



2018



ATEN International Co., Ltd. **Corporate Social Responsibility Report**



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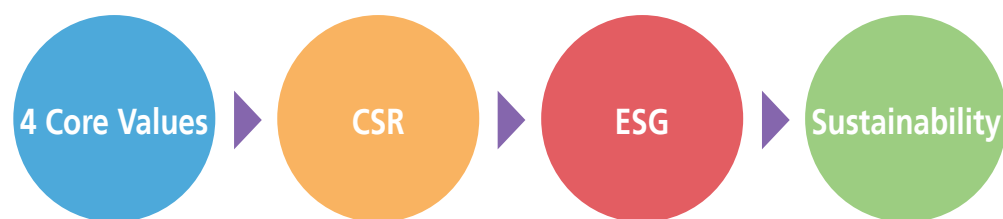
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About the "ATEN Corporate Social Responsibility Report"

We appreciate your review of the 8th issue of the Corporate Social Responsibility Annual Report voluntarily issued by "ATEN International Co., Ltd." With this Report issued annually, we hope to effectively establish an interactive communication bridge with all stakeholders. In addition, we also look forward to your feedback and comments in light of mutual learning and growth with one another, as well as achieving greater value for the existence of the corporation.

Report Integrated With Corporate Core Values

"Integrity", "Caring", "Ambition", and "Novelty" (ICAN) are the four corporate core values of ATEN, and the spirit of these four core values are demonstrated not only in the hard power of corporate operation and routine management, but also the soft power of corporate culture and CSR, etc. We also uphold the philosophy of ICAN to promote ATEN CSR, in light of achieving positive impacts on the Environment, Society, and Governance (ESG) with corporate power. Through the issuance of an Annual Corporate Social Responsibility Report, we are able to use this soft channel to convey non-financial information not contained in the Financial Statements and Annual Reports to a greater number of domestic and international stakeholders apart from shareholders, in light of creating a greater future jointly with all stakeholders through effort in order to further achieve "corporate sustainability" and "global sustainability".



2011



2012



2013



2014



2015



2016



2017

Report Period and Scope

The information disclosed in this Report includes the concept and actions related to the aspects of the corporate governance, environmental protection, and social participation, etc. of ATEN International Co., Ltd. during the period from January 1, 2018 to December 31, 2018, and major events are disclosed to the date of March 31, 2019. The content of this Report is mainly for the corporate headquarters in Taiwan: "ATEN International Co., Ltd.", and the Financial Statements according to the scope of the Consolidated Statements, and social welfare information include the contents for some of the overseas subsidiaries of the Group.

Report Drafting Principle

This Report is established to cope with the trend of the increasing significance of corporate social responsibility worldwide and to respond to the promotion of corporate social responsibility information disclosure requested by the Taiwan Stock Exchange as well as according to the core sections of the Global Reporting Initiative Standards (GRI Standards) proposed by the Global Reporting Initiative (GRI), with the Company's best effort through information disclosure. Each year, the Company publishes the Chinese and English version of the Report on the Company's website.

Verification

This Annual Report content is entrusted to a third party verification institution of the "British Standards Institution" (BSI) to perform verification according to AA1000AS:2008 and Class I medium assurance level specified in its 2018 Appendix, as well as the core sections of GRI Standards. For the Independent Assurance Statement, please refer to the Appendix of this Report.

Publishing the Report

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

We welcome any opinions or inquiries for information related to this Report.

天下企業公民獎・中堅企業第一名



In August 2018, the most representative corporate social responsibility award of the highest credibility in the R.O.C. - "CommonWealth CSR Award" announced the 2018 award winning results. ATEN honorably received the [First Place] of the 2018 "CommonWealth CSR Award" for medium-size enterprises among more than 200 enterprises. This was the tenth time ATEN received such recognition, and it was also the second time for the Company to receive the ranking of No. 1 for medium-sized enterprises after 2014.



Manager's Preface



CEO & President of
the Board

ATEN was established in 1979. Up to the present day, the Company has been established for 40 years. In the early stages, the Company focused on the research and manufacturing of automatic control products of "AC carrier wireless remote controls", "RF wireless security systems", etc. In 1980, the Company changed its product focus and began the development of a Data Switch Box series of products and also started the sharing and connection among computer equipment. After 1990, the Company started the design and production of the present main production lines of "KVM management systems" in order to assist enterprises in handling computer and server upgrade management issues, in light of satisfying the demands of enterprises facing global competition. In recent years, the Company has further used the core technology of ATEN to develop the "professional AV systems" and "energy management systems". Over the past forty years, ATEN's management team have sought innovation and growth opportunities based on its core business. In 2018, the consolidated revenue was able to break through the barrier of NT\$ 5 billion to reach the record high of NT\$ 5.173 billion for the Company, and the net income reached the amount of NT\$ 1.588 billion along with the gain from the disposal of non-operating business. The earnings per share (EPS) also reached a record high of NT\$ 13.19.

While managing the core business to obtain excellent operation performance, the Company also implements the "Corporate Social Responsibility" CSR concept thoroughly. Throughout the years, ATEN has implemented the institutionalized operation of the "CSR Management Committee" and "CSR Group" to seek improvement in the four aspects of "Corporate Governance", "Enterprise Commitment", "Social Participation", and "Environmental Protection" continuously. In addition to the Company's continuous performance, ATEN also actively cooperates and interacts with stakeholders, including government departments, social welfare organizations, suppliers, overseas subsidiaries, employee relatives, and other enterprises, etc., or through different methods to share the experiences and outcomes of ATEN in the promotion of CSR with various sectors, in light of expanding the effect through such increasing influence.

In August 2018, ATEN honorably received the award of First Place of the "CommonWealth CSR Award" for medium-sized enterprises again, and this was the tenth time for the Company to receive this award. It was also the second time for the Company to receive the honor of first place after receiving the first place award for medium-size enterprise in 2014, demonstrating ATEN's outstanding achievement in long term dedication in the CSR field, and leading domestic medium-sized enterprises to encourage corporate values and influence. In the future, the Company will continue to uphold the principle of "corporate sustainable development" and "intergrowth and co-prosperity of enterprise and stakeholders" in response to the 17 sustainable development goals (SDGs) proposed by the United Nations, thereby treating the improvement of the welfare of man-kind as part of the Company's responsibility, in order to allow such positive circulation to expand further and to create a greater world with its best effort.

The background features a stylized landscape with green rolling hills at the bottom. On the left, there are two wind turbines of different sizes. On the right, there are two small plants with three leaves each. A large, thin green outline of the number '1' is positioned to the left of the main title.

1

Implementation of CSR

- 1.1 CSR Institutionalized Operation
- 1.2 Corporate Social Responsibility
Management Committee
- 1.3 Identification of Stakeholders
- 1.4 Communication With Stakeholders
- 1.5 Major Topic Management

1. CSR Promotion

Over the decades of promoting CSR, ATEN has established strong links of the Company with employees, society, the environment, and all stakeholders in all of the aspects of “corporate governance”, “environmental protection”, “enterprise commitment”, and “social participation”, etc., such that the responsibilities required to be borne by the enterprise are considered during the internal discussion and decision promotion process. In addition, the Company further expects to benefit from external ripple effects such that a greater number of companies, groups, or individuals can also join us, thereby jointly creating a greater environment for living with our best efforts.

We also pay close attention to the global sustainability and corporate social responsibility related trends and issues. In 2016, the United Nations officially launched the 17 sustainability development goals (SDGs), and in 2017, the Company immediately reviewed the internal factors on the sustainable development, corporate capability, and level of concern of the stakeholders on CSR issues, etc., and decided to actively respond to the 10 goals of the “elimination of hunger”, “health and welfare”, “education quality”, “gender equality”, “employment and economic growth”, “climate action”, “marine ecology”, “terrestrial ecology”, “peace and justice system”, “global partner”, etc. Furthermore, the Company continues to examine ATEN’s correlation and executability for the other 7 goals, in light of connecting with global common goals in the grant stage of sustainable development, and to jointly promote the success of the SDGs by 2030.



※ This form is translated and prepared by the CSROne Sustainability Report Platform.

1. CSR Promotion

1.1 CSR Institutionalized Operation

ATEN understands that only thorough proper organization design and institutionalized operation can CSR be implemented effectively in order to allow the responsibility required to be borne by the Company to be integrated into the corporate culture, and to become the operation routine of ATEN. Accordingly, since 2012, we have passed the following internal regulations related to the corporate social responsibility in the Board of Directors Meetings, and the purpose is to ensure the through execution of ATEN CSR through a clear system.

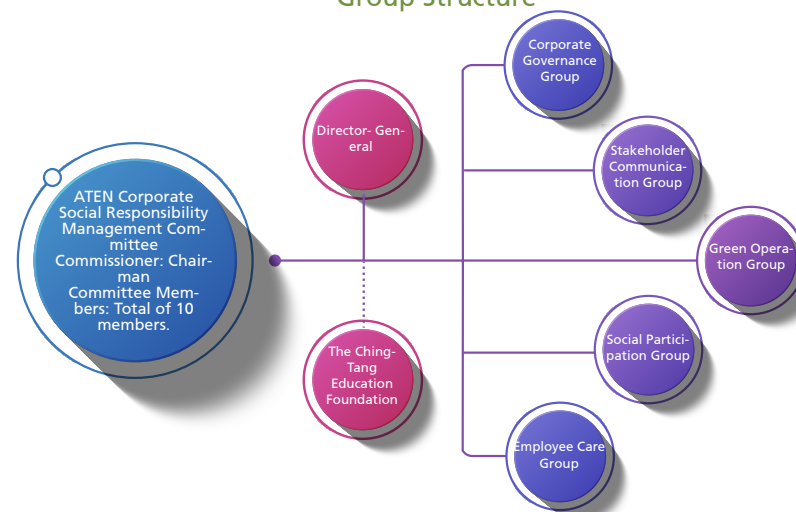
April 24, 2012	Corporate Social Responsibility "Policy Statement" and "Institution and Management System"
April 24, 2012	ATEN International Co., Ltd. Code of Ethical Conduct
April 24, 2012	ATEN International Co., Ltd. Code of Integrity
November 11, 2014	Corporate Governance Best Practice Principles
November 9, 2016	Corporate Social Responsibility Code of Practice
January 20, 2017	Procedure for Ethical Management and Guideline for Conduct

In addition to the institution and regulations, the Company also integrates the CSR with the corporate core value of ATEN (ICAN: "Integrity", "Caring", "Ambition", and "Novelty") in order to establish reward regulations, such as: "Sun Metal" and "Volunteer Points", etc., to encourage the staff to also respond to various CSR concepts and activities promoted by the Company at work, as well as to treat it as employees' individual social responsibility.

1.2 Corporate Social Responsibility Management Committee

"ATEN Corporate Social Responsibility Management Committee" is the highest corporate social responsibility organization internally at ATEN. Under the supervision of the Board of Directors, we adopted the institutionalized operation method and the members of the "CSR Group" under the "Corporate Social Responsibility Management Committee" convene meetings monthly to discuss the goal setting of the issues of "corporate governance", "enterprise commitment", "social participation", and "environmental protection", etc. and follow up on execution status. In addition, reports are presented to the "Corporate Social Responsibility Management Committee" and the "Board of Directors" periodically in order to ensure that the implementation direction complies with the expectation of the management level. Under the arrangement of such infrastructure, in addition to the senior management's leading in the promotion of CSR to achieve the corporate culture in a top-down manner, it is also able to further ensure the effectiveness of the CSR operation.

"ATEN Corporate Social Responsibility Management Committee" Group Structure



[The Committee consists of 10 members, with the Chairman acting as the Commissioner, and for the remaining 9 members, the highest supervisors of the R&D, Manufacturing, Procurement, Planning, Office of General Manager, General Administration, Human Resources, Customer Service, and Quality Assurance Divisions, etc. take the roles of the Committee Members.]

1. CSR Promotion

The “CSR Group” under the Committee, which consists of representatives from all operational departments of the Company, holds monthly meetings convened by the group’s Director-General to plan and execute all related affairs and is required to present reports to the Corporate Social Responsibility Management Committee’s Head and other Committee Members on a regular basis. The CSR Group is also responsible for executing important decisions regarding CSR policies and directions made by the Committee. The annual status and implementation state of all CSR projects formulated by the CSR Committee should be reported regularly to the Board of Directors.

Committee Organization and Mission Description

Duty and Organization Name	Responsible Department	Mission Description
Director- General	Office of General Manger	Execute resolutions of the Committee Meetings, and manage the routine operation of each group and relevant work progress, and report the execution status in the Committee Meeting periodically.
The Ching-Tang Education Foundation	Office of General Manger	Contact and manage Company and foundation affairs.
Corporate Governance Group	Investor Relationship and Capital Market Department	Integrate various corporate governance regulations and systems established by relevant departments. Implement the Company’s core values of integrity and honesty and information transparency, focus on shareholders’ interests, and the management principle of proper internal control.
Stakeholder Communication Group	Office of General Manger	Identify stakeholders, establish communication channels and mechanisms, organize and respond to issues of concern of stakeholders. Preparation of Corporate Social Responsibility Reports, manage and announce relevant information of corporate social responsibility externally.
	Investor Relationship and Capital Market Department	
	Marketing and Promotion Center	
Green Operation Group	Quality System Department	Establish green design capabilities and systems, develop tools complying with relevant environmental protection and monitoring analysis mechanisms, promote various waste reduction and projects of resource reuse, greenhouse gas reduction, etc. Cooperate with the government public department policy requirements externally, and responsible for the energy saving and water saving policy education and promotion of the entire Company. Responsible for promoting the green manufacturing process and green product related works for the entire Company.
	Management Department	
	Factory Affairs Department	
Social Participation Group	Office of General Manger	Responsible for promoting communication of the Group externally and with society, continue to devote efforts in technology research and development cooperation, long-term education assistance, social welfare activity promotion of arts and culture, as well as sports activities, etc.
	Volunteer Club	
Employee Care Group	Human Resources Center	Planning and promotion of labor and management relationships, employee welfare, health workplace, training and job promotion, gender equality, safety and health, employee care, culture inheritance, etc.
	Occupational Safety and Health Office	
	Factory Affairs Department	

1. CSR Promotion

1.3 Identification of Stakeholders

ATTN defines the stakeholders to be individuals, groups, or organizations capable of affecting ATEN or being affected by ATEN. The stakeholders of ATEN include clients, shareholders, employees, suppliers, community organizations, the media, and government agencies, etc. Through diverse communication channels, we understand the issues of concern of stakeholders, and discuss the major topics accordingly, as well as establish relevant management directives and execution plans in order to respond to the needs and expectation of the stakeholders.



1.4 Communication with Stakeholders

We value communication with our stakeholders significantly. In addition to the establishment of the stakeholders' section on the Company's website (<http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/>), we also clearly indicate the contact method of different types of related parties on the website. In addition, we also set up questionnaire survey forms such that stakeholders can express their concern for a total of 20 issues in terms of the three aspects of economy, society, and environment, etc. selected by us, and stakeholders can also submit different opinions to the Company for reference.

► Stakeholders' Section

Stakeholder	Contact Us
Clients	Online Customer Service https://www.aten.com/global/en/ (12 Languages)
Community Relations	Office of General Manager Ms. Chang Email: csr@aten.com
Investors	Investor Relationship and Capital Market Department Ms. Huang Email: ir@aten.com.tw
The media	Corporate Marketing Department Mr. Lee, Assistant Manager Email: pr@aten.com.tw
Other Stakeholders	Office of General Manager Mr. Kao, Manager Email: atencorp@aten.com

1. CSR Promotion

Issues of Concern of Stakeholders and Company Communication Method List

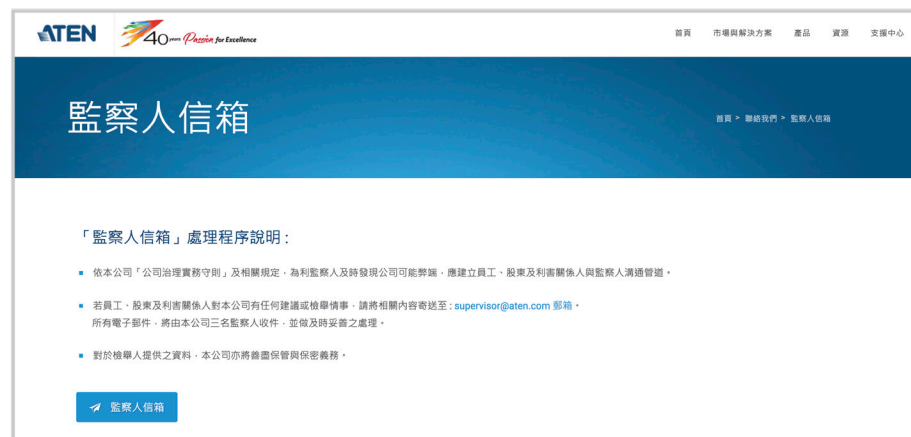
Stakeholder	Issues	Communication channels	Frequency of communication
Clients	<ul style="list-style-type: none"> Product Price Products and Services Responsibility Customer Partnership Technology Research and Development Raw Material Use and Recycled Materials 	Customer satisfaction survey	Annually
		e-support Website Platform	Constantly
		Partner Center Webs	Constantly
		Customer service line	Constantly
		Agent conference	Annually
Shareholders	<ul style="list-style-type: none"> Operational Effectiveness Earnings Situation Investment Planning Corporate Governance Enterprise Sustainability 	Convening a Regular (Provisional) Shareholders' Meeting	Annually
		Investor Conference	Irregularly
		Financial report	Quarterly
		Annual Reports	Annually
		Spokesman system	Constantly
		Establishing investor relations department	Constantly
		Company website announcement	Constantly
		Corporate governance appraisal	Annually
		ir@aten.com.tw	Constantly
Employees	<ul style="list-style-type: none"> Salary and Benefits Labor-capital Relations Talent Nurturing Occupational Health and Safety Diversity and Equal Opportunity 	Employee Benefit Committee	Constantly
		Human Resource e-School	Constantly
		Capital-labor meetings	Quarterly
		Occupational Safety and Health Committee Meeting	Quarterly
		Solution provision and improvement system	Constantly
		Employee's opinion submission channels, such as employee complaint direct line at 3333, and complaint filing e-mail at emap@aten.com.tw.	Irregularly
		Company advertisements	Constantly

Stakeholder	Issues	Communication channels	Frequency of communication
Suppliers	<ul style="list-style-type: none"> Purchasing Price Regular Provisions Green Product Management Raw Material Use and Recycled Materials 	Regular quality inspection	Monthly
		International list	Irregularly
Social organizations	<ul style="list-style-type: none"> Greenhouse Gas Management Water and Resource Management Environmental Safety Social Benefit and Returns 	Company website	Constantly
		CSR Report	Annually
		The Ching-Tang Education Foundation	Constantly
		Employee Benefit Committee	Constantly
		csr@aten.com	Constantly
The media	<ul style="list-style-type: none"> Operational effectiveness Recruiting Talented Employees Investment planning Corporate Governance Social Welfare 	Press releases	Constantly
		Press conferences	Irregularly
		Interviews	Irregularly
Government agencies	<ul style="list-style-type: none"> Directive Adherence Environmental Safety Payment of Taxes and Duties Political Compliance 	Explanatory meetings held by supervisory agencies	Irregularly
		Corporate governance appraisal	Annually
		Publishing directives	Constantly
		Government agency websites	Constantly

1. CSR Promotion

► Supervisor's E-mail

According to the "Corporate Governance Best Practice Principles" and relevant regulations of the Company, to facilitate the supervisors to discover possible flaws in the Company in a timely manner, and to establish communication channels for the employees, shareholders, and other stakeholders and supervisors, the Company has established the "Supervisor's E-mail" on the Company's website. In the event that any stakeholder that is an employee or shareholder has any recommendations or complaints for the Company, he or she may submit relevant content to the e-mail at: supervisor@aten.com. All e-mails are received by three supervisors of the Company in order to process such matters in a timely manner. For all information provided by the complainant, the Company also bears the custody and non-disclosure obligation properly with due care.



► Sharing of CSR Promotion Experience Internally and Externally

To share the years of experience of ATEN in the promotion of CSR with others, the Company also establishes communication channels through the methods of the Company's website, internal employee portal website, newsletters, seminars, external speeches of senior managers, etc. in order to convey the information of the Company's ethical management, corporate governance, environmental protection, social participation, etc. to the stakeholders, as well as to obtain feedback from the stakeholders. In addition, the Company also invites other enterprises, school teachers and students, employees' relatives and friends, suppliers, etc. to promote CSR jointly with ATEN. Through the organization of activities and message transmission one after another, we believe that it is beneficial to the establishment of a long-term cooperation and interaction relationship with the stakeholders.

1. CSR Promotion

1.5 Major Topic Management

► Major Issue Analysis

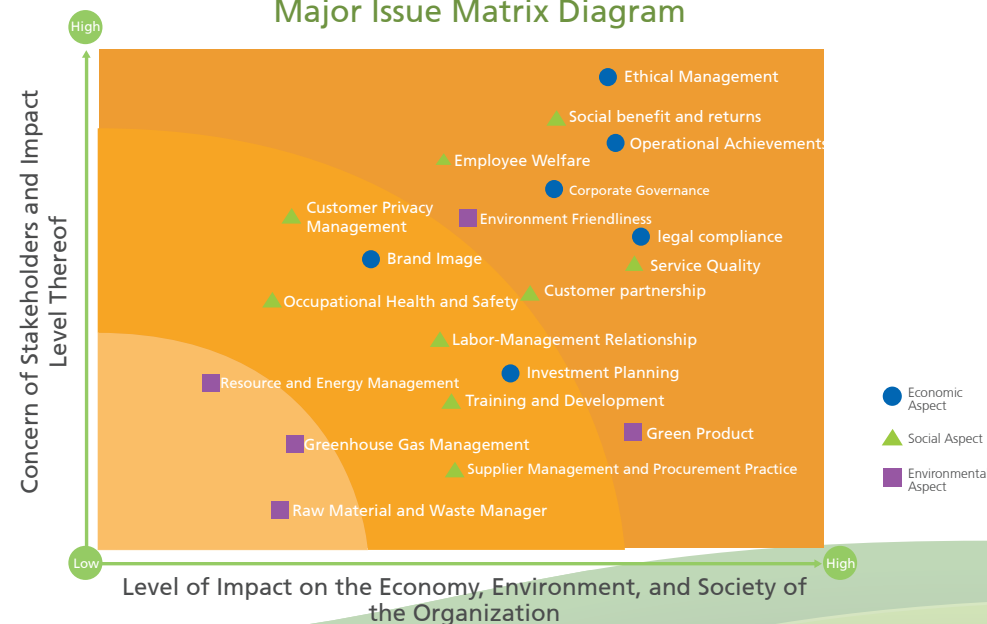
In recent years, ATEN has adopted the cycle of five steps of collection, identification, arrangement, confirmation, and examination according to the sustainability context, materiality, integrity, and tolerance of stakeholders, in order to establish the materiality analysis of stakeholders.

Major Issue Analysis



Collection	According to the interaction status between the routine of the members of the CSR Group and each stakeholder, along with the considerations of the major issues in the domestic/foreign same industry sector as well as international sustainable development trends (such as the 17 SDGs of the United Nations), in order to collect issues concerned by all stakeholders.
Identification	The CSR Group performs the sorting and preparation of a list for the collected issues of concern.
Arrangement	Complete the "Stakeholder CSR Questionnaire Survey" according to each type of stakeholder and statistically analyze the results, perform examination again and arrangement accordingly.
Confirmation	The CSR Group Members perform discussion on the two aspects of the economy, environment, and social impact level internally and externally of the organization for each issue as well as the level of concern of stakeholders, and a major issue matrix diagram is summarized for recommendation.
Examination	The initial result is submitted to the CSR Management Committee to perform examination, and after adjustment with the senior management's opinions, 10 issues are sorted from the 20 CSR critical issues to be listed as the 2018 "CSR Major Topics" in order to be used as the disclosure focus of this Report. The countermeasure strategies and outcome performance of the issues will be explained in detail.
Examination	The reasonability of the major issue matrix diagram will be examined at any time and the communication method with the stakeholders is strengthened to collect more stakeholder opinions in order to be used as a basis for future adjustments.









Major Issue Matrix Diagram



1. CSR Promotion

► Major Topics, Corresponding GRI Standards, and Impact Boundary

According to the five-step cycle for the major issue analysis, the major topics of each aspect and the corresponding GRI specific topics, management directives, internal/external boundary of impact, and sustainable development goals are organized and compared in the following table:

No.	Aspect	Major Topics	Cause	Corresponding GRI Specific Topic Standards	GRI Management Directive Corresponding Chapters and Sections	Value Chain Impact Boundary			Corresponding Sustainable Development Goals (SDGs)
						Suppliers	ATEN	Clients	
1	Economic aspect	Ethical Management and Legal Compliance	Ethics and legal compliance are corporate management basic principles of concern and are expected by most stakeholders.	205 Anti-corruption 307 Legal Compliance Related to Environmental Protection 419 Social Economic Legal Compliance	Chapter 3 Corporate Governance Introduction Chapter 6 Environmental Protection Introduction	◎	■	◎	
2		Corporate Governance	Whether the investors and government agencies value the execution status on the improvement of corporate governance significantly.	Self-defined Major Topics	Chapter 3 Corporate Governance Introduction		■		  
3		Operational Achievements	The Company continues to profit and maintains excellent operation performance having material correlation with the sustainable execution of CSR.	201 Operational Achievements	2.1 About ATEN 2.2 Worldwide Presence	◎	■	◎	
4	Social aspect	Service Quality and Customer Partnership	The Company summarizes important issues according to the customer satisfaction survey and routine feedback from customers annually in order to continuously improve the service quality.	416 Customer Health and Safety 417 Marketing and Labeling	Ch8 Customer Satisfaction and Service Introduction		■	◎	
5		Social benefit and returns	Continuous support for the disadvantaged groups, education, elderly, and arts and cultural promotion are the common demands of the current society.	203 Indirect Economic Impacts 413 Local Communities	Chapter 5 Active Social Participation and Introduction		■		
6		Employee welfare	Employee relationship maintenance and improvement of employee welfare are the issues of significant concern by employees.	401 Labor-Management Relationship 404 Training and Education	Chapter 4 Employee Care Introduction		■		  
7	Environmental aspect	Environment friendliness	Global warming and ecological environmental protection are the issues of most concern worldwide, and we are actively seeking solutions.	Self-defined major topics	Chapter 5 Active Social Participation Introduction (related to community environment maintenance)	□	■		 
8		Green Product	Use of ATEN's advantages in the product design and KVM product/industry characteristics to actively promote green products, in order to comply with the expectation of governments of different countries and the general public.	307 Environmental Protection Related legal compliance	Chapter 6 Environmental Protection Introduction Chapter 7 Supply Chain Management Introduction	◎	■	◎	

- "Ethical Management" and "Legal Compliance" are integrated into one major topic.
- "Service Quality" and "Customer Partnership" are integrated into one major topic.
- Level of Involvement: Direct Relationship (■), Indirect Relationship (□), Business Relationship (◎)



2

Enterprise Operations

- 2.1 About ATEN
- 2.2 Worldwide Presence
- 2.3 Operational Achievements
- 2.4 Honors and Recognition
- 2.5 External Organization Participation

2. Enterprise Operations

2.1 About ATEN

#1

Global KVM Market
Share Percentage

40
years

Industry
Experience

1.6 k

Worldwide
Number of
Employees

58%+

Gross profit margin

NT\$ 5.1 billion+

2018 Annual Revenue

590 Items+

Granted and Valid Patents

2. Enterprise Operations

► Corporate Vision

“Simply Better Connections” has always been the core philosophy of ATEN, representing ATEN providing innovative solutions to create more effective and seamless connections between people and between information. Accordingly, ATEN assists you in connecting with the world closely at any time and any place through sharing and caring innovative technologies. ATEN makes your work and personal life easier and simpler.



ATEN 40 Years – Passion for Excellence



“Passion for Excellence” represents ATEN’s determination to seek excellence continuously and uphold the craftsman spirit to seek perfection.

The corporate business operation direction of ATEN will head toward Customer to Business (C2B) to perform product development based on the concept of the value of customers. The “customer-oriented” notion will become the most important asset of the brand, such that ATEN with the establishment history of 40 years is able to become the No. 1 brand in customers’ choice and to excel further with customers.

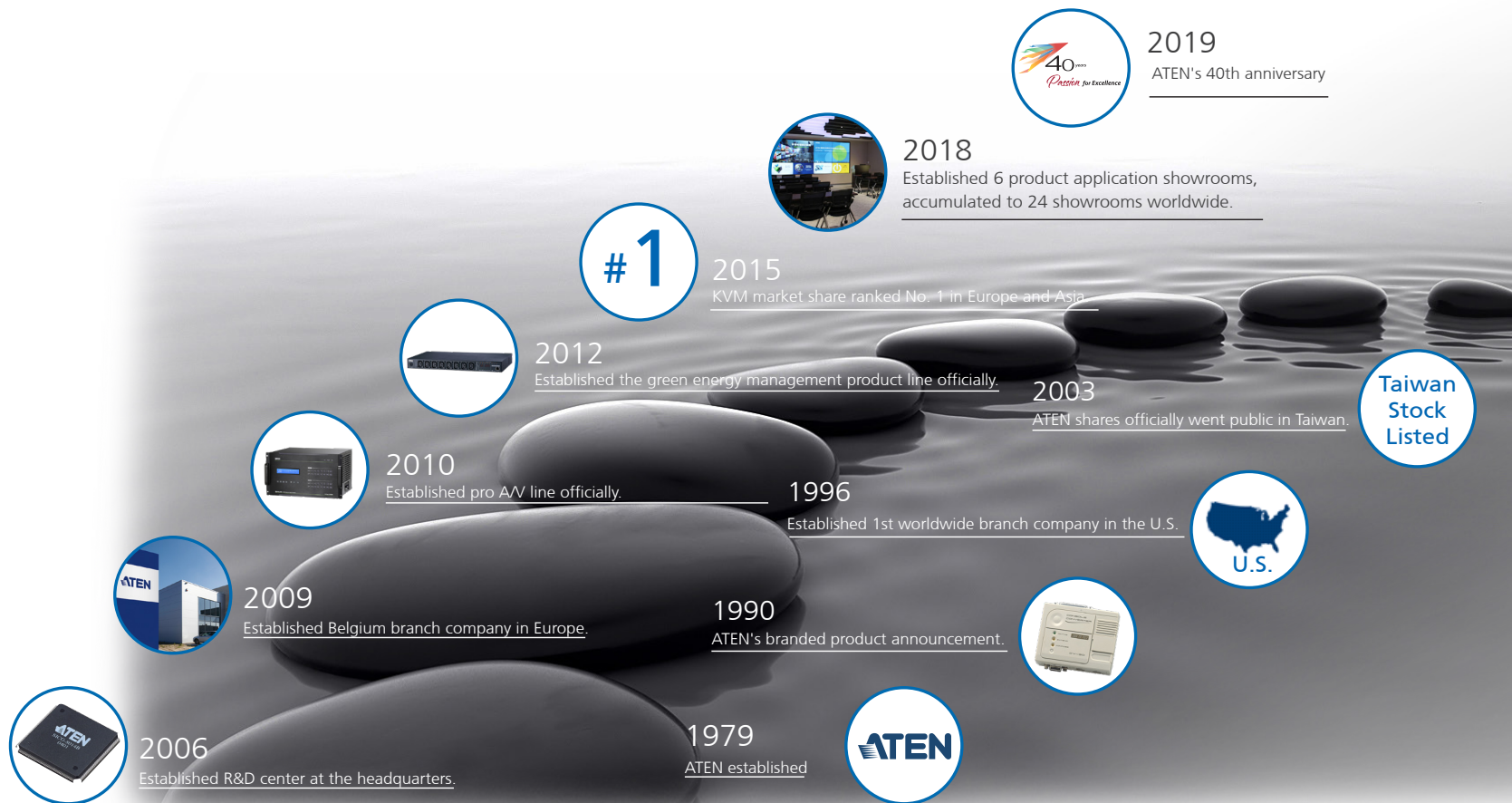
ATEN International Co., Ltd.

Established in 1979; headquarters located in Xizhi District, New Taipei City, Taiwan R.O.C.; a publicly listed company traded on the Taiwan Stock Exchange (Stock Code: 6277).



2. Enterprise Operations

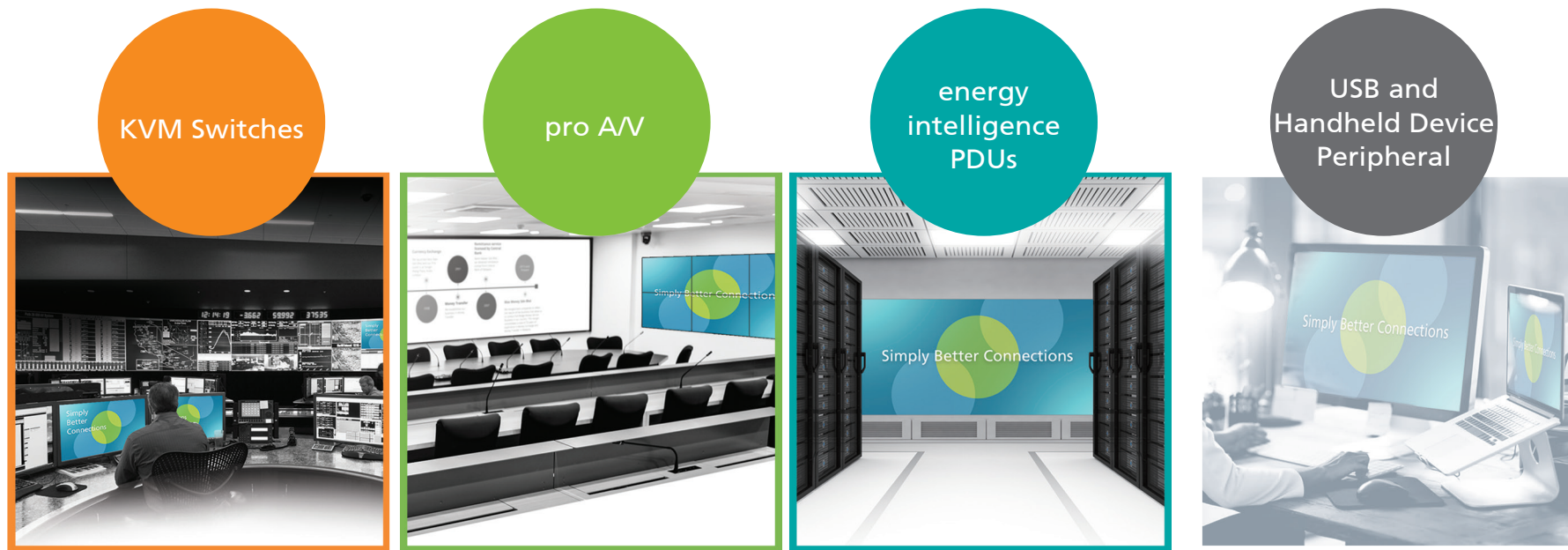
Key Milestones



2. Enterprise Operations

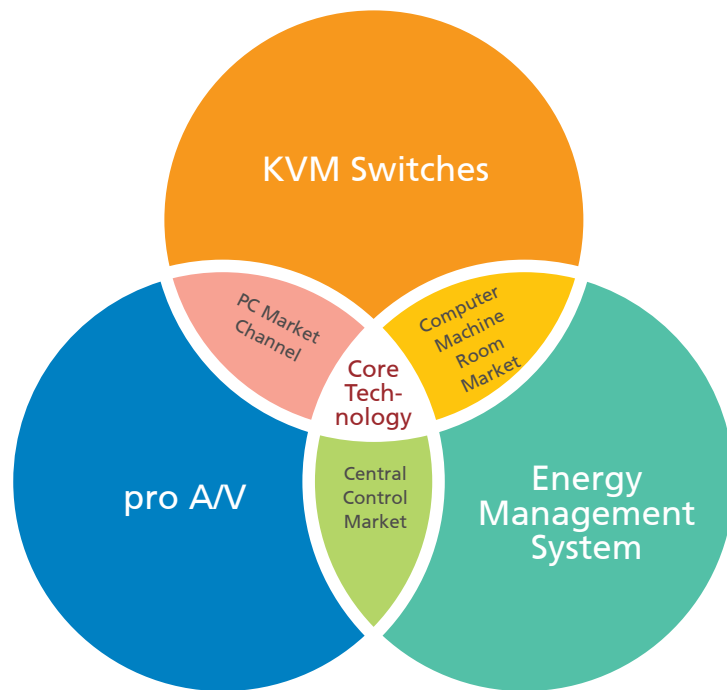
► Diverse Product Combination

Presently, ATEN operates three main product lines: “KVM Switches”, “pro A/V” and “energy intelligence PDUs”. Despite the product lines having different development histories and industry positions, as well as different sales channels and target customers, nevertheless, these are the uniqueness of ATEN. The question on how to integrate these three types of product lines into a characteristic solution and to develop a unique business model are important opportunities for the short-term increase of revenue, and the Company is heading in this direction with its best effort.



2. Enterprise Operations

Relevant Diverse Product Development Strategy



Main Industrial Application



2. Enterprise Operations

► Brand Management

Since the Company started to promote its own brand in 1990, the Company has gradually received recognition in the international market in recent years. Received the global brand value authority survey institution, Interbrand "2018 Taiwan Top 35 Global Brands" award in November 2018 again.

ATEN integrates all of its production lines and uses the one single brand of "ATEN" for global marketing and sales. In addition, the Company further actively establishes overseas sales locations and logistics warehouses in order to provide a service standard of high efficiency and consistency to global customers.



ATEN is presently the only publicly listed company in the field of KVM Switches worldwide.

2. Enterprise Operations

[ATEN is the corporate brand of ATEN International Co., Ltd., and is used as one single brand for sales and marketing worldwide.]



To provide service quality and brand value, we also provide full support of the original manufacturer to our cooperating distributors, system integrators (SI), and value-added resellers (VAR), such as: providing professional solution guides for main targeted application markets, establishing strong pre-sales support, providing a clear and incentive loyalty program, providing complete and convenient online product training programs, organizing effective product seminars and road shows, etc., in order to allow our customers to enjoy their cooperation with ATEN in promoting branded products, thereby enhancing ATEN's brand power. Certainly, "commitment to own-brand" is also another key factor for heading toward the success.

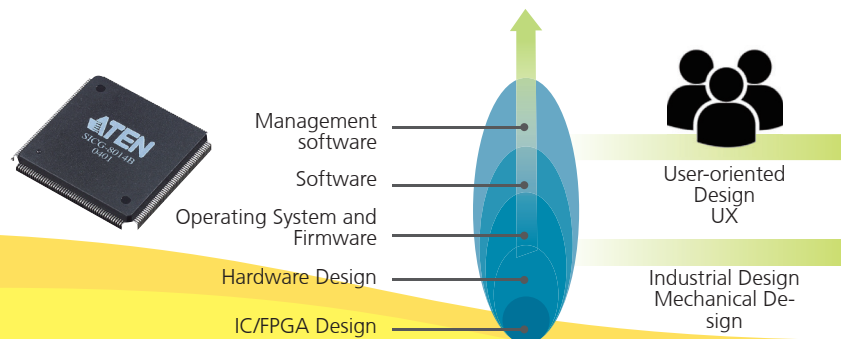
2. Enterprise Operations

Competitive Advantages

1. Outstanding R&D team, continuous technology breakthrough, and innovative research are relative advantages to a market leader.
2. Provide comprehensive remote management solutions with complete high, medium, and low level of products, as well as equipped with the customized product capability for products of small quantity and great diversity, thereby satisfying the demands of different customers (markets).
3. Equipped with international sales and marketing professionals as well as global marketing and sales planning with complete localized distribution channels in order to establish fast market response mechanisms.
4. Own-brand management, products with high quality, reliability, and stability to gain market recognition.
5. Worldwide patent planning against counterfeit products and to provide intellectual property rights.
6. Leading company for KVM products, with market leading position.
7. Use AV meets IT integrated solutions to comply with the demands of global IT management and the professional media related market.

R&D Vertical Integration Advantages

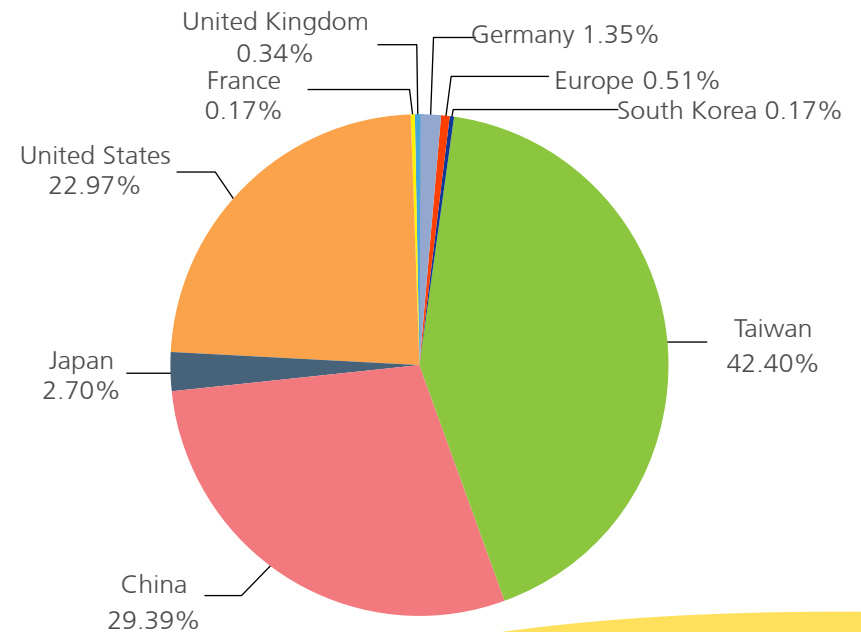
ATEN has staffed approximately 300 R&D engineers in Taiwan, China, and Canada, etc. Through high vertical integration R&D energy along with the emphasis on user experience (UX: User Experience) design, the implicit demands of customers are discovered in order to create a world-class brand.



Global Patent Planning

Up to the end of March 2019, statistically, the global patent planning of ATEN has reached 753 patent applications, and the number of granted patents has reached 592 patents. Among the 592 patents already granted and under their protection period, there are 539 invention patents, 32 design patents, and 21 utility model patents. The Company actively invests in and maintains important technology research and development outcomes, which is also an effective guarantee for the continuous growth of future business.

Granted Patent Global Distribution Chart



2. Enterprise Operations

► Factors Conducive to Long-Term Development

1. With decades of development in the KVM product line, ATEN brand reputation has been established in the global market.
2. Numerous awards received, establishing the international brand position and strengthening brand recognition.
3. Improve the global sales system in all main regions and the strategy of localized service in order to establish an advantageous cornerstone for future revenue growth.
4. Focus on the niche market and continue to expand the diverse product application scope, expand from KVM gradually to pro A/V and green energy power management product lines, in order to establish the foundation for revenue and profit growth.
5. Outstanding internal R&D and production technology teams with extensive experience.
6. Core technologies include the high-end technologies of chip design, hardware, monitoring software/firmware, media network communication, etc., and patents are applied to protect the intellectual property rights.
7. Management philosophy of ethics and honesty.
8. Continue to improve CSR (corporate social responsibility) influence, and strengthen the corporation's positive image.
9. Establish harmonious cooperation relationships with suppliers and customer groups with stable quality.
10. Cultivate and introduce outstanding talents continuously.
11. Sound financial structure.
1. Different economic growth in different regions.
2. Potential risks in exchange rate fluctuation.
3. Market entrance of new competitors.

► Disadvantageous Factors to Long-Term Development

4. Consumers with limited product knowledge.
5. Counterfeit and illegal products disturbing the market.

► Response Strategies and Opportunities

1. The global planning strategy of ATEN will not be affected by one single country and market fluctuation, such that the system risk can be reduced. In addition, products are introduced into diverse industries and application fields in order to distribute the risks due to individual industry economic impact as well as to optimize the production-sales management, thereby reducing the opportunity of idle inventory.
2. The financial division pays attention to the exchange rate fluctuation of each receiving currency and determines market price trends in order to adjust product prices in a timely manner. In addition, through the operation of financial tools, it is able to effectively mitigate the risk of export exchange loss.
3. With regard to the increasing trend of KVM medium- and low-level market competitors in the market, the Company is able to demonstrate product development and research capabilities in order to create product difference and improve product quality, thereby avoiding price competition with the competitors for the same level of products. In addition, with the advantages of product repair efficiency and customer service quality, the Company is able to achieve obvious distinction from the competitors adopting the price reduction strategy in the market. Additionally, we will also take legal actions against any third party that infringes on the company's trademarks and patents, so as to protect the company's rights.
4. Through the establishment of product application showrooms in all major cities worldwide, introduction of successful examples in various industries and other marketing and promotion techniques, the Company is able to allow potential customers, such as system integrators, general enterprises, government agencies, and general consumers, etc. to further understand the Company's products and application scenario, as well as promote various benefits of ATEN's product series satisfying the energy-saving, environmental friendliness, and space-saving, as well as performance improvement effects.
5. Strengthen counterfeit product inspection action, and implement thorough actions to protect the sales rights of patented products.

2. Enterprise Operations

2.2 Worldwide Presence

With regard to the three aspects of “Sales”, “R&D”, and “Manufacturing” most critical to the corporate operation, ATEN sufficiently utilizes global resources in order to gain the most optimal benefits.

► Sales

ATEN develops global new sites in a stable manner. Through the establishment of sales type branch companies or offices, the Company is able to develop overseas market in depth, to provide completely local support services and to establish direct communication channels, thereby winning customers’ trust. The Company also actively expands into potential new emerging markets by establishing localized sales sites, including the establishment of branch companies and product application showrooms. ATEN has established 24 showrooms worldwide, among which 6 showrooms have been established completely in 2018. In addition to the sales planning, ATEN is also actively expanding its market in the tender project market along with the implementation of the “From Distribution to System Integration” marketing strategy. The supporting management will also expand the regional supply chain network, and increase inventory turnover and adjustment flexibility in order to enhance the Company’s competitiveness. In addition, the Company gradually introduces a consistent electronic management signing approval platform of the Group in all sales locations, in order to optimize processes, achieve information transparency, and improve

From Distribution to System Integration:

To avoid the fierce competition in low-end products, the Company's products have gradually moved toward high-end development. The sales channel for high-end products no longer merely refer to the simple distribution model but are actively heading toward the sales strategy of “From Distribution to System Integration”, in order to seek cooperation with local system integrators (SI) worldwide, along with channel management and shortening channels.

decision-making quality and efficiency as well as to ensure rigorous and complete internal control.

► Research and Development (R&D)

In terms of R&D, in addition to the Taipei headquarters and Tainan R&D center in Taiwan, the Company also establishes two overseas R&D offices in Canada and Wuhan, China. With the expertise of R&D talents of different countries, the Company with a total of approximately 300 R&D engineers is able to provide sufficient R&D energy for new product development and patent protection.

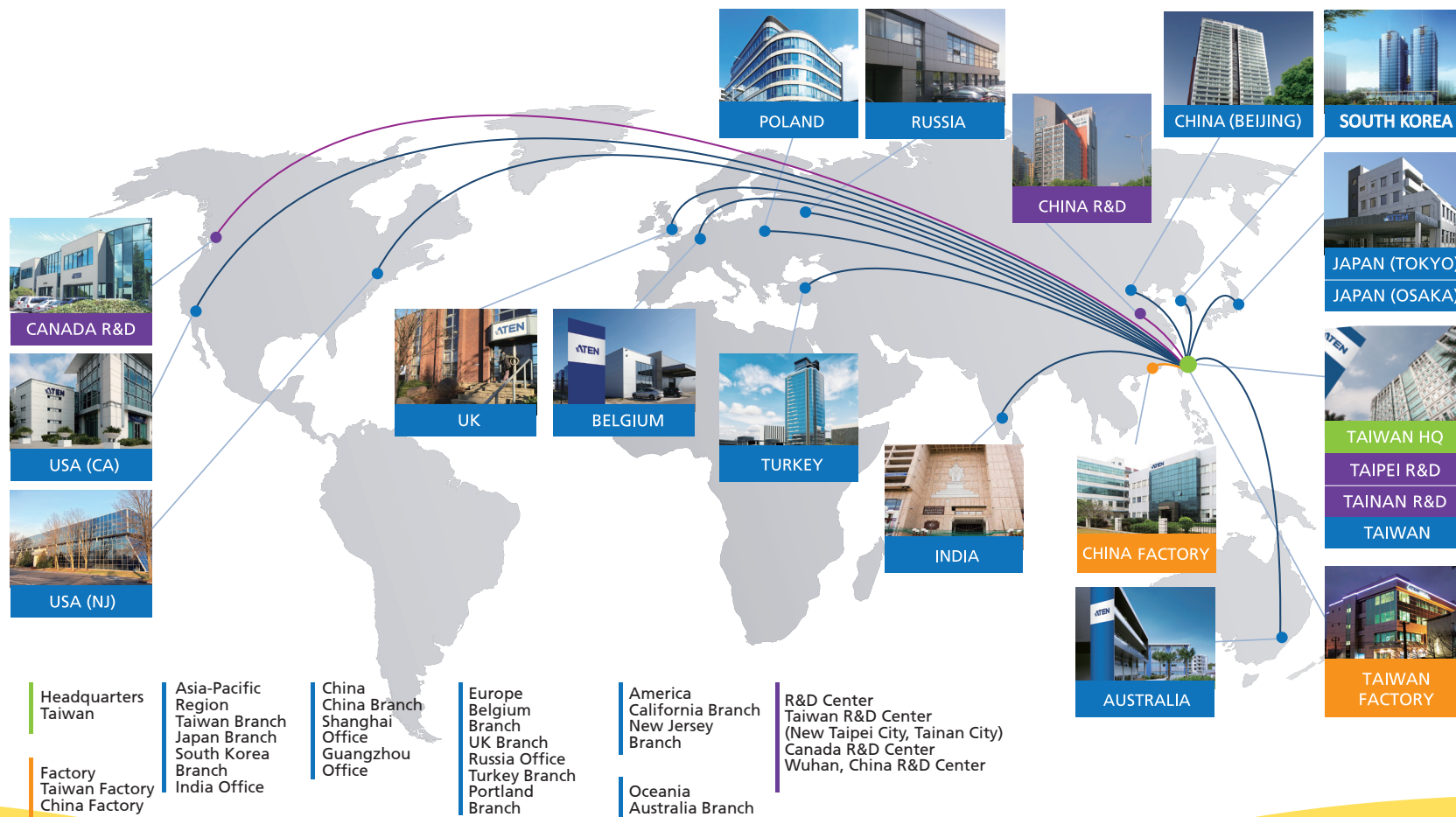
► Manufacturing

Furthermore, in terms of manufacturing, the Company also effectively utilizes the characteristics of the two manufacturing sites in Taiwan and China in order to allocate high-, medium-, and low-end products at appropriate production lines, thereby achieving the most optimal benefits for quality, cost, and efficiency. Regarding the tax burden arising from the trade war between China and the U.S. starting in 2018, the Company is able to reduce the influence and impact of such trade war to the minimum through the adjustment and control of production capacity of different manufacturing sites.

ATEN’s active global planning strategy has not only established the foundation for high profit, the Company also believes that it is able to bring a driving force for future revenue growth.

2. Enterprise Operations

Global Planning Local Development



2. Enterprise Operations

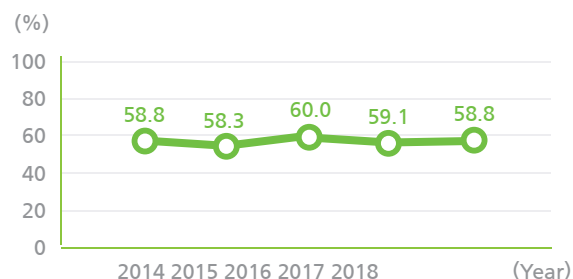
2.3 Operational Achievements

2018 was a prosperous year for the business operation of ATEN. The annual consolidated revenue reached the record high of the Company at NT\$ 5.173 billion, an increase of 4.6% over the previous year; gross profit was NT\$ 3.044 billion, an increase of 4.1% over the previous year, and the gross margin reached 58.8%. For the net income, due to the gain from disposal of non-operating business, the amount of net income was NT\$ 1.588 billion, an increase of 115.1% over the previous year. The earnings per share was NT\$ 13.19. The management team has been able to achieve the expectations of the shareholders in terms of the business expansion, cost control, investment strategy, and efficiency improvement, etc. The Company will continue to create investment profits for shareholders and is worthy of the investors' trust and reliance.

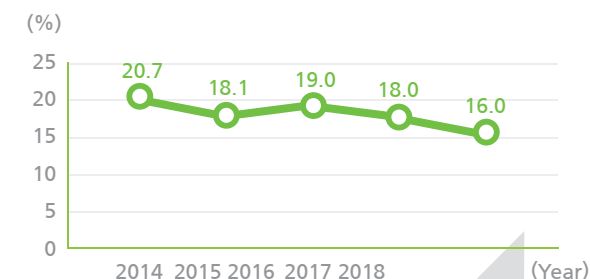
[Revenue]



[Gross Profit Margin]



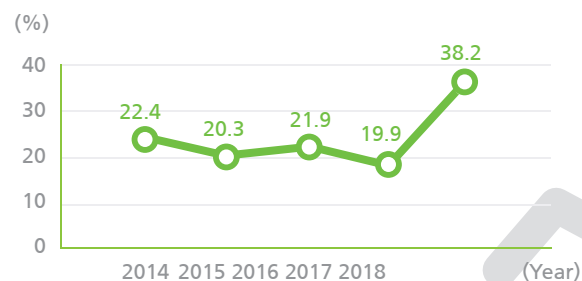
[Operating Profitability]



[Earnings per Share]



[Return on Equity (ROE)]



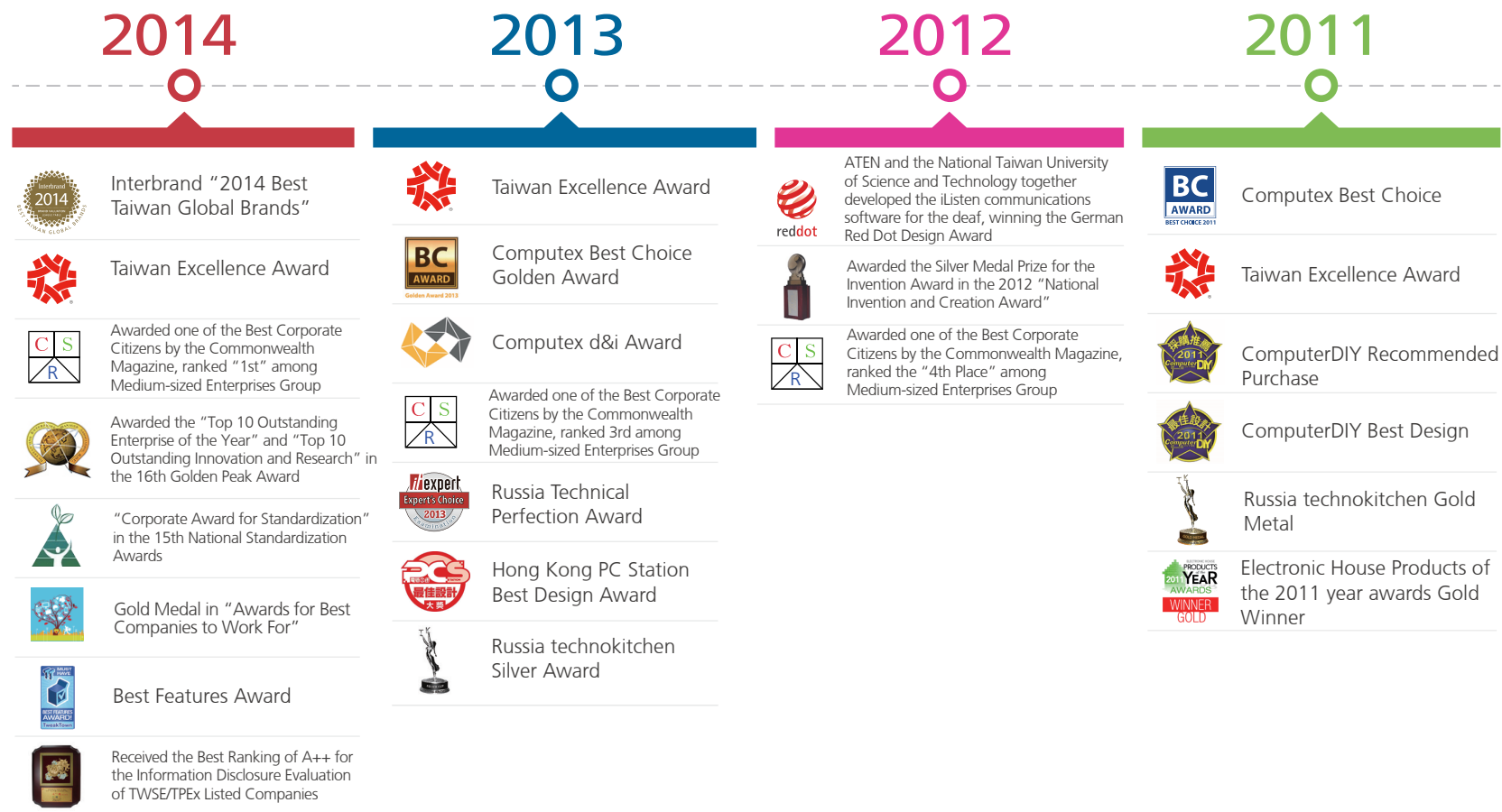
2. Enterprise Operations

2.4 Honors and Recognition (2011-2018)

Over the past years, in terms of all aspects of product, design, company management, corporate social Responsibility, etc., the Company has been able to obtain recognitions with various awards in various fields.



2. Enterprise Operations



2. Enterprise Operations

2.5 External Organization Participation

Through participating extensively in the various domestic and international unions, associations and organizations related to the KVM switch industry, the Company seeks to further strengthen its ties with the industry and become exposed to the latest techniques. By doing these, the Company is able to not only enhance the competitiveness of its products and exploit industry influence, but also expand opportunities for forming strategic alliances, catalyzing growth in the Company's business and operations.

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

The background features a stylized landscape with two wind turbines on the left and two plants on the right, all rendered in a light orange color. The bottom of the slide is a solid orange wavy band.

3

Corporate Governance




- 3.1 Corporate Governance Structure
- 3.2 Board of Directors
- 3.3 Governance Level Performance Evaluation
- 3.4 Shareholder Rights
- 3.5 Ethics and Integrity

3. Corporate Governance

Major Topics

Corporate Governance, Ethical Management, and Legal Compliance

▶ Meaning of Major Topics to ATEN and Key Contribution of ATEN to SDGs

	<p>"Integrity" is one of the core values of ATEN. Each year, the company organizes ethics and pragmatic behaviors related seminars or courses, and they are also listed as one of the essential courses for new employees in order to ensure that all employees are able to understand and comply with the code of conduct for integrity behaviors. In addition, for key divisions, such as: Auditing, Financial and Accounting, Investor Relationships, and Capital Market and the Board of Directors and Supervisors, internal or external courses related to corporate governance are arranged annually in order to allow the staff to understand the Company's determination in the ethical management and the consequences of violating ethical conduct.</p> <p>[Corresponding to SDGs Section: 4.7]</p>
	<p>The Board Members of ATEN consist of professionals equipped with various professional knowledge and skills, and female directors account for 14% of the Board Members, in response to the issue of gender equality described in Item 5 of the 17 goals for sustainable development proposed by the United Nations. The aforementioned diversity policy also demonstrates that ATEN consists of professionals equipped with continuous efforts in seeking the long-term goal of sustainable operation.</p> <p>[Corresponding to SDGs Section: 5.5]</p>
	<p>Among the four major corporate core values, the first value is "Integrity", and regardless of the stakeholders faced, the Company always adopts the principle of honesty and trust as well as the implementation of transparent corporate governance. With the approval of the Board of Directors, the Company has established the regulations of "Ethical Management Principles", "Code of Ethical Conducts", "Procedure for Ethical Management and Guideline for Conducts", etc. for the compliance by the directors, supervisors, and employees. In addition, the Company also establishes various e-mails as channels for different stakeholders to submit complaints, in light of establishing a fair and just interactive relationship between the corporation and the stakeholders.</p> <p>[Corresponding to SDGs Sections: 16.5, 16.6, 16.7]</p>

3. Corporate Governance

Responsible Units

ATEN Corporate Social Responsibility Management Committee - Corporate Governance Group

Management Mechanism

The Company establishes the "Corporate Social Responsibility Management Committee", and the Chairman acts as the commissioner, among which the highest supervisor of the "General Administration Division" acts as the Spokesman and Senior Assistant Vice President, and its "Investor Relationship and Capital Market Department" is the responsible unit for handling the routine affairs of the Board of Directors, Shareholders' Meetings, investor relationships, and other corporate governance affairs. The "Corporate Governance Group" under the "Corporate Social Responsibility Management Committee" is formed by members of the "Investor Relationship and Capital Market Department". Through the monthly CSR Group meeting, changes to corporate governance related regulations are discussed and various indicator requirements for corporate governance assessment, as well as the differences to the current execution status are reviewed, in order to propose correction and improvement recommendations. In addition, reports are presented in the CSR Management Committee meetings periodically, and resolutions on policies and directions, etc. made in the Committee Meetings are executed accordingly. When it is considered necessary, the resolutions made in the Committee Meetings and major issues related to corporate governance are periodically reported to the Board of Directors. Under the supervision of the Board of Directors, such operation mechanism is able to ensure that the Company is able to continuously improve and excel in the right direction for the corporate governance aspect, in order to satisfy the requirements of the competent authority and the global trend of corporate governance, thereby effectively protecting the interests of shareholders and realizing the corporate values of fairness and justice.

Commitment, Actions, and Goals

Commitment	2018 Execution Item	2018 Execution Outcome	Future Goals and Actions
Maintain shareholders' interests and equal treatment of shareholders.	Provide both Chinese and English version of Shareholders' Meeting information to shareholders in order to understand the financial and non-financial information of the Company	<ol style="list-style-type: none"> 1. Publish the Chinese version of information of the Shareholders' Meeting earlier than the time-limit specified by the laws, including meeting handbook (regulations specify for 21 days before the Shareholders' Meeting, and the Company voluntarily provides information 30 days before the Shareholders' Meeting), Annual Report (regulations specify for 7 days before the Shareholders' Meeting, and the Company voluntarily provides information 14 days before the Shareholders' Meeting). 2. Voluntarily produce an English version of Shareholders' Meeting information, including an English version of the Meeting Notice, Meeting Handbook, Meeting Minutes, and Annual Report. 	Provide an English version of Annual Report with information in greater depth to allow foreign investors to have a greater understanding of the financial and non-financial information of the Company (2020).
Strengthen the structure and operation of the Board of Directors.	Diversity Policy for Board of Directors	<ol style="list-style-type: none"> 1. Periodically assess the independence of certified public accounts once annually, and disclose the assessment procedure in the Annual Report. 2. Number of Training Hours Completed by Directors and Supervisors 	<ol style="list-style-type: none"> 1. Establish Audit Committee (2020) 2. Establish Board of Directors' Performance Assessment Regulations (2020)
Improve Information Transparency	<ol style="list-style-type: none"> 1. Disclose English information. 2. Organize investor conference. 3. Publish 2019 revenue announcement calendar. 	<ol style="list-style-type: none"> 1. Release 2019 revenue announcement calendar on the Company's website. 2. Synchronous material information in both Chinese and English. 3. Disclose English version of the Annual Consolidated Financial Report. 4. Self-organized two online investor conference sessions in 2018, and one invited securities broker conference. 	Self-organize investor conference quarterly to allow investors to understand the operation status of the Company periodically (2019).

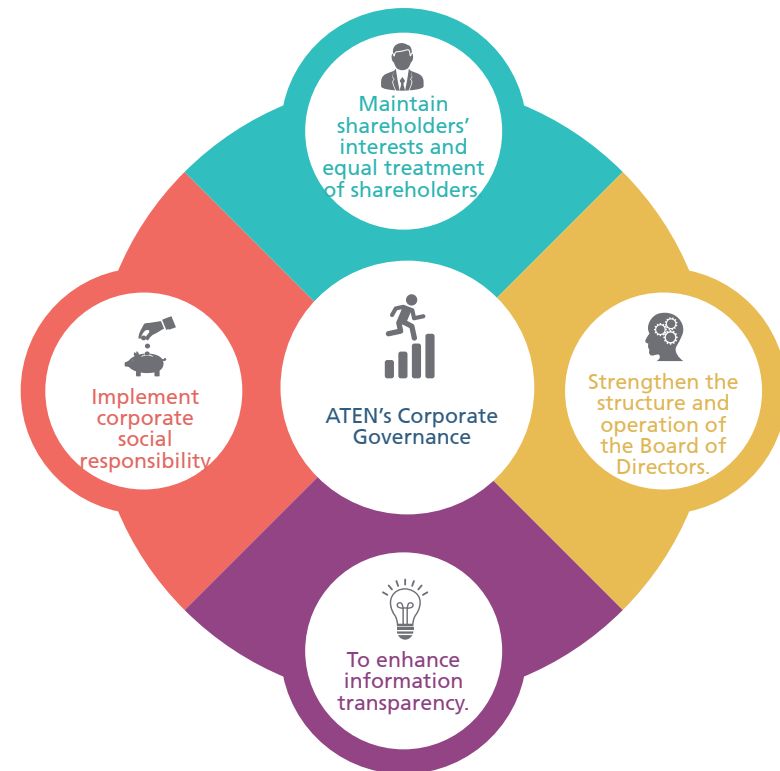
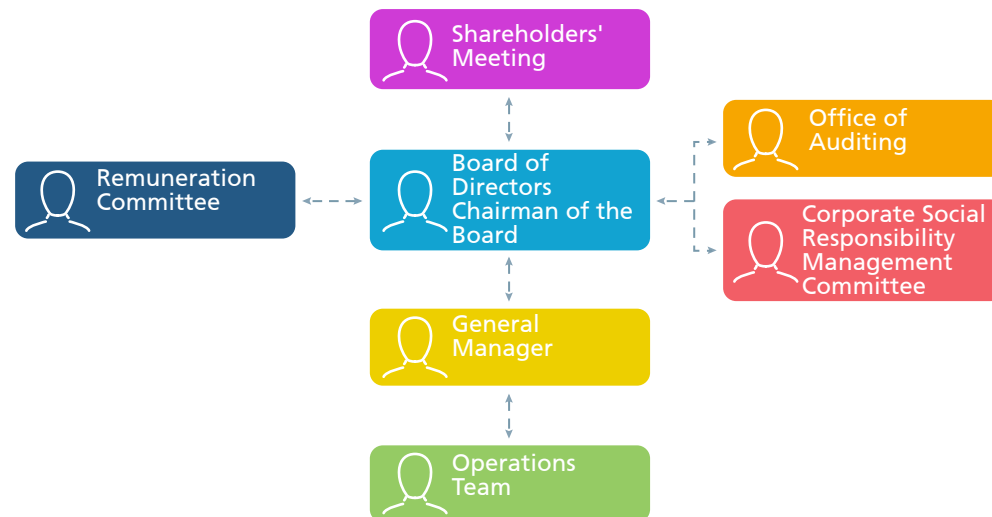
According to the 2018 5th term corporate governance evaluation result, ATEN was ranked in the top 6%-20% among publicly listed companies. The Company has established stable development in various aspects of corporate governance, and the items already completed include: "electronic voting", amendment to the Articles of Incorporation of the Company to adopt the "candidate nomination system" for all directors and supervisors, newly added "the third independent directors", established the "supervisor's e-mail", established the "Ethical Management and Guidelines for Conduct", "Board of Directors Assessment on CPA's Independence and Disclosure in the Annual Report", etc. In the future, the Company will implement enhanced measures for the "Board of Directors Performance Self-assessment" and "Audit Committee" in priority, in order to achieve the core values of the Company. The management level of ATEN also believes that the implementation of corporate governance is not only for protection of the interests of the investors and other stakeholders, but also a necessary method to fulfill corporate social responsibility.

Accordingly, ATEN will continue to adopt the methods of "establish communication channels with stakeholders", "implement information disclosure", "strengthen Board of Directors functions", "establish functional committees", "implement CSR Management Committee functions", "establish corporate self-discipline regulations", "construct sound internal control system", etc. in order to strengthen corporate governance.

3. Corporate Governance

3.1 Corporate Governance Structure

ATEN ensures the Company's compliance with all regulations through its rigorous internal audit and internal control systems, and requires its management, overseas subsidiaries, and all employees to review and repeatedly examine the Company's compliance with regulations and the execution of the internal control system. Once any setback or irregularity of the internal control system is detected, the problem will soon be reported and to be addressed and closely monitored by relevant departments until the problem is completely corrected and improved to meet all regulations and laws. After the Auditing Department collects the review reports for all departments, the executives from the Department will report to all supervisors regarding these reviews and attend board meetings to present the reports.



3. Corporate Governance

Concrete Recent Actions Taken to Promote Corporate Governance are as follow:

Category	Specific Achievements
Maintain shareholders' interests and equal treatment of shareholders.	<ul style="list-style-type: none"> Voluntarily prepared an English version of the Shareholders' Meeting Notice, Meeting Handbook, Meeting Minutes, Annual Report, and uploaded them onto the Market Observation Post System (MOPS) and the Company's website for investors' reference. In the 2017 Ordinary Shareholders' Meeting, adopted the electronic voting. In the 2017 Shareholders' Meeting, approved the amendment to the Articles of Incorporation of the Company, and fully adopted the candidate nomination system for director and supervisor elections. Proposals of Shareholders' Meeting adopted the voting for each resolution one by one, and the result of assent, dissent, and abandonment from shareholders in each proposal were input in the MOPS and recorded in the Meeting Minutes. The Company's website discloses the inventor relationship contact window to provide responses and handle various investors' recommendations and questions. Please refer to the Investor Relations of the Company's website. http://www.aten.com/tw/zh/aten-info/investor-relations/person-to-contact/
Strengthen the structure and operation of the Board of Directors.	<ul style="list-style-type: none"> Periodically assessed the independence of the CPA once annually to confirm that there is no situation where the CPA has financial interest with the Company or the independence is affected by the business relationship. The relevant 2018 CPA's Independence Assessment Report already approved in the Board of Directors' Meeting on March 12, 2019. Directors and supervisors completed the number of hours of training specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
To enhance information transparency.	<ul style="list-style-type: none"> Focused on the shareholders' right to know, and in the 2018 5th term corporate governance evaluation result, the Company was ranked 6%-20% among publicly listed companies. Published the revenue announcement calendar on the Company's website to allow investors to understand the monthly revenue announcement schedule. Please refer to the Investor Relations of the Company's website. https://www.aten.com/tw/zh/aten-info/investor-relations/financial-information/ Self-organized two online investor conference sessions in 2018, and one invited securities broker conference. Relevant information and Chinese/English versions of presentation documents already uploaded onto MOPS and the Company's website. Please refer to the Investor Relations on the Company's website. https://www.aten.com/tw/zh/aten-info/investor-relations/investor-event/ Established an English version of the Company's website to provide various information of the Company to foreign investors. Please refer to the following link. http://www.aten.com/global/en/aten-info/investor-relations/corporate-governance/company-structure-and-responsibilities/
Implement corporate social responsibility	<ul style="list-style-type: none"> Starting from the Corporate Social Responsibility Report in 2015, the Company has appointed a third party authentication institution to perform review and to issue opinions on the "materiality", "responsiveness", and "inclusiveness" of the Report according to the AA1000AS Standard, and to issue an independent guarantee opinion statement. For the 2018 Corporate Social Responsibility Report, the Company adopted the latest GRI Standards for the preparation of the Report, and also adopted the latest guarantee standard as well as appointed a third party verification institution to perform inspection. In 2016, the Company established the "Corporate Social Responsibility Best Practice Principles" which became officially effective after the approval of the Board of Directors, and they were also uploaded onto MOPS and the Company's website to provide reference to the stakeholders. Please refer to the Investor Relations on the Company's website. http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Established "Procedures for Ethical Management and Guidelines for Conduct" to regulate the complaint system for illegal and unethical actions of internal and external personnel of the Company, which became officially effective after the approval of the Board of Directors, and was also uploaded onto MOPS and the Company's website to provide reference to the stakeholders. Please refer to the Investor Relations on the Company's website. http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Established the contact window for various stakeholders on the Company's website in order to provide a communication platform. Please refer to the following link. http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/ Established various e-mail addresses on the Company's website in order to provide complaint channels for different stakeholders, including: "Supervisor's E-mail" and atencorp@aten.com etc.

3. Corporate Governance

3.2 Board of Directors

ATEN's Board of Directors has 7 directors and 3 supervisors, with a term of office of 3 years, wherein 3 directors are independent directors. The duties of the Board of Directors include the assessment of Company's operation strategies and important business financial affairs, in order to ensure the appropriateness of the financial reports and to maximize the interests of shareholders. To strengthen the functions of the Board of Directors, in the 2017 Ordinary Shareholders' Meeting, ATEN performed election of new directors and supervisors and newly added the third independent directors. In addition, in such Ordinary Shareholders' Meeting, the amendment to the Articles of Incorporation of the Company was approved, in which the candidate nomination system was approved and adopted completely for the elections of directors and supervisors.

The Board of Directors' Meeting is convened at least once quarterly. In 2018, a total of 6 Board of Directors' Meetings were convened. During the operation of the Board of Directors' Meeting, in the case of conflict of interest, the director is required to recuse himself or herself. According to Article 16 of the "Rules of Procedures for Board of Directors Meetings" of the Company: "If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director".

According to Article 20 of the "Corporate Governance Best Practice Principles" of the Company, it specifies that the Board Members shall be diverse, and directors shall be equipped with different professional backgrounds, genders, or fields of work. All members shall also have different professional backgrounds in finance, accounting, industry knowledge, etc. The current Board of Directors of the Company consists of 7 directors, including 4 directors and 3 independent directors, and the independent directors account for 43%. Female directors account for 14%, 6 directors are over the age of 50, and 1 director is aged between 30-50. Directors equipped with industry knowledge, business management, operation judgment, and international market view include the Chairman, Kevin Chen, Vice Chairman, Shang-Jen Chen, Director Nicholas Lin, Director Shu-Shan Lin; Independent Director Wei-Jen Chu is the CPA and Honorary Director of Candor Taiwan CPAs, equipped with accounting professional background; Independent Director, Chung-Jen Chen is a distinguished professor at the Department of Business Administration, National Taiwan University, Director of the Technology Policy and Industrial Development Research Center, National Taiwan University, and Vice President of the Research and Development Department of National Taiwan University; Independent Director, Chun-Chung Chen is the associate professor at the Department of International Business, National Taiwan University. All of the directors are equipped with professional backgrounds in business and finance. The Board Members of ATEN consist of professionals equipped with various professional

knowledge and skills, and the corporate director representative Shu-Shan Lin is a female, which is also in response to the issue of gender equality described in Item 5 of the 17 goals for sustainable development proposed by the United Nations. The aforementioned diversity policy also demonstrates ATEN's search for professionals equipped with continuous effort in seeking the long-term goal of sustainable operation.

Board Member Age and Gender Distribution					
	Age Range			Gender	
	Under 30 Years Old (inclusive)	Above 30 Years Old - Under 50 years old (inclusive)	Above 50 Years Old	Male	Female
Director	-	1	6	6	1
Supervisor	-	-	3	2	1

► Professional 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. For relevant descriptions, please refer to Chapter 3 of the Annual Report.

To allow the Board Members to effectively exercise their functions, the Company also encourages directors of the Company to continue their training and education in order to obtain the latest knowledge and to improve their responsive abilities. All of the Board Members of ATEN have reached the statutory required number of hours of training, and the attendance status of directors and supervisors attending the Board of Directors Meetings as well as the training status of directors and supervisors are also disclosed in the "MOPS" in order to provide references to all stakeholders.

3. Corporate Governance

3.3 Governance Level Performance Evaluation

According to the Articles of Incorporation of the Company, after reserving and making up the accumulated loss from the income before tax prior to the deduction of the distribution of remuneration of employees and the remuneration of directors/supervisors, if there is any remaining amount, 10% to 16% of remuneration to employees and no less than 2% of remuneration to directors/supervisors shall be appropriated. The determination of the distribution ratio for the remuneration of employees, remuneration of directors/supervisors, and the remuneration of employees in the form of shares or cash, shall be determined based on the resolution of the Board of Directors' Meeting attended by more than 2/3 of the directors and the consent of a majority of the attending directors, and shall be reported in the Shareholders' Meeting.

ATEN established a Remuneration Committee with 3 members, including 1 Independent Director, according to the resolution of the Board of Directors' Meeting on December 20, 2011. The duties include the establishment and periodical review of the annual and long-term performance goals of directors, supervisors, and managerial officers as well as the policy, system, standards, and structure of the salary and remuneration. Periodically evaluate the performance goal achievement status of the directors, supervisors, and managerial officers of the Company, and specify the individual salary and remuneration content and value. Before the end of June 2019, more than half of the Members being taken by independent directors will be completed.

The remuneration of directors and supervisors include the travel allowance and the remuneration of earnings distribution. The travel allowance is based on the general industrial standard, and the earnings distribution amount is based on the Articles of Incorporation of the Company, which are proposed by the Remuneration Committee and approved by the Board of Director's Meeting resolution, followed by reporting to the Shareholders' Meeting for approval on the payment thereof. The remuneration of managerial officers includes the salary, bonus, and employee bonus from earnings distribution, and the payment standard is handled according to the Employee Salary Management Regulations of the Company.

Term of Office of the Current Session of Remuneration Committee Members: June 15, 2017 to June 14, 2020. For the two Meetings held in the most recent year, the attendance details of the Committee Members is as follows:

Name	Number of Actual Attendances	Number of proxy attendance	Ratio of Actual Attendance (%)
Wei-Jen Chu	2	0	100%
Chen-En Ko	2	0	100%
Yen-Jung Li	2	0	100%



3. Corporate Governance

3.4 Shareholder Rights

ATEN holds both Ordinary and Extraordinary Shareholders' Meetings. The Ordinary Shareholder's Meeting is held once annually and is convened by the Board of Directors within 6 months after the end of each fiscal year in accordance with the law. The Extraordinary Shareholders' Meeting is convened whenever necessary according to relevant laws. Shareholders' Meetings are held regularly every year, in order to report on the Company's operational and financial situation. Shareholders 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.

The Company upholds the corporate core values of "Integrity", "Caring", "Ambition", and "Novelty" to care for all stakeholders. In addition to employees, customers, suppliers, and community organizations, the Company also emphasizes the interests of shareholders. Regarding the recent dividend issuance policy of ATEN, except for factors of regulatory requirements such that a portion is reserved without issuance, the rest of the amount is distributed to the shareholders in order to allow shareholders to enjoy the profit outcome of the Company together. In 2018, the total earnings per share was NT\$ 13.19, including NT\$ 6.43 from the principle business and NT\$ 6.76 from the disposal of non-operating business investments. The principle business also maintained a 90% high dividend issuance policy. For the non-operation benefits, in addition to the distribution to the shareholders, a portion was also reserved to be used for the fund source for future re-investment or merger.

	2014	2015	2016	2017	2018
Earnings per Share (NT\$)*	6.37	5.9	6.6	6.08	13.19
Shareholders' Dividends (NT\$)	5.7	5.2	5.8	5.5	8.0
Cash Dividends (NT\$)	5.7	5.2	5.8	5.5	8.0
Stock Dividends (NT\$)	0	0	0	0	0
Dividend payout ratio	89%	88%	88%	90%	61%

Note: Dividend allocation for 2018 will be decided at the 2019 Shareholders' Meeting.

Upholds the principle of adequate disclosure for TWSE/TPEX listed companies. The Company not only discloses information on the Market Observation Post System as required by regulations, but also publicizes different types of operational and financial information through the Company's Annual Reports and Company website so as to enable the investors to obtain an in-depth understanding of the Company's business operations. Additionally, the Company also sets up a spokesperson system and an Investors Relations Department to specifically address the suggestions and concerns of shareholders. Shareholders can provide various opinions through the e-mail at ir@aten.com.tw. Relevant contact information is also disclosed at the Company's website for stakeholders' inquiries.

3.5 Ethics and Integrity

To implement the corporate social responsibility and to achieve economic, environmental, and social advancement, in order to achieve the goal of sustainable development, the Company approved the establishment of the Company's "Corporate Social Responsibility Best Practice Principles" in the Board of Directors' Meeting in November 2016, in order to strengthen the implementation of the corporate social responsibility and to incorporate it into the management operation of the Company.

In addition, the Company also designates the Office of General Manager as the dedicated unit to perform corporate ethical management related promotion and execution operation according to the "Procedures for Ethical Management and Guidelines for Conduct", and to report the execution status to the Board of Directors periodically on a yearly basis. According to the "Corporate Governance Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", etc., the Company establishes various e-mail addresses on the Company's website as the complaint channels for different stakeholders, such as: "Supervisor's E-mail" to allow supervisors to discover any possible flaws in the Company in a timely manner, and to establish communication channels for employees, shareholders, and other stakeholders with the supervisors, and three supervisors are able to receive e-mails. In 2018, there was no occurrence of events related to corruption. In addition, to provide communication channels for different stakeholders to contact the Company, the Company establishes the e-mail of atencorp@aten.com, and the President Office is able to receive various opinions on the Company from different sectors. Furthermore, the Company also entrusts other external independent institution, such as the EAP employee assistant solution contracting institution, to provide another communication channel for employees and relatives of the Company to contact the Company. Relevant matters are handled by the dedicated unit of the Office of General Manager of the Company along with the Global Human Resources Center according to procedures.



4 Employee Care

- 4.1 Diversity and Equal Opportunity
- 4.2 System Training and Knowledge Spreading
- 4.3 Friendly Workplace and Sports Encouragement




4. Employee Care

Major Topics

Employee Welfare

▶ Meaning of major topics to ATEN and key contribution of ATEN to SDGs

We hope to allow the growth of the Company to excel along with the development of employees while creating a friendly workplace capable of achieving employees' physical and mental health as well as work and life balance.

	<p>Each year, the Company participates in the industrial salary survey to ensure that the remuneration and welfare continue to maintain competitiveness in the talent market. Under the performance reward system encouraging achievements, the Company expects to grow together with the employees in order to achieve employment and economic growth.</p> <p>[Corresponding to SDGs Section: 8.5]</p>
	<p>The Company emphasizes particularly on the physical and mental health of employees. Nutritionists are available to monitor the daily meals, and physicians are stationed onsite for service on a weekly basis, and employees are provided with a physical examination annually. For any issues at work or in life, employees can also contact the EAPs direct line for consultation.</p> <p>[Corresponding to SDGs Section: 3.8]</p>
	<p>We welcome new members from society, and regardless of if they are new employees or existing employees, they are able to receive systematic and planned training through physical and online learning. Through ATEN's private internal instructor platform, internal knowledge can be exchanged and shared more effectively.</p> <p>[Corresponding to SDGs Section: 4.4]</p>

4. Employee Care


► Responsible Units

ATEN Corporate Social Responsibility Management Committee - Employee Care Group

► Management Mechanism

1. Personal development plan and performance management system for different talents and positions, in conjunction with an extremely competitive reward design.
2. Training mechanism for strategy focus and learning with practice in conjunction. We welcome new members from society to join the bullpen project for training.
3. Create a friendly workplace for new employees, and welfare superior to the regulations, along with employee relationship project events.

► Commitment, Actions, and Goals

Commitment	2018 Execution item	2018 Execution outcome	Future Goals and Actions
Company's Growth Together With Employees' Development	[Bullpen Project] PM, Pre-Sales, FAE technical talent cultivation plan.	In the 12-week training, completed a total of 156 courses and 109 hours of course recording broadcast. A total of 6 technical trainees. MAMT successful allocation to different units for expertise contribution.	The Company will continue to implement the bullpen project in order to cultivate a greater number of trainees be used as an important factor for promoting the operational growth.
	[ATEN Private X Human Resource e-School] Physical course benefit spread through digital courses.	Opened 7 internal instructor lecture courses, with an average satisfaction score of 93.96. A total of 503 trainees participated in the course, and the accumulated total training hours reached 1003 hours. Five appropriate courses were selected and converted into digital courses in order to expand the learning outcome.	The Company will continue to discover appropriate internal instructors for internal knowledge and experience sharing as well as to pass on knowledge and experience via the digital method. Six courses are used as the goal for the digital learning.
A friendly workplace for physical and mental health as well as a balance between work and life.	[ATENer Freshmen, Monopoly] The guidance for freshmen is integrated into the Monopoly game concept along with dedicated mentors for freshmen in order to allow them to become familiar with the work in the Company.	In 2018, a total of 159 new employees were hired, and the number of resignations in the same year was 30 employees, with a total of 129 freshmen successfully retaining their jobs. The freshman retention rate was 81.1% (129/159).	The Company will continue to strengthen the ATENer freshman training and mentor project in order to create a friendly workplace and environment. Maintain the freshman retention rate above 80%.
	[Health and Lohas Plan] Health Related Courses and Seminars	Cooperated with the Occupational Safety and Health Office. Nutritionists and physicians of different medical hospitals were invited to the Company to provide lectures on health and lohas related topics. A total of 6 seminars were held, a total of 581 people attended, with an average satisfaction score of 90.1.	The Company will continue to promote and encourage employees' routine exercise, and it is expected that in 2019, the Company will organize the event of the weight reduction contest, in order to improve the health of employees.
	 [iSports Enterprise Certification] Apply with the Sports Administration, Ministry of Education and Global Views Magazine. Jointly organized the iSports Enterprise Certification.	Successfully completed the iSports Enterprise Certification (valid period of two years), and participated in the award ceremony on October 16, 2018, as well as committed to continue to promote sports culture and encourage employees' sports, etc. activities.	The Company will continue to cooperate closely with the Global Views Magazine to organize at least one sports related seminar.

4. Employee Care

4.1 Diversity and Equal Opportunity

ATEN always treats employees as family members, and further believes that high quality products and services come from employees with the greatest joy. As the Company is in its 40th year, we further express our passion in seeking excellence with the slogan of “Passion for Excellence”, hoping that all employees worldwide are able to continue to uphold the spirit of seeking excellence and to have passion in their work. With the corporate spirit of “caring”, the Company provides equal treatment to employment opportunities. We also adopt the corporate concept of “novelty” to provide equal performance remuneration treatment; with the corporate principle of “integrity”, we establish stable business operation; finally, we adopt the corporate culture of “ambition” to achieve strong resilience and passion.

► Human Resources and Structure

According to the calculation conducted on December 31, 2018, the number of employees in the region of Taiwan is 690 employees, and all of the employees are full-time employees with no part-time employees (male employees account for 57.1%; female employees account for 42.9%). Among which, there are 98 senior management supervisors (male supervisors account for 75.5%; female supervisors account for 24.5%), 478 independent professional personnel, 114 direct technical personnel, with the average age of 38.76 years old, average years of services of 7.91 years, and employees with an educational background above college and university account for 83.1%. In addition, the number of physically and mentally disabled is 8 employees, which is 1.33 times higher than the regulatory requirements.

Employee Type	Age	Number of Male Employees	Number of Female Employees	Total	Ratio
Direct Employees	<30 Years Old	1	31	32	4.64%
	31-50 Years Old	8	58	66	9.56%
	>51 Years Old	2	14	16	2.32%
Direct Employees Total		11	103	114	16.52%
Indirect Employees	<30 years old	53	27	80	11.59%
	31-50 years old	308	142	450	65.22%
	>51 years old	22	24	46	6.67%
Indirect Employees Total		383	193	576	83.48
Overall Total		394	296	690	100.00%

► Equal Employment and Care

The talent recruit channel of the Company includes: online recruiting, newspapers, magazines and media, school recruiting, manpower agents, job fair, internal employee referrals, and employee internal transfer methods, etc. With the three main principles of “legal employment, discrimination prohibition, and equal opportunity”, in 2018, the Company recruited a total of 159 new employees, among which there were 57 female employees accounting for 35.9%, and 102 male employees accounting for 64.2%; 23 direct personnel accounted for 14.5%, 136 indirect employees accounted for 85.5%. In the same year, there were 123 employees that resigned from the Company, among which there were 53 female employees accounting for 43.1% and 70 male employees accounting for 56.9%. The annual resignation rate was 17.8%, and the monthly average resignation rate was 1.5%. From the data over the past three years, the monthly average resignation rate was between 1-2%.

Employee Type	Age	Number of male employees	Number of female employees	Total	Ratio
New Employees	<30 years old	38	18	56	4.64%
	31-50 years old	61	39	100	9.56%
	>51 years old	3	0	3	2.32%
Ratio of New Employees	(Number of New Employees of the Year/Current Employee Number on December 31, 2018) =23.0%				
Resigned Employees	<30 years old	15	6	21	11.59%
	31-50 years old	47	44	91	65.22%
	>51 years old	8	3	11	6.67%
Ratio of Resigned Employees	(Number of Resigned Employees of the Year/Current Employee Number on December 31, 2018) =17.8% Monthly Resignation Rate = Annual Resignation Rate/12=1.5%				

We encourage the childbirth of employees, and provide a childbirth subsidy of NT\$ 60,000 for each birth of an infant. For parents with newborns, the Company also provides the infant five little golden accessories at a market value of NT\$ 3,000 as a gift to the parents along with little red envelope cash of NT\$ 1,200 from the Welfare Committee. Inside the Company, it provides a warm and comfortable specialized breastfeeding (milk collection) room, and also signs a contract with a well-known chain kindergarten in order to allow employees to work with security and to arrange child care conveniently. We further provide paternity leave (6 days) for male employees, employee birth examination leave (female: 6 days, male: 2 days) superior to the requirements specified in the Labor Standards Act. In addition, the Company also appropriates retirement pension, and also provides a complete insurance plan covering relatives and parents in order to provide a comprehensive guarantee and care to employees.

Project Description	Number of male employees	Number of female employees	Total
2018 Number of Employees Entitled to Maternity Leave Without Pay	44	22	66
2018 Number of Employees Applying for Maternity Leave Without Pay	0	4	4
2018 Number of Employees Expected to Return to Work After Maternity Leave (A)	0	4	4
2018 Number of Employees Actually Returning to Work After Maternity Leave (B)	0	3	3
Job Resuming Rate (B/A)	0%	75%	75%
2017 Number of Employees Returned to Work After Maternity Leave (C)	0	2	2
2017 Number of Employees Returned to Work After Maternity Leave and Continuing to be Employed After One Year (D)	0	1	1
Retention Rate (D/C)	0%	50%	50%

In 2018, the Company also cooperated with the New Taipei City government in the cooperation of the “Gender Equality, Job Equality” gender quality promotion seminar, and further updated the “Workplace Sexual Harassment Prevention and Disciplinary Regulations” in order to strengthen the implementation of such concepts.

4. Employee Care

▶ Periodic Evaluation and Communication

The Company periodically performs two performance evaluations annually, and provides a communication platform for supervisors and employees one-on-one discussion of job duty performance and establishment of a future development plan. The evaluation result is also used as a reference for future job position changes, salary adjustment, and bonus issuance. In addition, to strengthen the Company's determination in the promotion of CSR in a top-down matter, the Company encourages employees to participate in CSR activities, and CSR is particularly listed into the performance evaluation indicators.

In 2018, the number of male/female and direct/indirect employees actually performing the performance evaluation, deducting the change factors of not completing the probation period, leave without pay, foreign workers, etc., the completion rate of performance evaluation (actual number of employees under evaluation/number of employees required for evaluation) is 100%.

2018	Gender	Direct employees	Indirect employees	Total
First Half of the Year	Male	10	327	337
	Female	47	179	226
Second Half of the Year	Male	11	354	365
	Female	50	183	233

In addition, to promote workplace harmony, the Company also periodically convenes labor-management meetings in order to perform discussion on issues related to workers' interests, and the meeting minutes of each meeting are updated in the Human Resources e-School. The Company also additionally set up a paid position of Welfare Committee Director-General to be responsible for the handling of employee welfare related matters full time. Since 2017, the Company has established the workplace bullying complaint direct line#3333 and dedicated e-mail at emap@aten.com.tw. In the case of any illegal workplace bullying actions, employees can file a complaint via the direct line or e-mail. Currently, there are no complaint cases received.

4.2 System Training and Knowledge Spreading

In 2018, the total number of training hours of training courses organized by ATEN in the region of Taiwan reached 26,143 hours, and the annual average training hours per person was **37.9 hours**, an increase of 68.44% from the average training hours of 22.5 hours in the last year. Among which, the total number of training hours for professional skills was 21,784 hours, a significant increase of 137.5% from the 9,171 hours in the last year. The total number of training hours for professional skills accounted for 83.3% of the entire year, and the number of courses further reached 713 courses (including 45 digital courses), accounting for 94.2% of the total number of courses throughout the year. It can be seen that the Company emphasizes greatly the cultivation of professional skills, and the Company also achieves the sharing and passing on of experience and knowledge via internal trainings.

Training Type	Training Time	Total hours of training	Total number of people receiving training
Management Skills	9	823	173
Professional Skills	668	16295	9558
Core Skills	13	1338	565
Personal Growth	12	1278	759
New Employee Training	2	343	59
Digital Course	53	6066	2232
Total	757	26143	13346

Employee Type	Total hours of training	No.	Average Training Hours
Direct Employees	1243	120	10.4
Indirect Employees	24900	570	43.7
Total	26143	690	37.9

Employee Type	Total hours of training	No.	Average training hours
Male Employees	17640	394	44.8
Female Employees	8503	296	28.7
Total	26143	690	37.9

4. Employee Care

Friendly Mentor Assistance for New Employees

To allow new employees to become familiar with the work at ATEN swiftly, we particularly plan the “ATENer, Freshmen Monopoly”. On the first day of on-boarding at ATEN, new employees receive the “ATENer Bag of Tips”, and the bag contains a monopoly game instruction in order to allow new employees to follow the map to explore and to become familiar with the currently existing processes/ systems/forms and various service corresponding windows in the Company. In addition, we also pair specialized Mentors before the on-boarding of new employees in order to allow them to have a secured consultation channel in the case of any problems or doubts. Furthermore, we also request Mentors to provide 2-4 weeks of structured and systematic learning process after the on-boarding of the new employees and communicate with the new employees on a weekly basis. In addition, Mentors are also provided with the rights and obligations to participate in the probation period performance evaluation of new employees.

For all on-boarding new employees, they are required to complete the digital online required courses, including: Company introduction and core values, personnel regulations and welfare system, internal control system, quality and environmental system, legal and patents, information security, labor safety and health, asset management, purchase requisition system, and welfare committee introduction. From the survey of "New Employee Adaptability Questionnaire", in the case of discovering that the physical and mental stress index of an employee is too great, they are transferred to a third party professional psychological consultation company for an EAP (Employee Assistance Program).

In 2018, a total of 159 new employees were hired, and the number of resignations in the same year was 30 employees, among which there were 22 employees who resigned due to incompetency or severance, and a total of 129 new employees successfully retained their jobs. The new employee retention rate was 81.1% (129/159).

Bullpen Project for Talent Cultivation

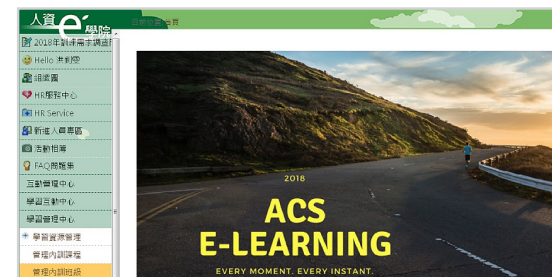
In 2018, for the job positions of essential technical talents of PM, Pre-Sales, FAE etc., we established the 3-month “Bullpen Project”. Based on the organization structure of the Major Leagues, we distinguished the scouts, training and evaluation teams, and clearly defined: mechanisms for how we train, how to observe, evaluation standard, and pairing distribution; along with the periodic tests every two weeks, monthly outcome presentation, evaluation committee, etc., in order to systematically educate and pass on the internal professional knowledge/technologies/processes from beginner to advanced levels, as well as recording the internal and external knowledge through courses for proper knowledge passing on and management, which is a training project with multiple advantageous.

For the first term of the bullpen project, a total of eight elite trainees were recruited. After three months of observation and evaluation, in conjunction with a one-on-one coach interview, preference application, and individual project presentation score, there were six trainees who were successfully paired and distributed to the PM, Pre-Sale, and FAE units. This project is important to the cultivation of talents and promotion of revenue growth.

For supervisors responsible for recruitment, we also establish the “required” essential management courses annually, including “Employee Management Case Study in Practice and Countermeasures” in combination with the amended regulations of the labor law and hiring of labor attorneys to provide enhanced educational promotion. In addition, according to the current challenges and the abilities to be improved for the organization, the Company also provides relatively diverse professional and trending seminars, including “Block Chain Revolution - FinTech Era”, “AIoT Trends”, “Overview of Big Data and Data Scientist’s Life”, etc. in order to catch up to the era of digital trends.

Accelerated Dual Platform for Knowledge Spreading

In 2016, the "ATEN Private Learning School" was officially established. It is a platform for ATEN's internal instructors and is based on the three objectives in principle: internal knowledge circulation and spreading, creating a learning type of organization atmosphere, and creating ATEN's internal instructor team, with consistent development. In 2018, we opened a total of 7 internal instructor lecture courses, with an average satisfaction score of 93.96. At total of 503 trainees participated in the course, and the accumulated total training hours reached 1,003 hours. In addition, we further selected 5 appropriate courses and converted them into digital courses in order to expand the learning outcome.



For the internal and external trainings, physical courses, or digital courses, all of the digital learning paths of employees of ATEN are preserved in the internal digital learning platform of the “Human Resource e-School”. In 2014, the Company introduced the “Human Resource e-School” system. After three years of operation and stability testing, we have decided to expand the service to all subsidiaries worldwide in conjunction with the ACS (ATEN Certified Specialist) professional product training course lead by the Global Customer Service Division. Up to the end of 2018, for the headquarter and subsidiaries including the four main product lines of (KVM/Pro AV/PDU/Control System), the number of trainees of the course has reached 1,589 people, and the overall satisfaction score of the course is 87 points.

4. Employee Care

4.3 Friendly Workplace and Sports Encouragement

In 2018, ATEN received the 2018 Sports Enterprise Certification - in response to "Enterprise i SPORTS, Employee's Energy NON STOP" for the first time. The Company has always emphasized the care of employees' health. In 2012, the Company invested in the establishment of a comprehensive fitness center, including a pool table area, reading area, weight training area, fitness training area, aerobics classroom, and sauna, as well as a changing room for men and women. Subsequently, a yoga club, boxing aerobic club, jogging club, after-work recreation sports club, basketball club, baking club, and the newly established fitness club were created. In the future, the Company will continue to encourage employee's regular exercise and implement the corporate social responsibility (CSR) of employee care.



► Safety Care-free Workplace

We have established the "Occupational Safety and Health Committee Charter" according to the "Occupational Safety and Health Management Regulations", and convene the Occupational Safety and Health Committee Meeting periodically on a quarterly basis. Presently, there are 14 Committee Members, including 5 labor representatives accounting for 35% of all members. In the Meeting, the Occupational Safety and Health Office periodically reports the labor safety and health related indicators to the Committee Members, and performs discussion and planning on potential or possible safety issues, in order to ensure that all employees are able to work under a healthy and safe environment.

Occupational Disaster Type	Gender (Male)	Gender (Female)	Number of Times	Number of Days Lost	All Employees Total Number of Working Days (D)	All employees Total Number of Working Hours (H)
Commute Traffic Accidents	2	1	3	1 (Female)	165,485	1,323,880
Collision*1 + Falling*1	1	1	2	4 (Male)		
Occupational Disaster Thousand-People Rate	Number of people receiving occupational disaster insurance compensation throughout the year/Number of people of annual average labor insurance enrollment ×1,000‰ = 7.25‰					
Disabling Injury Frequency Rate (FR)	(Total number of injuries and deaths/Total number of working hours of all employees) 10 ⁶ (calculated based on million working hours)= 3.78					
Disabling Injury Severity Rate (SR)	(Total number of days lost/Total number of working hours of all employees) 10 ⁶ (calculated based on million working hours)=3.78					

Presently, there are no cases of internal employees subject to occupational diseases and death in the course of job duties. In addition, for outsourced suppliers, contractors, securities and cleaning personnel, there have been no cases of occupational injuries and death in the course of job duties.

Absence Rate (calculated in hours/gender) is calculated as follows:

Gender	No.	Annual Total Working Hours	Occupational sickness leave	Menstrual leave	Sick leave	Sick Leave (hospitalization)	Total Absences Number of Hours	Absence Rate
Female	296	584896	89.38333	849.35	4058.65	208	5205.383333	0.89%
Male	394	778544	38	0	2645.017	0	2683.016667	0.34%
Total	690	1363440	127.3833	849.35	6703.667	208	7888.4	0.58%

4. Employee Care

Employee Activities

To continue to protect the health of employees, in 2018, the Company particularly planned the [Health Lohas Program] and cooperated with the Occupational Safety and Health Office to invite nutritionists or physicians of major medical hospitals to the Company to provide lectures on health lohas related seminars, including the “seeing beauty” eye care seminar, “waist >80, be careful of metabolic syndrome”, “obstruction may occur, cardiovascular disease prevention”, and “scalp care” health seminars, etc. There were a total of 581 people attending the seminars, with an average satisfaction score of 90.1.

In addition, we are also devoted to internal education on matters related to CSR. We invited “Society of Wilderness” certified instructors to introduce the “Beach Cleaning Event” to strengthen the understanding of the continuous volunteer activities in the cleaning of Fulong Beach in recent years and to deeply understand its importance in ocean protection. We also invited Hongdao Senior Citizen's Welfare Foundation to share with use the “Living Experience With the Elderly” in order to understand the daily lives of the elderly through special equipment and to experience the inconvenience faced by the elderly as well to gain greater understanding of the elderly.

The full-time Welfare Committee Director-General has served the Company for two years, and the theme of “Energy, Passion, Enthusiasm” is adopted to organize various welfare activities, including the monthly birthday meals, domestic employee tourism, Christmas party/Chinese New Year's party, marriage and funeral events/child birth/birthday/three holiday bonuses, etc. The budget execution rate in each year is nearly 100%. In addition to various welfare of the Welfare Committee, in ATEN, the Chairman also arranges his time to present gifts to employees whose birthdays are in the current month, and also provides a birthday card with his signature in person, which may be minimal but represents the Company's care for each employee.

EAPs Services for Relatives and Spouses

In 2012, the Company introduced the EAP (Employee Assistance Program). Up to the present day, the program has been implemented for the 6th year. Last year, the program service target expanded to the direct blood relatives of first degree and spouses of employees. The purpose is to be able to sufficiently overcome or handle the work or life issues faced by employees. From the past accumulated consultation records, the issues mostly consulted by employees are “psychology” and “law”, and problems of married couple communication, parenting education, house purchase/home decoration/car accidents, etc. have been proposed for consultation.

If the issues causing problems cannot be overcome through telephone consultation, employees can also use the face-to-face consultation service provided by the Company to deal with the source of problems more precisely, and professional consultants are able to reduce or resolve the problems and issues. In 2018, there were 21 telephone consultations and 6 face-to-face consultations.

EAPs Employee Assistance Program · Your Best Support



The background features a light blue gradient. On the left, there are two stylized wind turbines. On the right, there are two stylized plants. At the bottom, there is a blue wavy line representing a horizon or water.

5

Active Social Participation

- 5.1 Education Care and Cultural Asset Promotion
- 5.2 Elderly Activities and Care for the Disadvantaged
- 5.3 Community Environment Maintenance
- 5.4 Overseas Record

5. Active Social Participation

Major Topics

Social Welfare Feedback, Friendly Environment

▶ Meaning of major topics to ATEN and key contribution of ATEN to SDGs

The purpose of corporate existence and development shall not only be for the seeking of investment profits of the shareholders or promotion of national economic prosperity and growth, but shall also be for greater values, such as giving back to the society and contribution to the society. Through the use of the corporation's organization and financial capabilities, in various aspects and depths, seek the "common good" for the environment and the disadvantaged often overlooked by the society.

According to the Corporate Social Responsibility Best Practice Principles of the Company: "The Company shall assess the impact of the Company's operation on the community, and shall appropriately employ local manpower at the business location of the Company in order to increase community recognition. In addition, through equity investment, business activities, donations, corporate volunteer services, or other welfare professional services, etc., the Company shall invest resources in organizations solving social or environmental issues via business models, or shall participate in public organization for community development and community education, relevant activities of charity and welfare organizations and government agencies, in order to promote the community development". Regarding the performance and aspects of ATEN's social participation, through years of implementation, it is able to head toward a systematic and organized direction. Through cooperation with the public sector, schools, welfare organizations, and social enterprises, the Company expects to gather greater energy in order to provide the most appropriate care to our society and environment as well as the greatest warmth to people.



During the implementation of education care and community relationship establishment, for the care and emergency support of students in poverty, the elderly, and disadvantaged families, ATEN is able to directly and indirectly achieve the two goals of "eliminating hunger" and "education quality".
[Corresponding to SDGs Sections: 2.1, 4.5]



The community environment maintenance actions of beach cleaning, mountain cleaning, recovery of gardens, support of farms, etc. have demonstrated our concept and implementation of the improvement of the two issues of "marine ecology" and "terrestrial ecology".
[Corresponding to SDGs Sections: 14.1, 14.2, 15.1, 15.5, 15.8]

5. Active Social Participation

▶ Responsible Units

Corporate Social Responsibility Management Committee, Social Participation Group, Ching-Tang Education Foundation, ATEN Volunteer Club

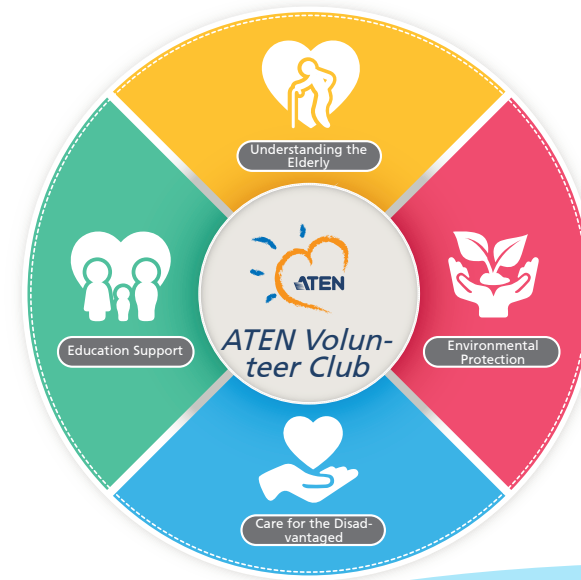
▶ Management Mechanism

Through the monthly discussion meetings held by the CSR Group formed by all functional department representatives under the “ATEN Corporate Social Responsibility Management Committee”, issues related to social participation are planned, discussed, and the execution progress is tracked. The charity donations of the Company are proposed to the CSR Group Meeting for discussion according to the “Procedures for Ethical Management and Guidelines for Conduct” and are reported to the Chairman for approval before the execution thereof. Such rigorous management mechanisms are able to ensure that the use of resources is performed through sufficient discussion and under the authorization of the highest supervisor in order to achieve the most effective arrangement and distribution.

In addition, with the social participation and policy integration of the two organizations of the “Ching-Tang Education Foundation” and “ATEN Volunteer Club” with ATEN, various donations and public welfare activity participation are jointly executed. With the integration of the efforts and resources from the three groups, care and support are provided to the issues of different social aspects.



- The “Ching-Tang Education Foundation” was established in 2001. Its establishment philosophy is to cultivate talent and to provide educational support with effort. The foundation also actively participates and encourages culture and sports education related public welfare events as well as provides great support to local schools, in order to implement the education care.
- The “ATEN Volunteer Club” was established in 2012. Under the promotion of the CSR concept and the support of tangible resources of the Company, the Club is able to systematically integrate manpower and plan activity contents in order to continue to contribute efforts in the four aspects of “environmental protection”, “understanding the elderly”, “education support”, and “care for the disadvantaged”. “Caring” is one of the corporate core values of ATEN. Through the support of the management level and the implementation of employees, the volunteer culture of ATEN can be deeply recognized by each employee from the top management to the entry level thoroughly.



5. Active Social Participation

Commitment, Actions, and Goals

Commitment	2018 Execution Outcome	2019-2021 Goals																					
Education Care and Cultural Asset Promotion	<p>In 2018, the budget invested in this issue jointly by "ATEN", "Ching-Tang Education Foundation", and the operator was NT\$ 3.61 million. The execution status and benefits are summarized in the following:</p> <p>Education Care:</p> <ul style="list-style-type: none"> Sponsored the paper windmill counter-drug theater, number of benefited people: approximately 1,500. Donation of CommonWealth Future Kids Magazine, number of benefited people: approximately 20,521. Sponsored Gukeng Junior High School after-school firefly class, number of benefited people: approximately 33. Sponsored Qingshan Junior and Elementary School badminton training budget, number of benefited people: approximately 49. Sponsored National Chiao Tung University, ARRC prospective rocket project research budget. Xizhi district scholarship for poverty/emergency subsidy/academic awards, number of benefited people: approximately 537. Xizhi district public school volunteer thanksgiving ceremony, number of benefited people: approximately 250. <p>Intangible Cultural Asset Promotion:</p> <ul style="list-style-type: none"> Continued to sponsor the "Aletheia University Taiwan Writer Oxford Award". Continued to sponsor the "The Talta" in promoting Taiwanese local music. Theater booking for the movie "Father" to promote the Taiwanese traditional culture of the "Puppet Show" becoming uncommon nowadays. 	<ol style="list-style-type: none"> Continued to invest a budget above NT\$ 2 million in education care and intangible cultural assets annually. Assisted children in Xizhi and other areas to a great extent to have fairer education and learning resources. Continued to support Taiwanese cultural and arts related activities in order to facilitate the preservation of intangible cultural assets. 																					
Elderly Activities, Care for the Disadvantaged, and Community Environment Maintenance	<p>In 2018, the Company donated an amount of NT\$ 1.06 million for "elderly activities and care for the disadvantaged" and "community environment maintenance", and also organized 20 volunteer activities through the "ATEN Volunteer Club" with a total of 949 employees participating in the activities. With the addition of the external stakeholders, the number of participants reached 1137 people, a record high over the previous years. Relevant activity execution status summary is as follows.</p> <p>Elderly Activities and Care for the Disadvantaged:</p> <ul style="list-style-type: none"> Asia Boccia international game technology and fund sponsorship. (3 volunteers) Three volunteer activities at the Asia Best Healthcare Nursing House - campus care visit and outdoor activities. (49 volunteers, number of benefited people: approximately 90) Xizhi elderly living alone sustainable lohas summer outdoor activities. (15 volunteers, number of benefited people: 30) Chinese New Year's Eve meal project for elderly living alone (number of benefited people: 70) 9-9 Chongyang Festival - Donation of care supplies to disadvantaged elderlies (215 employees provided donations). World Peace Organization charity food box. Dragon Boat Festival and Moon Festival Charity events. (439 people participated, number of benefited people of 964 people) Other Donations: Sponsored the Aurora percussion group. <p>Community Environment Maintenance:</p> <ul style="list-style-type: none"> Two sessions of butterfly habitat maintenance (75 volunteers). My one acre of farm adoption and farming experience activity (114 participants). Four sessions of Fulong Beach cleanup (143 volunteers), and one of the sessions was jointly participated in by the supplier and the government agency. Shinshan Dream Lake mountain cleaning activity (24 volunteers). <p>[Volunteer Club Previous Years Activity Statistics]</p> <table border="1"> <caption>Volunteer Club Previous Years Activity Statistics</caption> <thead> <tr> <th>Year</th> <th>Number of Participating Employees</th> <th>Number of Volunteer Activities</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>377</td> <td>10</td> </tr> <tr> <td>2014</td> <td>274</td> <td>10</td> </tr> <tr> <td>2015</td> <td>512</td> <td>10</td> </tr> <tr> <td>2016</td> <td>550</td> <td>10</td> </tr> <tr> <td>2017</td> <td>599</td> <td>15</td> </tr> <tr> <td>2018</td> <td>949</td> <td>20</td> </tr> </tbody> </table>	Year	Number of Participating Employees	Number of Volunteer Activities	2013	377	10	2014	274	10	2015	512	10	2016	550	10	2017	599	15	2018	949	20	<ol style="list-style-type: none"> Continued to invest a budget above NT\$1 million and manpower for issues related to elderly activities, care for the disadvantaged, and community environment maintenance. Organized more than 15 sessions of volunteer activities, and the number of volunteers was increased in 2018. Continued to invite all external stakeholders to participate in relevant volunteer activities organized by ATEN. Expanded the participation of overseas branches in order to allow ATEN to implement CSR in different areas of the world.
Year	Number of Participating Employees	Number of Volunteer Activities																					
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5. Active Social Participation

5.1 Education Care and Cultural Asset Promotion

Education is an essential factor for social advancement and economic growth. ATEN's contribution to social public welfare has started in care for education at the beginning. As the gap between the rich and the poor becomes greater gradually and social issues emerge continuously, in both rural and urban areas, there are children requiring help. We hope that when they face family environment issues or encounter emergencies, they still have sufficient ability and courage to continue learning and growth without any deviation in their morality and behaviors. In addition, the Company also encourages the preservation of intangible cultural assets in response to UNESCO, and supports the activities of traditional folk skills and arts, culture, and literature, etc. unique to Taiwan, in order to allow the unique cultural assets of this land to be preserved permanently.

ATEN lists the fourth goal of "Education Quality" among the 17 sustainable development goals (SDGs) to be the CSR's long-term strategy policy, and establishes the objective of "ensuring equal education, fair and high-quality education, and lifetime learning".

▶ Sponsored Paper Windmill Anti-drug Theater Play

On May 24, 2019, "ATEN" and the "Ching-Tang Education Foundation" jointly invited the "Paper Windmill Theatre" for a anti-drug stage performance play: "Saving Fu Shi De" at Xizhi Xiufeng High School stadium for grade three students of six public and private junior high schools of Xizhi, Jinshan, and Wanli Districts. This play is an anti-drug stage play made for teenagers, and has received great recognition from students for years. The performers are able to imprint the anti-drug message to students through an entertaining and stern performance in order to inform teenagers about the hazards of drugs. This is the fourth year for the Company and the foundation to sponsor the anti-drug performance play, and we expect that all students in Xizhi District will have the opportunity to watch the play in

order to develop anti-drug habits. Accordingly, we will continue to organize such an event annually and list it as an item for long-term sponsorship.

[Number of benefited people: 1,500]



5. Active Social Participation

CommonWealth “Future Kids” Monthly Magazine Donation to 100 Elementary Schools in New Taipei City

In response to the “Event of Public Welfare Promotion “Future Kids” Monthly Magazine for the Establishment of a Common Knowledge Platform for 2,678 Elementary School Nationwide” , the Company has donated one year of “Future Kids” Monthly Magazine for the fifth year to 100 elementary schools with relatively fewer classrooms in New Taipei city, in light of providing assistance to students of small schools with relatively fewer resources, such that the content of this magazine, including English, mathematics, history, geography, science, humanities, arts...etc. along with zhuyin and lively graphics for presentation can accompany children in their joy of learning and cultivation of a reading habit. Through such a common reading platform, children are able to enjoy the joy of knowledge without any differences between rural and urban areas. According to the questionnaire survey conducted by CommonWealth Global Views - CommonWealth Publishing Group, more than 96% of teachers and parents agree with the content of 《Future Kids》 , and in addition to course textbooks, it is able to assist students to broaden their views and knowledge as well as cultivate a reading habit.

[Number of Benefited People: A total of 20,521 grade 1-2 students from 100 elementary schools in New Taipei City]



Donation to Yunlin Gukeng Junior and Elementary Schools After-class Course Budget

Gukeng Junior and Elementary Schools are located in the rural area of Yunlin, and families of students are mostly single parent, new inhabitants, grandparenting education, and students of families in poverty. As family members are busy at work without time for children, children are unable to receive recognition from grandparents but must seek peer recognition. Under various harsh conditions, the probability of students with deviated behaviors increases gradually. To provide places with warmth for students requiring after-class courses and living guidance after school for learning, the Principle, Yu-Lin Chen initiated the “firefly class” in light of integrating resources and in an effort to help children to change their own future. The “firefly class” has been implemented for the sixth year, and the wife of ATEN's Chairman and the director of the Volunteer Club continues to donate the budget necessary for the dinner, class after school, transportation, teaching materials, etc. necessary for the “firefly class” in Gukeng Junior and Elementary Schools for the sixth year, in order to allow students requiring care to gain warmth and proper care. Through a diverse course arrangement, after students participate in the firefly class, they demonstrate positive changes in their course learning, concepts, behavior, and interpersonal relationships, in order to allow the disadvantaged children to find their own future.

[Number of benefited people: 33]

5. Active Social Participation

Sponsored Qingshan Junior and Elementary School Badminton Training Budget

The New Taipei City Qingshan Junior and Elementary Badminton Team was established in 2014. It is one of the key sports development of the school. In 2017, it was also evaluated by the Education Department, New Taipei City to be a key development school for badminton. The team consists of nearly 50 students. In addition to the students of the school, they also recruit students with expertise or interests in badminton from other schools. Under the effort of the Principle to seek a budget and coach's active training and arrangement for contests, in 2018, the team was able to receive the award of Second Place in the Junior High Girls Badminton Team Contest in New Taipei City. Sports are an important development for teenagers in addition to academic learning. To cope with the necessity of students' s adaptivity development, under the condition of budget difficulty in Qingshan Junior and Elementary School, ATEN sponsored a portion of the training expenses in order to provide assistance to the daily training of the team. The recent contest performance of the team has also demonstrated the training effect. We believe under the effort of the school and support from the Company, it is able to attract greater students to participate in sports.

[Number of benefited people: 49]



Sponsored ARRC Prospective Rocket Project Research Budget

The Advanced Rocket Research Center (ARRC) of National Chiao Tung University is a privately funded institution. In 2012, National Chiao Tung University established the ARRC, and its goal was to promote the aerospace technology development of Taiwan, with the research on hybrid rocket technologies, development of specialized components for rocket technologies, and cultivation of talents in the relevant field, in light of the self-development of rockets in Taiwan. In 2021, it is expected to launch a 4U cube satellite to perform quantum communication transmission experiment at an altitude of 100km above the earth. ATEN continues to support ARRC in order to allow the Taiwan science education to develop the concept of directional movement for system establishment ability, and sponsors this project. In addition, ATEN also donated four of its own products of VE875 Fiber Extenders to assist the transmission of the launch site surveillance screen (HDMI) back to the machine room without loss, which is also another case example of ATEN Pro AV products being applied in a different field.



5. Active Social Participation

► Issuance of 2018 “Scholarship for Students of Poverty” and “Emergency Subsidy”

Due to the increasing gap between the rich and the poor in the society, low-income families may not be able to support the normal schooling of children at their learning ages, in addition to other unexpected accidents and incidents, and the learning rights and the country's future competitiveness can be affected. The “Ching-Tang Education Foundation” provides a “scholarship” and “emergency subsidy” to students in various public elementary schools, junior high schools, and senior high schools in Xizhi District in order to provide some economic support to the students, as well as to encourage students with a background of poverty that they are still able to strive for learning, thereby making contributions to society. The foundation provided emergency subsidies to 188 students and scholarships for students of poverty to 245 students in Xizhi District in 2018.
[Number of benefited people: 433]



► Donated “Diligent Study Awards” to select graduates from all public schools in Xizhi.

To encourage graduate students to head toward another learning stage and to continue to uphold the excellent learning spirit with great performance, the “Ching-Tang Education Foundation” presents the “Diligent Study Award” before the graduation season of each year, and the library coupons are provided to outstanding students selected by all public and private schools in Xizhi.

[Number of benefited people: 104]

5. Active Social Participation

► Xizhi District Public School Volunteer Thanksgiving Ceremony

To demonstrate our appreciation to volunteers servicing 15 public schools in the Xizhi District for a long time with their own time and effort in order to allow school education to be developed successfully and students' safety to be protected, the "Ching-Tang Education Foundation" organizes a thanksgiving ceremony in order to invite volunteers from schools as well as teachers and principals to jointly encourage volunteers and express their appreciation, in light of allowing such education care effort to continue in the future. We also hope to encourage volunteers with passion to join us for the protection of our children.

[Number of benefited people: 205]



► Continued to Sponsor the "Aletheia University Taiwan Writer Oxford Award" and "The Talta"

Taiwanese local literature and music need to be preserved and promoted proactively; therefore, the "Ching-Tang Education Foundation" continues to sponsor the "Taiwan Writer Oxford Award" organized by Aletheia University to promote the historical contribution and position of outstanding Taiwanese literature writers, and to promote Taiwan's traditional singing and reading music as well as the performance of the yuequin and taluntsuan instruments, and various performance and research activities of the "The

Talta" with the principle of research and education, in light of allowing more people to understand Taiwanese literature and the beauty of music and to excel further.



► Theater Booking for Documentation of "Father"

In order to support the traditional Taiwanese cultural art of budaixi puppetry, that is in danger of decline, ATEN's Chairman, Kevin Chen booked the entire theater at his own expense to invite all 280 employees and relatives to watch the documentary film "Father". The film creation took 10 years, and it not only documents the mission to pass on the tradition of the puppet show for an elderly at eighty years old, but also discusses the conflict between two generations of father and son. The film is presented on a large screen to demonstrate the exceptional hand skills of the master, Xi-Huang Chen, in order to reveal the unique charm of the puppet show and to bring it back to our daily lives. The film is very suitable for adults and children for viewing in order to understand the traditional culture of Taiwan.



5. Active Social Participation

5.2 Elderly Activities and Care for the Disadvantaged

“Caring” is one of the corporate core values of ATEN. ATEN's corporate social responsibility performance also follows such spirit, in light of providing assistance and care to groups requiring assistance and care in the society in a timely manner. Among a great number of issues in Taiwan's society that need to be overcome, the issues of “aging population” and “increasing gap between the rich and the poor” are most urgent and need to be actively faced and handled. Accordingly, the Company also lists such issues as the key CSR directions. In light of the assistance from the volunteers of the Company and financial as well as material resources of the Company, it is able to provide care and warmth to disadvantaged groups of the elderly, the physically and mentally disabled, or families in poverty, etc. The three sustainable goals of “eliminating poverty”, “eliminating hunger”, and “health and welfare” in the SDGs are gradually implemented in a series of elderly activities and care for the disadvantaged activities organized by us.

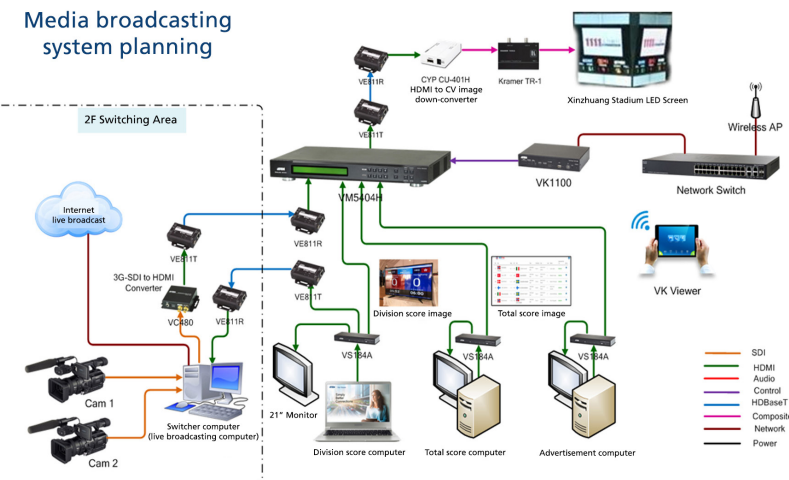
Asia Boccia International Game Sponsorship

Boccia is one of the official games of the Park Games (known as the Paralympic Games), and it is originated from the ancient Greeks as a throwing game. After modification, it then became a sport requiring strategy and skills with minimum body actions. This is a contest particularly designed for the physically and mentally disabled with difficulty in controlling extensive actions, and the main participants are groups with cerebral palsy, muscle atrophy, spinal cord injury, and rare diseases.

BISFed regularly organizes regional and world open point accumulating contests annually on three continents. In 2018, the “Boccia Taiwan Sports Federation” was able to gain the hosting authority for the game in Asia. Based on the corporate core value of “Caring”, ATEN hoped to assist the Boccia Taiwan Sports Federation to complete the hosting of boccia games in Taiwan and to speak for Taiwan, as well as to contribute some effort to sports applicable to the physically and mentally disabled as well as the elderly. Accordingly, after discussing with the hosting unit, we not only provided monetary sponsorship, but also provided the equipment and technologies in video control transmission and live broadcast of ATEN to this sponsorship case.



The 6-day game was completed successfully, and a total of 46 athletes from eight countries in Asia participated in the game. In this project, ATEN had six products and technical personnel participating in the planning and preparation, and a customized iPad user interface was created to allow the director to use a wireless method to perform image switching through an obvious control interface. This application also provided a new look for the Company's product to the user. During the contest period, the Company further assigned nine technical volunteers to standby at any time in order to ensure that all of the images transmitted to the large central monitor, the score board, and the live images were perfect without errors.



Subsequently, ATEN also invited the “Boccia Taiwan Sports Federation” to provide assistance in acting as a professional coach to participate in the elderly volunteer activity organized by our company and Xizhi Asia Best Healthcare Nursing Home in December, in order to introduce boccia to the elderly in the institution. Through our participation in this case, we are able to see that there are more groups requiring support in the society, and it also inspires the Company to realize the possibility of integrating the corporation's professional core capabilities with CSR. This transformation of a sport into one that can be participated in by the elderly is also another extension of the benefits thereof.

[Volunteers Participated: 9 people]

5. Active Social Participation

▶ Volunteer for the Elderly - Asia Best Health Nursing Home

Since 2016, ATEN has cooperated with the “Asia Best Health Nursing Home” (ABHNNH) in Xizhi, and elderly volunteer activities are organized 3-4 times annually. Volunteers use the “paid volunteer holiday” provided by the Company to serve at “ABHNNH”. In the past years, the main services were to conduct care visits and recovery assistance services, in conjunction with fall prevention and health exercises, as well as simple group game activities to increase the physical strength and energy of the elderly. In recent years, for the arrangement of activities, we also integrate holidays, local characteristics, and different themes into activities in light of leaving great memories with the elderly during the short-time accompaniment.

Relevant activities cooperated on with ABHNNH are described in the following:

• Elderly Care Activity - Happy Dragon Boat Festival

The Dragon Boat Festival has always been a date for family reunion; however, we seldom feel such a holiday atmosphere from the elderly in the nursing home. Therefore, we arranged the “Wheelchair Dragon Boat Contest” and “Hand-made Sachet” activities, etc. during the elderly care volunteer activities before the Dragon Boat Festival. ATEN’s volunteers first put head bands depicting dragon heads onto the elderly, and then the game became to warm up. During the slow but intense process of the wheelchair dragon boat relay race, the focus and excitement of the elderly was expressed, and the cheering volunteers were also encouraged to give greater cheers. The event had great joy and happiness. Next, the activity of hand-made sachets began, allowing the elderly to feel the use of their own hands in completing work again with joy. After more than two hours of activities, the elderly were tired but all showed their happy smiles, which was most touching and thankful for our volunteers.



• Elderly Care—Jide Temple Historical Tour

The season of fall is the most pleasant time for travel. The historical tour in the cool fall season to feel the sunlight and sightseeing at the most famous temple “Jide Temple” in Xizhi also allowed the elderly to pray for themselves and their families. On the event day, we also arranged a painting and temple guide for the tour. Next, for the market shopping activity, the volunteers lead the elderly to select and purchase goods and foods they desired, in light of bringing back their childhood memories and increasing the interaction between the elderly and the volunteers. In this event, we also invited 5 EMBA students from Fu Jen University to participate in the activity. Through the participation in ATEN’s CSR activity, we were able to also allow EMBA students to understand the corporation’s CSR implementation method, thereby increasing the influence and expanding the power of goodness continuously.

5. Active Social Participation

• Elderly Care–Boccia Theme Activity

In November 2018, ATEN sponsored the “Asia Boccia Game”. Boccia is a sport particularly designed for the handicapped, and it is also suitable for the elderly and children. With such opportunity, we invited the professional coach from the “Boccia Taiwan Sports Federation” to provide a brand-new activity experience to the elderly at ABHNNH. The Boccia coach with extensive experience understood that under the factors of age and health of the elderly, they might not have great attention and physical strength. Therefore, the coach used terms and language understandable to the elderly with a sense of humor in order to guide the elderly to make simple throws, to understand scoring, and how to use strategy to overcome crisis in order to win the game. With stable progress, we observed that the elderly were all into the game and used their brains to think for each throw of the ball, and all great movements earned a cheer from the crowd with joy. This was what we expected to see from the faces of the elderly with confidence, energy, and happiness.



At the end of each activity, all volunteers are able to share the thoughts and opinions with the institution members, and to discuss possible improvements for the activities. ATEN will continue to cooperate with ABHNNH and will serve the elderly in the institution that need our assistance. We also look forward to the possibly of realizing the concept of ATEN's Chairman: “Integration of technology and expertise developed by ATEN with the lives of the elderly, creation of supporting or technology products beneficial to the elderly”.
[Number of volunteers: 49, number of benefited people: approximately 90]



• Elderly Care–Xizhi Elderly Living Alone Sustainable Lohas Summer Outdoor Activity

With the aging society and transformation of family structure, many elderly living alone have to live alone without having any children or due to children living in other places or abroad, such that their daily lives are not properly cared for by others. To provide opportunities to the elderly to go outdoors in order to slow down the aging process, the Company continues to cooperate with the Xizhi District Office and sponsors the budget necessary for activities. In addition, the Company also calls on 15 volunteers to use their one day of “paid volunteer holiday” along with the other 15 volunteers from the district office to accompany the elderly in a one-on-one manner, and to listen to the elderly to share their life experiences during the activity. In this activity, the sites selected were the Baoshan Reservoir, Beipu Old Street, and Guanxi Herb Jelly Museum, in order to allow the elderly to walk and experience an herb jelly DIY activity, to enjoy the Hakka monument, etc., such that they were able to feel the care and company of the volunteers, in light of allowing the elderly to feel the warmth from the society apart from their regular lonely days.

[Number of volunteers: 15, number of benefited people: 30]

5. Active Social Participation

Chinese New Year's Eve Meal Project for the Elderly Living Alone (Pingtung)

ATEN cares for disadvantaged groups over the long term, in particular, to the needs of the elderly living alone. During the time of the Chinese New Year's Eve, ATEN's Volunteer Club initiated the cooperation with the Heng Chun Christian Hospital for the "2018 Chinese New Year's Eve Meal Project for the Elderly Living Alone". With the passion and support by the Chairman and ATEN's employees, we were able to provide Chinese New Year's Eve meals to 70 elderly people living alone in Taiwan, along with 200 blankets in order to allow the elderly to have a warm and happy Chinese New Year. To provide hot and healthy Chinese New Year's Eve meals to the elderly, the nutritionists at Heng Chun Christian Hospital customized the menu for the elderly, and the contracted restaurant used fresh food ingredients for cooking in the early morning as well as used insulation bags particularly prepared by ATEN to wrap and store the meals. Before the Chinese New Year's Eve, the meals and the blankets were delivered to the homes of the elderly and to share the love and care for the elderly living alone.

[Number of Benefited People: 70]



9-9 Chongyang Festival-Donation of Care Supplies to Disadvantaged Elderly People



For the raising of charity funds, in addition to the Company's donation, the Volunteer Club also often invites employees to participate in the event in order to demonstrate the employee's social responsibility. With the consideration that there are still many elderly with disabilities living alone in South Taiwan, or there are disadvantaged families requiring elderly care at home but facing difficulties in the cost for elderly care, the Volunteer Club then cooperates with the planning and arrangement of Heng Chun Christian Hospital. Before the day of the 9-9 Chongyang Festival, the Volunteer Club initiated the "2018 99 and Long Living Elderly in Taiwan" for material donations of diapers, care mats, etc., and also planned the materials for a one-year period, for distributing to the disadvantaged elderly, and households and families in poverty in five villages and one township in Heng Chun district quarterly. In a short period of time, there were 215 employees participating in the event, and a total of NT\$ 109 thousand was raised for the purchase of the materials.

[Number of Employees Participated: 215]

World Peace Organization Charity Food Box

To many hungry children, winter vacation and the Chinese New Year are not a happy time. When school is on winter vacation, it also means that the hungry period is coming, and children start to worry when they can have their next meal. According to the statistics of children in poverty service conducted by the "World Peace Organization", there are 30% of disadvantaged children serviced that have no breakfast for three days in a week, and more than 73% of children worry about having no food during winter and summer vacation. In response to the "Bags for Hunger Children With Great Years" launched by the World Peace Organization, the Company invited employees to donate food materials suitable for children and with an expiration period above 6 months in January, and the food materials included milk powder, cereal, high fiber cookies, noodles, cans...etc. to assist children in poverty, in order to allow them to have a brand new year full of hope and to protect them from hunger during the winter vacation. After the launch of the event, employees participated with passion, and the Volunteer Club will organize such an event again in September. In the future, the Company plans to organize the material donation activity two times annually.



5. Active Social Participation

Dragon Boat Festival Charity Gift Box Activity

Employees of ATEN continued to demonstrate their charity care before the Dragon Boat Festival, and provided 1.5kg of rice, Guanmiao noodles, meat powder, sunflower oil, vegetables cookies, pickled nuts, and canned foods, etc. packaged into charity gift boxes for employee's subscription and purchase for donation to high risk families, single parent new inhabitant families in Xizhi District, and disadvantaged families in Qixin. The activity raised a total of 281 gift boxes with a total value of NT\$ 140,500, and provided them to the Xizhi District Office for forwarding to families with needs in order to share love and care during the Dragon Boat Festival.

[Number of employees participated: 186, number of benefited families: 281]



Moon Festival Charity Event

Before the Moon Festival of each year, the Volunteer Club of ATEN invites employees to care for the disadvantaged and to subscribe for moon cakes. This year, with the enthusiastic participation of employees, a total of 683 boxes of moon cakes were raised for the charity event. Through the Qixin Social Welfare Center, Xizhi/Pinlin/Wanli District Offices of New Taipei City, Xizhi Aboriginal Family Care Association, Good Shepherd New Taipei City Cross-Cultural Marriage Family Service Center, Pingtung Heng Chun Christian Hospital, Xizhi Glory Church, Xizhi Eden Social Welfare Foundation...etc., under the names of the employees, we share our care for the elderly living alone, emergency support, families and children of the disadvantaged, in order to create a warm atmosphere for the Moon Festival!

[Number of employees participated: 253, number of benefited people: 683]

Sponsored the Aurora Percussion Group

The "Aurora Percussion Group" was founded in 2004 by the Vice Director of the Ju Percussion Group, Hung-Chi Ho (Teacher Ho) with members of different disabled organizations including "visual disability", "hearing disability", "handicapped", "mental disability", and "autism", etc. The purpose of the group is to allow the physically and mentally disabled of various disabilities to open their world and to join the crowd through continuous practice and cooperation among team members, such that they are able to develop confidence and receive applause on the stage with their own effort. For over a decade, the group has provided hope to more than 80 families, and established a positive educational meaning to the society.

Under the passionate leadership of Teacher Ho and great efforts of members of the Aurora Group, in 2015, the Group was able to play at the "National Concert Hall", the highest musical hall in Taiwan, and received great applause and feedback from the audience. The Group's outstanding performance has also led the team to receive numerous invitations from different charity organizations and companies. Therefore, not only the team members are able to join the crowd and can further spread such positive energy of persistent effort to the society. Over the past years, ATEN has sponsored the rent for the place for team practice of the Aurora Group in Zhonghe and has provided solid support to the Group such that they are able to practice without worries. We will continue to expand further from this foundation based on such concept in order to allow more disabled friends to find their position in the musical field and to recognize themselves again, as well as to allow their families and the world to see the power of a new beginning of their lives.



5. Active Social Participation

5.3 Community Environment Maintenance

► Butterfly Habitat Protection, Planting and Weed Removal, Sustainable Home for Butterflies

Regarding the 15th goal of “territorial ecology” in the 17 sustainable development goals (SDGs) of the United Nations, the goal of section 15.5 is to protect and prevent the extinction of species in danger before 2020, and the goal of section 15.8 is to prevent intruding foreign species from intruding into the territorial and aquatic ecosystems.

The Jiannan Butterfly Garden and Jiannan Butterfly Trail in Neihu, Taipei City is one of the few butterfly conservation zones in the area of Taipei City, and its rich butterfly ecological resources have made it become the best place to conduct ecological education in the region of Yangming Mountain of Greater Taipei. ATEN's Volunteer Club cooperated with the “Butterfly Conservation Society of Taiwan” for the sixth year. In 2018, a total of two butterfly habitat protection activities were organized. ATEN's volunteers and their families performed the cleaning of aggressive and hazardous foreign plants, planting of nectariferous plants, insertion of plant description signboards, etc. in the area on weekends. Under the leadership and explanation of the Butterfly Conservation Society, participants were able to understand different butterfly species and the ecological environment necessary for the growth of butterflies. In addition, participants were able to experience the types of aggressive foreign plants: how milea-minute weed can cause severe damage to the nectariferous plants in the habitat...etc. During the labor and efforts contributed to the activity, the volunteers were able to gain rich butterfly ecology and environmental protection knowledge.

[Volunteers participated: 75, including 46 relatives]



► Fulong Beach Cleaning Activity

The 14th goal of the 17 sustainable development goals (SDGs) of the United Nations is “marine ecology”. The goal of section 14.1 is to reduce various waste and pollution in the ocean or on land. Since 2012, ATEN has adopted a length of 360m of the beach in front of the Fulong Dongxing Temple at Gongliao District, New Taipei City, with the “Northeast and Yilan Coast National Scenic Area Administrative Office, Tourism Bureau, MOEA”, and it is the seventh year for the Company to continue its commitment to earth environmental protection.



To promote the environmental protection concept for the ocean and land, ATEN has not only invited employees with the instructor qualification of the Society of Wilderness to lead the staff in beach cleaning activities and to explain the source of waste and impacts on the ecology. In 2018, the Company also invited the Xizhi District Office and three suppliers to jointly participate in the beach cleaning together with ATEN, in order to allow more people to understand the importance of control of the source of various types of human waste collected on the beach, thereby influencing more people and achieving a greater expanding effect.

In 2018, ATEN organized a total of four beach cleaning activities and the total amount of garbage and waste cleaned reached 339.37kg.

[Volunteers Participated: 143 people, including 22 relatives and external stakeholders]

5. Active Social Participation

▶ My One Acre of Farm Adoption and Farming Experience Activity

Since 2017, the Company has implemented the “contract farming” method to adopt the farming paddy fields in Yilan. The purpose is to support the local farmers in Taiwan and to increase the income of local farmers, as well as to effectively achieve the environmental protection functions of paddy fields with the culturing of the underground water, prevention of ground subsidence, climate regulation, etc., such that farmlands are not abandoned, and acres of green farms are able to demonstrate the beauty of our farm and village landscape. Paddy fields with the use of “non-toxic cultivation” agricultural methods can become temporary protective places for waterfowl and aquatic animals in order to increase the richness of the ecology.



In addition, to allow employees and their relatives to have the opportunity to touch the earth and experience farming cultivation as well as to contribute efforts in the paddy fields adopted by us. In March and July, we further invited farmers to lead employees and their relatives to perform spring seeding and summer harvesting in person, in order to allow everyone to have the opportunity to ride on the seeding machine and to experience the efficiency of mechanized cultivation. During the activity process, in conjunction with explanation, parent-children activities, and local cuisine, everyone is able to get close to the land and to enjoy the beauty of the earth.

[Volunteers participated :114, including 75 relatives]



▶ Shinshan Dream Lake Mountain Cleaning Activity



At a mountain located a 15 minute drive from Xizhi District, New Taipei City, there is a beautiful lake named “Dream Lake”, at an altitude of 325m with great scenery, a quiet environment, and pure water, but it is in a remote area with limited transportation access. The lake's area is not large, but a fish species “*rasborinus formosae*” under protection lives in the lake, and the lake also includes a species of carnivorous plant named “*utricularia aurea lour*” capable of catching wigglers

as well as more than 40 species of dragonflies and damselflies in the area. Despite the lake's size, it contains a rich ecological environment. However, the aggressive foreign fish species the striped snakehead was released by humans into the environment, causing a severe impact on the existence of relevant species.

The trail leading to the lake is also disposed of various waste, such as garbage of plastic bottles, plastic drinking cups, disposable tableware, and even tires dumped by people without public morality. As a local company in Xizhi, to continue to fulfill the responsibility of environmental protection, ATEN cooperated with the Society of Wilderness. In October, the Company called on 24 volunteers with a half-day of paid volunteer holiday. The mountain cleaning activity was initiated, and in less than two hours, more than 100kg of garbage was collected from the field. After the labor work, the instructor of the Society of Wilderness led the volunteers on a tour in the special environment and ecology of Shinshan Dream Lake. After learning that the fish species “*asborinus formosae*” is in danger of extinction in the Dream Lake and about the special geography and ecological environment in the area, it further strengthened our responsibility toward Dream Lake. In the future, ATEN will continue to discuss closely with the Society of Wilderness on how to combine the efforts of the two party in order to protect the last ecologically valuable site in Xizhi. [Volunteers participated: 24]



5. Active Social Participation

5.4 Overseas Record

Overseas sales offices of ATEN voluntarily respond to the CSR actions of the headquarters, and utilize various methods to implement CSR at different areas worldwide according to the actual needs of the local society!

► Belgium Sales Branch Company

"ATEN Infotech" of the sales branch company in Belgium supports the CSR policy of the Group's headquarters and also adopts different methods including donation or volunteer activities to implement CSR.

't Weyerke –Charity Institution



It is the fifth year for the Belgium branch company to support this project, and an amount of EUR 1,000 has been donated to the local charity institution 't Weyerke for support of local handicapped people in order to be a joint sponsor. The amount will be used for the training and education of handicapped people, permanent residence planning, and administrative

expenses of the institution. ATEN's branch company in Belgium also assists in the fund-raising activities of the year through advertisement listing in the local magazine. In addition, through the participation of volunteers, they also assist the Christmas market activities organized by the institution.



Red Cross Blood Donation Activity



Rode Kruis
Vlaanderen helpt
helpen

The Belgium branch has participated in the local red cross blood donation promotion activities for several years, and employees actually participate in the blood donation in person, and many employees have supported this activity.

Paperless, Environmental Protection to Care for Our Earth



By changing the sales payment notice and employee salary statement into electronic forms, the Belgium branch is able to gradually reduce the use of postal mail and paper. It is estimated that more than 130 envelopes and relevant paper was reduced monthly. The carbon footprint used during the postal mailing process can also be reduced, such that actual action is implemented to make contribution to the carbon reduction and care of our earth.

Output from Billing Documents (Sort by Acct. No.)

Message Data

Output type: ZBIN to []

Transmission medium: [] to []

Processing mode: 1

Billing data

Billing document: [] to []

Billing date: 2018-03-05 to []

☒ Delivery-related

☒ Order-related

Output from Billing Documents (Sort by Acct. No.)

Bill. Doc.	Item	Out.	Med	Role	Name 1	City
550026266	ZBIN	1	RE	KIN-Switch Versand GmbH	Bad König	
550026267	ZBIN	1	RE	Tarox AG	Lünen	

5. Active Social Participation

Natuurpunt, Limburg –Natural Ecology Protection

Natuurpunt is a non-profit organization dedicated to the protection of local animal and plant ecosystems. Employees of the Belgium branch uses three days to participate in the volunteer activities in order to assist the organization to protect the valuable ecological environment in Belgium.



Children's Medical Service and Sponsorship

Through the purchase of materials from "Buy 4 Life", for the transaction of each product, a fixed portion of the amount is donated to a humanity organization in Europe, in order to allow charity organizations, such as the children's charity institutions of Comi Clowns vzw and Els Smiley vzw, etc., to benefit from such donation in order to provide assistance to children suffering from long-term diseases. In addition, volunteers from the Belgium branch also dress as clowns to proceed to child outpatients at hospitals or clinics in order to draw attention to child patients and to assist in the service of child outpatients.

[illegible]

Cancer Research Support

Kom op tegen Kanker is an organization providing assistance to cancer patients and their family members. The organization often organizes various activities and fund raising as a fund for cancer research. Employees of the Belgium branch also participate in the donation activity in order to support the concept thereof.



5. Active Social Participation

▶ U.S. Sales Branch Company

Christmas Angel Tree Program

The Angel Tree Program is an activity initiated by the Salvation Army for family Christmas gift raising activity for those homeless, unemployed people, and people requiring urgent medical treatment, etc. such that they cannot celebrate the Christmas. Companies, groups, and institutions that wish to participate in this program can obtain the Angel Tree Tags according to the gift quantity desired for donation to decorate the Christmas Tree or bulletin board, following which company employees or customers then voluntarily donate various new and unpackaged gifts, including toys, electronic gaming machines, shoes, blankets, quilts, backpacks, radios, etc. Then, before Christmas Eve, parents of disadvantaged families can then collect appropriate toys or goods according to the age, gender, and preference of their children, and wrap their gifts in order to provide them to their children on Christmas morning, thereby bringing joy and warmth to children of disadvantaged families.

This is the second year for ATEN's U.S. branch to participate in this program to encourage employees to demonstrate their care and joint support of ATEN CSR.



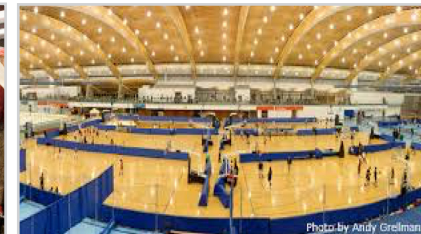
▶ Canada R&D Center



Richmond Olympic Oval Stadium Volunteers

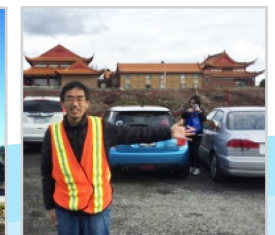
The Richmond Olympic Oval was the contest arena for speed skating of the Winter Olympics game, located in Richmond, on the west coast of Canada and established in 2010.

Currently, it has been redefined to be a multi-function arena with various facilities for ice hockey, rock climbing, athletics track, rowing tank, etc. To service the community, the ATEN Canada R&D Center calls on employees to use their spare time to act as volunteers for visitor service, site tours, etc. in the stadium in order to implement ATEN CSR with actual actions.



Ling Yen Mountain Temple

The Canadian Ling Yen Mountain Temple has more than 10,000 followers in Vancouver locally, and it is not only a religious place, but also a place for various services and charity activities, such as: snow shoveling, community cleaning, disaster rescue, etc. in order to assist communities and neighborhoods. Employees of the Canada R&D Center have not only participated in charity donation but also have acted as volunteers before the praying events at the temple, including assistance in cleaning of the site and handling traffic guidance in the parking lot.



The background features a stylized illustration of two wind turbines on the left and two small plants on the right, all in light blue. The bottom of the slide is decorated with a dark blue wavy line representing the ground, and a lighter blue area below it representing water.

6

Environmental Protection

- 6.1 Friendly Environment Actions and Goals
- 6.2 Climate Change Responsive Actions and Risk Management Assessment
- 6.3 Mitigation of Environmental Impact
- 6.4 Environment Sustainability Management
- 6.5 Greenhouse Gas Inventory Checking Management

6. Environmental Protection

Major Topics

Environmental Friendliness, Green Products

▶ Meaning of major topics to ATEN and key contribution of ATEN to SDGs

Climate change impacts the life of mankind and the global ecological environment, which is an important issue considered seriously by societies worldwide. To cope with the climate change, countries are facing the dilemma between economic growth and environmental sustainability, which is indeed a tough challenge to all of us. In addition to continuous monitoring of the trend of climate change, and compliance with environmental protection laws of the government, ATEN also tracks the development and responsive actions of various countries on such issue, and also continues to contribute efforts in energy saving and carbon reduction, along with active implementation of environmentally-friendly actions. Under the process of continuous pursuit of ecological environment protection and balanced sustainable development, ATEN seeks to use technology innovation to develop energy saving products, and through quality improvement, reduction of manufacturing cost, reduction of production line process in order to increase product competitiveness, thereby strengthen the ability to cope with climate change and to expand the influence of ATEN. Furthermore, the Company also guides the suppliers in the establishment of a green supply chain jointly in order to reduce the climate risk and impacts faced by the Company operation.

	With the use of a continuous consumption and production model, the generation of waste can be greatly reduced through prevention, reduction of emissions, recycling, and reuse. [Corresponding to SDGs Sections: 12.4, 2.5]
	Adopt emergency actions to cope with climate change and its impacts, strengthen the education and promotion related to mitigation, adaptivity of climate change, as well as reduction of impacts and early warning, etc., thereby enhancing the ability of personnel and institutions on such issue. [Corresponding to SDGs Section: 13.3]
	Protect, recover, and promote the continuous use of territorial ecosystems in order to continuously manage forests, prevent desertification, prevent and change land deterioration, and suppress the loss of biodiversity. [Corresponding to SDGs Sections: 15.1, 15.2, 15.4]

6. Environmental Protection

► Responsible Units

ATEN Corporate Social Responsibility Management Committee — Green Operation Group

► Management Mechanism

1. Qualified ISO 14001: 2015 version of environment management system certification.
2. Qualified ISO 14064-1 greenhouse gas external inspection, tracking of emission of greenhouse gas.
3. Convey environment knowledge through seminars and activities.

► Commitment, Actions, and Goals

Commitment	2018 Execution item	2018 Execution Outcome	2019-2025 Goals
Greenhouse Gas Inspection	Conducted ISO 14064-1 greenhouse gas external inspection.	Qualified ISO 14064-1 external inspection.	Through review, we established the carbon reduction goal and energy saving goal to be as follows: 1. By 2020, greenhouse gas emission intensity lower than 0.52 (greenhouse gas emission/individual financial report revenue (NT\$ million)). 2. By 2020, power consumption intensity lower than 5.0 (power consumption in thousand degrees/ number of employees in Taiwan).
Monitor energy use, implement energy saving, and carbon reduction.	Monitor energy risk and promote as well as implement energy saving and carbon reduction projects.	The overall power consumption amount in 2018 was reduced by 0.869% from 2017. Introduced the improvement of air conditioning management solutions, such that the Company headquarters power consumption was reduced by 18.20% from 2017, and the production amount was increased by 3.51% (in comparison to 2017). Overall power consumption was 3946.8 thousand degrees (equivalent to 14208.6 million joules), the power consumption intensity in 2018 was 5.95.	
Green Supply Chain Management	<ul style="list-style-type: none">• Paid attention to RoHS and REACH regulation updates.• Conflict material investigation.• Hazardous substance management and supplier promotion and investigation.	<ul style="list-style-type: none">• Surveyed the supplier REACH SVHC 191 items compliance with regulations, and requested supplier response rate of 100%.• “GeSI Conflict Material Survey Form”, a total 325 suppliers were surveyed, and the response rate was 100%.	

6. Environmental Protection

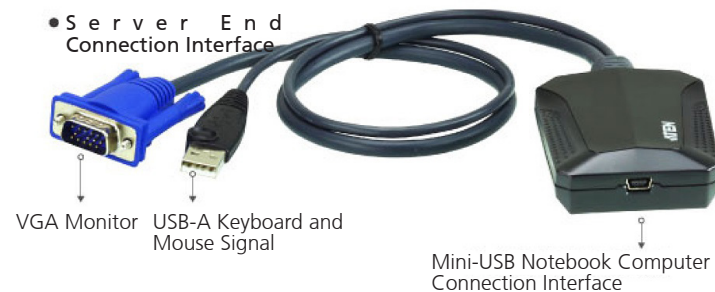
6.1 Friendly Environmental Actions and Goals

ATEN is a leader in global digital information sharing, and upholds "Simplification and Technology Sharing" as the brand's core spirit, focuses on the aspects of care for "Humanity and Land", and adopts the philosophy of "Creating emotional links between people and the environment as well as between people and the world". With the consideration of the industry trends and issue of response to climate change, ATEN implements environmentally-friendly actions based on the concept of technology research capability and green product design in order to continuously develop products capable of reducing energy resource consumption, in light of utilizing innovative thinking and technologies to head toward the direction of green, energy saving, environmental protection, and promotion of overall welfare of mankind.

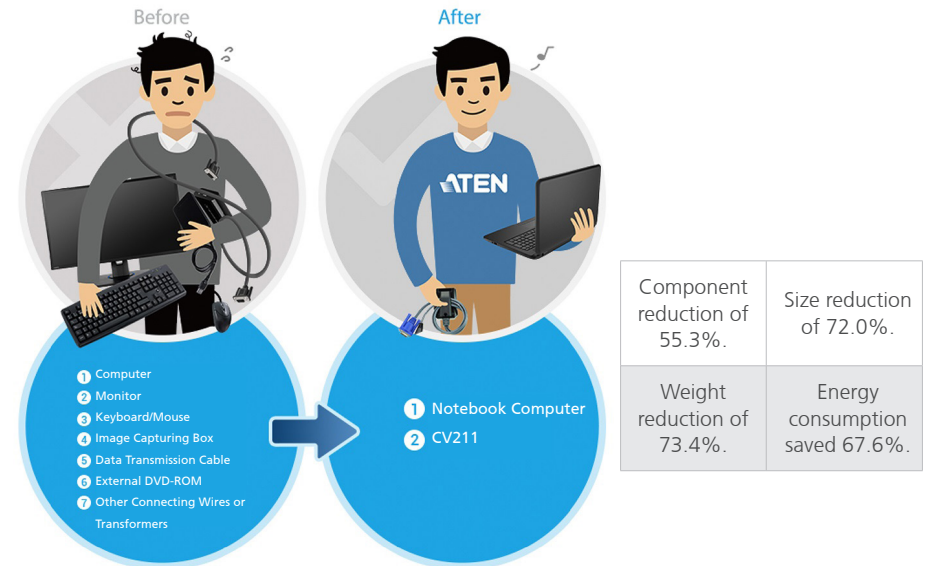
In 2018, ATEN implemented active actions in the "design of compact products with maximized performance" and "invitation of external stakeholders in the protecting marine ecology beach cleaning activity", etc. in order to demonstrate our commitment to environmental friendliness and to continue to expand our environmental sustainability influential power.

Design of compact product with maximized performance - Developed world's smallest Laptop USB KVM Console Crash Cart Adapter.

ATEN has designed various novel electronic information products through innovative research and technology for a long time, in light of adopting the concept of green design to shorten the manufacturing process and energy consumption of product use. In addition, we also seek to bring great convenience to users in various operation interfaces and operating spaces. Since the products are based on the design concept of environmentally-friendly, the compactness and maximized performance of products have become the main focus and direction for the Company's research and design.



Dimensions: 7.05 x 5.37 x 3.01 cm
Weight: 0.13 kg (0.29 lb)



Expand environmental sustainability influential power - Invited external stakeholders to participate in marine ecology protection beach cleaning activity.

Beach Cleaning Location: Beach area in front of Gongliao Fulong Dongxin Temple.

Number of beach cleaning personnel: 50

Length of beach cleaned: approximately 360m

Garbage total weight: 0.092 tons

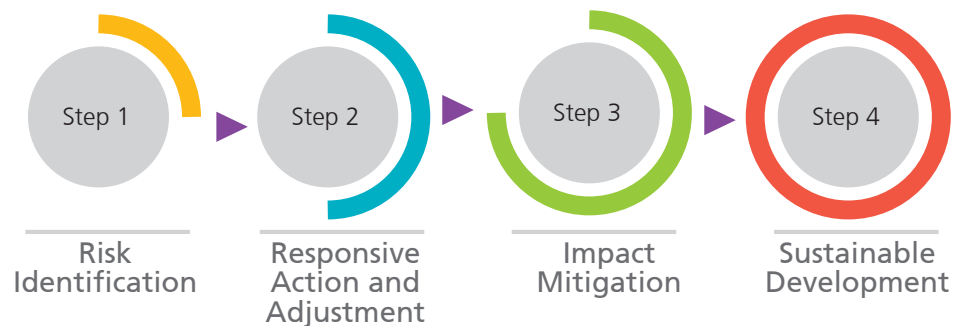


6. Environmental Protection

6.2 Climate Change Responsive Actions and Risk Management Assessment

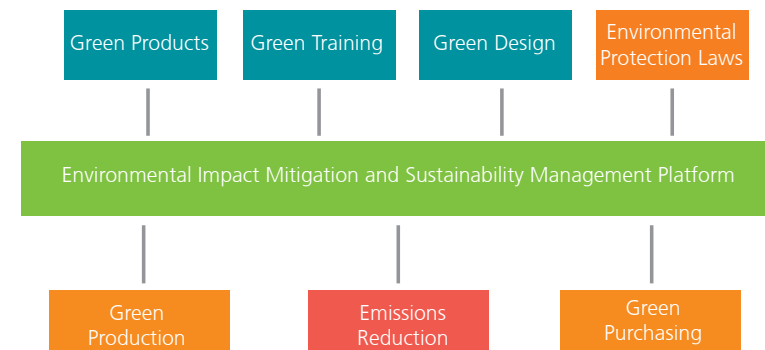
Climate change impacts the life of mankind and the global ecological environment, which is an important issue considered seriously by societies worldwide. ATEN believes that the Company is certainly affected by climate change, and shall also actively bear responsibility for mitigation of the impact. In the “Environmental Sustainability, Energy Sustainability, and Green Sustainable Product Management Policy” approved by the Chairman, it states that responsive actions to climate change are the Company’s responsibility for sustainable operation.

Through active participation in various domestic environmental sustainability related activities and understanding, including issues related to the environment of concern by stakeholders of the government, investors, customers, and the general public in the society, risks and opportunities of various types of environmental protection major issues are identified. In the future, the Company will continue to pay attention to the climate change trend and the responsive actions adopted by the government of the R.O.C., in order to comply with the environmental protection regulations of the government, to actively adopt environmentally-friendly actions and to guide suppliers to jointly establish the green supply chain, thereby reducing the risks and impacts of climate change faced by the Company’s operation.



6.3 Mitigation of Environmental Impact

To effectively mitigate environmental impacts, in addition to active implementation of energy saving and carbon reduction mitigation measures, ATEN also continues to pay attention to various environmental issues and monitors the global climate change trend and environmental impact closely. Through the “Environmental Impact Mitigation and Sustainability Management Platform”, the Company periodically identifies relevant risks of climate change, and adopts energy saving and carbon reduction actions to mitigate the climate change and environmental impact. With continuous monitoring and analysis, implementation of policy and establishment of various standard procedures, the Company executes relevant activities of periodic environmental audits and reviews, etc. according to the annual plan, thereby achieving various goals for energy saving and carbon reduction as well as reducing the impact on the environmental climate.



Environmental Sustainability Commitment

Global climate change has stimulated ATEN to implement environmental sustainability into the Company’s DNA. We are committed to responsive actions for climate change, and we will continue to implement the aspects of energy management, water resource management, pollution prevention, supplier environmental protection performance, green products, chemical substance management, environmental protection regulatory compliance, and external environment impact risk control, etc., in order to continue to improve the environmental analysis and environmental management solution controls, to actively establish effective mitigation and adjustment policies as well as implementation thereof. Therefore, through systematic management and monitoring of energy resources and periodic reviews by senior managers, the Company is able to excel further toward the committed goals of continuous improvement and emissions reduction.

6. Environmental Protection

Environmental Sustainability Management Policy

The environmental policy of ATEN International Co., Ltd. refers to the mission and philosophy for social responsibility and environmental protection. During the process of seeking the protection of the overall ecological environment and sustainable development, in addition to the improvement and breakthrough of technologies, we also adopt a rigorous attitude to actively promote relevant activities of the environmental management system, implementation of social responsibilities for pollution prevention, creation of an excellent working environment, protection of physiological and mental health, fulfillment of legal responsibilities, social obligations, and environmental protection. In addition, the following commitments are also treated as the highest directives for the Company's environmental management decision making:

1. Implement environmental protection laws:

Auditing the implementation of directives related to protecting the environment, and abiding by the environmental regulations and requirements of supervisory agencies.

2. Exploit resource creativity:

Use renewable resources effectively, reduce waste production, and minimize pollution to the environment and energy consumption.

3. Continue 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.

Energy Sustainability Management Policy

To fulfill corporate social responsibility, the Company is dedicated to energy saving and carbon reduction, and complies with relevant laws in order to perform environmental pollution prevention, green product design, and continuous improvement in order to achieve the effect and goal of energy saving. With our commitment to environmental protection, our methods for implementing environmental friendliness continuously are as follows:

1. Periodic review of goals:

Periodically convene management review meetings to review the energy usage condition.

2. Improve equipment efficiency:

Periodically perform maintenance and care to seek methods for energy saving and improvement measures of greater effectiveness.

3. Purchase energy saving products:

Purchase products equipped with an energy saving logo, water saving logo, Energy Star, and energy-saving facilities, etc.

4. Improve employee concepts:

Promote and educate energy saving concepts to all employees.

Green Sustainable Product Policy

While facing the threats of environmental hazardous substances to the earth and human health, global consumers and all governments emphasize and pay attention to the development of such issue. Accordingly, ATEN actively promotes the green supply chain management in order to provide green products without hazardous substances, which is the goal and commitment we continue to execute persistently.

- Implement Environmental Protection Laws
- Exploit Resource Creativity
- Continue Green Production



6. Environmental Protection

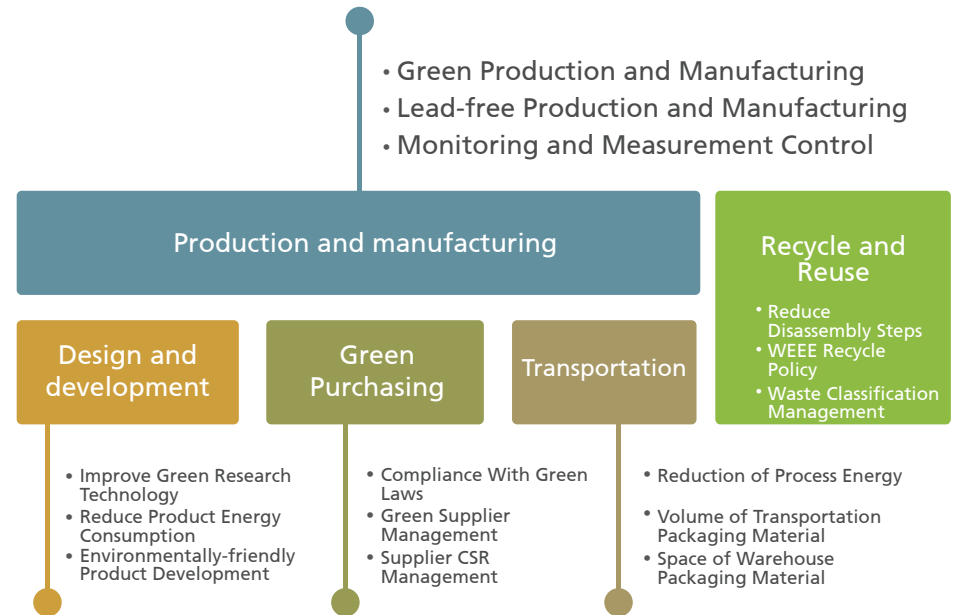
Green sustainable product policy

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Green Sustainable Product Commitment

Regarding the protection of the ecological environment and implementation of the corporation's green responsibility, in addition to ensuring that products and operations comply with the international standard WEEE codes and environmental protection regulatory requirements, ATEN believes that proper source control is the first factor in mitigating the environmental impact. We are committed to adopting the design facilitating recycling and environmental protection from the stages of raw materials acquisition from the green supply chain to the final disposition of products as well as products sold in the market complying with the environmental protection regulatory requirements of different countries. For products sold in the EU, we also bear the recycling responsibility for the manufacturers, and implement various preventive green management measures, in order to reduce negative impacts of product design production and usage process on the environmental ecology.

With the actual action of development of environmentally-friendly green products, and through green design, green purchase, green production, and green education management platform, we are able to convey the green concept of ecology protection and care for the earth, in light of achieving the green commitment with all three parties of the Company, employees, and suppliers jointly.



3Rs (Reuse, Recycle, and Recovery)

6. Environmental Protection

Product Hazardous Substance Control Management Measures

To fulfill the responsibility of a global citizen, we integrate the corporate core values and the management directives as follows:

- **Integrity:** Purchase green raw materials, implement green production.
- **Caring:** Promote environmental protection education, strengthen environmental protection awareness, and goals for all employees and suppliers, in order to achieve the goal of the Company's sustainable operation.
- **Ambition:** Comply with the environmental protection regulations and customer requirements, become customers' best green product partner.
- **Novelty:** Design green products and emphasize products without hazardous substances.

Comply with International Product Environmental Regulations

To ensure that the production process and products comply with the international regulations and customers' environmental protection requirements, ATEN continues to pay attention to the international environmental protection codes and directions. Through irregular updates of hazardous substance restricted use control standards and the establishment of the project of "Hazardous Substance Restricted Use Management", we clearly specify the product hazardous substance usage standard and environmental protection related control requirements, in order to ensure that all products are able to comply with the requirements, demonstrating ATEN's commitment to corporate social responsibility.

2011/65/EU RoHS 2.0

EU Restriction on Hazardous Substances Directive

2002/96/EC REACH

EU Directive on Registration, Evaluation, Authorization, and Restriction of Chemicals

2002/96/EC

EU Directive 2002/96/EC on Waste Electrical and Electronic Equipment

ATEN's Conflict of Material Policy Statement

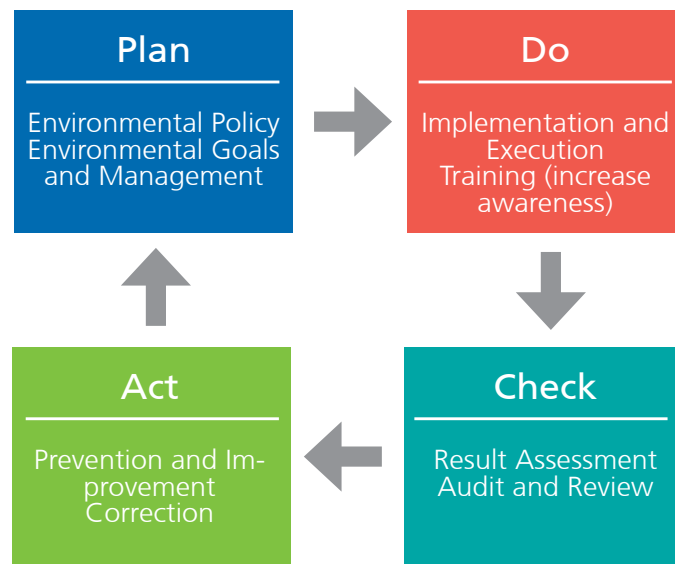
The U.S. Securities and Exchange Commission (SEC) passed the "Dodd-Frank Wall Street Reform and Consumer Protection Act" on August 22, 2012, and in Section 1502, it states the final provision related to the purchase of "conflict materials". Based on the implementation of corporate social responsibility and international justice of ATEN, ATEN adopts the "Three Nos" policy, i.e. "No support", "No acceptance", and "No use" of metals obtained through illegal mining and harsh working environments in the Democratic Republic of the Congo (Congo) and its surrounding counties and regions with armed conflicts. For the commonly used metals of gold, tantalum, tungsten, tin, etc., the GeSI Conflict Minerals Reporting Template specified by the Responsible Business Alliance (RBA) shall be used to adopt a standardized self-management method in order to provide a commitment to customers.



6. Environmental Protection

6.4 Environmental Sustainability Management

ATEN periodically identifies the climate change related risks according to the “Environmental Impact Mitigation and Sustainability Management Platform” in order to establish the organization's internal operation countermeasure standards for environmental change caused by extreme weather and possible critical factors affecting the operation. We adopt the P-D-C-A cycle to perform normalization management in order to achieve the environmental protection goal of energy saving and carbon reduction.



Environmental Management System Achievement

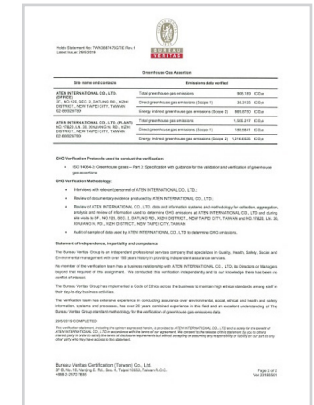
In 2006, ATEN introduced the ISO 14001 environmental management system, and in November 2017, we obtained the ISO 14001: 2015 version of environmental management system certification. We have started the implementation of the greenhouse gas inventory checking operation since 2010, and at the same time, we also established an internal inventory checking mechanism according to the ISO 14064-1 greenhouse gas inventory checking standard, in order to actively perform voluntary greenhouse emission inventory checking operations and environmental management, as well as related environmentally-friendly activities. We continue to adopt energy saving plans and energy usage improvements in order to reduce impacts to the overall environmental impacts, implement pollution prevention, and improvement of environment performance, as well as the environmental protection concept of employees. Through all staff's participation and corporate commitment, we expect to achieve the goals for environmental protection and corporate sustainable development.



ISO 14001 Environmental Management System Certificate



ISO 1464-1 Greenhouse Gas Inspection Certificate



6. Environmental Protection

Resource Management Achievement

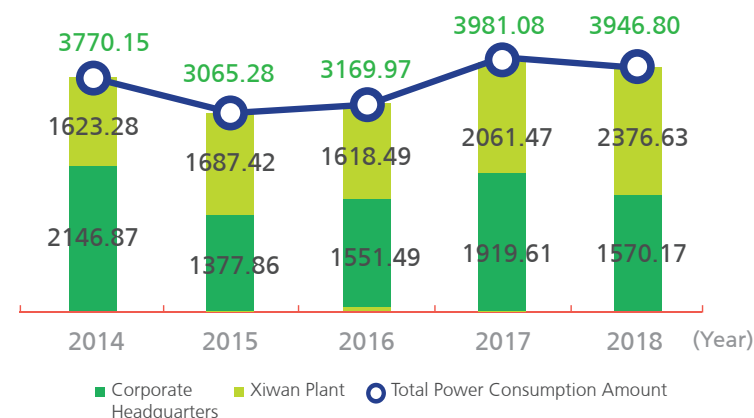
According to the energy monitoring and inventory taking result, the energy used by ATEN is mainly supplied by Taiwan Power. In the past years, the Company has adopted the method of process control to reduce the energy consumption of the manufacturing process for a long time. In recent years, we have greatly promoted the energy saving of processing equipment, and continue to introduce air conditioning energy saving and efficiency improvements, as well as process optimization management solutions. Through the continuous promotion of various energy saving measures and management solutions, we expect to reduce power consumption and impact on the environment.

The overall power consumption amount in 2018 was reduced by 0.869% from 2017. Introduced the improvement of air conditioning management solutions, such that the Company headquarters power consumption was reduced by 18.20% from 2017, and the production amount was increased by 3.51% (in comparison to 2017). Overall power consumption was 3946.8 thousand degrees (equivalent to 14208.6 million joules), the power consumption intensity in 2018 was 5.95. ATEN will continue to pay attention to the enhancement of monitoring of management solutions.

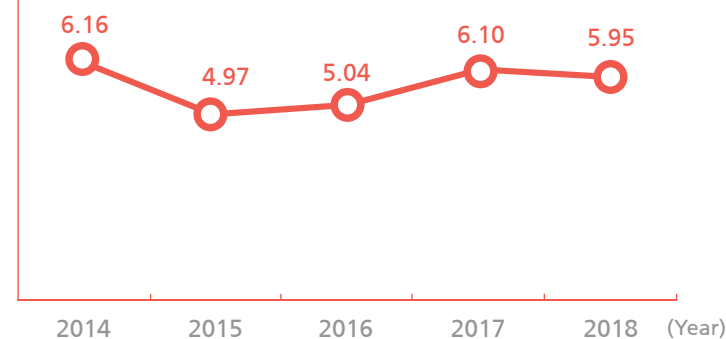
(Note: 1 degree of electrical energy = 1kWx1hr = 1000Wx3600sec = 3.6x10⁶ Joule.)

Strategies and Goals	
Slowing Climate Change	Promote various energy saving measures and management solutions with best efforts, reduce energy consumption and impact on the environment.
Cope With Climate Change	<ol style="list-style-type: none"> 1. Establish process control methods, reduce power consumption generated due to process waiting and pending. 2. Promote process equipment energy saving, introduce power saving equipment (T5 and LED lighting fixtures). 3. Improve efficiency management solutions (air conditioning energy saving). <ul style="list-style-type: none"> • Increase cold water temperature, reduce energy consumption for cold water production. • Reset host machine start and stop time, turn on at a later time and turn off at an earlier time.
2020 Goals	<ol style="list-style-type: none"> 1. Greenhouse gas emission intensity lower than 0.52 (greenhouse gas emission/individual financial report revenue (NT\$ million)). 2. Power consumption intensity lower than 5.0 (power consumption in thousand degrees/number of employees in Taiwan).

ATEN International Co., Ltd. Power Consumption
Record Per Year
(including Headquarters and Xiwan Plant site)
(Unit: in thousand degrees)



Energy intensity
(power consumption in thousand degrees/number of employees in Taiwan)

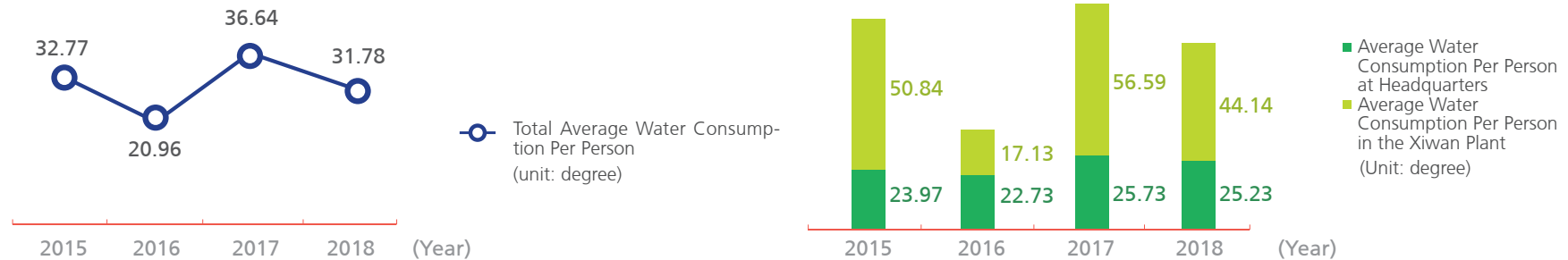


6. Environmental Protection

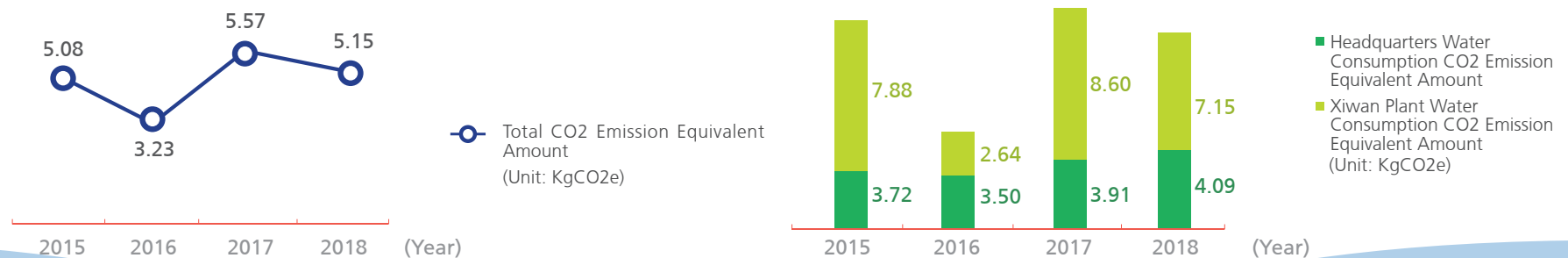
Water Resource Management Achievement

During ATEN's operation and production, although there is no need to use process water, the Company still understands that climate change and global warming are causing water resources to be reduced, which is another important environmental impact that will be faced by mankind in addition to the current energy saving and carbon reduction. Facing an environment of great population and highly concentrated industrial/commercial development, the water of the Company is completely provided by the Taiwan Water Corporation. To protect the water resource and to achieve corporate sustainable operation, in addition to the information of water shortage, the internal of the company implements the water saving measures, ATEN has also installed taps equipped with the "Water-Saving Logo" in all of the hand-washing facilities in the Company, and promotes the spirit of saving the source (assessing the collection of rainwater opportunities) and reduction of usage (reducing water consumption) in order to continue to promote the water saving measures, and educate employees about the concept of water saving.

Statistics of Average Water Consumption Per Person in Each Plant Site



Carbon Emission Quantity at Each Plant Site (KgCO₂e)



Notes: The carbon emission standard uses the CO₂ emission equivalent amount for each degree of water consumption provided by the Taiwan Water Corporation, and the latest value is 0.162kg CO₂/degree.

6. Environmental Protection

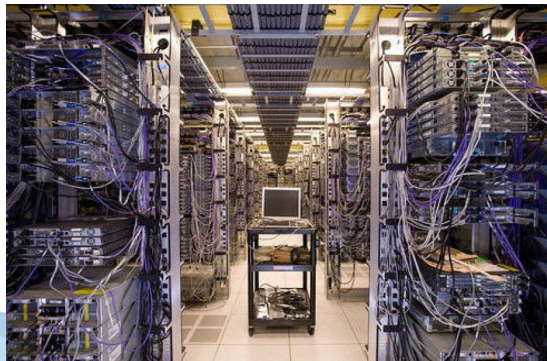
Green Product Design Achievement

ATEN is a global leader in the field of digital information sharing. For a long time, the Company has developed various new and novel electronic information products. With core technologies as the foundation, the Company implements technology research capabilities and the concept of green product design along with environmentally-friendly actions in order to continue to improve energy efficiency, thereby achieving the green product goals of product energy saving, improvement of product quality, reduction of manufacturing cost, and shortening of production line processing time, etc.

ATEN continues to define the scope and new concepts for KVM, and has announced novel KVM integrated models of the next generation for small and medium enterprise level. The Company also developed the world's smallest Laptop USB KVM Console Crash Cart Adapter (CV211) with the core technology integrating the hardware, firmware, and software, as well as successfully integrating various core technologies scattered and applied in different environments onto one single model. The equipment is able to significantly save the time of IT engineers and administrators, especially for an environment without internet network or access limitations, such that it also improves the completion time and efficiency for the external point maintenance work of computer equipment and machines. This is also a new beginning for core technologies developed by ATEN to demonstrate its integration and friendly environment.

• Research and Development Benefits

To save costs, users of customers are required to use the traditional moving carts equipped with a monitor and a set of keyboard and mouse to perform the management, and the machine room administrators are confined by the machine room space, maintenance preparation tools, and equipment, such that the completion efficiency of the machine room administrators are affected. Such drawbacks have driven us to solve the problems encountered by the customers (users) for a long time. To overcome such drawbacks, we adopted the basis of combining the research concept of ATEN and environmentally-friendly design along with the product's optimized size and maximized performance as the research design focus and main direction. Accordingly, we decided to launch a product that is portable, easy to operate, and that has an energy-saving effect, which is also a starting point for the implementation of our new product concept.

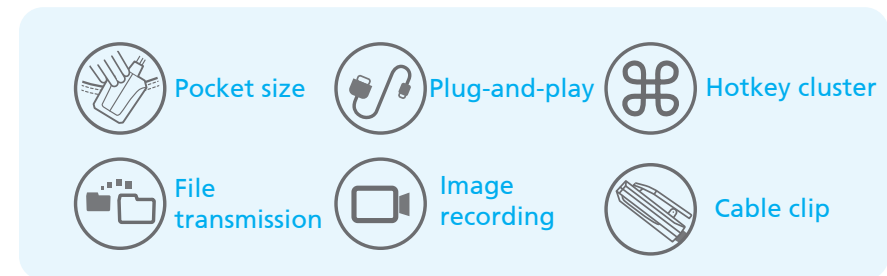


• Application Achievement

The product is of light weight, thin and compact, with low power consumption, and can be fitted to any type of notebook without any additional power supply. In addition, it requires no further configuration or installation of drivers or application programs, and can be used directly upon plug-in.

• Product Design Core Standards

- (1) **Structure design:** Introduction of screwless design.
- (2) **Appearance design:** Portable KVM controller.
- (3) **Light weight Design:** Ultra type.
- (4) **Function design:** Required to support device without over IP KVM. In the case of encountering an environment without internet network access, it can still be used. Without the need of additional installation of drivers for direct use.





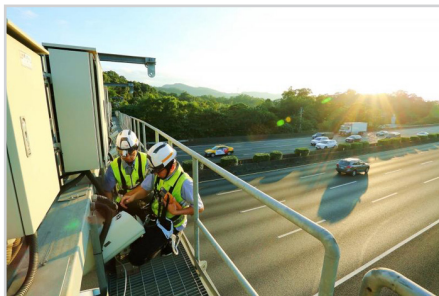
ATEN looks forward to providing great convenience to IT administrators such that when the internet network is limited under harsh environments (such as production line or mobile network). IT personnel are required to bring various tools to the site, or retrieve the entire equipment back for repair, causing such entire process to delay operations and be time consuming. If ATEN CV211 equipment is used, IT personnel are only required to use one notebook computer to complete the repair work. "In an environment without a network, it is still able to maintain servers with ease", which is the objective for the release of the CV211 from ATEN.

6. Environmental Protection

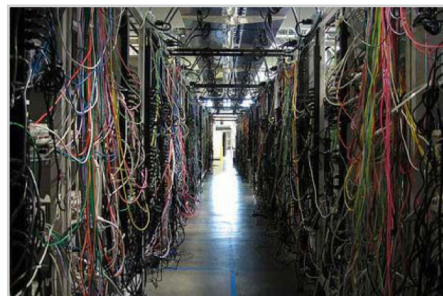
• Environmental Contribution (CV211):

CV211 and CN8000A Product Comparison

Materials List (BOM Form) Comparison			
Model	CN8000A 	CV211 	Environmental Contribution
Component Usage Quantity (pcs)	900	402	Component Usage Reduced by 55.3%.
Product Dimensions (cm)	20.00 x 8.14 x 2.50	7.05 x 5.37 x 3.01	Size reduction of 72.0%.
Area and Volume (square centimeters)	407	113.95	
Product Weight (kg)	0.49	0.13	Weight reduced by 73.4%.
Product Energy Consumption (W)	7.26	2.35	Energy consumption reduced by 67.6%.



User Actual Case Example 1 (hash environment aerial operation)



User Actual Case Example 2 (hash environment machine room space)

After product CV211 was implemented with various rigorous tests and analysis verification (from product mass production to the sale of 2600 units in the present day), the following is calculated:

- **Product Components**-Can be reduced by approximately 1,294,800EA components.
- **Product Volume**-can be reduced by approximately 761,930 square centimeters. C</7320
- **Product Weight**-Can be reduced by approximately 936kg.

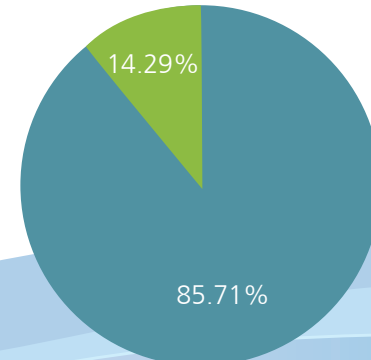
It also proves that the CV211 is a perfect substitution capable of completely replacing the traditional heavy cart for carrying computer peripheral devices in the production line and machine room as well as increasing the efficiency and mobility of users and IT professionals, which is a result of the effort and commitment of ATEN in environmental sustainability.

Achievement in Product's Mitigation of Environmental Impact

To handle the challenge of environmental change and environmentally sustainable development, ATEN actively develops environmentally-friendly products in compliance with the EU's Directive 2011/65/EU & (EC) No 1907/2006 and the Waste Electrical and Electronic Equipment Directive 2002/96/EC/ (referred to as WEEE directive) on February 13, 2003. As a manufacturer, ATEN bears the responsibility for the product recycling, treatment, and re-circulation. The products launched in the market are indicated with corresponding logos in order to allow the products of our Company to reach the requirements for reuse, recycle, and recovery, thereby reducing the impacts of the products on the environment. Starting from 2006, we have performed the preparation of the 3Rs Report on the new product models annually, which now covers all products of the Company.



■ Previous Report ■ 2018 Report Accumulation



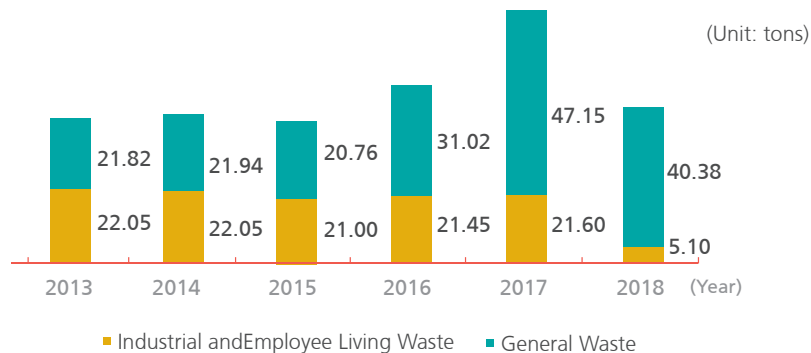
6. Environmental Protection

Waste Reduction Management Achievement

Waste recycle management is the first priority for the green production of ATEN. Facing the production model mainly relying on electronic product assembly and ensuring the achievement of sustainable resource use and proper waste treatment, we continue to promote resource reduction and factory waste recycling and reuse. Factory reuse is considered in priority in order to allow raw materials to be circulated for use sufficiently and to slow down the process of disposal of waste. Next, the recycle method is utilized to perform "material recovery" and "energy recovery" without any hazardous industrial wastes. For process waste of solder spatter, waste plastic, waste paper, mixed hardware, etc., a professional and qualified treatment contractor then performs recycling and reuse uniformly, followed by manufacturing into various renewable products for use in other products.

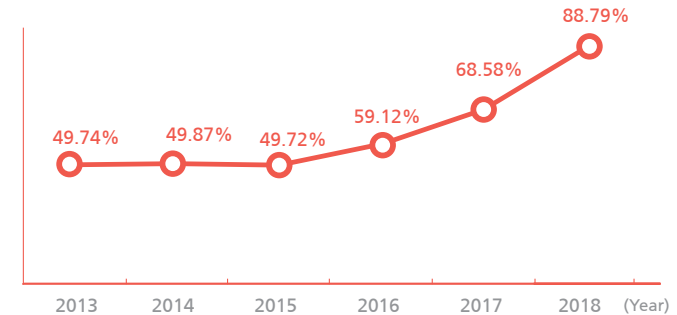
Over the past years, ATEN has been dedicated to the reduction of waste action, in addition to the education to all employees and strengthening of production line waste management, proper labeling of garbage classification, notification and education on proper garbage classification activities in the plant site are also the management method routinely implemented by us.

[Statistics on Waste Recovery Management]



Notes: According to the Huan-Shu-Fei-Zi No. 1070029703 Letter dated April 18, 2018, for waste generated from the industrial and employee living, regardless of whether the change operation of the industrial waste cleaning plan has been completed, it is still treated as within the scope of general waste, i.e. the enterprise (waste generator) is not required to report the direction of the waste according to the internet transmission method and frequency specified in Article 31 of the Waste Disposal Act, but is changed to adopt the regulation of Paragraph 6 of Article 6 of the General Waste Recycle and Cleaning Treatment Regulations, in order to handle the general waste report of operation record. Since April 2018, ATEN has stopped the reporting of the general waste output quantity.

[General Industrial Waste Total Recovery Rate]



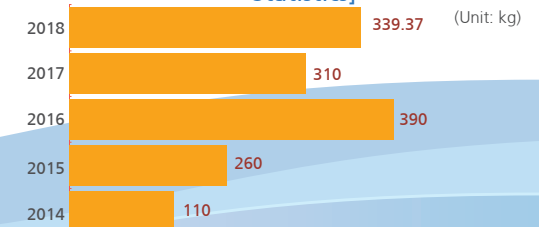
Achievement in Protect Environmental Sustainability and Expand Green Influence

• Beach Cleaning

Since 2012, ATEN has adopted the beach in front of the Fulong Dongxing Temple at Gongliao District, New Taipei City, with a length of 360m with the "Northeast and Yilan Coast National Scenic Area Administrative Office, Tourism Bureau, MOEA", to perform the marine education and beach cleaning activity in order to continue its commitment to earth environmental protection. Starting from 2018, to expand the green influential power, the Company has also invited external stakeholders and ATEN's employees to jointly participate in the marine ecological environment protection activities, and encourages employees and relatives to participate as environmental volunteers, such that the corporate social responsibility is elevated to employee social responsibility. In addition, it also corresponds to the 14th goal of "marine ecology" of the 17 sustainable development goals (SDGs) of the United Nations, in order to ensure the sustainable development of the ocean.



[Beach Cleaning Activity Waste Collection Weight Statistics]



6. Environmental Protection

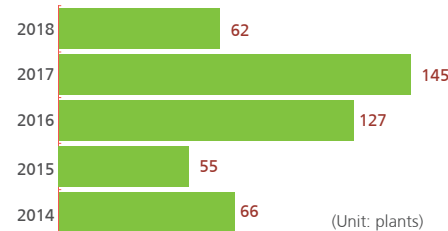
• Butterfly Habitat Protection

In addition, with regard to the territorial environment ecology protection, since 2012, we have cooperated with the "Butterfly Conservation Society of Taiwan" to perform the butterfly habitat protection project at Taipei City Jiannan Butterfly Garden, by removing foreign plants of milea-minute weed and fragrant eupatoriumetc, in order to provide the original growth space to the trees and flowers. We also implement the planting of native species of nectariferous plants in order to re-create the butterfly village. This also corresponds to the 15th goal of "territorial ecology" of the 17 sustainable development goals (SDGs) of the United Nations, for protecting, recovering, and promoting the continuous use of territorial ecosystems in order to continuously manage forests, prevent desertification, prevent and change land deterioration, and suppress the loss of biodiversity.

[Ecology Sustainable Planting and Afforestation Activity]

Native Plants and Trees	Type	Planting Quantity	Accumulated Planting Quantity
Rough-leaved Holly	Taiwan's Endemic Species	62 Plants	515 plants
Chinese Soap Berry			
Leopard Flower			
Downy Rosemyrtle			
Ovate-leaf Tylophora			
Red Nan-mu			
Slender-stalk Star Jasmine			
Lacquerleaf Meliosma			

[Accumulated Planting Quantity]



(According to the information on the website of the Forestry Bureau, Council of Agriculture, Executive Yuan, the average CO2 fixed amount per plant of tree is: 5-10 kg/year.)

Achievement in Conveying Knowledge on Environment Friendliness

ATEN continues to promote energy saving and carbon reduction as well as environmental protection concepts. Internally in the Company, all employees are required to receive educational training and relevant environmental protection and environmental management are listed in the required courses for new employees' orientation. With the integration of the Company's intranet learning platform (e-learning), the environmental protection awareness of employees is strengthened in order to increase the environmental action of employees. In addition, on all public bulletin boards, toilets, elevators, and the intranet of the Company are posted with energy saving and environmental protection slogans, as well as activity promotion propaganda, in order to increase the environmental protection and energy saving concepts of employees, as well as to strengthen the employees' environmental protection awareness. Consequently, employees are able to understand the environmental protection actions of the Company and are able to deeply imprint the concept of environmental protection in the work and life of employees.



Externally, ATEN actively pushes for a green supply chain management by using its corporate influence to work with our suppliers to formulate environmental and sanitation standards, requiring our suppliers to implement waste recycling and reduction, and to control sources of impacts on environment. Through the sharing environmental protection information, we raise the environmental awareness of our suppliers as well as meet the directives on the restriction of the use of certain hazardous substances.

6. Environmental Protection

6.5 Greenhouse Gas Inventory Checking Management

ATEN adopts a rigorous attitude to fully and actively promote environmental management and relevant activities. In 2006, ATEN introduced the ISO 14001 environmental management system, and through actual action and compliance with the government's relevant environmental protection laws and regulations, we also implement pollution prevention and improve the environmental performance and environmental protection concepts of employees. In addition, since 2010, we have started the implementation of greenhouse gas inventory checking operations. Furthermore, we also establish internal inventory checking mechanisms according to the ISO 14064-1 greenhouse gas inventory checking standard, in order to actively perform voluntary greenhouse emission inventory checking operations. We continue to implement energy saving plans and increase of energy use efficiency in order to reduce the overall impact on the environment. Moreover, in 2018, we have also qualified the ISO greenhouse gas third party inspection. Through the participation of all employees and corporate commitment, we expect to achieve the goals of environmental protection and corporate sustainable development.

Risk Considerations	
Regulatory Requirements	Other Requirements
<ul style="list-style-type: none">Greenhouse Gas Reduction and Management ActGreenhouse Gas Inventory Checking	<ul style="list-style-type: none">Stakeholder Requirements (including government, investors, customers, employees, and general public, etc.)Green Supply Chain Response to Climate Change
2018 Response Management Measures	
<ol style="list-style-type: none">Greenhouse Gas Risk Monitoring Group: Monitor the use condition of each energy and resource, and reduce the carbon emission and environmental impact risk.Energy Saving and Carbon Reduction Project Implementation: Increase energy efficiency, reduce energy consumption.Promote data inventory checking.Obtain ISO 14064-1 greenhouse gas inventory checking (qualifying third party verification).External advocacy and disclosure.Transmit greenhouse gas information of carbon reduction, emission reduction, and share greenhouse gas result disclosure with suppliers.	

Greenhouse Gas Inventory Checking

ATEN complies with the requirements of the international standard organization, and starting from 2010, we have implemented the greenhouse gas (voluntary) inventory checking operations, and establish the internal inventory checking mechanisms according to ISO 14064-1:2006. For a period of three years consecutively, we have qualified the third-party inspection on the emission amount by the international BV (Bureau Veritas Group), demonstrating the effective action of the organization.

ATEN International Co., Ltd. (corporate headquarters + Xiwan Plant) Greenhouse Gas Inventory Checking Boundary

According to the setting principle of the organization boundary specified in ISO 14064-1:2006 international standard and the Greenhouse Gas Protocol (GHG Protocol), the organization boundary is defined, and the correct operation control method is adopted to summarize the facility level greenhouse gas emission amount and removal amount, and the actual operation control range of ATEN International Co., Ltd. for the period from January 1, 2018 to December 31, 2018, is used as the boundary.

Address:

City	Region	Road/Section	House No.	Floor
New Taipei City	Xizhi District	Section 2, Datong Road	125,127,129,131,133,135,137,139,141,143,145,147,149	3F, 4F, 5F
New Taipei City	Xizhi District	Section 2, Datong Road	137,139,141,143,145	6F
New Taipei City	Xizhi District	Lane 30, Xinjiang North Road	17,20	-

Greenhouse Gas Emission Source Identification Summary Table

Scope 1 Direct Greenhouse Gas Emissions	Scope 2 Energy Indirect Greenhouse Gas Emissions
<ul style="list-style-type: none">Transportation of raw material, product and employee transportation etc.Carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, such as gasoline and diesel...etc.Fugitive Greenhouse Gas Emission Source: Such as septic tank, coolant...etc.	Externally Purchased Power

Greenhouse gas inventory checking can be divided into Scope 1 and Scope 2.

- Scope 1 Definition: Direct greenhouse gas emission, such as vehicle, air conditioning equipment, water drinking equipment, power generator.
- Scope 2 Definition: Energy indirect greenhouse gas emission, such as externally purchased power.

6. Environmental Protection

Greenhouse gas quantification principle, use the emission quantity of each greenhouse gas emission source for calculation, and the "discharge coefficient method" is adopted. According to different sources of various greenhouse gas emission, the unit is converted into the weight and volume unit of ton or kiloliter. For each emission generation source, according to the calculation of the "Greenhouse Gas Inventory Checking Resignation Form 3.0.0 (revised)", and greenhouse gas emission quantity calculation is preformed according to the discharge coefficient. After selecting the discharge coefficient, according to the global warming potential (GWP) for each type of greenhouse gas in the fourth announcement in 2007, all of the calculation results are converted into CO₂e (carbon dioxide equivalent value), and the unit is in ton/year.

According to the requirements of ISO 14064-1 Standard, the operation boundary of the Company is covered by the direct greenhouse gas emission source (Scope 1), and the energy indirect greenhouse gas emission source (Scope 2). In 2018, the greenhouse total emission quantity was 2,413.406 tons CO₂e. Each scope and the seven main greenhouse gases emission total quantity are as shown in the following table:

2018 Greenhouse Gas Emission Total Quantity

- Greenhouse Gas Emission Inventory Checking Period: January 1, 2018 - December 31, 2018
- Organization Greenhouse Gas Emission Base Year: 2015
- Greenhouse Gas Emission Total Quantity: 2,413.406 tons CO₂e, including
 - Direct Greenhouse Gas Emission Quantity (Scope 1): 226.8776 tons CO₂e
 - Energy Indirect Greenhouse Gas Emission Quantity (Scope 2): 2,186.5275 tons CO₂e
- Other Indirect Greenhouse Gas Emission Quantity (Scope 3): 0.0000 tons CO₂e

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. Each year, we disclose the Company's greenhouse gas inventory checking information and continue to implement energy saving plans and energy use efficiency improvement. In 2018, we have qualified the third-party inspection by the international BV, and have also set the year of 2015 as the greenhouse gas inventory checking base year.

Emission Source	2015 (base year)
Stationary Combustion (purchased externally)	1730.5751
Movable Combustion	9.2633
Stationary Combustion	0.466
Non-standard Fuel Combination and Dissipation	22.44
Non-standard fuel combination and dissipation	41.3658
Total	1804.1102

(Unit: tons CO₂e/year)

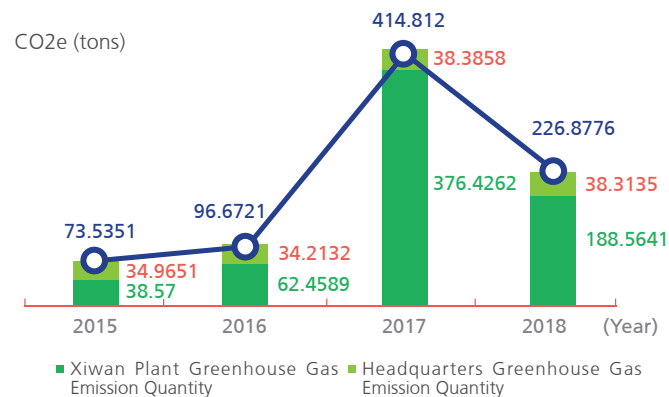
6. Environmental Protection

Achievement in Greenhouse Gas Reduction

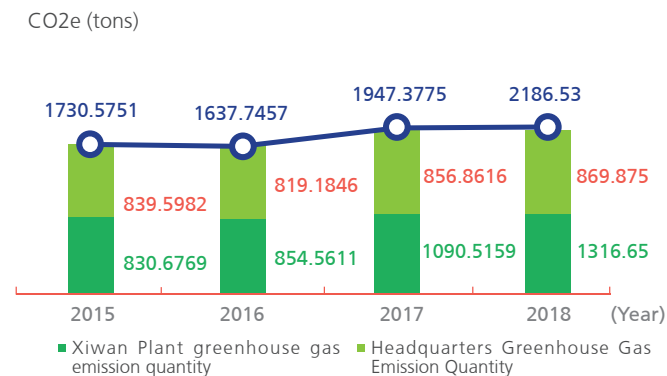
In 2019, ATEN will continue to monitor carbon emissions, and also established the goal of greenhouse gas emission intensity lower than 0.52 (greenhouse gas emission/individual financial report revenue (NT\$ million)) by 2020.

ATEN International Co., Ltd. (including the headquarters and Xiwan Plant Site) Carbon Emission Quantity Record according to Scope 1 and Scope 2 standards is disclosed as shown in the following table:

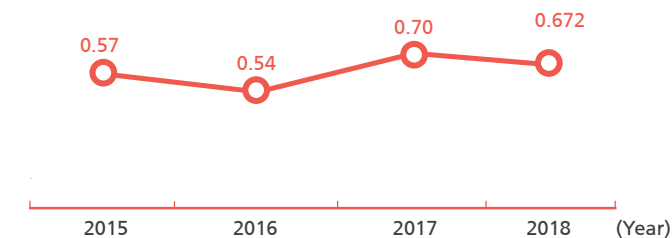
[Scope 1 Greenhouse Gas Emission Quantity]



[Scope 2 Greenhouse Gas Emission Quantity]



[Greenhouse Gas Emission Intensity]



Scope 1 and Scope 2 Emission Quantity/Individual Financial Report Revenue (NT\$ million)

The background features a stylized illustration of two wind turbines on the left and two leafy plants on the right, all in a light purple color. A large, dark purple number '7' is positioned to the left of the main title. The bottom of the slide is decorated with a wavy, dark purple band.

7

Supply Chain Management

- 7.1 Sustainable Supply Chain Management Action and Goals
- 7.2 Sustainable Supply Chain Management Standards
- 7.3 Sustainable Supply Chain Management Strategy and Goals
- 7.4 Supply Chain Management Performance
- 7.5 Sustainable Supply Chain Common Growth Plan




7. Supply Chain Management

Major Topics

Supply chain management is not a major topic, and this section is additional information disclosure.

► Meaning of major topics to ATEN and key contribution of ATEN to SDGs

ATEN upholds the corporate core value with a sustainable attitude to construct new partnerships with suppliers. We clearly understand that joint cooperation with suppliers is important to the completion of sustainable goals, including continuous improvement of the social responsibility awareness of suppliers in order to gradually achieve the sustainable development direction and goals. ATEN will continue to exploit our influential power to promote the corporation's sustainable concept and methods to the supply chain.

	Achieve a hazard-free environment management for chemicals and all waste in the entire existence cycle, and greatly reduce the probability of their emission into the atmosphere and infiltration into the water and soil, in order to minimize their negative impact on human health and the environment. [Corresponding to SDGs Section: 12.4]
	To reduce the raw material supply interruption risk, we request suppliers to provide a safe and healthy working environment, and mitigate the impact of climate change. Through onsite field assessment mechanisms, ensure that the aspects of onsite working environment, environment affected source control, waste management, regulatory compliance, and greenhouse gas management, etc. are in the proper direction, in order to improve the sustainable ability of suppliers. [Corresponding to SDGs Section: 13.3]
	To guarantee the equality of the right to work of different genders, we implement the elimination of gender discrimination according to the Constitution, promote the spirit of gender position substantial equality, ATEN actively exploits the influential power in the supply chain, and establishes various sustainability provisions and standards in terms of the management strategy, actively conveying information to suppliers, and further incorporating relevant requirements into the assessment items, as well as integrating with the purchasing to identify corresponding management mechanisms and risks according to different types of suppliers. Through complete and continuous strengthening of supply chain management, we look forward to fulfilling corporate social responsibility with suppliers jointly. [Corresponding to SDGs Section: 5.c]

7. Supply Chain Management

Green Supply, Sustainability Commitment

Regarding the protection of the ecological environment and implementation of the corporation's green responsibility, in addition to ensuring that products and operations comply with the international standard environmental protection regulatory requirements, ATEN believes that proper source control is the first factor in mitigating environmental impact. We are committed to adopting a design facilitating recycling and environmental protection from the stages of raw materials acquisition from the green supply chain to the final disposition of products as well as products sold in the market complying with the environmental protection regulatory requirements of different countries. For products sold in the EU, we also bear the recycling responsibility for the manufacturers, and implement various preventive green management measures, in order to reduce negative impacts of product design production and usage process on environmental ecology.

With the actual action of development of environmentally-friendly green products, and through green design, green purchase, green production, and green education management platform, we are able to convey the green concept of ecology protection and care for the earth, in light of achieving the green commitment with all three parties of the Company, employees, and suppliers jointly.

Responsible Units

ATEN Corporate Social Responsibility Management Committee — Green Operation Group

Management Mechanism

Enterprise Sustainability (Plan)	Guide supplier to plan and implement plans and assessments.
Risk Assessment and Control (Do)	Source risk control.
Inspection Confirmation (Check)	Inspection of corporate sustainability implementation level.

Adopt Action (Action)

Including improvement within time-limit and termination of purchase agreement.

Commitment, Actions, and Goals

Commitment	2018 Execution item	2018 Execution Outcome	Future Goals and Actions
Strengthening supplier's recognition of corporate social responsibility.	Supplier risk and assessment control mechanism, strengthened "social participation and contribution" and "gender equality right policy" and "environmental protection energy saving and carbon reduction" with enhancement and implementation achievement rate of 100%.	Class A suppliers assessed accounted for 94.12%.	By 2025, jointly implement corporate social responsibility (Responsible Business Alliance Code of Conduct) with suppliers.
Implementation of Green Supplier Assessment System	Green risk assessment to ensure the working environment safety, employee welfare, business operation environmental protection, as well as morality and ethics, with the assessment achievement rate of 100%.	In 2018, there were 59 new suppliers, and the green/sustainable supplier risk assessment was conducted completely on all suppliers with an achievement rate of 100%.	
Supplier's Compliance With International Environmental Protection Laws	For new suppliers, they are requested to comply with the international environmental protection regulatory requirements, including RoHS 2.0 and REACH SVHC 191 items. (All 56 new suppliers complied with the requirements)	Existing suppliers (89%), new suppliers (11%), total response rate of 100%.	

7. Supply Chain Management

7.1 Sustainable Supply Chain Management Actions and Goals

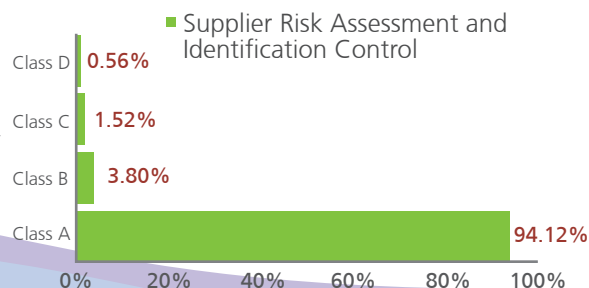
ATEN upholds the corporation's core value and is dedicated to the promotion of the positive growth of suppliers. Through continuous improvement of the suppliers' social responsibility awareness, including the safety of the working environment and to convey the supplier code of conduct concept, we invite suppliers to jointly respond to the global sustainability policy in order to gradually achieve the sustainable development direction and goals. ATEN adopts regular and irregular onsite inspection and visit activities according to the "Supplier Assessment Regulation Standard Operation Procedure". In addition, through onsite field inspections and interviews, we further understand the suppliers' understanding of regulations related to sustainability, and also share the corporation's core value and business philosophy of ATEN in order to assist suppliers to integrate such concept into the corporate culture and to grow jointly with the suppliers.

The raw materials purchased by ATEN can be generally classified into chips, switchers, connectors, PC boards, product chassis (materials of metal, plastic, etc.), cables, electronic components, packaging materials, and other materials, equipment, and automated products, etc. To strengthen the cooperation with suppliers, ATEN developed environmentally-friendly green products through green design in order to improve the technology and quality of suppliers and reduce unnecessary costs of suppliers. Consequently, upon ensuring quality and performance, we are able to reduce carbon emissions.

To convey the concept in the future, we will continue to adopt various official and non-official channels to share our corporate ethics and values with suppliers. With regard to management actions, we will strengthen the implementation of supplier management procedure in order to increase the suppliers' irregular inspection rate, and continue to strengthen the human rights policy implementation.

► Strengthen Corporate Social Responsibility Recognition

Existing supplier risk assessment and identification control mechanism, strengthening "monitoring of incoming quality", "social participation and contribution", and "gender equality right policy" and "environmental protection energy saving and carbon reduction". Class A suppliers assessed account for 94.12%.



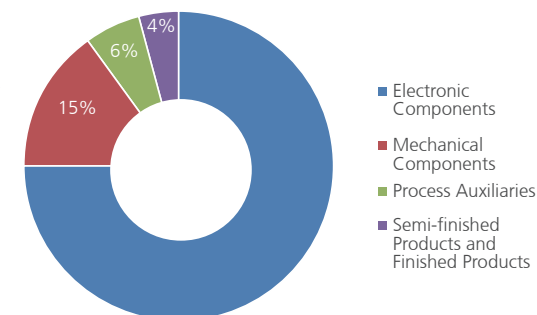
► Green Supplier Assessment System (100% Presentation)

New supplier green risk assessment to ensure the working environment safety, employee welfare, business operation environmental protection, as well as morality and ethics.

In 2018, there were 59 new suppliers, and the green/sustainable supplier risk assessment was conducted completely on all suppliers with an achievement rate of 100%.

► Conflict Material Declaration Survey

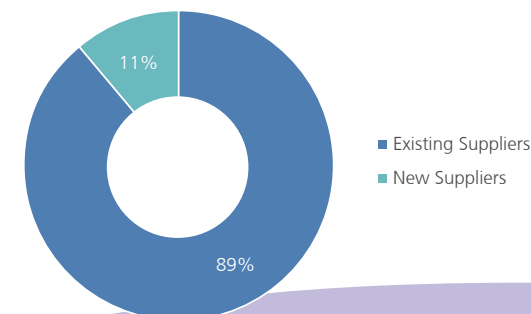
"GeSI Conflict Material Survey Form", a total 325 suppliers were surveyed, and the response rate was 100%.



► Comply With International Environmental Protection Laws

Comply with international environmental protection regulatory requirements, including RoHS 2.0 and REACH SVHC 191 items.

Existing suppliers (89%), new suppliers (11%), total response rate of 100%.



7. Supply Chain Management

7.2 Sustainable Supply Chain Management Standards

To implement and strengthen the suppliers' level of recognition of corporate social responsibility, ATEN introduces the ISO international standard management system, and uses "social participation", "gender equality rights", and "energy saving and emission reduction" as the risk assessment influential factors in the supplier risk and assessment control mechanism, in light of effectively controlling the purchase quality and cost, etc. through ATEN's influential power in corporate social responsibility, thereby gradually enhancing the suppliers' emphasis on the aspects of human rights and labor conditions, health and safety, environmental protection, regulatory compliance, and business ethics, etc.

7.3 Sustainability Supply Chain Management Strategy and Goals

ATEN integrates traditional supply chain (quality, service, delivery date) management with the concept of environmental sustainability. From the supplier risk assessment and control, different key suppliers of different risks are identified according to the industry type. Through the supplier risk and assessment control mechanism, strengthen and improve the management depth and implementation level, in light of achieving a win-win situation with the suppliers jointly along with the consideration of corporate profit and corporate social responsibility.

Risk Assessment and Identification Mechanism

Type	Regularly	Irregularly
Frequency	Monthly and Semi-annually	Irregularly (onsite inspection and visit)
Evaluation Level	Class A: $90 \leq \text{Score} \leq 100$ Class B: $75 \leq \text{Score} < 90$ Class C: $60 \leq \text{Score} < 75$ Class D: $\text{Score} < 60$	Class A: $90 \leq \text{Score} \leq 100$ Class B: $75 \leq \text{Score} < 90$ Class C: $60 \leq \text{Score} < 75$ Class D: $\text{Score} < 60$

According to the (monthly and semi-annually) regular assessment and inspection method, screen out and select outstanding suppliers for rewards.

Supply Chain Management Strategy

To effectively improve the suppliers' sustainable concept and to ensure the services and products provided by suppliers comply with the "Supply Chain Management Regulations" and requirements of ATEN, we established the process planning for the supply chain management strategy as follows:



First, from the new suppliers introduced earlier, key suppliers are identified by the system according to the industry type. With strengthening of management and through quality and system, development and equipment, production and capacity, operation and service, environment and health, etc., the supplier risk and assessment control mechanisms are implemented. In addition, with continuous strengthening of management depth and implementation level, we look forward to achieving a win-win situation with suppliers jointly along with the consideration of corporate profit and corporate social responsibility.

7. Supply Chain Management

Supply Chain Management Process

Compliance Standards	Risk Assessment	Management Mechanism	Supervision and Responsibility
To ensure the products provided by suppliers comply with the international environmental protection laws, for the existing suppliers, relevant restricted materials and requirements are inspected thoroughly, and suppliers are requested to sign the green and corporate social responsibility declaration.	Irregular inspection. According to ISO 9001 and ISO 14001 standards, in addition to irregular inspections and guidance on the quality, cost, and delivery date management of the suppliers, the international environmental protection regulations shall be complied with and the supplier corporate social responsibility shall be implemented.	Improvement within the time-limit. For suppliers identified to be subject to any concern of violating quality and environment or corporate social responsibility, such suppliers are requested to improve within the time-limit, submit written a report, and accept irregular inspections and guidance.	For suppliers failing to improve properly within the time-limit, the supplier qualification is canceled.

Supplier Management Goal (2019)

- Identify supplier's social responsibility awareness and execution status 15%.
- Field assessment and identify supplier's social responsibility awareness achievement rate 100%.
- New suppliers shall comply with the international environmental protection laws 100%.
- 2020 identify supplier's social responsibility awareness and implementation status 40%.
- By 2025, jointly implement the corporate social responsibility (responsible commercial alliance code of conduct) with suppliers 80%.

Supply Chain Management Progress

Past	Past	Past	Present	Future
Supplier's Basic Requirements	Released Green Supplier Purchase Policy	Enhanced Supplier's Corporate Social Responsibility	Sustainable Supply Chain Management	Joint Implementation of Corporate Social Responsibility
2013+ Satisfied ISO 9001 quality management requirements.	2015+ Complied with and satisfied the international environmental protection laws. 2016+ Added "corporate social responsibility assessment items".	2017+ Deployed supplier impact and risk survey.	2018+ Sustainable supplier impact and risk survey complying with relevant green environmental protection laws.	2025+ Responsible Business Alliance Code of Conduct

7. Supply Chain Management

7.4 Supplier Chain Management Performance

ATEN strengthens the inspection of various types of suppliers with a sustainable attitude via regular and irregular field inspections and visit activities, in order to improve the suppliers' social responsibility awareness. In addition, through the onsite field inspections and interviews, we are able to further understand the suppliers' understanding related to sustainability, and to share the corporate core value and business philosophy of ATEN, thereby assisting suppliers to incorporate such concepts into their corporate culture, and to grow jointly with the suppliers.

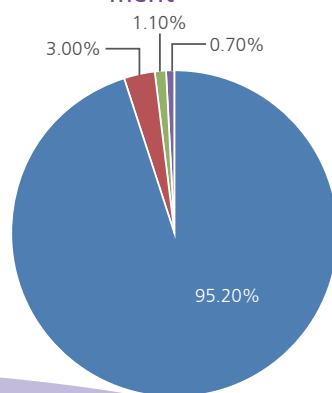
► Strengthen Corporate Social Responsibility Recognition

Suppliers Assessment:

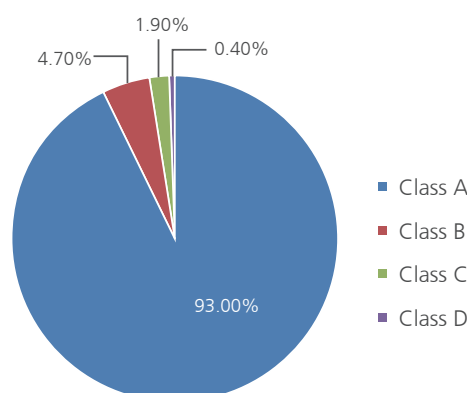
Existing supplier risk and assessment control mechanism, strengthening "monitoring of incoming quality", "social participation and contribution", "gender equality right policy", and "environmental protection energy saving and carbon reduction".

The supplier risk and assessment control method is divided into the first half/second half of the year. In 2018, Class A supplier assessments accounted for 94.12%.

First Half Year Supplier Assessment



Second Half Year Supplier Assessment



For suppliers (Class C, D) identified to be subject to any concern of violating quality and environment or corporate social responsibility, such suppliers are requested to improve within the time-limit, submit a written report and accept irregular inspection. During the guidance period, suppliers are requested to properly complete the improvement according to the requirements.

► Expand Environmental Sustainability Influence

Invite suppliers to participate in environmental protection activities:

To respond to the 2018 international beaching cleaning day, on September 14, ATEN invited suppliers to jointly participate in the largest ocean protection action, such that during the contribution with effort, participants were able to also experience the difficulty of the ocean; in addition, instruction from the Society of Wilderness was invited to provide explanation on ocean protection.



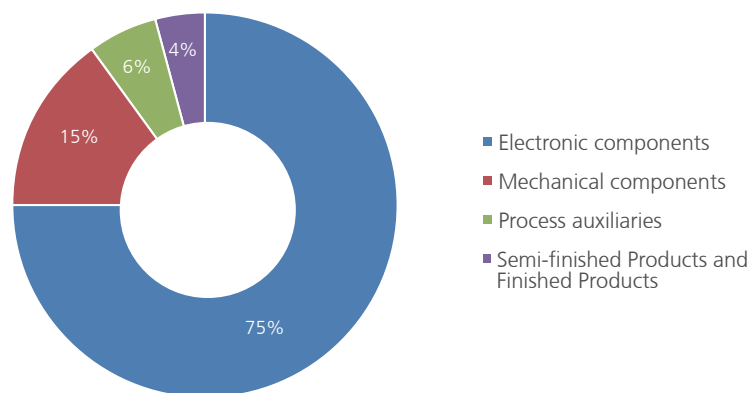
7. Supply Chain Management

► Conflict Material Declaration Survey

Conflict Material CMRT 5.10 Version Survey:

To cope with the ATEN's Conflict Material Policy Statement and the expectations of suppliers, the suppliers are requested to cooperate with the following:

1. Request suppliers to conduct reasonable due diligence on the supply chain in order to ensure that the materials provided by the suppliers to ATEN contain no conflict materials.
2. Request our suppliers to inform immediately in the case where materials provided to ATEN use conflict materials.
3. Request the supply chain to further comply with the customer demands and the implementation of international justice, understand suppliers in depth on their conflict material management status, and perform surveys according to the Responsible Business Alliance (RBA) "GeSI Conflict Material Survey Form".



► Green Supply Assessment System

Green Risk Assessment:

To ensure the safety of the working environment, employee welfare, business operation environmental protection, as well as morality and ethics of suppliers, new supplier's green/sustainable supplier risk assessment are conducted. According to the ISO document of Supplier Management Procedure (QP-024) and Supplier Assessment Regulations (QI-008), the supplier's field and written green risk assessment are evaluated. In addition, the safety of the working environment of the supplier, employees being respected with dignity, business operation environmental protection, and compliance with morality and ethics are ensured.

For the 59 new suppliers, and the green/sustainable supplier risk assessments were conducted completely on all suppliers with an achievement rate of 100%.

► Comply with International Environmental Protection Laws

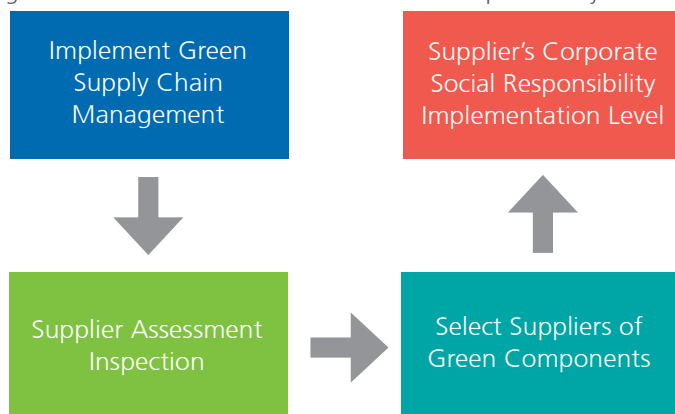
For suppliers complying with the international environmental protection regulatory requirements, including RoHS 2.0 and REACH SVHC 191 items, suppliers' green survey was conducted.

All of the materials provided by suppliers comply with the international environmental protection regulatory requirements.

7. Supply Chain Management

7.5 Sustainable Supply Chain Joint Growth Plan

While facing the threats of environmental hazardous substances to the earth and human health, global consumers and all governments emphasize and pay attention to the development of such issue. Accordingly, ATEN actively promotes green supply chain management, implements corporate green responsibility, and actively promotes the green environmental management system. In addition to ensuring that products and operations comply with the environmental protection laws, we insist on using raw materials from the green supply chain in order to provide green products without hazardous substances, which is the goal and commitment we continue to execute persistently.



► Purchase Non-Conflict Material Raw Materials


Based on the implementation of corporate social responsibility and international justice of ATEN, ATEN adopts the “Three Nos” policy, i.e. “No support”, “No acceptance”, and “No use” of metals obtained through illegal mining and harsh working environments in the Democratic Republic of the Congo (Congo) and its surrounding counties and regions with armed conflicts. For the commonly used metals of gold, tantalum, tungsten, tin, etc., the GeSI Conflict Minerals Reporting Template specified by the Responsible Business Alliance (RBA) shall be used to adopt a standardized self-management method in order to provide a commitment to customers.

► Convey Corporate Core Value

With regard to ATEN's cooperate core values of “Integrity”, “Caring”, “Ambition”, and “Novelty”, through the sustainable supply chain management standards and strategies, the suppliers' corporate social responsibility awareness is enhanced, and the concept of sustainable action standards is conveyed to the suppliers, such that suppliers are able to comply with relevant management systems and the code of conduct for labor, health and safety, environment, ethical standards, etc.

► Protect Environmental Sustainability and Expand Green Influence

Suppliers are important partners of ATEN in promoting CSR. Since 2017, the Company has invited suppliers to jointly participate in the Fulong Beach Cleaning Activity. Despite that fact that the number of volunteers necessary for the activity was limited such that not all suppliers were invited to participate together, nevertheless, this concept was able to receive great feedback from the suppliers invited. Consequently, we believe that ATEN is not alone in the path of promoting CSR, and we have the faith that such concept of goodness will continue to expand, such that more companies, organizations, or individuals will jointly protect our environment and achieve ATEN's commitment in environmental sustainability.

The background features a stylized landscape with two wind turbines on the left and two plants on the right, all rendered in a light pink color. A large, bold number '8' is positioned in the center-left, also in a light pink outline. The bottom of the slide is decorated with a wavy purple band.

8

Customer Satisfaction and Service

- 8.1 Complete Customer Service System
- 8.2 Global Customer After-sales Service Satisfaction Survey
- 8.3 Product Knowledge Educational Training
- 8.4 Customer Health and Safety
- 8.5 Information Security and Customer Privacy Protection

8. Customer Satisfaction and Service

Major Topics

Service Quality, Customer Partnership

For own brand promotion, it is necessary to establish on the basis of customer satisfaction and achieving the most optimal professional service. Under the main business model of B2B and a competitive environment, we need to understand where our customers are, and most importantly, we need to know what the customer demands are, and how these demands can be satisfied. In 2016, we selected one country in Asia and Europe each for the pro AV line, and performed a series of customer interviews. Under the assistance of the professional brand consultant, we were able to eliminate the past burden and existing opinions in order to listen to the existing customers and future potential customers' opinions on our products, services, marketing, brand positioning, etc. Through statistics and analysis, we summarized the things cared about the most by customers into the meaningful MOT (Moment of Truth). In 2017, the company expanded the production line to KVM Switches. Through the understanding of different production lines on MOTs and discussion, we adopted the customer-oriented approach, and after sufficiently understanding the customer demands, we developed a customer combination and service platform with innovative value and competitive capability. In 2018, we provided complete online product knowledge technology educational training in order to use a systematic system to introduce the product technology knowledge of each product line of ATEN, product specifications, and characteristics, as well as market application examples. In addition, we also organized global branch technical support full product line physical course training at the headquarters in order to cultivate technical staff with thorough and professional technical problem-solving abilities. Providing high quality products and services satisfying customers are our key to success.



Global Customer Service Mission: Dedicated to providing excellent global service operation, most optimal service quality, and customer experience.

8. Customer Satisfaction and Service

8.1 Complete Customer Service System

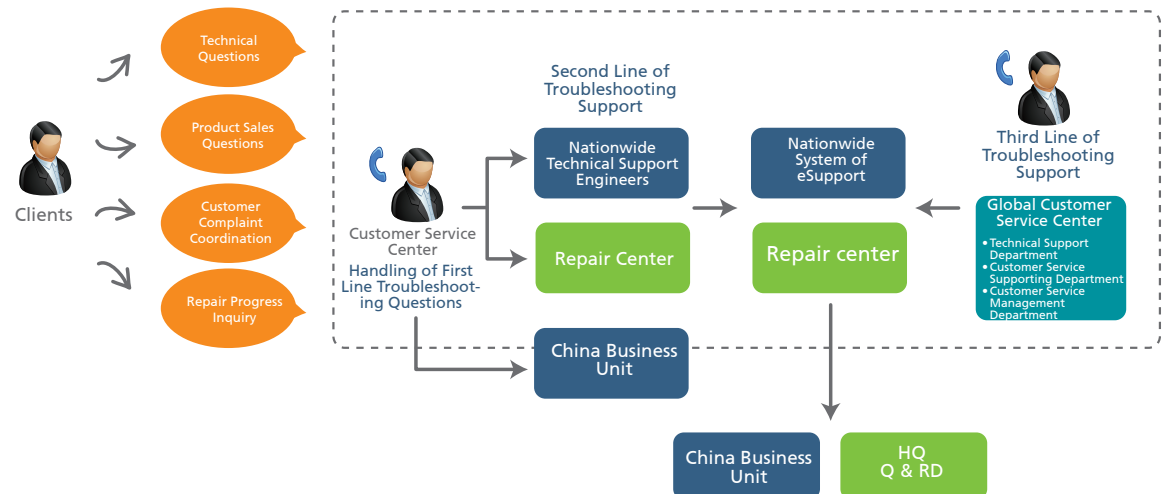
Under the existing policy for global marketing, the customer service network of ATEN expands to various overseas locations. We established the “Global Customer Service Division” in the headquarters in order to integrate all customer service resources and to ensure timely and professional customer services, sustainable operation of customer relationships, thereby improving customer satisfaction.



► Specific service system is described in the following:

Customer Service Direct Line

To allow customers to submit requests in a timely manner and to obtain support immediately, we established the customer service direct line system, provide the 0800 direct line, technical direct line, etc. in order to allow professional technicians to communicate with customers directly and to assist customers to overcome problems. To provide greater local service for the market in China, in 2014, we established the “China Customer Service Center”, and provided the direct line of 400-810-0-810 (400-ATEN-LOVE-ATEN). In addition, in 2017, we further established the pre-sale product consultation professional service in addition to the after-sales service window. “China Customer Service Center” provides end-user technical services, and uses the marketing functional platform for positioning in order to establish and rigorously implement the “First Asking Duty System” and “Customer Question Classification and Priority Handling” regulations in order to ensure that customer demands can be replied to and resolved within the shortest time.



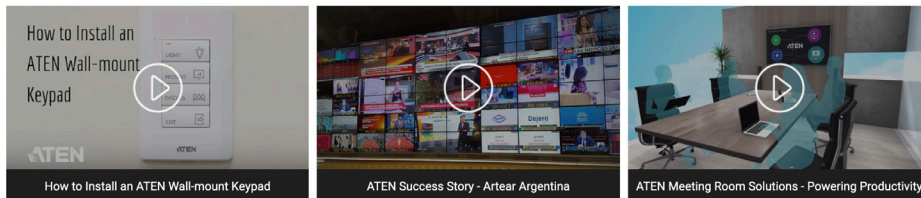
8. Customer Satisfaction and Service

► Online Service Platform (eService)

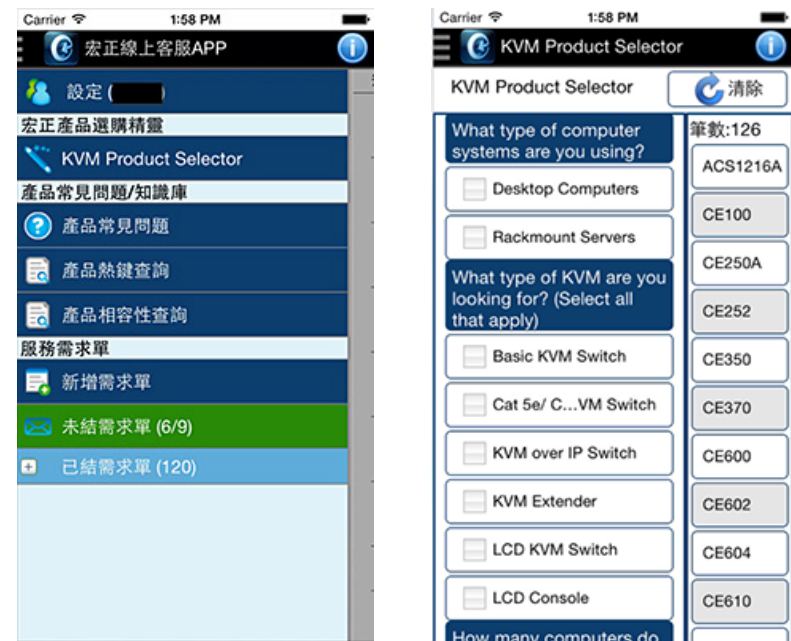
Online Technical Support Service (eSupport)

When our customers worldwide are met with problems in using our products and seek service for help, ATEN technical personnel can use the eSupport network 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 inquiry is recorded in the eSupport platform to facilitate subsequent follow-up. Key issues are also recorded as FAQ (Frequently Asked Questions) or a knowledge base which is recorded on the eService platform for customers' inquiries and sharing. Starting in 2018, in addition to the text form of FAQ, educational teaching videos for installation and operation FAQ are also further added onto the eService platform subsequently.

影片



In addition, we also developed the mobile "ATEN Online Customer Service APP", a small yet exceptional APP that provides a set of useful tools to help clients to solve questions about selecting products, technical information, and online customer service. It is able to assist customers to solve questions related to product selection, technical information, and online customer service in order to provide a brand-new customer experience of utmost convenience.



The main functions of the ATEN Online Customer Service APP include: Product selection wizard/Product FAQ/Product hot key and compatibility list inquiry/Establish new customer service request form on the APP/Inquiry and response information of request form to customer service/Request form can be uploaded directly through the mobile phone camera.

8. Customer Satisfaction and Service

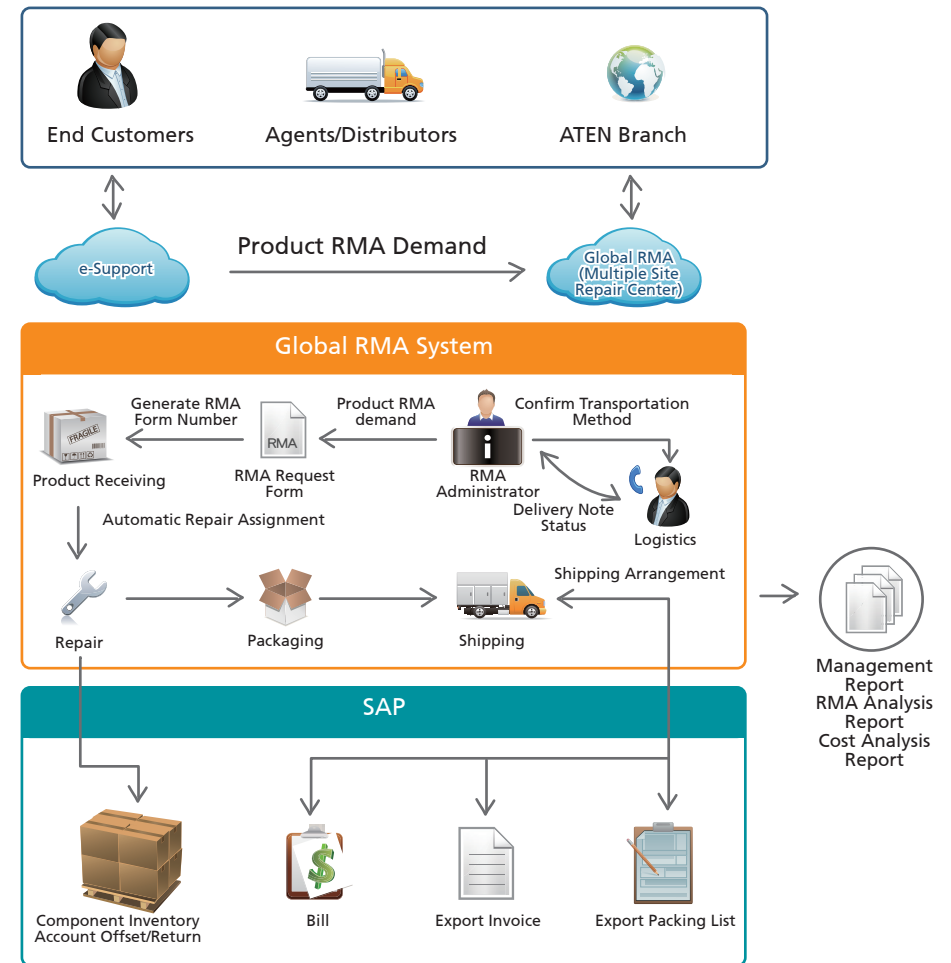
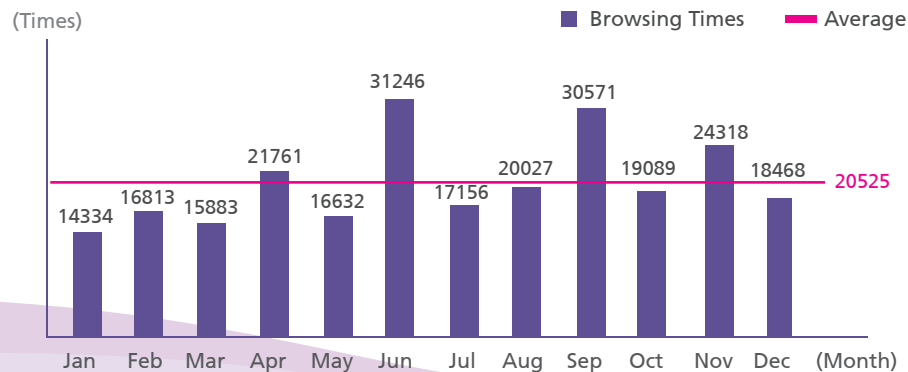
Online Repair Service Global-RMA System

By filling out an online application form, customers can request repair service. Our dedicated RMA (Return Material Authorization) professionals will then receive the form and provide an 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 prior maintenance so as to conveniently retrieve relevant information regarding repairing and 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.

Search for Frequently Asked Questions FAQ

According to the statistics, the monthly average number of FAQ website browsing inquiries in 2018 was 20,525 times, an increase of 28% from the monthly average of 14,654 times in 2017. This means that the service has been widely used by customers, and also demonstrates that many customers worldwide have improved their understanding of the product operation through such service. For ATEN and customers, this is the most economic method. We will continue to provide more complete FAQs with our best effort in order to satisfy customers' needs to overcome problems themselves.

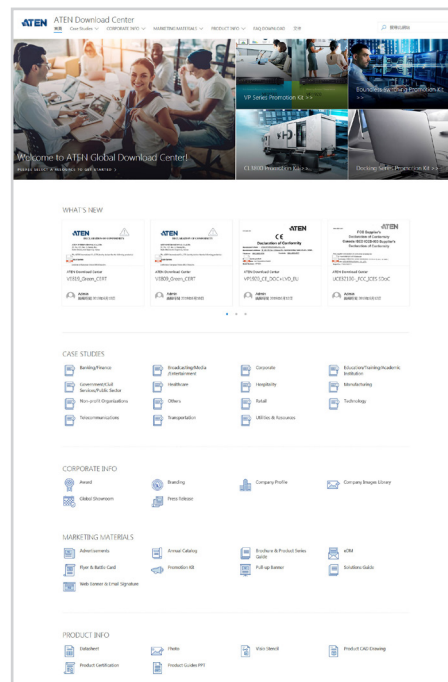
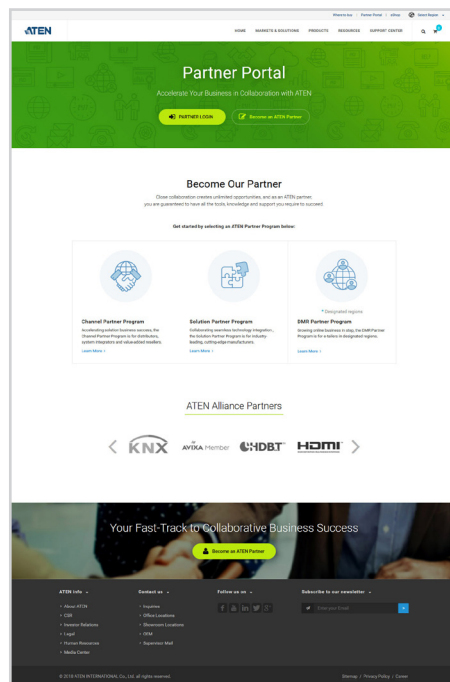
[2018 FAQ Browsing Statistics Table]



8. Customer Satisfaction and Service

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, so as to allow our distributors worldwide to utilize resources on the sharing platform to provide the most supreme service to end customers.

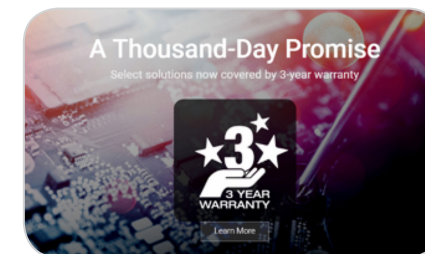


Global RMA Replacement and Repairing Service System Structure

Perfect After-sales Service and Product Guarantee

To provide local and fast after-sales service to customers in various regions worldwide, ATEN established the global customer service unit, divided into two main units of “Technical Support” and “RMA” in the headquarters in Taiwan and all overseas branches. When customers are faced with problems in using their products, they can seek assistance through the customer service direct line. Customers are promptly assisted to eliminate their problems by professional technical support engineers. If a customer's product is diagnosed by the technical support engineer to have the need for repair, the product can be delivered to any one of the technical support locations worldwide, and an RMA engineer can then begin inspection and repair.

Two years of warranty service is provided for ATEN's products. For A+ models, ATEN provides three years of warranty service and AR service (submit first and return later) quality service (adjustments will be made to some countries). In addition, the strengthening of after-sales service with local support is the most important direction to improve customer satisfaction and global brand promotion.



Fast Repairing Service

Through the well-developed, comprehensive service network of the Company headquarters and subsidiaries, we manage to offer TAT (Turn-Around-Time) three working days fast repair service in Asia Pacific and TAT five working day service in Europe and America, cutting the wait time for clients and gaining widespread approval and recognition among our customers.

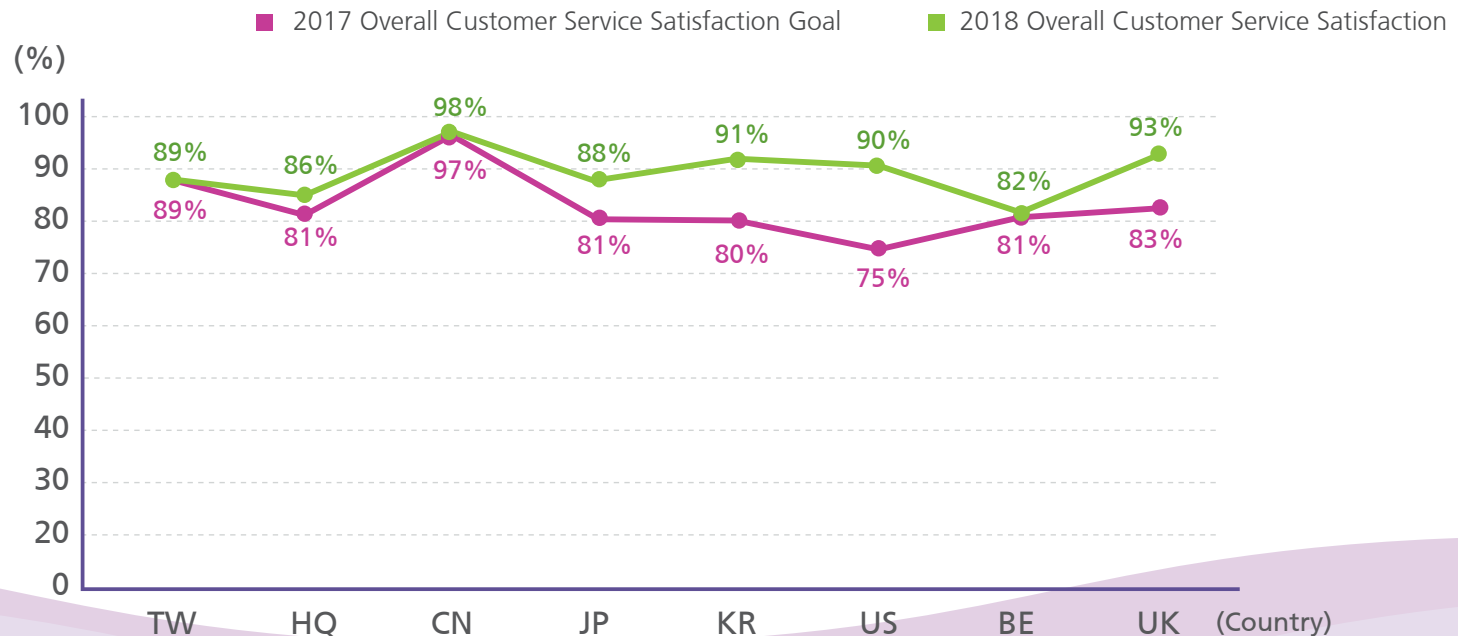
8. Customer Satisfaction and Service

8.2 Global Customer After-sales Service Satisfaction Survey

The “Global Customer Service Division” of ATEN conducts the “Global Customer After-sales Service Satisfaction Survey” on a regular basis, using comprehensive, continued first-hand feedback to understand client experiences and to improve our services accordingly. For items not yet completed, we also perform in-depth analysis and establish an inspection tracking mechanism in order to ensure that customer demands are resolved. In the past two years, the average overall customer service satisfaction was 84%, and in 2018, the actual overall customer service satisfaction was 89%. The customers’ opinion will continue to be transformed into the driving energy for our review and improvement. When

satisfaction feedback is worse than the expectation, we will perform understanding and request improvement immediately. In addition, ATEN also establishes two-way and diverse customer communication channels, such as: product box equipped with feedback form, repair report equipped with customer satisfaction form, all regional websites worldwide are provided with a customer feedback section, and the Company website is available in more than 12 languages, and contact email addresses, etc., such that customers’ requests can be responded to and supported in the shortest time. With such establishment, we are able to strengthen the relationship of trust between customers and ATEN in order to improve the customers’ royalty and brand trust.

[2018 Global Customer After-Sale Service Satisfaction Survey Statistics]



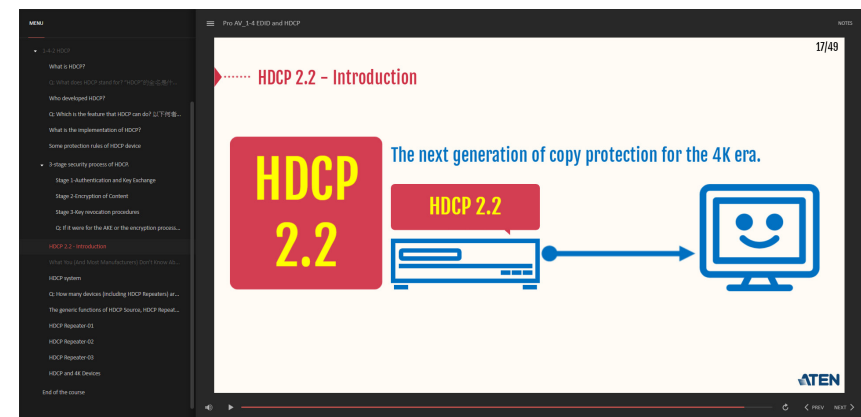
8. Customer Satisfaction and Service

8.3 Product Knowledge Educational Training

Starting from 2017, ATEN has provided the English version of online educational training for each product line (ProAV/Control System/KVM/PDU) for internal employees and external customers. The training courses are designed for sales business, dealership and agency, FAE, and technical customer service personnel. On a brand-new operation interface, visual graphic teaching is adopted in conjunction with a great amount of interactions in order to systematically introduce ATEN, product technology and knowledge of each production line, product specifications and characteristics, as well as market application examples.



In 2018, the headquarters and branches provided four courses (KVM/ProAV/PDU/Control System), and a total of 1589 people attended the courses with an overall course satisfaction score of 87 points, including a total of 1172 people attending the course with an overall course satisfaction of 92 points. In addition to the online product knowledge educational training, we also provided a total of two sessions of Chinese and English global branch technical support full production line physical course training and certification, in order to cultivate technical staff with more comprehensive and professional technical problem-solving abilities.



8. Customer Satisfaction and Service

8.4 Customer Health and Safety

ATEN upholds the corporate principle of “integrity” to provide customers with high value-added innovative product selections. In addition, we also use the provision of the most flexible, speedy, professional client services as an important indicator in continuing to enhance the Company’s competitiveness. Furthermore, with regards to material safety, manufacturing environment, and life cycle of our products, we make sure to fulfill customers’ requirements as well as international standards and regulations, actively implementing health and safety assessment and improvement programs, and establishing self-examination and oversight mechanisms to ensure our customers’ use safety.

Since 2005, ATEN has established the “Hazardous Substance Restricted Use Management” project and has complied with the global relevant regulatory certifications of ErP, WEEE, REACH, RoHS 2.0, etc. In addition, through the implementation of international regulations and standards, we also synchronously comply with the regulations and standards announced by the European Parliament and Council, in order to provide healthy and safe products and services to customers.



8. Customer Satisfaction and Service

8.5 Information Security and Guaranteeing Customers' Rights to Privacy

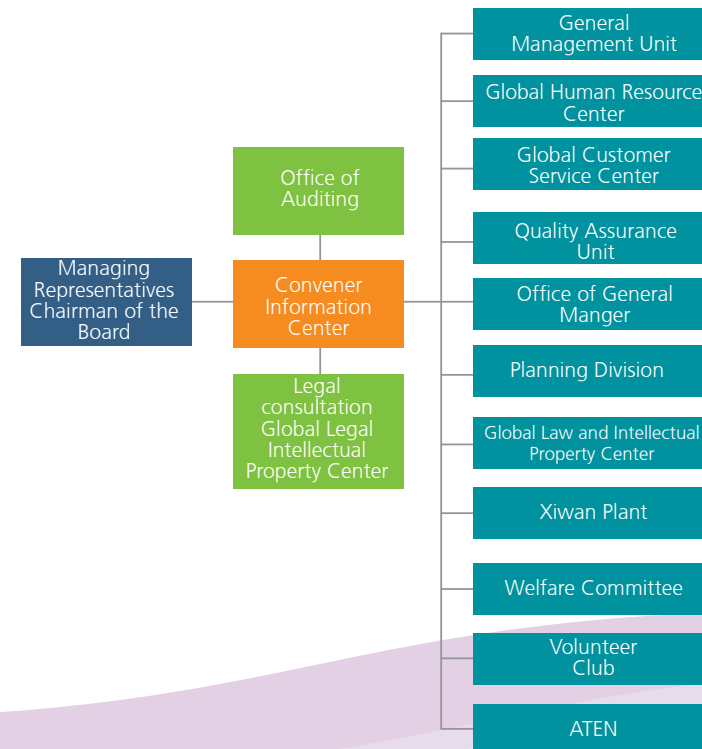
EU's GDPR (General Data Protection Regulation) became officially effective on May 25, 2018, and its penalty fine and scope of influence are great. It is also the most important regulation affecting global data protection action in recent years. ATEN is a global operating company, and products are sold worldwide; therefore, we pay special attention to the implementation of GDPR. Upon the announcement of the regulation, we immediately implemented the internal promotion and educational training such that the Company is ready before the regulation becomes effective.



For all of the channels of internal system control, information security policy, ATEN website privacy policy statements, establishment of DPO (Data Protection Officer) duties, and the email box of DPO@aten.com for external parties to inquire about personal information protection related questions...etc., under the joint cooperation of all departments, we have implemented corresponding preparatory work in order to comply with the regulations and requirements of GDPR on personal information protection, thereby allowing customers' information security and privacy to receive the highest level of protection in all aspects.

To ensure the personal information security of customers and other stakeholders as well as the responsive handling procedure during the occurrence of incidents, we also adopt the establishment of an "internal system" and the system of "personal information management promotion group" for thorough implementation. The "Personal Information Management Promotion Group" is responsible for routine personal information security promotion and also convenes a group meeting semi-annually. The responsible windows of "each department", the "Welfare Committee" and the "Volunteer Club" are invited to review the execution status of the personal information management and to perform discussion and sharing of the latest laws and case examples.

Personal Information Management Promotion Team – Organization Structure



Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

The following indicators are based on the GRI Standards proposed by the Global Reporting Initiative (GRI) corresponding to the content of this Report.

► GRI 102: General Disclosure 2016

Item	Disclosure Item	Disclosure Item Content	Page	Notes
Organizational Profile	102-1	Organization Name	4, 17	
	102-2	Activities, Brands, Products, and Services	19-22	
	102-3	Headquarters Location	4, 17	
	102-4	Operation Location	25-26	
	102-5	Ownership and Legal Form	4, 17	
	102-6	Market With Service Provided	25-26	
	102-7	Organization Scale	26, 27, 42	
	102-8	Information of Employees and Other Workers	42	
	102-9	Supply Chain	87	
	102-10	Major Change of the Organization and its Supply Chain		No major changes.
	102-11	Precautionary Principle or Directive	5	
	102-12	External Advocacy	7	
	102-13	Membership of Unions and Associations	30	
Strategy	102-14	Statement From Decision Maker	5	
	102-15	Key Impacts, Risks, and Opportunities	24	
Ethics and Integrity	102-16	Values, Principles, Standards, and Code of Conduct	38	
	102-17	Recommendation Related to Ethics and Mechanism for Matters of Concern	12, 38	
Governance	102-18	Governance Structure	34	
	102-19	Authorization	8-9	
	102-20	Senior Management Level's Responsibility for Economy, Environment, and Social Topics	8-9	
	102-21	Consultation With Stakeholders on Economy, Environment, and Social Topics	11	
	102-22	Composition of the Highest Governing Unit and its Committees	36	
	102-23	Chairperson of Highest Governance Unit	36	
	102-24	Nomination and Election of Highest Governance Unit	36	
	102-25	Conflict of Interest	36	
	102-26	Role of the Highest Governance Unit in the Establishment of Principles, Values, and Strategies	5, 8	
	102-27	Group Knowledge of the Highest Governance Unit	36	

Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

Item	Disclosure Item	Disclosure Item Content	Page	Notes
Governance	102-30	Effectiveness of Risk Management Procedure	8-9	
	102-31	Review of Economy, Environment, and Social Topics	8-9	
	102-32	Role of the Highest Governance Unit in Reporting of Sustainability	9	
	102-35	Remuneration Policy	37	
	102-36	Remuneration Determination Process	37	
Stakeholder Engagement	102-40	Stakeholder Group	10	
	102-41	Group Agreement		No Trade Union
	102-42	Stakeholder Identification and Selection	10	
	102-43	Stakeholder Communication Directive	10-12	
	102-44	Proposal on Key Topics and Matters of Concern	13-14	
Ethics and Integrity	102-45	Entities Included in the Consolidated Financial Statements	4	
	102-46	Define Report Content and Topic Boundaries	4, 13-14	
	102-47	Major Topic List	14	
	102-48	Information Restatements		No information restatements.
	102-49	Report Change		No major report change.
	102-50	Reporting Period	4	
	102-51	Date of Last Report	4	
	102-52	Reporting Cycle	4	
	102-53	Contact Person for Responding to Questions Related to the Report	4	
	102-54	Declaration According to GRI Standards Report	4	
	102-55	GRI Content Index		Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index
	102-56	External Guarantee/Assurance	4	
GRI 103: Management Directive 2016	103-1	Explanation of Major Topics and Boundaries Thereof	14	
	103-2	Management Directive and Elements Thereof		Please refer to corresponding content of p.14 Major Topic Form.
	103-3	Management Directive Assessment		Please refer to corresponding content of p.14 Major Topic Form.

Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

GRI Specific Topic Standard Disclosure

Item	GRI Specific Topic	Disclosure Item Content	Page	Notes
Economic Performance ☆	201-1	Direct economic value generated and distributed	27, 38	
	201-3	Define Welfare Plan and Obligation as Well as Other Retirement Plan	42	
	201-4	Finance Assistance Received From the Government		On February 9, 2018, the Company was approved by the review of the Industrial Development Bureau, such that the Company was able to acquire the research investment tax deduction amount of NT\$ 6.15 million.
Indirect Economic Impacts	203-1	Development and impact of infrastructure investments and services supported	50	
	203-2	Significant Indirect Economic Impacts	50	
Energy	302-1	Energy consumption within the organization	75	
	302-3	Energy intensity	75	
	302-5	Reductions in energy requirements of products and services	78	
Emissions	305-1	Direct (Scope 1) Greenhouse Gas Emissions	81-82	
	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	81-82	
	305-4	Greenhouse Gas Emission Intensity	83	
	305-6	Emissions of Ozone-depleting Substances (ODS)		Production and products do not use any ozone-depleting substances (ODS) materials.
	305-7	NOx, SOx, and Other Significant Material Gas Emissions		No significant emission of air pollutants.
Waste Sewage and Waste	306-1	Water Discharge According to Water Quality and Discharge Destination		ATEN has different types of effluent and wastewater discharge facility, which properly treat wastewater from each of our plants before discharging it into government-owned sanitation sewers.
	306-2	Waste Classified by Type and Treatment Method	79	
	306-5	Water Body Affected by Effluent and Other (Surface) Drainage		Except for rainwater, all drainage is treated before draining into the sewage system in the Park; therefore, there is no direct impact.
Compliance With Environmental Protection Related Laws ☆	307-1	Violation of Environmental Protection Laws		No punishment related to noncompliance with environmental laws and regulations received in 2018.
Supplier Environmental Assessment	308-1	Adopt Environmental Standards for Screening New Suppliers	86-87	
	308-2	Negative Impact of Supply Chain on the Environment and Actions Adopted	88-89	
Labor-Management Relationship ☆	401-1	New Employees and Resigned Employees	42	
	401-2	Welfare Provided to All Employees	42	
	401-3	Parental Leave	42	
Labor/Management Relations	402-1	Minimum Notice Periods Regarding Operational Changes		Handled according to Labor Standards Act related regulations.

☆ Major Topics

Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

Item	GRI Specific topic	Disclosure Item Content	Page	Notes
Occupational Safety and Health	403-1	Worker representatives in the Safety and Health Committee formed jointly by the labor-management.	45	
	403-2	Type of injury, injury, occupational disease, number of working days lost, absence ratio, etc., and number of deaths in the course of job duties.	45	
	403-3	Workers with a high incidence or high risk of incidents that are related to their occupation.		With the use of Volatile Organic Solvents with n-hexane which can cause numerous neurological diseases, employees in contact with such substance frequency are tracked periodically for the health condition, and currently, there are no relevant occupational diseases.
	403-4	Health and Safety Topics Covered in Formal Agreements With Trade Unions		No trade union
Training and Education ☆	404-1	Average Hours of Training per Year per Employee By Gender, and By Employee Category	43	
	404-2	Improve employee occupational skills and transition assistance programs.	44	
	404-3	Percentage of Employees Receiving Periodic Performance and Occupational Development Reviews, By Gender and By Employee Category	43	
Diversity and Equal Opportunity	405-1	Diversity of Governance Unit and Employees	36	
Local Communities ☆	413-1	Communicate With Local Communities, Impact Assessment, and Development Plan Operation Activities		Communicate frequently with local government agencies, nursing homes, charity organizations, social service centers, in order to assess the community needs, and provide timely assistance.
Supplier's Social Assessment	414-1	New Suppliers That Were Screened Using Social Criteria	86	
Public policy	415-1	Political Donations		No political donations in 2018.
Customer Health and Safety ☆	416-1	Assess the impact of products and services on health and safety.	73, 101	
Marketing and Labeling ☆	417-1	Product and service information as well as labeling requirements.	73, 101	All products of ATEN comply with relevant information and labeling requirements.
Social and Economic Regulatory Compliance ☆	419-1	Non-compliance with laws and regulations in the social and economic area.		No violation of relevant laws and regulations in 2018.

☆ Major Topics

Appendix 2 Independent Assurance Opinion Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

2018 ATEN International Co., Ltd. Social Responsibility Report

The British Standards Institution is independent to ATEN International Co., Ltd. (hereafter referred to as ATEN in this statement) and has no financial interest in the operation of ATEN other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of ATEN only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ATEN. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ATEN only.

Scope

The scope of engagement agreed upon with ATEN includes the followings:

1. The assurance scope is consistent with the description of 2018 ATEN International Co., Ltd. Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the ATEN's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000 Assurance Standard (2008) with 2018 Addendum assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2018 ATEN International Co., Ltd. Corporate Social Responsibility Report provides a fair view of the ATEN CSR programmes and performances during 2018. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ATEN and the sample taken. We believe that the 2018 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate ATEN's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000AS (2008) with 2018 Addendum. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ATEN's description of their approach to AA1000AS (2008) with 2018 Addendum and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to ATEN's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 6 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ATEN has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the ATEN's inclusivity issues.

Materiality

ATEN publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of ATEN and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the ATEN's management and performance. In our professional opinion the report covers the ATEN's material issues.

Responsiveness

ATEN has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ATEN is developed and continually provides the opportunity to further enhance ATEN's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the ATEN's responsiveness issues.

Impact

ATEN has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. ATEN has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the ATEN's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

ATEN provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the ATEN's social responsibility and sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS (2008) with 2018 Addendum in our review, as defined by the scope and methodology described in this statement.

Responsibility

The CSR report is the responsibility of the ATEN's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:


Peter Pu
Managing Director BSI Taiwan
2019-06-10



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