood drives. They provide a steady supply of medical blood to save precious lives through regular blood drives. Employees of the American subsidiary also use the drives to recruit more local residents, feeding their compassion and kindness back into the community.



#### ✓ BBBS Youth Care Plan

"Big Brothers Big Sisters of Greater Los Angeles (BBBSLA)" is a professional charity organization in Los Angeles aiming to establish long-term one-on-one relationships between volunteers and 6-18 year old children and youths. When the children and youths are facing difficulties, volunteers can provide professional and sustained care, advice, guidance, and other assistance, allowing the children and teenagers to have a better, brighter future. ATEN Technology cooperated with Oracle in donating products including the IOGEAR Mobile Power Station and MediaShair Wireless Media Hubs, to BBBSLA.



#### ✓ "Spark"

ATEN Technology responded to the "Spark of Love Toy Drive" activity held by abc TV and the South California Fire Service, placing "Spark of Love" boxes in the company lobby to support disadvantaged children and youths through donations of toys and cash. This activity has gathered 7.5 million toys since 1973, and is a major event in the local holiday season in charity circles.







## Charity Record of ATEN Infotech, our Belgian subsidiary

### ✓ Oxfam-Fairtrade:

By using all manner of Oxfam Fairtrade products, ATEN's Belgian subsidiary strives for free trade, and the concept of allowing the produce of poor regions to be sold at a fair price by working together with Oxfam's policy of poverty alleviation and making hard-working farmers and artisanal manufacturers self-sufficient.



### ✓ Helping UNICEF:

UNICEF is an international organization which fights for the rights of children. ATEN's Belgian subsidiary, ATEN Infotech purchased Christmas cards with this organization's trademark, a proportion of the cost of which was donated to UNICEF for charity.



## ATEN China's Overseas Charity Activities – Mountain-cleaning.

ATEN's Beijing subsidiary launched a mountain-cleaning activity in response to ATEN's concept of CSR. In China, where pollution is becoming more severe by the day, more and more people are becoming concerned with environmental issues. However, most people still carelessly throw their trash away without care for the environment.

Colleagues from the Beijing subsidiary spent half a day clearing garbage in Huairou Mountain District. Before the clean up effort, the concept of separating garbage was instilled in participants, and tasks were assigned, perfectly allocating collection, equipment, division of garbage, weighing, recording, and removing garbage. This activity served to educate not only the participants but also the wider community on the importance of proper waste disposal. Hopefully instilling in all involved the significance of protecting and caring for the environment.





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## Environmental Promise

- 7.1 The ATEN Green Management Group and System
- 7.2 Climate Change and Greenhouse Gas Reduction
- 7.3 Green Product Management
- 7.4 Raw Materials and Green Supply Chain Management







## Chapter 7 > Environmental Promise

ATEN International has concentrated on protecting the environment for a long time, and has a deep knowledge of the mission and responsibility shouldered by enterprise. As a result, we actively take action beneficial to the environment and strongly support technological advances and breakthroughs in environmental protection, sustainable operation and development. We have also led suppliers in together establishing a green supply chain. ATEN is comprehensively carrying out environment management and related activities with a scrupulous attitude, implementing pollution control and promoting the environmental awareness of all employees. We hope to make a contribution to protecting the environment by participating in society and assuming our full legal responsibility.

### The Environmental Activities We Promoted in 2013 Include:

- ✓ Continuing to promote green product design: introducing a modularized design platform, reducing board switching space by as much as 15% and effectively shortening development time, and promoting the quality of the products we develop.
- ✓ Formulating the "Products Without Hazardous Substances Management Policy" which provides clients with products without hazardous substances, thereby becoming their best green product partner.
- ✓ Actively promoting employee awareness of energy-efficiency and reducing emissions, and continuing to launch a range of energy-efficiency plans.
- ✓ Drawing up an energy management policy and searching for measures and opportunities which could be taken to reduce energy use and improve the efficiency of equipment through regular inspections.
- ✓ Improving suppliers' awareness of CSR issues such as: protecting the environment and labor rights, and adding items related to CSR and carbon footprints to the Standards for Performance Appraisal of Suppliers.



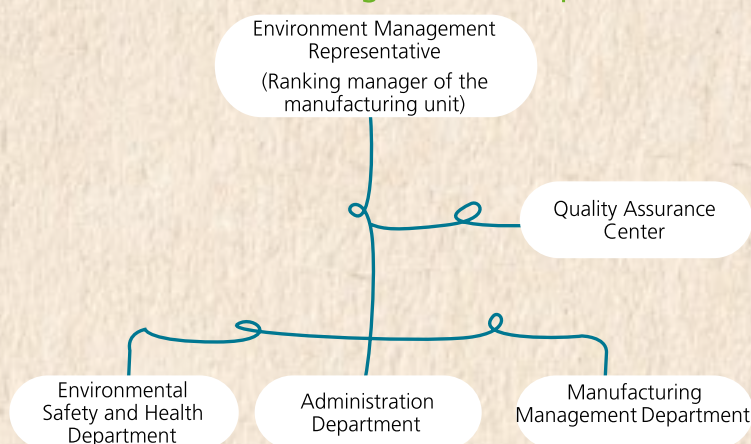




## 7.1 Green Management Group and System

ATEN's environment management system group, comprised of personnel who specialize in areas related to environmental safety, coordinates its operations by means of division of responsibility. The Quality Assurance Division is responsible for drawing up and integrating all policies and standards related to product quality management across the entire company. Units with specialized responsibilities such as the Environmental Safety and Health Department, Administration Department, and Manufacturing Management Department, meanwhile, enact and audit related activities according to annual plans.

### The Environment Management Group



The ranking manager of the manufacturing unit serves as the environmental management representative. The units under their jurisdiction, rights, and responsibilities are as follows:

- ✓ The Quality Assurance department: Responsible for disseminating company environment policy and arranging related environment management training courses and external audits.
- ✓ The Environmental Safety and Health Department: Responsible for duties related to labor health and safety.
- ✓ The administration and Manufacturing Management Department: Responsible for assisting all departments in carrying out their daily environmental protection duties and maintenance of hardware and equipment, formulating all management plans and proposing annual targets.

The environment management representative must convene a regular management inspection meeting each year so as to ensure that the environment management system is achieving sustained improvement targets.

## Environmental Safety Strategy

### Our "Green Promise"

To actively launch an environment management system and related environmental activities, prevent pollution, create an outstanding work environment, protect the physical and psychological health of our employees, and fully shoulder our corporate social responsibility to obey the law, protect the environment, and play our part in resolving social issues. In obedience to the requirements of ISO 14001, an environmental safety policy has been defined, and serves as the highest directive for deciding environmental management strategy:

- ✓ Enacting environmental laws: Auditing the implementation of directives related to protecting the environment, and abiding by the environmental regulations and requirements of supervisory agencies.
- ✓ Encouraging creative use of resources: Using available resources well, reducing wasteful behavior, lowering pollution of the environment, and reducing resource consumption.
- ✓ Supporting green production: Regularly carrying out inspections and audits to ensure the continued effectiveness of enacting company environmental policy and doing our part in protecting a green global village.



Environmental Safety Strategy



ISO 14001 Certification





## Environment Management Measures

- ✓ Establishing and maintaining an environmental management system, promising to continue going forward and preventing pollution.
- ✓ Guiding global product R&D and ruling that no hazardous materials may be used in the R&D of new products. Hazardous materials in old products must be changed or replaced so as to comply with product greening standards and the product greening promise. Further carrying out comprehensive material testing to comply with safety standards.
- ✓ All purchase and use of raw materials, manufacturing of products, product packaging, shipping and pollution management, as well as related service activities and business operations must comply with environmental regulations and requirements so as to reduce their impact on the environment.
- ✓ ATEN carries out environment and pollution management in all company locations with reference to related local environment laws. When there is a clear relationship between products or services and serious environmental considerations, relevant local standards and requirements must be passed on to subcontractors or suppliers. This is done to require that they continue to improve and actively fulfill our green promise and create a win-win situation.
- ✓ ATEN actively promotes, educates and communicates the importance of protecting the environment, energy efficiency, and reducing emissions. All employees must be enabled to understand these concepts and the rules and requirements ATEN has imposed on the environment management system.
- ✓ We guarantee employees' safety by carrying out self-inspections, regularly practicing our accident response plan, and preventing industrial accidents.
- ✓ By making ATEN's environment management system and environmental achievements public, we actively display all of the diligence and contributions of ATEN in fulfilling our environment promise, and in responding to climate change.

## 7.2 Climate Change and Greenhouse Gas Reduction

Along with population growth and technological progress, the pollution of the environment caused by human activities has constantly increased and expanded in scope. Climate change is one of the most noted environmental issues at present. ATEN is continuing to take note of climate change trends and the response measures taken by industry, abide by the emission reduction plans of advanced countries, manage targets and hold itself to high standards. Apart from enacting systematic management of all resources, constantly continuing to monitor and improve matters, and striving to meet our energy-efficient and carbon-reduction environmental targets with all our strength, we also educate all of our employees, encouraging them to cultivate the notion of saving energy in their daily lives.

ATEN launched the "Resource Conservation Plan" in early 2010. We undertake voluntary inspection and verification of greenhouse gas emissions, the results of which are regularly inspected by senior managers.



## Resource Management Policy

In order to fully fulfill the CSR of a global citizen, ATEN strives to save energy and reduce emissions. ATEN carries out the prevention of pollution, green product design and monitors the effects of continuous improvement in accordance with related laws to achieve the aim and benefits of conserving resources. Summary of ATEN's methods:

- ✓ Regular inspection of targets: management inspection meetings are convened annually to explore the resource use situation
- ✓ Improving the efficiency of equipment: regular maintenance, searching for effective methods for saving energy and improving facilities.
- ✓ Purchasing energy-efficient products: giving priority to the purchase of equipment bearing the Energy Logo, Water Logo, Energy Star, energy-efficient equipment, etc.
- ✓ Promoting concepts among employees: regularly promoting the concept of energy-efficiency among all employees.



## Slowing Climate Change

Climate change and global warming have caused rapid changes in recent years. We believe that businesses testing and reducing greenhouse gas emissions themselves is the most effective and direct method of resisting climate change and slowing global warming. Inspection information allows emission sources to be understood and targets for reductions to be drawn up. It also serves as the best demonstration of how ATEN is serving as a member of the global village.

### ✓ Greenhouse Gas Inspections

We take concrete, effective action to verify greenhouse gas emission figures every year in accordance with the ISO's requirements for greenhouse gas control. We achieve our aims in the areas of energy-efficiency and reducing emissions.

ATEN uses ISO 14064 standards and GHG Protocol borders as our own, and makes use of control rights:

#### Scope of inspection:

1. Floors 3-6, No 125, Sec. 2, Datong Road, Sijhih District, New Taipei City (ATEN International Co., Ltd. Headquarters)
2. No.17, Ln. 30, Xinjiang N. Rd., Sijhih Dist., New Taipei City (ATEN Taiwan factory)

	Definition
Scope 1	Direct greenhouse gas emissions (such as vehicles, air-conditioning equipment, drinking water facilities, generators)
Scope 2	Indirect greenhouse gas emissions (such as those resulting from electricity bought from the outside)
Six main greenhouse gases	Carbon dioxide, methane (CH <sub>4</sub> ), nitric oxide (N <sub>2</sub> O), fluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF <sub>6</sub> ) and other agents identified as greenhouse gases by central supervisory agencies

ATEN established and launched a greenhouse gas inspection system in 2010. There was a clear gap in the results of 2013 (scope 1) as compared to those of previous years. Upon inspecting the company's operating model (scope 2), it was discovered that the vast majority of carbon dioxide emission was originated in power, which comprised 89% of total emission.



### ✓ Disclosing Greenhouse Gas Data

ATEN has an open attitude, disclosing information on greenhouse gas emissions related to ATEN and environmental information on the platform of the company website. We have disclosed greenhouse gas inspection figures every year since 2010. The results of the 2013 greenhouse gas inspection are as follows:

#### Greenhouse Gas Emission Investigation 2013 Findings (tons of CO<sub>2</sub>e/year)

Table: Emissions of the Six Major Greenhouse Gases							
Greenhouse gas emission	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	Total annual emissions
Scope 1	84.44	7.66	2.88	242.49	0.00	34.88	372.34
Scope 2	2356.83	0.00	0.00	0.00	0.00	0.00	2356.83
Total	2441.27	7.66	2.88	242.49	0.00	34.88	2729.17
Proportion of total emissions (%)	89.45%	0.28%	0.10%	8.89%	0.00%	1.28	100%





## The Promotion of Energy-efficiency and Carbon Reduction, Power-saving Targets and Energy-efficiency Measures

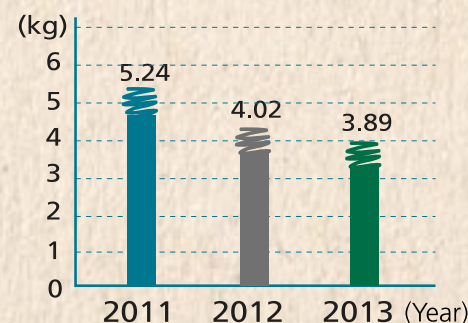
Electricity accounts for the majority of the resources ATEN uses. We actively educate all employees about the concepts of enacting energy-efficiency and reducing emissions. Topics related to environment protection and management are further incorporated into the mandatory induction training for new employees in order to enact the concept of energy-efficiency. We also upload related information to the company intranet and post energy-efficiency and environmental slogans and promotion posters on public noticeboards, bathrooms, elevators and departmental websites. In doing so, we promote employees' recognition and awareness of the concepts of protecting the environment and saving energy.



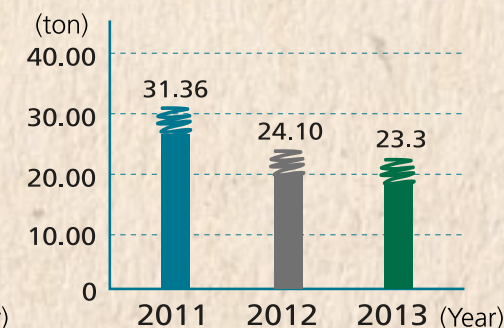
## Water resource management

Climate change and global warming have led to ever-worsening water shortages. Aside from energy efficiency and carbon reduction, these shortages are important environmental impacts humanity will soon face. Facing a highly-populated, densely-industrialized environment, we have installed taps which have the Water-Saving Mark in all of the hand-washing facilities in the company. We also continue to roll out water-saving equipment and promote water-saving among employees. Water use statistics for the Taiwan factory show that water use fell by 3.3% compared to the previous year.

In 2013, average CO2 emission per person dropped by 0.13Kg

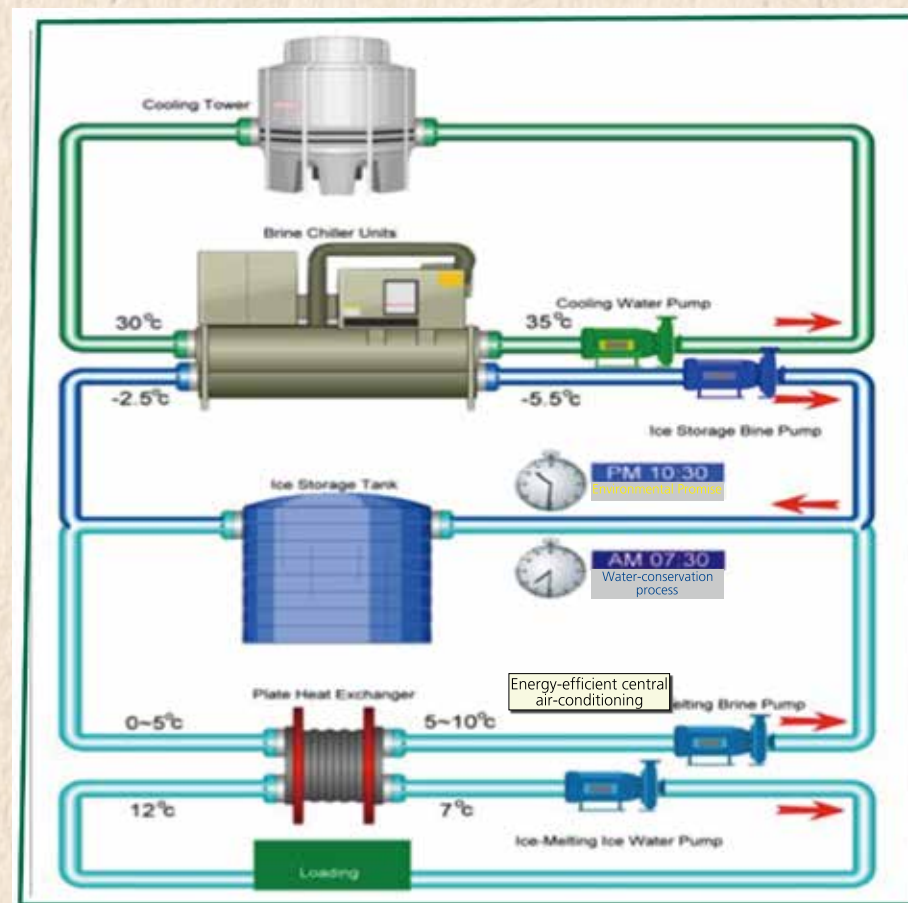


In 2013, average water use per person dropped by 0.8 ton





Environmental improvement plan	Air conditioning energy-efficient management																				
Analysis of the present situation	<div>1. Coolant motor has no non-return valve</div> <div>2. Voltage and current distribution produces abnormal loads on transformers.</div> <div>3. Temperature control not accurate.</div> <div>4. Medium system leaks lead to the compressor being unable to send data.</div> <div>5. Corrosion of water pipes leads to breakage and a large quantity of water being lost.</div>																				
Improvement procedures	<div>1. Adding non-return valve to coolant motor.</div> <div>2. Replacing coolant management control system’s voltage switch, washing air drying filter and condenser with chemical agents.</div> <div>3. Replacing the temperature switch, adjusting the transmission method and output water temperature.</div> <div>4. Checking the ice water control machine for leakage and refilling it.</div> <div>5. Replacing cooling pipes and seals.</div>																				
Facilities invested	<div>1. Installing and replacing non-return valve.</div> <div>2. Host system treatment.</div> <div>3. Replacing corroded coolant piping.</div>																				
Money invested	A total of NT\$3,250,000. (It is estimated that costs for repairing works could be recovered by saving electricity costs.)																				
Expected benefits	<div>Annual reduction comparison:</div> <table><tr><th>Year</th><th>Electricity consumption (kilowatt hour)</th><th>Annual reduction (kilowatt hour)</th><th>Monthly reduction (kilowatt hour)</th><th>Costs saved</th></tr><tr><td>2011</td><td>2,627,150</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>2012</td><td>2,318,035</td><td>309,115</td><td>25,759</td><td>NT\$989,168</td></tr><tr><td>2013</td><td>2,217,530</td><td>409,620</td><td>34,135</td><td>NT\$1,310,784</td></tr></table>	Year	Electricity consumption (kilowatt hour)	Annual reduction (kilowatt hour)	Monthly reduction (kilowatt hour)	Costs saved	2011	2,627,150	N/A	N/A	N/A	2012	2,318,035	309,115	25,759	NT\$989,168	2013	2,217,530	409,620	34,135	NT\$1,310,784
Year	Electricity consumption (kilowatt hour)	Annual reduction (kilowatt hour)	Monthly reduction (kilowatt hour)	Costs saved																	
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2012	2,318,035	309,115	25,759	NT\$989,168																	
2013	2,217,530	409,620	34,135	NT\$1,310,784																	







## 7.3 Green product management

As a global leader in digital connectivity, ATEN has won the “Taiwan Excellence Award” more than 10 times, and has a 100% win-participation rate. ATEN has won acclaim from professional judges in the categories of “Electronics, Electrical Equipment, Communications Products and Components” and “Communication Software”. ATEN first won awards when we entered products in the category of “communication software” and two products won special honors in recognition of the robust competitiveness of ATEN’s software and hardware. Apart from innovation and improvement in developing technology, the introduction of modularized design has strengthened the potential for reducing the space required for circuit boards, improving product efficiency and allowing green product design to become a reality.



### Green Product Responsibility

ATEN is actively launching the “Green Environment Management System” to protect the environment and practice CSR. Aside from guaranteeing that our products and business comply with the requirements of environmental regulations and international standards, we require that a series of preventative green management measures are enacted in the supply chain before we purchase raw materials in order to reduce the negative influence products and the manufacturing process produce on the environment. What’s more, we disseminate the green concepts of protecting the environment, cherishing the world, and being friendly to the environment by holding meetings, promotional and educational activities and forums. We hope to actively fulfill our green promise and gradually form a green supply chain through the concerted diligence of the company, our employees, and our suppliers in the four major areas of green design, green purchasing, green manufacturing, and green education.



### Green Product Design

The successful development and use of new models of circuit-to-voltage converter design, appropriate use of suitable components, and gauging, verification, and adjustment of circuits has improved the transformer efficiency of ATEN’s products by 10%.

Reducing manufacturing costs by reducing the number of components used and using the following design methods and techniques:

- ✓ Selecting all-in one IC and FPGA design reduces the number of components required in circuit boards.
- ✓ Removing unnecessary resistance and capacitance.
- ✓ Reducing the volume of printed circuit boards used in products (CS22DP) by 15%.

Example products:

ATEN’s KE6900 Matrix KVM Extender over IP uses frequency switching to control power output, allowing it to reduce power consumption of the main circuit by 1/3 when idle. Its power consumption is therefore 11.5% lower than that of the USB KVM product (CL1308/16N).

The introduction of modularized design in 2013 (around 20 projects) effectively shortened the development time of many projects and improved the quality of R&D technology, making more of the products we develop low-cost and customized. Aside from this, the reuse of recycled developed components and R&D prototypes not only reduces development costs, but also efficiently recycles R&D resources. Doing so avoids the production of pointless R&D waste, and contributing a little more strength to protecting the world and the environment.



### Green product policy

The danger facing the global environment and human health as a result of hazardous materials is an issue which greatly concerns consumers and governments around the world. ATEN is actively launching green supply chain management, providing clients with green products which contain no hazardous materials. This is an instance of ATEN’s adherence to meet our aims and fulfill our promise.





## To Comply with International Product Environmental Regulations

ATEN will continue to ensure that all manufacturing complies with international regulations and clients' requirements to protect the environment. We update our hazardous material limitation standards as required and have established a "Plan for the Management of the Use of Restricted Materials", in which standards of use for hazardous materials in products and control requirements related to the environment are defined. We thereby ensure that our products all respect each requirement of ATEN's CSR promise.

We comply with the following laws:

- ✓ EU Restriction on Hazardous Substances Directive (EU RoHS 2.0) 2011/65/EU:  
Restricts the concentration of lead (<1,000 ppm), cadmium (<100 ppm), mercury (<1,000 ppm), hexa-chrome (<1,000 ppm), polybrominated biphenyls (<1,000 ppm), polybrominated diphenyl ethers (<1,000 ppm). All of ATEN's products comply with the aforementioned requirements, and are currently ranked within the quantity of lead permitted by the RoHS. We will diligently continue to develop products to meet clients' needs.

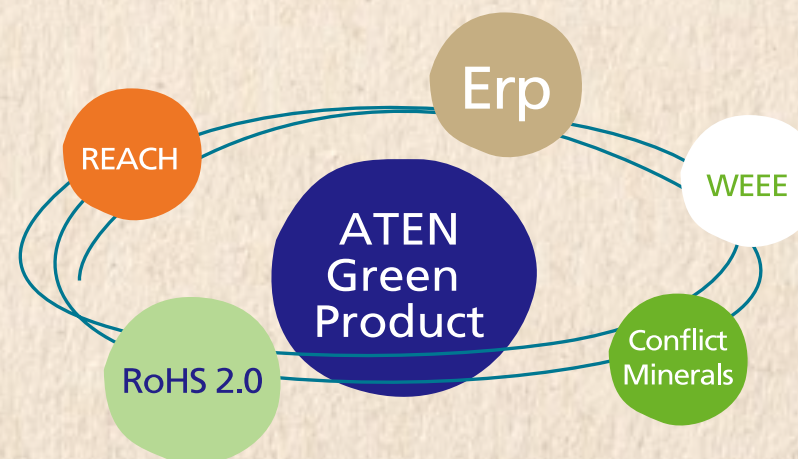


- ✓ EU Directive on Registration, Evaluation, Authorization and Restriction of Chemicals (EU REACH):

ATEN fully complies with all of the requirements of the REACH Directive with regard to the hazardous substances and substances of very high concern (SVHCs) announced in this directive.

- ✓ EU Directive 2002/96/EC on Waste Electrical and Electronic Equipment (EU WEEE):

This directive is concerned with standards for disposal and recycling of electrical and electronic equipment. The Directive requires that all manufacturers who sell such products in the EU take the issue of pollution caused by their products upon disposal into consideration and use environmentally-friendly designs which can be easily recycled. Responsibility for recycling them is assumed by the end user.







## Prohibition on The Use of Conflict Minerals

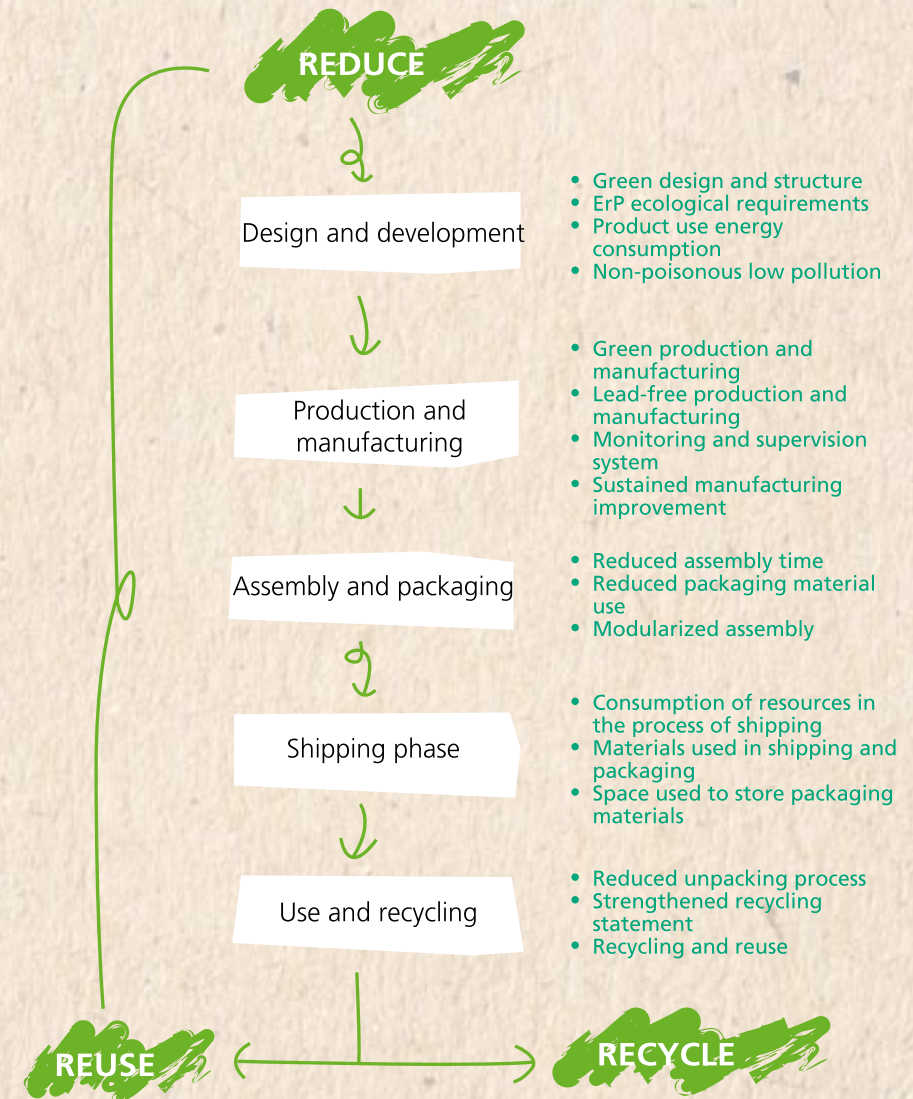
The American Securities and Exchange Commission passed the Dodd-Frank Wall Street Reform and Consumer Protection Act on the August 22, 2012. The 15th section of the final draft of the Act deals with purchasing “conflict minerals.” Based on the practice of CSR and international justice, all of the metals used in ATEN’s electronic products, such as gold, tantalum, tungsten, and tin are bought in accordance with the EICC/ GeSI Conflict Minerals Reporting Template used by the Electronic Industry Citizenship Coalition. This is done to avoid using materials which come from the Democratic Republic of the Congo and neighboring conflict areas, in which the environment and human rights are violated. ATEN undertakes standardized self-management and provides clarification to clients.

ATEN’s declaration with regard to conflict minerals:

- ✓ ATEN’s suppliers must assume their responsibility to society and to protect the environment.
- ✓ ATEN’s “3 No’s Principles” mean that ATEN does not support, accept or use minerals which come from the Democratic Republic of Congo (hereinafter referred to as Congo) or surrounding countries, which are illegally-extracted, or extracted in a deprived environment; so-called “conflict minerals”.
- ✓ Suppliers should trace the source of all of the cobalt, gold, palladium, tantalum, tin, and tungsten in their products so as to ensure that it does not come from “conflict mineral regions”.



## Green Product 3R Management System Structure







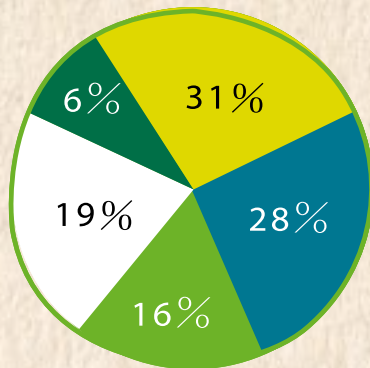
## 7.4 Raw Materials and Green Supply Chain Management

ATEN has formed relationships with upstream and downstream suppliers of raw materials, jointly reducing the impact our products have on the environment and the resources and pollutants they consume. We provide clients with more innovative, energy-efficient and environmentally-friendly green products. Continuing to implement green management to reduce resource consumption throughout the product's life and improve product efficiency

### Types and Quantities of Raw Materials Used

Resource consumption statistics can help us to assess the efficiency with which raw materials are used and effectively control production quality. Moreover, given the prominence of the trends regarding environmental issues and eco-friendly design, we strive to improve the efficiency with which we use raw materials as well as to reduce the amount of material required for packaging and shipping goods.

There are altogether five major types of investment in production and operating resources. The amounts purchased in 2013 can be seen below:



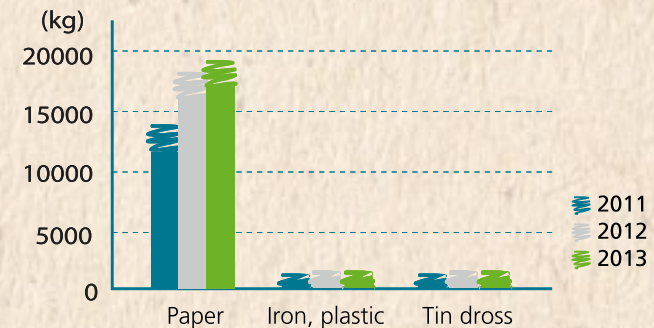
Raw material	✓ Cable	✓ LED	✓ Metals	✓ Packaging	✓ Plastic
2011	16%	5%	36%	27%	16%
2012	18%	5%	35%	27%	15%
2013	19%	6%	31%	28%	16%

### Waste Management and Recycling

Our business is mainly concerned with assembling and packaging electronics. Waste produced during production includes: tin dross, waste plastic, mixed metal scrap, and waste paper, of which tin dross, waste plastic, waste paper and mixed metal scrap are recycled and reused by professional, qualified manufacturers; while normal waste, including lifestyle waste, is burned or buried after being collected by recyclers.

Statistics show that the quantities of paper/tin dross recycled at the end of 2013 were respectively 5.71%/10.49% greater than in 2012.

Waste Recycling Management Statistics



(kg)

Waste	Paper	Iron, plastic	Tin dross	Total quantity recycled	Recycling efficiency index
2011	13,525	1,067	961	17,564	N/A
2012	17,998	1,353	1,068	22,431	Upgrade
2013	19,026	1,342	1,108	23,561	Upgrade

ATEN has striven to take action to reduce waste for a long time. Aside from educating employees and strengthening waste management in everyday operations, there are also posters promoting garbage sorting in the factory, as well as activities to promote sorting garbage properly. Comprehensively seeking out waste produced in the office, making environment management plans, and continuing to enact and improve them are the aims we adhere to achieving.





## Green Supply Chain Management

ATEN has formed partnerships with suppliers and hopes to be able to constantly increase their awareness of CSR. This includes issues such as management of the environment and morality. ATEN has revised and enlarged those aspects of our standardized supplier appraisal method related to CSR and environmental and health appraisals. In future, we will comply with the requirements of international environmental regulations and clients, continuing to roll out green production and improve our green competitiveness together with our supplier partners.

Improving operational efficiency

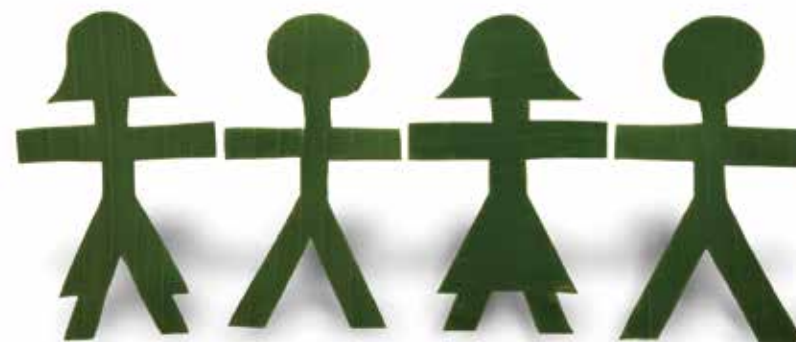
- Integrating supply chain resources
- Improving the quality and speed of product development and material selection.
- Unified, even control of quality information

Strengthening risk management

- Establishing a comprehensive Green BOM database
- Introducing SAP system informatization/systemization
- Clearly grasping material risk & responding swiftly

Improving enterprise competitiveness

- Optimizing our response to green planning
- Comprehensive verification, and rapidly responding to clients' environmental regulations
- Strengthening enterprise environmental awareness, and improving our international image

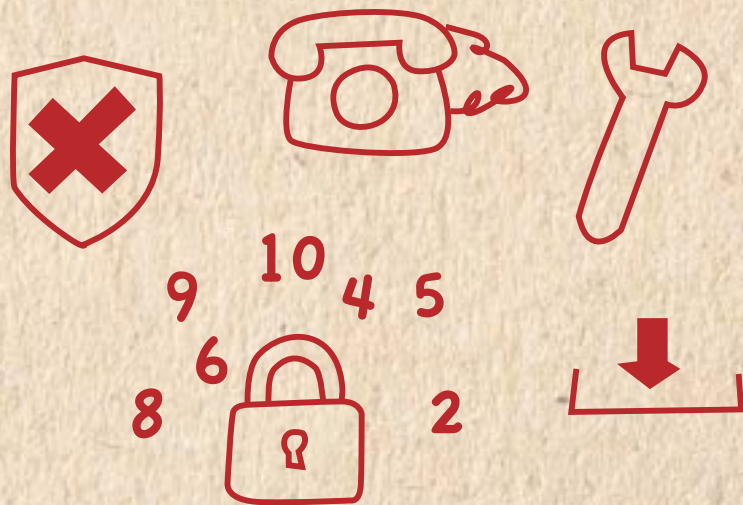




## ch 8\_e

# Client Satisfaction and Service

- 8.1 Client Satisfaction Survey
- 8.2 Comprehensive Customer Service System
- 8.3 Customer Health and Safety
- 8.4 Information Security and Guaranteeing Customers' Rights to Privacy
- 8.5 Sales Regulations







## Chapter 8 > Client Satisfaction and Service

Optimizing service quality, listening to clients' needs and improving their competitiveness, defending their interests and strengthening mutual trust are the operating concepts to which ATEN holds on. We see "creating value and superior competitiveness" as key promises to our clients. Putting ourselves in their shoes, we listen to them, produce bespoke products and service platforms which create value and competitive capacity, and promptly respond to and satisfy clients' needs. What's more, "Integrity" is ATEN's most important enterprise core value. We maintain a rigorous, comprehensive protection system for any confidential information. This solidifies and strengthens clients' confidence, allowing them to trust us and improve their competitiveness, thereby creating a win-win situation for clients and ATEN.

ATEN is working to develop the customer service we provide and continues to optimize service quality. We firmly believe that a partnership based on mutual confidence is a vital factor in solidifying client loyalty. Market partners are presented with a consistent brand image of ATEN by means of a deep-rooted global sales and communication network which propagates ATEN's comprehensive, innovative products and solutions, brand spirit and operating policy. This makes ATEN a most trustworthy partner.

### 8.1 Client satisfaction survey

Our service promise to clients is to actively gather client information, analyze client requirements, improve service quality and propose the most suitable solutions. ATEN regularly carries out client satisfaction assessments and surveys, including a global client satisfaction survey held annually and an after-sales satisfaction survey once a week. ATEN obtains a detailed understanding of clients' user experience and aspirations through comprehensive, continuous first-hand information feedback, and uses it as the basis for improving service quality.

We conduct in depth analysis on imperfect projects from multiple angles, including technological R&D, product optimization, procedure simplification, and system enhancement. We then draw up an improvement plan and strategy. ATEN incorporates client satisfaction within ISO standards to strengthen management, improve production efficiency and quality of products. We have also established an audit and monitoring system to ensure that each of these is carried out and clients' needs are met. ATEN gathers the capacity of the whole company to produce superior service which surpasses clients' expectations.

ATEN is also establishing diverse two-way client communication channels, such as: opinion forms within product boxes, and a feedback area in all regional websites. The quality of ATEN's customer service deepens the trust between ATEN and its clients and enhances the company's brand credibility.

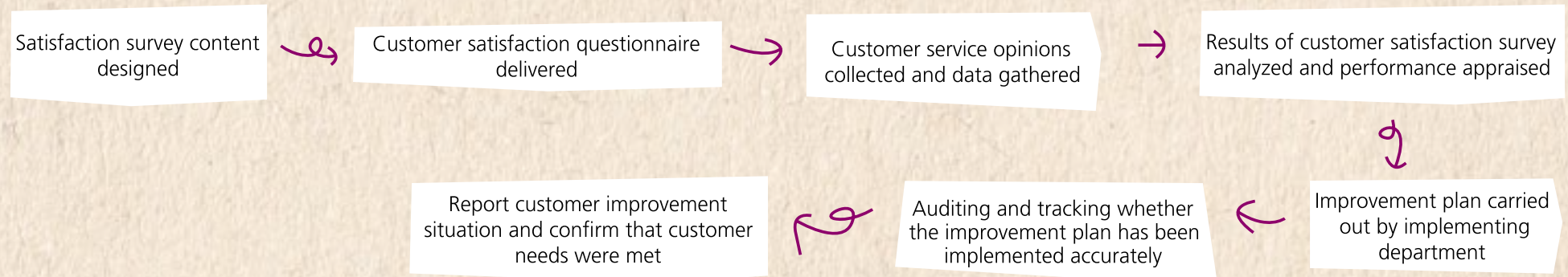
The global satisfaction survey covers diverse areas, including products/sales/delivery of products/marketing/tech support/ after-sales service/factors in purchasing decisions/brand image/client loyalty/client risk management, etc. ATEN has established a rapid and robust client communication platform through a deep understanding of clients' needs and exploring areas which could be improved, thereby creating a competitive advantage for clients and ATEN.





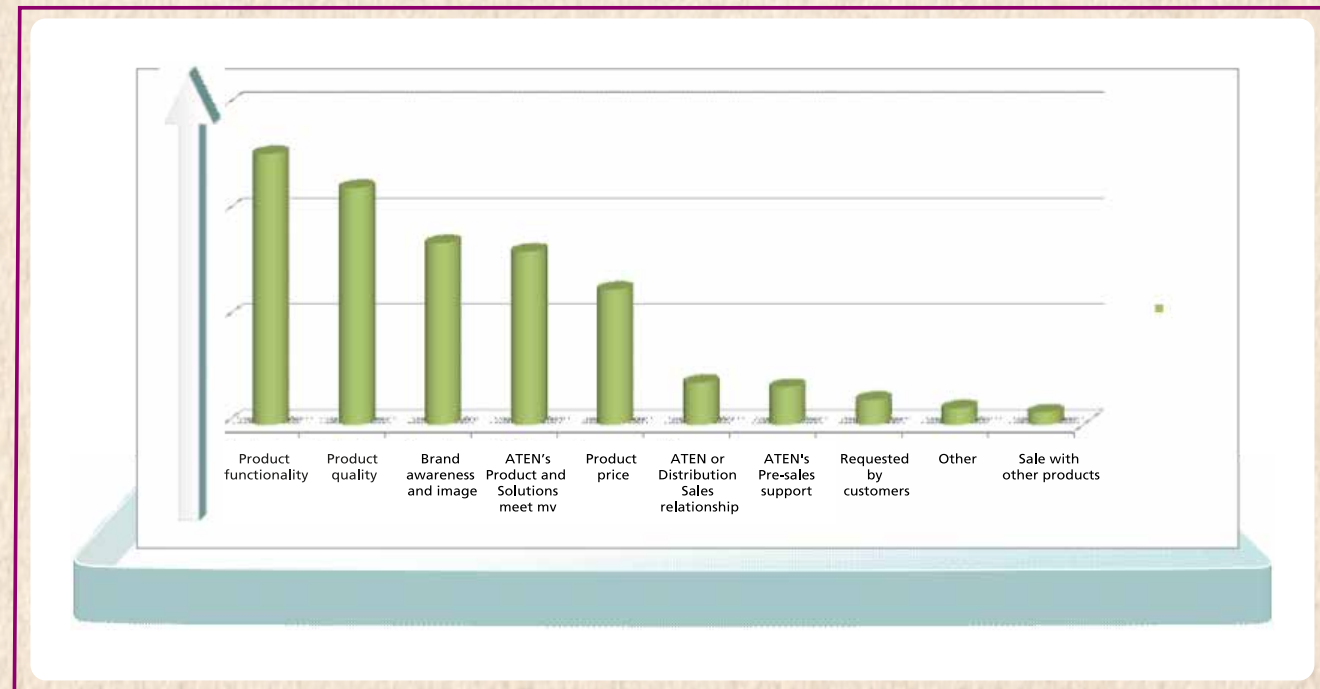


### Satisfaction Survey Flowchart



According to the 2013 customer satisfaction survey, the five main factors motivating customers' purchase of ATEN products are:

1. Product capability
2. Product quality
3. Brand recognition and brand image
4. Product solutions
5. Product price







## 8.2 Comprehensive Customer Service System

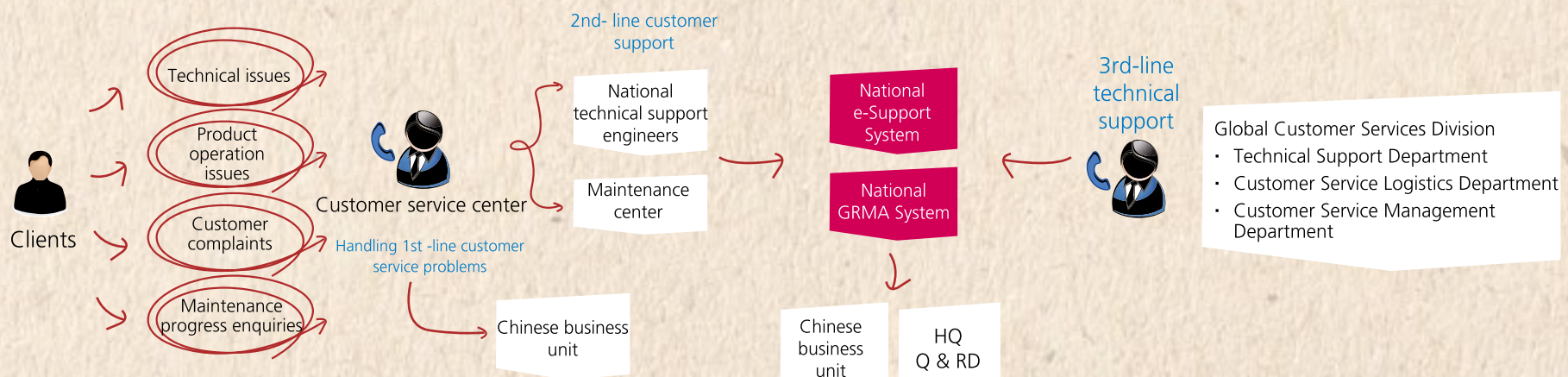
ATEN's customer service network has a global presence in order to pursue the greatest client satisfaction. We have consolidated our customer service resources to establish a "Global Customer Service Division" and provide a service system which provides local services both in Taiwan and abroad. This guarantees the promptness and professionalism of customer service, with the aim of sustainable operation of client relationships, winning the satisfaction and trust of clients. A concrete explanation of the service system follows:



### Customer Service Hotline

ATEN is establishing a customer hotline system to provide customers with immediate support. We provide customer services including a 0800 hotline, technical support hotline and Skype hotline. Professional customer service center staff communicate directly with customers, helping them to solve problems.

To provide better local service, ATEN has been planning a customer service center in China since 2013. The fixed position center will provide a 400-810-0-810 hotline (400-ATEN-Love-ATEN), technical support for users, and a platform for sales functions. Standards for a "primary QA system" and "customer issue division and escalation management" are being drawn up and enacted rigorously to guarantee that customers will get feedback and solutions to their problems within a short time.







## eService: Online Service Platform

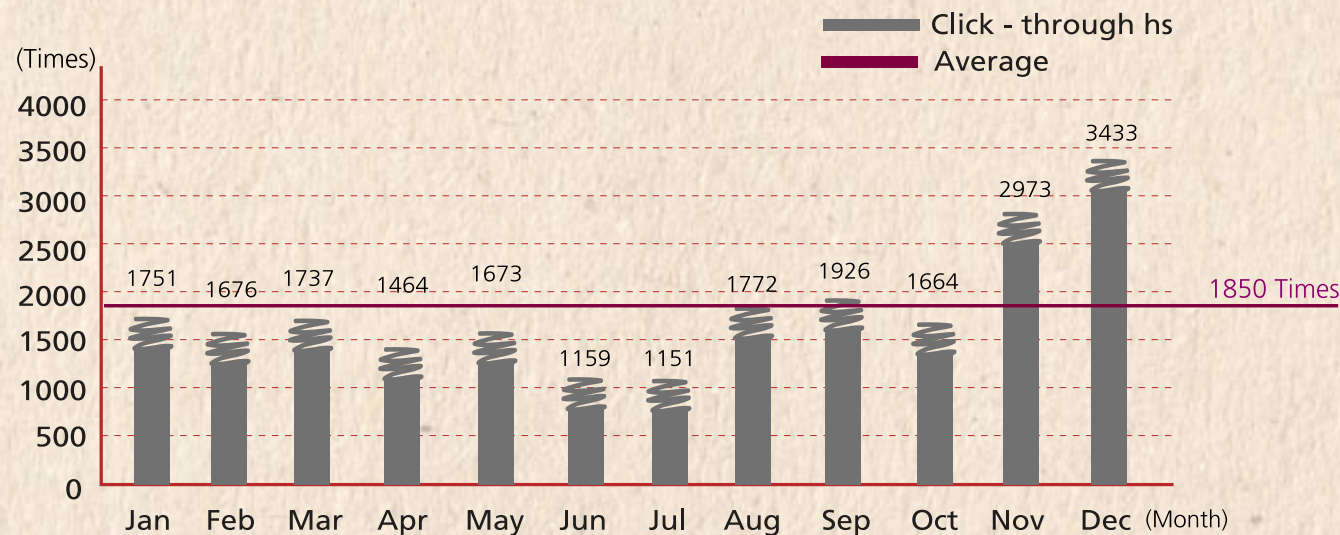
In addition to customer service hotlines, ATEN also has an eService platform (<http://eservice.aten.com>) which comprehensively integrates customer service resources. Thereby providing more prompt, professional and perfect after-sale services. This platform incorporates the following services:

### ✓ Online Technical Support Service (eSupport)

When customers require a service, ATEN technical personnel can use this platform to undertake direct and rapid communication with them, effectively assisting customers worldwide to resolve technical problems, eliminating obstacles and providing all required information. Every enquiry is logged on the eSupport platform, to make it easier to track. Key issues may also become part of the FAQ or knowledge base which is recorded on the eService platform to be provided in response to customer queries.

### ✓ Frequently Asked Questions (FAQ)

Over 3,000 FAQs have already been provided for customers to search on eService. Statistics for 2013 show that there was an average of 1850 enquiries on the eService platform every month. This shows that a percentage of customers were able to solve their problems independently. In order to meet customers' need to resolve problems by themselves, ATEN will continue to provide a comprehensive FAQ section.



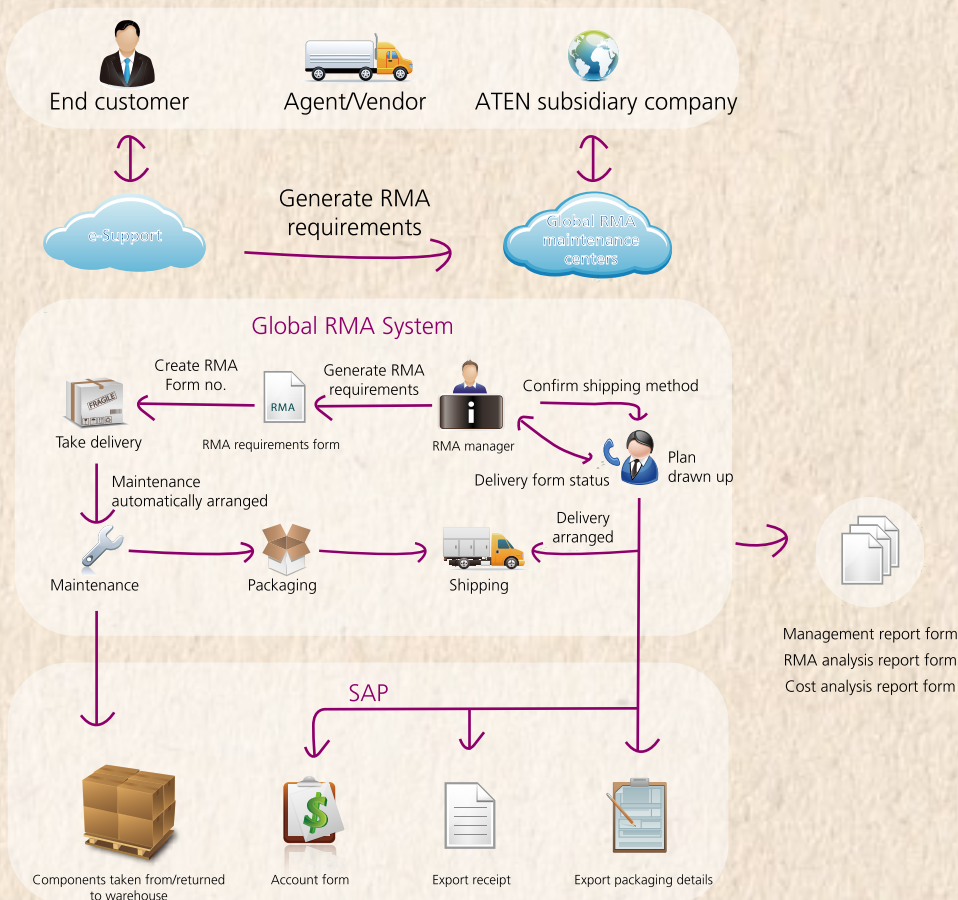




### ✓ Global-RMA Online Maintenance Service System

Customers can use an online form to apply for maintenance services. This is done by providing a dedicated RMA receiving form and by providing a RMA code and delivery address. Customers can obtain a product's warranty information and real-time maintenance progress information through online records. They can also access records of all information related to maintenance, such as records of prior maintenance. This is a system with a complete RMA process, through which maintenance records from all over the world are obtained, further monitoring product quality. RMA rate reports are produced and sent to the relevant departments every month to propose improvement strategies.

Global RMA Maintenance Service System Structure



### ✓ Partner Center

ATEN also provides sales partners with real-time market intelligence and product information by establishing an information sharing platform aimed at sales partners. End clients can be provided with the best service by using information from the sharing platform which has been relayed through ATEN's global sales partners.

### ✎ 24-hour Replacement and Maintenance Service

Providing perfect after-sale service has always been an aim pursued by ATEN. In order to achieve better, faster and more comprehensive service, ATEN provides sales partners and consumers with an exclusive "24-hour fast replacement and maintenance service". To receive a replacement product provided by ATEN and receive their repaired product within the shortest time possible, customers need only go through a convenient replacement and maintenance process. This solves the problem of work being impaired due to a missing product while it is being maintained.

### ✎ Perfect After-Sale Service and Product Guarantee

Customer service departments, which are divided into "technical support" and "RMA" units, have been established in ATEN's headquarters and all subsidiaries, providing consolidated after-sales services. When customers are faced with problems in using their products, they can seek assistance through the customer service hotline. Customers are promptly assisted to eliminate their problems by professional technical support engineers. If a customer's product requires maintenance, they immediately send it to one of our maintenance centers, where inspection and maintenance is carried out by RMA engineers. ATEN provides a 2-year guarantee worldwide (subject to adjustment in some countries), and places importance on local after-sales support - customer satisfaction is the keystone around which our brand is built.





## Technical Certification for Product Engineers

ATEN has launched the ATEN Certified Specialist plan to improve the technical professionalism of customer service employees. This plan cultivates and recognizes professional knowledge and technical ability. Certifications are awarded for each of our product lines based on courses on the design of each product line and corresponding certification and exams. The plan provides more outstanding client service by professionalizing our service. Customer service engineers around the world continue to pass product engineer certification through the 2013 product engineer technical certification plan. This carried out a technical appraisal of ATEN's customer service technical ability, ensuring that all of ATEN's customer service engineers would have the ability to satisfy customers.

### GREEN ENERGY

1. Eco\_Sensors-Overview
2. Eco\_Sensors\_Knowledge-PUE\_RTI\_RCI
3. Introduction\_Eco\_Sensors
4. Introduction\_PDU\_Overview
5. PDU\_Energy\_PDU\_Energy\_Box
6. PDU\_Knowledge-Power\_Control\_Management
7. PDU\_Knowledge-Real\_Time\_Monitoring\_Alert
8. PDU\_Knowledge-Security
9. PDU\_Naming rules
10. PDU\_OU
11. PDU\_1U
12. PN

### KVM

1. Cable KVM
2. DCCMS
3. Digital
4. Extender
5. KH
6. KVM\_Foundation
7. LCD
8. Metrix KVM
9. Model number format
10. Rack KVM
11. SN

### PRO-AV

1. TCS\_Video\_extender
2. TCS\_Video\_matrix
3. TCS\_video\_Splitter
4. TCS\_Video\_Switch
5. Vancryst\_Basic\_Knowledge
6. Vancryst\_Naming\_Rule



## 8.3 Customer Health and Safety

ATEN is keenly aware of the influence our products and services have on customers' health and safety, including the environment in which they are produced and every part of the product's life. We abide by international standards and regulations. We carry out rigorous inspection and monitoring, health and safety appraisals, and improvement plans. ATEN established the "Restriction and Management of Hazardous Substances" plan in 2005. It has been recognized by related laws and regulations around the world. It was officially promulgated in 2013, and also complies with the newly-published EU "Restrictions on Hazardous Substances" Directive 2.0. In addition to making the scope of regulations and controls clearer, and allowing their enactment to be simpler, this is also compatible with the synergy and mutually reinforcing nature of the relevant international laws. ATEN actively provides customers with the utmost confidence in their health and safety by enacting internal laws and regulations.

Throughout 2013, ATEN violated no directive related to health and safety or our own voluntary standards.







## 8.4 Information Security and Guaranteeing Customers' Rights to Privacy

The competitiveness of clients and ATEN is accumulated from the intellectual capital of both sides. Effectively managing and applying confidential information is vital to the sustained growth of both parties. Guaranteeing the security of clients' information, and protecting their rights to privacy and intellectual property is ATEN's duty. Through tripartite cooperation, we strive to build a network which safeguards the security of clients' information and their



right to privacy. Our Global Legal & IPR Center formulates information security standards, our Information Center establishes an information security control system and our HR Center holds information security courses and lectures.

In addition to complying with the new Personal Information Protection Act, which came into force in 2012, the Global Legal & IPR Center has also formulated a global "Non-Disclosure Agreement". We make sensitive information such as personal information and sensitive information of commercial value and economic benefit "confidential" by signing a document with legal force which stipulates the rights and responsibilities of both parties. This ensures that neither party will suffer losses to their reputation, the loss of clients or damage or financial loss as a result of illegal access, alteration, disclosure, destruction, or appropriation of data. It guarantees the safety and stability of all client and corporate data.

All of ATEN's employees also sign a non-disclosure agreement and must fully understand their responsibilities and duties within the scope of their work. The HR Center also holds continual internal training and promotion related to information security, strengthening employees' awareness of information security and preventative measures. This makes all employees responsible for protecting the security of clients' information and privacy.

The establishment of a system for protecting confidential client data requires rigorous planning, appropriate placement, and the ability to securely store important information assets and ensure clients' capability to compete in the market. Robust information safety safeguards which cater to short-term, medium-term and long-term needs are placed in ATEN's information center. Aside from a foolproof information security system which prevents outside intrusion, clients' data security and right to privacy is guaranteed every step of the way. This is done by sealing all channels through which confidential information might leak through a variety of software techniques. We have also established a system for auditing, strictly controlling, and managing access to confidential data. Access rights are restricted by category.

As of the end of 2013, ATEN has never violated any customer's right to privacy, lost any customer data, harmed the interests of customers, or been the target of legal action as a result of data loss.





## 8.5 Sales Regulations



### Respecting Regulations

ATEN products are sold around the world, and the operations team strives to comply with the rules and regulations used everywhere. We pay close attention to the launching of relevant policies and legislation, including the Clayton Antitrust Act (about unfair competition), financial reporting processes/internal control systems, insider trading, and intellectual property rights, as well as those pertaining to the protection of confidential data. ATEN strictly prohibits unfair competitive behavior and unfair business action. Fair, legal market expansion policies and behavior are strongly promoted at the Headquarters and all subsidiary companies. We hope to plant the ATEN operating concept of free, fair competition deeply even as we develop the global market.

As of the end of 2013, ATEN has never violated any law related to market expansion, including: regulations related to advertising, promotion and subsidy, and our voluntary principles.



### Marketing Communication

As a globalized corporation, ATEN has sold products exclusively under the ATEN brand for many years. We have established a group to sell and promote each product. The ATEN Headquarters has established the "Global Marketing Division", which is responsible for product planning and brand marketing around the world. The Marketing Division's subordinate "Sales and Promotion Center" is responsible for promoting the ATEN brand, improving our corporate image, increasing corporate differentiation, product marketing and communicating with society. Its main functions and jurisdiction include:

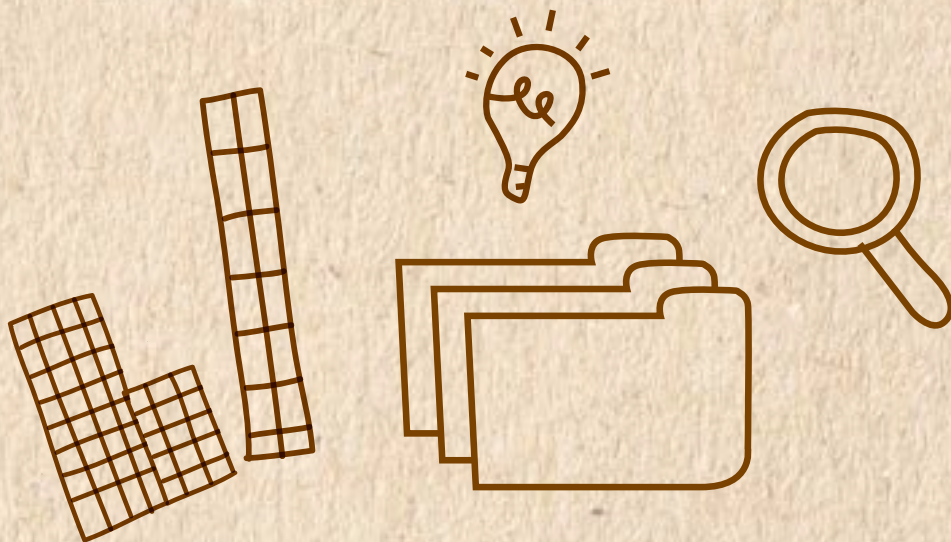
1. Corporate differentiation system planning, management and implementation
2. Planning and implementation of the ATEN brand spirit and policy
3. Consistent global corporate image planning and implementation
4. Product sales planning and implementation
5. Media PR and communication with stakeholders

ATEN accurately transmits company information, operating concepts, operating situation, brand spirit, corporate culture, corporate ethics and CSR to the market. It does so by means of comprehensive and exhaustive strategic planning and brand positioning, and exploiting diverse channels and forms of global communication (including: the ATEN website, global exhibitions, press conferences, seminars, and sales aids). Simultaneously, market feedback is used to obtain information on market movements. This two-way bridge has made ATEN's brand image and values more focused and consistent on the world map. ATEN's sales channels and methods comply with all regulations concerning sales, promotion, intellectual property rights, and also respect cultural traditions, values, and beliefs in each area.



ch9\_e

## GRI Indicator Index







## Chapter 9 > GRI Indicator Index

The following indicators constitute the entirety of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (GRI G3.1) used with regards to this report.



### 4 Standard Disclosures

Project	GRI G3.1 Indicator	Chapter	Page	Notes
1. Strategy and Analysis	1.1 Statement from Most Senior Decision Maker	1. Manager's Preface	4	
	1.2 Description of key impacts, risks and opportunities	3.1 Introducing ATEN	10	
2. Organizational Profile	2.1 Association Name	3.1 Introducing ATEN	10	
	2.2 Key brands, products and services	3.1 Introducing ATEN	10	
	2.3 Operational structure of the organization, including main operating companies, subsidiaries, and joint ventures	3.2 Worldwide Presence	16	
	2.4 Location of organization's headquarters	3.1 Introducing ATEN	10	
	2.5 Regions and countries where the organization operates	3.2 Worldwide Presence	16	
	2.6 Nature of ownership and legal form	3.1 Introducing ATEN	10	
	2.7 Market of provision for products and services	3.2 Worldwide Presence	16	
	2.8 Scale of the reporting organization	3.1 Introducing ATEN	10	
	2.9 Significant changes during the reporting period			No significant changes during 2013.
	2.10 Awards won during the reporting period	3.4 Awards Won	18	
3. Report Parameters	3.1 Reporting period	Introduction	2	
	3.2 Dates of past reports	Introduction	2	
	3.3 Reporting cycle	Introduction	2	
	3.4 Contact point for questions regarding the report or its contents	Introduction	2	
	3.5 Process for designing report content	Introduction	2	
	3.6 Report boundaries	Introduction	2	
	3.7 Specific limitations on the scope or boundary of the report	Introduction	2	
	3.8 Branch companies, subsidiary companies, leased facilities, outsourced operations, and bodies which have significant influence over organization	Introduction	2	





3. Report Parameters	3.9 Financial and environmental data on which the data measurement techniques and calculations in this support were based mostly came from 3rd-party public testing or verification agencies	Introduction	2	
	3.10 Explanation of re-statements from previous reports and the reasons for said re-statements	Introduction	2	
	3.11 Significant changes between this and other reports	Introduction	2	
	3.12 Table identifying the location of the Standard Disclosures in the report	9. GRI Indicator Index	65	
	3.13 Policy and current practice with regard to seeking external assurance for the report	Introduction	2	
4. Governance, Commitments and Engagement	4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	4.1 Corporate Governance Structure	20	
	4.2 Indicate whether the Chair of the highest governance body is also an executive officer	4.3 Board of Directors	22	
	4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	4.3 Board of Directors	22	
	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	4.2 Shareholders' Meeting	21	
	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance (including social and environmental performance)	4.4 Remuneration Committee	23	
	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	4.3 Board of Directors	22	
	4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	4.3 Board of Directors	22	





4. Governance, Commitments and Engagement	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	4. Corporate Governance	20-23	
	4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	4. Corporate Governance	20-23	
	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	4.3 Board of Directors 4.4 Remuneration Committee	22 23	
	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	4. Corporate Governance	20-23	
	4.12 Externally developed economic, environmental, and social conventions, principles, or other initiatives to which the organization subscribes or endorses	2.2 Stakeholder Relations	7	
	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic	4.5 Domestic and International Associations	23	
	4.14 List of stakeholder groups engaged by the organization	2.2 Stakeholder Relations	7	
	4.15 Basis for identification and selection of stakeholders with whom to engage	2.2 Stakeholder Relations	7	
	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	2.2 Stakeholder Relations	7	
	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	2.2 Stakeholder Relations	7	





## Six Performance Indicators

Project	GRI G3.1 Indicator	Chapter	Page	Notes
Economic Performance Indicators	EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	3.3 Operational Achievements	17	
	EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EC3 Coverage of the organization's defined benefit plan obligations	5. Employee Care	24-32	
	EC4 Significant financial assistance received from government			ATEN currently has two applications for tax relief: 1. Company R&D expenditures qualify for investment reduction based on the second clause of the tenth article of the Act for Industrial Innovation. 2. Manufacturing and other related technological services are eligible for a 5-year tax holiday.
	EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation			Comply with legal minimum-wage regulations.
	EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation			All selection of ATEN's suppliers is done on the basis of our Supplier Selection Method, as opposed to on the basis of their location.
	EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	5.1 Employee Status	25	
	EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	6. Active Social Participation	33-43	
	EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts			No assessment of indirect economic impact was carried out in 2013.





Environmental Performance Indicators	EN1 Materials used by weight or volume	7.4 Raw Materials and Green Supply Chain Management	54	
	EN2 Percentage of materials used that are recycled input materials	7.4 Raw Materials and Green Supply Chain Management	54	
	EN3 Direct energy consumption by primary energy source	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN4 Indirect energy consumption by primary source	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN5 Energy saved due to conservation and efficiency improvements	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	7.3 Green Product Management	51	
	EN7 Initiatives to reduce indirect energy consumption and reductions achieved	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN8 Total water withdrawal by source	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN9 Water sources significantly affected by withdrawal of water	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN10 Percentage and total volume of water recycled and reused			No survey on water recovery rate was carried out in 2013.
	EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Factory and operating areas are not situated within protected areas.
	EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas			No significant influence.
	EN13 Habitats protected or restored			Material emitted by factory has no significant influence on surrounding wildlife, so no habitat has been protected or restored.
	EN14 Strategies, current actions, and future plans for managing impacts on biodiversity			Factories are surrounded by green areas so as to preserve scenic value and increase habitat for wildlife.
	EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk			No such impacts.
	EN16 Total direct and indirect greenhouse gas emissions by weight	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN17 7 Other relevant indirect greenhouse gas emissions by weight	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	7.2 Climate Change and Greenhouse Gas Reduction	47	





Environmental Performance Indicators	EN19 Emissions of ozone-depleting substances by weight			Production and products do not use any ozone-depleting substances.
	EN20 NO, SO, and other significant air emissions by type and weight			No pollutants emitted.
	EN21 Total water discharge by quality and destination			All waste water discharged from ATEN's treatment facilities and factories undergoes suitable treatment before being discharged into non-government water systems.
	EN22 Total weight of waste by type and disposal method	7.2 Climate Change and Greenhouse Gas Reduction	47	
	EN23 Total number and volume of significant spills			No spills.
	EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			All clearing of hazardous waste is done in accordance with environmental directives.
	EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff			With the exception of rainwater, all water discharged is discharged into pipes under the premises, and so has no direct impact.
	EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	7.3 Green Product Management	51	
	EN27 Percentage of products sold and their packaging materials that are reclaimed by category			Done on basis of WEEE Directives.
	EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations			No punishment related to non-compliance with environmental laws and regulations received in 2013.
	EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	7.4 Raw Materials and Green Supply Chain Management	54	
Labor Practices and Decent Work Performance Indicators	EN30 Total environmental protection expenditures and investments by type	7.2 Climate Change and Greenhouse Gas Reduction	47	
	LA1 Total workforce by employment type, employment contract, and region, broken down by gender	5.1 Employee Status	25	
	LA2 Total number and rate of new employee hired and employee turnover by age group, gender, and region	5.1 Employee Status	25	
	LA3 Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation	5.3 Compensation and Benefits	30	





Labor Practices and Decent Work Performance Indicators	LA4 Percentage of employees covered by collective bargaining agreements			<table><tr><th>Type</th><th>Total</th><th>Percentage</th></tr><tr><td>Collective association</td><td>583</td><td>96.2%</td></tr><tr><td>Non-collective association</td><td>23</td><td>3.8%</td></tr><tr><td>Total</td><td>606</td><td>100.0%</td></tr></table>	Type	Total	Percentage	Collective association	583	96.2%	Non-collective association	23	3.8%	Total	606	100.0%				
	Type	Total	Percentage																	
	Collective association	583	96.2%																	
	Non-collective association	23	3.8%																	
	Total	606	100.0%																	
	LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements			Mandatory notice of operational changes in accordance with the relevant directives.																
	LA6 Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs	5.4 A Healthy Workplace	31	ATEN has a Labor Safety and Hygiene Committee comprised of 15 members, 5 (33%) of whom are laborers.																
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender			<table><tr><td>There were no instances of occupational disease, work-related fatalities or permanent losses at ATEN in 2013. Please see the following statistics for each category:</td></tr><tr><td><table><tr><th>Gender</th><th>Temporary total disability</th><th>Total lost days</th><th>Disabling frequency rate</th><th>Disabling severity rate</th></tr><tr><td>Male</td><td>0</td><td>0</td><td>0%</td><td>0%</td></tr><tr><td>Female</td><td>1</td><td>6</td><td>0.86%</td><td>5.16%</td></tr></table></td></tr></table> <p>Notes:</p> <ol style="list-style-type: none"><li>1. Temporary workers who are able to return to work after a total disability: number of days spent resting, without suffering any injury.</li><li>2. Total lost days: rest period in days for which employees who left as a result of an accident and returned on the same day do not count.</li><li>3. Disabling number of disabling injuries sustained for every frequency rate: million man-hours of work.</li><li>4. Disabling number of days lost to injury for every million severity rate: man-hours of work.</li></ol>	There were no instances of occupational disease, work-related fatalities or permanent losses at ATEN in 2013. Please see the following statistics for each category:	<table><tr><th>Gender</th><th>Temporary total disability</th><th>Total lost days</th><th>Disabling frequency rate</th><th>Disabling severity rate</th></tr><tr><td>Male</td><td>0</td><td>0</td><td>0%</td><td>0%</td></tr><tr><td>Female</td><td>1</td><td>6</td><td>0.86%</td><td>5.16%</td></tr></table>	Gender	Temporary total disability	Total lost days	Disabling frequency rate	Disabling severity rate	Male	0	0	0%	0%	Female	1	6	0.86%	5.16%
There were no instances of occupational disease, work-related fatalities or permanent losses at ATEN in 2013. Please see the following statistics for each category:																				
<table><tr><th>Gender</th><th>Temporary total disability</th><th>Total lost days</th><th>Disabling frequency rate</th><th>Disabling severity rate</th></tr><tr><td>Male</td><td>0</td><td>0</td><td>0%</td><td>0%</td></tr><tr><td>Female</td><td>1</td><td>6</td><td>0.86%</td><td>5.16%</td></tr></table>	Gender	Temporary total disability	Total lost days	Disabling frequency rate	Disabling severity rate	Male	0	0	0%	0%	Female	1	6	0.86%	5.16%					
Gender	Temporary total disability	Total lost days	Disabling frequency rate	Disabling severity rate																
Male	0	0	0%	0%																
Female	1	6	0.86%	5.16%																
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	5.4 A Healthy Workplace	31																		
LA9 Health and safety topics covered in formal agreements with trade unions			No trade union; not applicable.																	





Labor Practices and Decent Work Performance Indicators	LA10 Average hours of training per year per employee by gender, and by employee category	5.2 Talent Nurturing	28	There is no difference in training or treatment between genders at ATEN.																											
	LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	5.2 Talent Nurturing	28																												
	LA12 Percentage of employees receiving regular performance and career development reviews, by gender			ATEN has a total of 606 employees. Aside from 23 blue-collar Filipino employees who do not take part in audits, the remaining 583 employees undergo regular biannual performance audits and management, on which work systems and the annual KPI are based.																											
	LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	5.1 Employee Status	25																												
	LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation			<p>The concept of equal pay for equal work is maintained in the payment of salaries, and the difference in pay between male and female workers falls within standard deviation, showing that there is no difference in remuneration on the basis of gender. The following table shows the remuneration ratio of female to male employees at each level:</p> <p>The end of 2013</p> <table><tr><th>Employee type</th><th>Male</th><th>Female</th></tr><tr><td>Mid-level management</td><td>1</td><td>1.023</td></tr><tr><td>Foreign nationals</td><td>-</td><td></td></tr><tr><td>Low-level management</td><td>1</td><td>1.170</td></tr><tr><td>Direct Labor</td><td>1</td><td>0.863</td></tr><tr><td>High-level management</td><td>1</td><td>1.083</td></tr><tr><td>Base-level management</td><td>1</td><td>0.960</td></tr><tr><td>Indirect employee</td><td>1</td><td>0.850</td></tr><tr><td>Total</td><td>1</td><td>0.684</td></tr></table>	Employee type	Male	Female	Mid-level management	1	1.023	Foreign nationals	-		Low-level management	1	1.170	Direct Labor	1	0.863	High-level management	1	1.083	Base-level management	1	0.960	Indirect employee	1	0.850	Total	1	0.684
	Employee type	Male	Female																												
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High-level management	1	1.083																													
Base-level management	1	0.960																													
Indirect employee	1	0.850																													
Total	1	0.684																													
LA15 Return to work and retention rates after parental leave, by gender			ATEN strives to provide a friendly workplace and to encourage employees to work. Employees who have had children are given a gift card worth NT\$3,000, and ATEN has taken the initiative in providing lactation rooms superior to those required by regulations, a high-quality cooperative crèche. Three employees applied for maternity leave in 2013, and one of them has applied to return to work. The other two are still on leave. Thirteen employees applied for childbirth leave, and none of them resigned after giving birth; the postnatal retention rate is 100%.																												





Human Rights Assessment Indicators	HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	5.5 Human Rights	32																															
	HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	7.4 Raw Materials and Green Supply Chain Management	54																															
	HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained			<p>All new employees receive a course of training on company work rules, including a statement of employee rights and responsibilities. ATEN also has a “Corporate Social Responsibility Digital Learning Section”, where training related to human rights policy is provided. The major training courses provided and hours of training in 2013 are as shown in the following table:</p> <table><tr><th>Course-times</th><th>Course name</th><th>Man-hours</th></tr><tr><td>1</td><td>Information Security and Personal Data Protection Law</td><td>103</td></tr><tr><td>2</td><td>2nd-generation Health Insurance, new retirement system and annual labor insurance payment</td><td>155</td></tr><tr><td>3</td><td>General labor health and safety course</td><td>143</td></tr><tr><td>4</td><td>Fire drill and self-defense drill</td><td>358</td></tr><tr><td>5</td><td>New Employee Training – Work Rules</td><td>119</td></tr><tr><td>6</td><td>Prevention of violence in the home and workplace: study and campaign</td><td>138</td></tr><tr><td>7</td><td>Gender relations and sexual harassment prevention</td><td>81</td></tr><tr><td>8</td><td>Employment Services Available to the Physically and Mentally Disadvantaged in Taiwan</td><td>2</td></tr><tr><td colspan="2">Total:</td><td>1099</td></tr></table>	Course-times	Course name	Man-hours	1	Information Security and Personal Data Protection Law	103	2	2nd-generation Health Insurance, new retirement system and annual labor insurance payment	155	3	General labor health and safety course	143	4	Fire drill and self-defense drill	358	5	New Employee Training – Work Rules	119	6	Prevention of violence in the home and workplace: study and campaign	138	7	Gender relations and sexual harassment prevention	81	8	Employment Services Available to the Physically and Mentally Disadvantaged in Taiwan	2	Total:		1099
	Course-times	Course name	Man-hours																															
	1	Information Security and Personal Data Protection Law	103																															
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7	Gender relations and sexual harassment prevention	81																																
8	Employment Services Available to the Physically and Mentally Disadvantaged in Taiwan	2																																
Total:		1099																																
HR4 Total number of incidents of discrimination and corrective actions taken	5.5 Human Rights	32	No incidents of discrimination occurred at ATEN in 2013.																															
HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights			ATEN respects employees’ rights to free association given by law, and does not exclude association and collective behavior. ATEN holds regular labor-capital meetings in accordance with directives, and takes concrete action to promote labor-capital harmony. We have also established a Benefits Committee, and hold all kinds of employee benefit activities at irregular times. We simultaneously encourage employees to participate in all kinds of group activities within and outside the company, and regularly subsidize groups which apply for approval.																															





Human Rights Assessment Indicators	HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor			No such cases occurred at ATEN in 2013. ATEN guarantees not to use child labor in strict accordance with all directives and requirements.
	HR7 Operations and significant 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			No such cases occurred at ATEN in 2013. No conduct which may result in forced labor is permitted at ATEN in strict accordance with all directives and requirements.
	HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations			All security personnel are qualified. ATEN contracts guards from professional, legal security companies, who have undergone related training as stipulated by law. The human rights policy of security personnel is articulated in the security company's work rules, and ATEN actively requires them to carry it out.
	HR9 Total number of incidents of violations involving rights of indigenous people and actions taken			There were no cases of the violation of the rights of aborigines at ATEN in 2013. In addition to clearly defining the rights and interests of each employee in labor contracts, ATEN also guarantees them in many rules and methods. ATEN also holds labor-capital meetings every season, at which any issue can be directly expressed to investors, recorded, and the rights of aborigines or ethnic minorities cannot be ignored.
	HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments			No such reviews or assessments were carried out in 2013.
	HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms			ATEN holds regular labor-capital meetings in accordance with directives, and takes concrete action to promote labor-capital harmony.
Social performance Indicators	SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	6. Active Social Participation	33-43	
	SO2 Percentage and total number of business units analyzed for risks related to corruption			ATEN has drawn up a clear internal control system and methods, which are strictly audited by the Audit Department. We also promote ATEN's core internal values, of which "integrity with pragmatism" is the most important, and upheld throughout the company.





Social performance Indicators	SO3 Percentage of employees trained in organization's anti-corruption policies and procedures			ATEN's "Work Rules" state that it is not permissible to use a work relationship to receive gifts or banquet invitations.
	SO4 Actions taken in response to incidents of corruption			Based on our "Work Rules" and the core corporate value of "Integrity", our employees conduct themselves with integrity in all their dealings. If any incident of corruption occurs, it is handled on the basis of ATEN's internal methods in a fair manner.
	SO5 Public policy positions and participation in public policy development and lobbying			No such events occurred in 2013.
	SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			No political contributions made in 2013.
	SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes			No involvement in anticompetitive, anti-trust, or monopolistic legal action in 2013.
	SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations			No such events occurred in 2013.
	SO9 Operations with significant potential or actual negative impacts on local communities			No such impacts.
	SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities			No such impacts.
Product Responsibility Performance Indicators	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	8.3 Customer Health and Safety	62	
	PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes			No cases of such non-compliance.
	PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	7.3 Green Product Management	51	





Product Responsibility Performance Indicators	PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes			No such non-compliance.
	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	8.1 Client Satisfaction Survey	57	
	PR6 6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	8.5 Sales Regulations	64	
	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			No such violations.
	PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			No such complaints
	PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services			No such violations.





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