



# ATEN International Co., Ltd.

## 2014 Corporate Social Responsibility Report





## Introduction



### About the “ATEN 2014 Corporate Social Responsibility Report”

The ATEN 2014 Corporate Social Responsibility Report is the fourth corporate social responsibility report issued by ATEN International Co., Ltd. Over the years, we've always upheld the four core corporate values of: Integrity, Caring, Ambition and Novelty. We put these values and beliefs into action, starting with the honesty and transparency in our informational disclosures and strive to continue improving ourselves in all dimensions, including Corporate Strategy, Operational Management, Corporate Governance and Product Strategy. Not only do we seek to meet the basic requirements of achieving reasonable profits for our shareholders but also put special emphases on realizing the positive beliefs of Corporate Sustainability, Environmental Sustainability and a mutually beneficial relationship between the corporation and stakeholders.

In August 2014, ATEN was honored to receive recognition from CommonWealth Magazine's *Excellence in Corporate Social Responsibility Award*, winning first place in its “mid-sized enterprise” category. We take this opportunity to vow our commitment to become the leader while pursuing corporate social responsibility. The award also serves as a reminder to continue strengthening and practicing CSR values with a humble attitude, so as to exert and spread CSR's powerful and positive impacts on society.

### Report Scope

The information disclosed in this report covers ATEN's concepts and actions in the areas of corporate governance, protecting the environment and participation in the community, from January 1st to December 31st, 2014, with the full scope of events extending into March 31, 2015. The content of this report includes collaboration of ATEN's headquarters in Taiwan and subsidiary companies in the PRC, America, Belgium and other countries.

### Guiding Principles in Writing this Report

This report is written in response to the ever-growing emphasis on corporate social responsibility around the world and in conjunction with Taiwan Stock Exchange's (TWSE) efforts to promote the disclosure of information by its listed companies regarding corporate social responsibility. Part of this report is based on the fourth generation of GRI's Sustainability Reporting Guidelines, also known as GRI G4 Guidelines, proposed by the Global Reporting Initiative, also known as. The CSR report is issued annually in Traditional Chinese and English.

### Verification

A third-party verification agency has not been engaged to verify this report. As a measure to enhance information transparency and reliability, next year's report will be published after receiving verification from a certified verification agency.

### Publishing the Report

Current edition published in June 2015.  
Next edition to be published in June 2016.

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

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

### Contact Us

ATEN International Co., Ltd. Corporate Headquarters  
Address: 3F., No.125, Sec. 2, Datong Rd., Sijhih District., New Taipei City  
Tel: +886-2-8692-6789  
Fax: +886-2-8692-6577  
Email: [csr@aten.com](mailto:csr@aten.com)  
Website: [www.aten.com](http://www.aten.com)





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# CH1 Manager's Preface



To ATEN, Corporate Social Responsibility has become part of our corporate DNA. Whether in the company's decision-making or in the execution of our employee's work activities, the CSR concept has been fully incorporated as an essential element of our culture and is manifested in different aspects that include corporate governance, corporate commitment, environmental protection, social participation and more.

In August 2014, ATEN was honored to receive recognition from CommonWealth Magazine's *Excellence in Corporate Social Responsibility Award*, winning first place in its "mid-sized enterprise" category. It not only marks ATEN's best performance during the eight years that we've participated but also provides proof of the company's relentless work and commitment in pursuing CSR. We would like to take this opportunity to reiterate our unwavering determination to promote and pursue corporate social responsibility. The award also serves to remind us to continue strengthening and practicing CSR values with a humble attitude, so as to exert and spread CSR's powerful and positive impact on society.



CEO & President of the Board

For two consecutive years, ATEN has received the highest A++ distinction from the *Information Transparency Disclosure Rankings for TSE & OTC Listed Companies*, conducted by the Securities and Futures Institute in Taiwan. ATEN ranked among the top 5% of all enterprises that were listed, which is a remarkable recognition of the endeavors that management has undertaken to improve corporate governance. To ATEN, what CSR means is to achieve stable corporate governance as a solid foundation, to fully live up to the social responsibilities of a corporate citizen while pursuing profits and growth, and to respect the right of information to all stakeholders about company management, so as to build an open, transparent and sustainable relationship.

**It is our uncompromising principle to focus on becoming the very best and being number one in each of the fields that we specialize in.**

According to the renowned German management guru Hermann Simon, the characteristics of "hidden champions" include having clearly defined, focused corporate goals; claiming irreplaceable status in an industry on the global market, fostering close relationships, obtaining a deep understanding of customers, focusing on across-the-board innovations, being value-oriented, and engaging in tight races with competitors. These are the exact directions that ATEN endeavors and has worked hard for years to achieve. In the niche markets that we focus on, we've been able to leverage on high quality products and services to create a unique competitive edge that helps us to achieve lucrative profits for our shareholders. In 2015, ATEN was honored to be selected by the Ministry of Economic Affairs to receive its 3rd *Taiwan Mittelstand Award* that uses Hermann Simon's "hidden champions" theory as criteria. This award is a positive response to ATEN's corporate management strategy and recognizes the company's relentless pursuit of branding, globalization, innovation and service. Despite multiple challenges from industry slumps, brand positioning and market expansion, ATEN, bearing the great expectations of its stakeholders in mind, still excels and does not disappoint.

Looking forward, we'll continue to keep ourselves grounded on the four core corporate values of Integrity, Caring, Ambition and Novelty, and uphold corporate sustainability as our long-term goal. We aim to broaden and strengthen our efforts in the areas of corporate governance, corporate commitment, environmental protection, social participation and more, so as to instill more strength and positivity to help society improve as a whole. We earnestly look forward to creating a *win-win* situation for our stakeholders – the investors, employees, clients, suppliers, community, government and all those we associate with.







## CH2 • Implementation of CSR

2.1 CSR Policy Statement

2.2 Stakeholder Relations





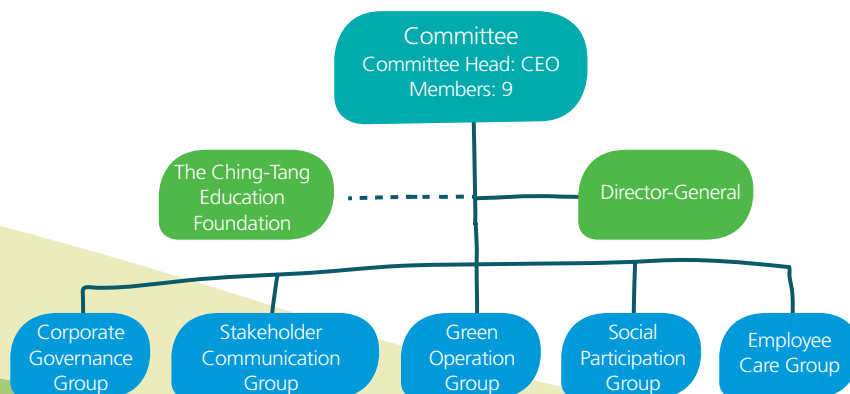
# Implementation of CSR



ATEN's implementation of CSR began with corporate governance and two levels of social welfare. After relevant government authorities advocated using GRI's Sustainability Reporting Guidelines as the basis for the writing of CSR reports, the company then followed this direction and has since planned to expand the CSR efforts to include the following areas as important strategic directions in furthering our CSR implementation: environmental protection, human rights, stakeholder conflict resolution and mediation, supply chain management, product responsibility, and more.

As part of our effort to establish a powerful, effective system to implement CSR, on April 24, 2012, a corporate social responsibility *Policy Statement* and *Organizing Structure and Management System* were approved by the company's Board of Directors, designating the *ATEN Corporate Social Responsibility Committee* as the company's highest internal governing group in charge of CSR implementation. Our CEO serves as the Committee Head, while the company's top-level executives will serve as the other eight members on the committee. The CSR group 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 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 of all CSR projects formulated by the CSR Committee should be reported regularly to the Board of Directors.

## ♥ ATEN CSR Committee Group Structure



The *ATEN Corporate Social Responsibility Committee* governs and oversees five groups that include Corporate Governance, Stakeholder Communications, Green Operations, Social Participation and Employee Care. These groups are made up of our employees from the *General Manager's Office, Human Resources Center, Manufacturing Unit, Quality Assurance Center, Global Customer Service, Marketing and Promotion Center, Department of Investor Relations, Department of Management and Environmental Safety Office*.

## 2.1 CSR Policy Statement

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

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

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

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



## 2.2 Stakeholder Relations

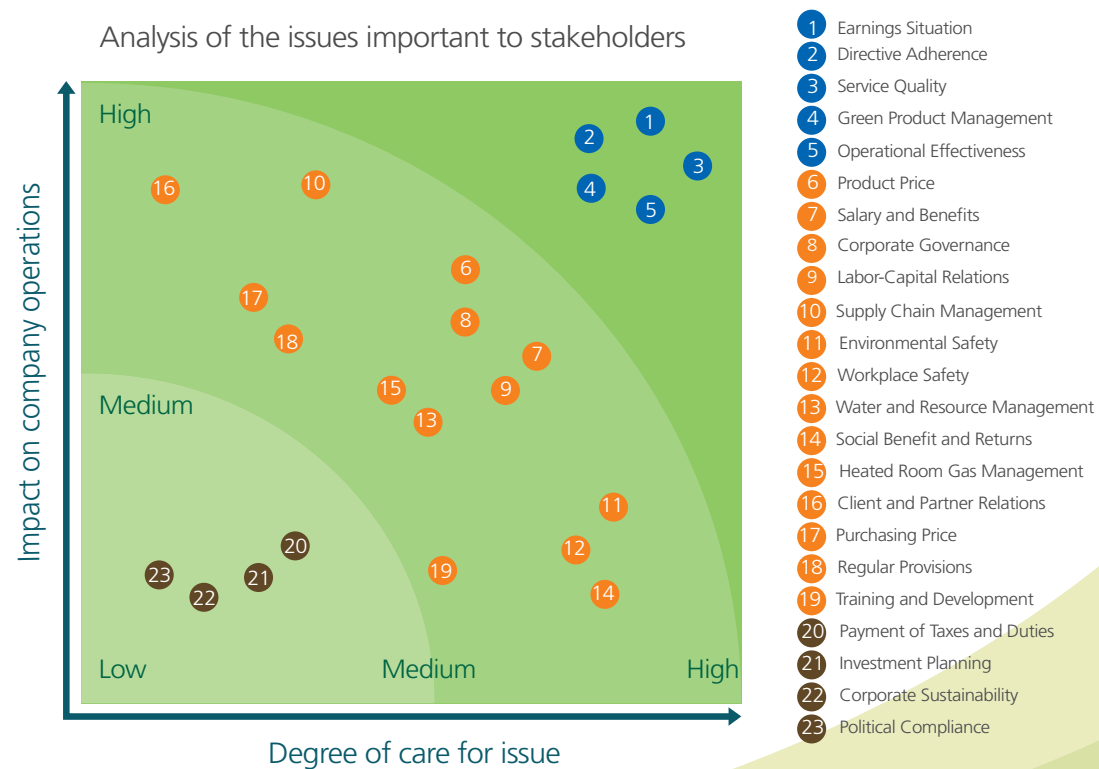
Stakeholders refer to a person or group that has a concern or interest in an organization and can be affected by the organization's policies and actions. In order to ensure that we are advancing and furthering the interests of our stakeholders, as we run our business, we put significant emphasis on communication with our stakeholders. At our monthly CSR meetings, in addition to reviewing the progress of ongoing specific CSR efforts, we also discuss the feedback and suggestions from our stakeholders, collected by each of the five groups under the CSR committee, through their respective communications with the stakeholders. The opinions, needs and expectations expressed by our stakeholders are all considered as critical input to guide the company's decision-making and to set future strategic directions.



### ♥ Classification of Issues Related to Stakeholder Care

We evaluate the opinions and information provided by stakeholders in terms of “the degree of concern over the issue” and “the impact on the company's operation and management” and further classify stakeholders' concerns into three categories, namely *important issues*, *secondary issues* and *general issues*. These issues are incorporated into the yearly goals of different departments at the company or into cross-departmental solutions and are the important bases that guide the development of the company's sustainable management strategy.

Analysis of the issues important to stakeholders



## ♥ Communication Systems and Interactions with Stakeholders

So far the identified stakeholders of the company include: clients, investors, employees, suppliers, social organizations, the media and government agencies. Each and every one of our stakeholders has appropriate channels to correspond with relevant departments of the company, which allows the company to interact with stakeholders and quickly address the issues of their concern.

The various channels and frequency with which each issue is addressed, are as follows:

Stakeholder	Issues	Communication Channels	Frequency of Communication
Clients	•Product Price	Client satisfaction survey	Annually
	•Service Quality	e-support Website platform, Partner Center Website	Constantly
	•Client and Partner Relations	Customer service line	Constantly
	•Supply Chain Management	Agent Conference	Annually
Investors	•Operational Effectiveness	Convening a Regular (Provisional) Shareholders' Meeting	Annually
		Investor Conference	No set time
		Financial Report	Quarterly
		Annual Reports	Annually
	•Earnings Situation	Spokesman System	Constantly
	•Investment Planning	Establishing Investor Relations Department	Constantly
	•Corporate Governance	Company Website Announcement	Constantly
	•Enterprise Sustainability	Information Disclosure and Transparency, Corporate Governance Evaluation System	Annually
Employees	•Salary and Benefits	Mail Box: ir@aten.com.tw	Constantly
		Employee Benefits Committee	Constantly
		Human Resource e-School	Constantly
		Capital-labor Meetings	Quarterly
	•Labor-capital Relations	Occupational Safety and Health Committee Meeting	Quarterly
	•Training and Development	Solution provision and improvement system	Constantly
	•Workplace Safety	Employee opinion channels such as activity satisfaction surveys, catering service satisfaction surveys and birthday present surveys	No set time
		Company advertisements	Constantly

Stakeholder	Issues	Communication Channels	Frequency of Communication
Suppliers	•Purchasing Price	Regular quality inspection	Monthly
	•Regular Provisions	International list	No set time
	•Green Product Management		
Social organizations	•Heated Room Gas Management	Company Website	Constantly
	•Water and Resource Management	CSR Report	Annually
	•Environmental Safety	The Ching-Tang Education Foundation	Constantly
	•Social Benefit and Returns	Employee Benefits Committee	Constantly
		Mail Box: csr@aten.com	Constantly
The Media	•Operational Effectiveness	Press releases	Constantly
	•Earnings Situation	Press conferences	No set time
	•Recruitment	Interviews	No set time
Government Agencies	•Investment Planning	Explanatory meetings held by supervisory agencies	No set time
	•Directive Adherence		
	•Environmental Safety	Corporate governance appraisal	Annually
	•Payment of Taxes and Duties	Publishing directives	Constantly
	•Political Compliance	Government agency websites	Constantly







## CH3 • Enterprise Operations

- 3.1 Introducing ATEN
- 3.2 Worldwide Presence
- 3.3 Operational Achievements
- 3.4 Awards Won







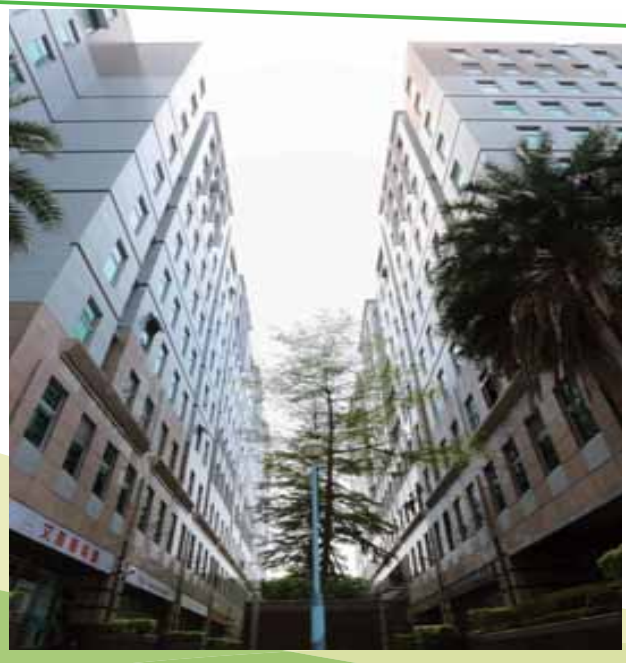
# Corporate Operations



## 3.1 About ATEN

Established in 1979, ATEN International Co., Ltd. holds up "Simply Better Connections" as its mission, and for decades has been focusing on developing connection and IT infrastructure management solutions for accessing and sharing all types of innovative technology. ATEN's product lines encompass various KVM switches, professional-grade audio & visual products, and green technology-related products.

ATEN's KVM product line, boasting the most comprehensive product categories and selection in the world, has products for all customer groups, ranging from entry-level to corporate-level products. In addition, ATEN's KVM products offer customized solutions that are tailored to effectively meet different needs of the market, which allows the company to gain a deeper understanding of the unique characteristics of current and potential products, thus create new value within products. According to QY Research's global KVM switch 2014 industry report, in 2014 the global shipment of KVM switches was 1.93 million units worldwide, with ATEN shipping a total of 1.07 million units, equivalent to a global market share of 55.8%, making ATEN the world's largest KVM vendor in terms of volume, standing as the leader in the KVM industry.



"As the world's leading KVM switch brand, ATEN is fully committed to providing first-rate products and top-quality service to customers around the world. Always relentlessly pursuing quality and continuous innovations, the company strives to fulfill the diverse needs from different industries, to keep pace with future global trends, to set new trends in the market, and to expand its global business, so as to further the company's performance and to achieve win-win situations with its customers."

The ATEN International Co., Ltd. headquarters is established in Sijhih District, New Taipei City, Taiwan. ATEN is currently the only global provider of KVM switches that has shares on the Taiwan stock market.

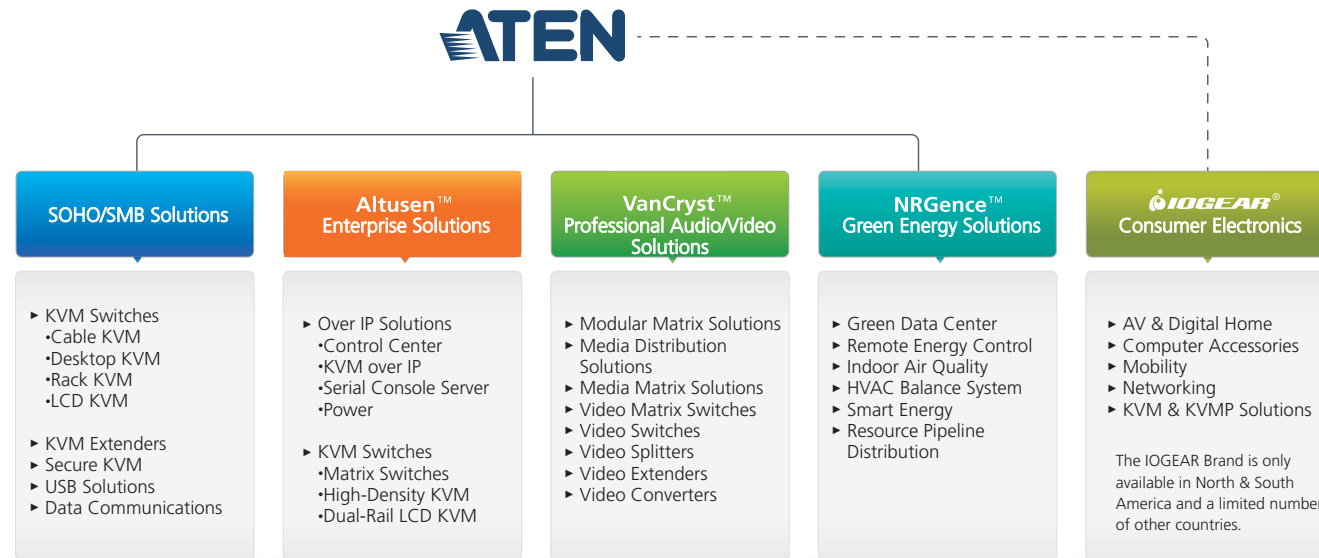
### ATEN International Co., Ltd.

Established:	July 1979
Net Capital:	1,194,711,660 New Taiwan Dollars
Headquarters:	3F., No.125, Sec. 2, Datong Rd., Sijhih District., New Taipei City, Taiwan
Business Scope:	Research & Development/Manufacturing/Export
Number of Employees:	Approx. 1,607 worldwide (approx. 612 in Taiwan)
Main Products:	KVM Switches / Remote Management Solutions / Video Products / USB Peripheral Products / Industrial Control Products / Green Energy-Management Systems.
Company Certifications:	ISO 9001:2008 UKAS ISO 14001:2004 UKAS
Market of Provision for Products and Services:	Worldwide
Key Brand:	ATEN
Stock Symbol:	6277



## ♥ Brands, Products and Services

ATEN is the brand of ATEN International Co., Ltd. All products and services sold under the ATEN banner worldwide use the brand "ATEN" in order to provide clients with a high, uniform standard of service.



### Altusen™

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

### VanCryst™

ATEN's VanCryst™ range of professional A/V solutions provides signal management and complete system control abilities. They can be installed in a home, professional A/V setting, company office, or within education, government, hospital or entertainment facilities and more.

### NRGence™

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

### IOGEAR®

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



## ♥ Timeline

1979	Company approved for registration, named HOZN Co., Ltd., with net capital of NT\$2,000,000.
1982	Launched the first product, "Little Sprite Home Electricity Control System" GL Series, which is a central control instrument to monitor, control and operate many individual sensors, lights and power sources.
1984	<ul style="list-style-type: none"> <li>•Company renamed ATEN International Co., Ltd.</li> <li>•Released DATA Switch Box products.</li> </ul>
1986	Introduced first MP/MS series Auto Switch and Convert Series.
1987	Introduced INDATA Industrial Computer Series.
1988	<ul style="list-style-type: none"> <li>•ATEN's English name changed to "ATEN International Co. Ltd."</li> <li>•Started manufacturing of power supplies for computers.</li> </ul>
1991	<ul style="list-style-type: none"> <li>•ATEN brand products went on sale.</li> <li>•Began using ATEN ASIC chips developed internally.</li> </ul>
1992	<ul style="list-style-type: none"> <li>•Released world's smallest printer buffer.</li> <li>•Launched first ATEN brand product: AS251P.</li> <li>•Launched AS-248 Series networked print switches.</li> </ul>
1995	Factory introduced "Free Flow" production to improve capacity.
1996	<ul style="list-style-type: none"> <li>•Awarded ISO-9002 certification.</li> <li>•Established American sales subsidiary company, "ATEN TECHNOLOGY INC.", in California.</li> </ul>
1999	<ul style="list-style-type: none"> <li>•Registered as a public company.</li> <li>•Invested in the Cayman Islands-registered company "TOPMOST INTERNATIONAL CO., LTD."</li> <li>•Subsidiary "TOPMOST INTERNATIONAL CO., LTD." invested in Niue-registered company "EXPAND INTERNATIONAL CO., LTD."</li> <li>•Established "Yasheng High-Tech Electronics Factory", used for processing, in Songgang, Shenzhen, China</li> </ul>

2000	<ul style="list-style-type: none"> <li>•Headquarters moved to present address: 3F, No. 125, Sec. 2, Datong Rd., Sijhih District., New Taipei City, Taiwan.</li> <li>•Unveiled world's first USB KVM at the Comdex Fall trade fair in the USA.</li> <li>•Successfully developed the world's first 4-port USB 2.0 hub certified by the USB Association, which also used ATEN's products as the USB 2.0 world testing standard.</li> <li>•Established subsidiary sales company, "ATEN INFOTECH N.V." in Belgium.</li> <li>•CS182, CS124, CS1016 won Taiwan Excellence Award.</li> </ul>
2001	<ul style="list-style-type: none"> <li>•New ATEN factory at Sijhih completed. Had 210 staff and occupied an area of 7,000m2.</li> <li>•Ching-Tang Education Foundation established with the aims of nurturing talents in technology, advocating progressive thoughts, and promoting social progress.</li> <li>•CCS428/CS9138 won Taiwan Excellence Award.</li> </ul>
2002	<ul style="list-style-type: none"> <li>•ATEN's shares registered as "emerging stock" in the GreTai Securities Market.</li> <li>•Awarded ISO-9001 certification.</li> <li>•ACS1714 and ACS1808 won Taiwan Excellence Award.</li> </ul>
2003	ATEN shares officially went on the market in Taiwan.
2004	<ul style="list-style-type: none"> <li>•Subsidiary sales company, "ATEN JAPAN YKK", established in Japan.</li> <li>•Awarded MOEA's Industrial Technology Development Award.</li> <li>•Won the Golden Root Award.</li> </ul>
2005	<ul style="list-style-type: none"> <li>•Acquired "Wellsyn Technology INC.", thereby obtaining advanced IPMI technology.</li> <li>•Released first wireless KVM solution - KW1000.</li> <li>•KM0432 won Taiwan Excellence Award.</li> </ul>
2006	<ul style="list-style-type: none"> <li>•KL1116, KM0832 and KA9233 won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>•Named to Forbes Magazine's List of Asia Pacific's 200 most outstanding SMBs.</li> <li>•KL1116, KN2116, and CS1774 won Taiwan Excellence Award.</li> <li>•Comprehensive introduction of ROHS manufacturing.</li> <li>•Passed IS14001 certification.</li> <li>•Established holding company, "ATEN EUROPE Ltd.", in the UK.</li> <li>•Established subsidiary sales company, "ATEN UK Ltd.", in the UK.</li> <li>•Established holding company, "ATEN US HOLDINGS INC.", in the U.S.A.</li> <li>•Established subsidiary sales company, "ATEN NEW JERSEY INC.", in New Jersey, USA.</li> </ul>



2007	<ul style="list-style-type: none"> <li>•Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 3rd among Medium-sized Enterprises).</li> <li>• ATEN R&amp;D headquarters founded.</li> <li>•Established a subsidiary sales company in Korea ("ATEN ADVANCE Co., Ltd.", renamed "ATEN KOREA Co., Ltd." in 2009).</li> <li>•Established holding company, "FOREMOST INTERNATIONAL Co., Ltd.", in Mauritius.</li> <li>•Established subsidiary sales company, Beijing ATEN Co., Ltd., in Beijing.</li> <li>• CS52 series and CS62DU/CS62D won Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>•Launched first KVM switch supporting IPMI functionality - KH98.</li> <li>•Launched first DVI KVM Switch - CS62DU/CS62D.</li> <li>•Launched world's first 19-inch LCD KVM Switch - KL1508/1516.</li> <li>•KL9116 Dual-rail LCD KVM switch won iF China Award.</li> <li>•KH98, KL9108/9116, and CS52 series &amp; CS62DU/CS62D won Taiwan Excellence Award.</li> </ul>
2008	<ul style="list-style-type: none"> <li>•ATEN launched first notebook USB KVM switch - the CS661.</li> <li>•Promoted core enterprise values of "Integrity", "Caring", "Ambition", and "Novelty".</li> <li>•Established wholly-owned factory, ATEN (Shenzhen) Co., Ltd., in Shenzhen, China.</li> <li>•KE8220, CL5708 / CL5716, and CS1782 / CS1784 won Taiwan Excellence Award.</li> </ul>
2009	<ul style="list-style-type: none"> <li>•Global distribution reached 668 entities around the world, and ATEN held 244 recognized patents. Named no. 86 of the "Top 100 companies and research institutions in Taiwan in 1997".</li> <li>•Bought land in Belgium, and constructed the "Europe Operations Center. This large office and warehouse was officially completed and opened, serving as the logistics and management center for all of Europe, actively expanding trade opportunities in Europe.</li> <li>•Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 9th among Medium-sized Enterprises).</li> <li>•Won the contribution award at the National Invention and Creation Award by the MOEA.</li> <li>•ATEN's CEO, Mr. Kevin Chen, commended for outstanding commercial contributions and technological achievements by King Badouin of Belgium.</li> <li>•HDMI KVMP CS1792/CS1794 switches won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs.</li> <li>•VS1504 / VS1508 Cat-5 audio/video splitters won Taiwan Excellence Award.</li> <li>•KN4140v honored with Computex 2009 "Best Choice Award" and Japanese "Interop Tokyo Best Show Award".</li> </ul>
2010	<ul style="list-style-type: none"> <li>•Officially launched the all-new video product line – VanCryst™. This product was created to satisfy the broad video requirements of many enterprises and to provide professional audio/video solutions.</li> <li>•Established office in Moscow, Russia.</li> <li>•Korean subsidiary expanded to Gasan-dong, Geumcheon-gu, Seoul, and established a client service center, consolidating ATEN's leading position by strengthening local support service.</li> <li>•Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 9th among Medium-sized Enterprises).</li> <li>•Won 2010 Taiwan Superior Brand Award, awarded by the Bureau of Foreign Trade under the Ministry of Economic Affairs.</li> <li>•KL3116T awarded "2010 Computex Taipei d&amp;i Award".</li> <li>•CE790, KM0932, PN7212/PN7320, CS1792/CS1794 won Taiwan Excellence Award.</li> </ul>

2011	<ul style="list-style-type: none"> <li>•Japanese subsidiary expanded to Arakawa-ku, Tokyo, which served as ATEN Japan's headquarters, integrating business, sales, technical support/client services, storage and logistics functions.</li> <li>•CM0264 won Taiwan Excellence Award.</li> <li>•VM0808T honored with Computex 2011 "Best Choice Award".</li> </ul>
2012	<ul style="list-style-type: none"> <li>•Officially launched NRGence™ green product line. Featuring the core concept of "Energy Intelligence," NRGence™ provides a series of optimizable energy- efficient integrated green server farm solutions.</li> <li>•ATEN issued its first "Corporate Social Responsibility (CSR) Report", honestly disclosing ATEN's status and behavior with regard to CSR.</li> <li>•Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 4th among Medium-sized Enterprises).</li> <li>•ATEN Industrial Operation Console won the invention award at the MOEA's National Invention and Creation Award.</li> <li>•iListen, smart communication software for the deaf designed by ATEN in cooperation with the Department of Industrial &amp; Commercial Design of National Taiwan University of Science and Technology, won first place in the 2012 Samsung App Contest and was awarded German Red Dot Design Award.</li> </ul>
2013	<ul style="list-style-type: none"> <li>•VM0808H, EC1000 won Taiwan Excellence Award.</li> <li>•EC2004 Energy Box won the 2013 Computex Best Choice Golden Award.</li> <li>•KL1516Ai LCD KVM over IP won Computex d&amp;i Award.</li> <li>•Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 3rd among Medium-sized Enterprises).</li> </ul>
2014	<ul style="list-style-type: none"> <li>•VE892, CCVSR products won Taiwan Excellence Award.</li> <li>•ATEN received a rating of A++ (the highest level) in 2013 Information Disclosure and Transparency Ranking conducted by the Taiwan Stock Exchange (TSE) and the Taipei Exchange (GreTai Securities Market).</li> <li>•Received CommonWealth Magazine's Excellence in Corporate Social Responsibility Award (ranking 1st in the Medium-sized Enterprises section).</li> <li>•Received a Gold Medal in New Taipei City Government's "Awards for Best Companies to Work For".</li> <li>•Received awards as one of the "Top 10 Outstanding Enterprises" and "Top 10 Enterprises for Innovation and R&amp;D" in the 16th Golden Peak Awards.</li> <li>•Corporate Award for Standardization in the 15th National Standardization Awards organized by the Bureau of Standards, Metrology &amp; Inspection, Ministry of Economic Affairs.</li> </ul>
2015	<ul style="list-style-type: none"> <li>•Received the Interbrand's "2014 Taiwan Top 35 Global Brands."</li> <li>•Received the "3rd Taiwan Mittelstand Award" by the MOEA.</li> <li>•KE6940 products won Taiwan Excellence Award.</li> </ul>



## ♥ Competitive Advantages

### ☁ Global Technology Patents

In order to guarantee ATEN's competitive advantage, ATEN spares no effort to protect the fruits of its own development. The distribution of patents and intellectual property benefits ATEN by striking out illegal duplication, increasing product profit, and guaranteeing the rights of stockholders. By the end of 2014, ATEN had applied for a total of 611 global patents, of which 444 have been approved. ATEN occupies a leading position within Taiwan with regards to investment and achievement in patents and intellectual property rights.

### ☁ ASIC Core Technology

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

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

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

### ☁ High Product Compatibility

ATEN has accumulated over 30 years of experience in the industry and compared to its competitors, has higher a compatibility rate with monitors, keyboards, mice and support of cross-platforms systems, to provide users with the most reliable products available.

### ☁ Capacity to Innovate and Develop

Research and development has always been an important core advantage through which ATEN has maintained a leading position in the industry. As well as investing a large amount of resources into development, ATEN has also established an R&D Headquarters, located on the 5th floor of their corporate headquarters in Taiwan. The R&D Headquarters works with its development teams in Canada and Wuhan, giving full play to the strengths and talents available in each area, thus injecting a limitless force into the company's ability to innovate.

### ☁ Globalized Sales Network

ATEN has stayed on the path of its own brand, establishing subsidiaries and sales offices in America, Europe, Asia and other important markets to bring the ATEN brand to the world. In addition to grasping the structure of local markets, effective improvements can be made in the areas of price control, maintaining customer relations, promoting service quality and implementing sales expansion strategies.

### ☁ Comprehensive Customer Service

ATEN products are sold the world over and aside from facilitating business expansion, the operations established in each area hope to provide instantaneous, localized client services. Through the integration of our Customer e-Support and e-Service Platform, along with appropriate action taken with local partners in each region – we've achieved service standards other companies in our industry could not. We believe that excellent product quality and outstanding customer service are equally important.

### ☁ Preeminent Talent

Employees are a company's most precious asset and ATEN believes that products of the highest quality come from happy employees. Accordingly, we provide excellent benefits; annual salary adjustments, festival and performance bonuses, profit sharing, flexible working hours, and a clean, comfortable and humanized work environment. Not only can this increase employees' work efficiency and motivation – it can simultaneously improve product quality and company earnings.





### ♥ Factors Conducive to Long-Term Development

- The KVM product line has been in development for over 10 years and has already put ATEN on the world map.
- Outstanding, reliable product quality helped the company gain recognition and win numerous major awards, laying the foundation of ATEN's status as an important global brand.
- ATEN plans to expand sales to every major region of the world, in order to expand our effective base for future operations.
- Our product application scope is increasing constantly: the gradual expansion of KVM into the Pro A/V product and Green Energy product lines is laying a strong foundation for the growth of income and profit.
- Outstanding, experienced development and production teams.
- Our core technology includes etched circuit design, hardware, control software/Intel, A/V network communications and other high-end technologies, the competitive advantage of which is guaranteed by patents.
- Integrity
- Continuing to act according to our CSR goals, strengthening the positive image of our enterprise.
- Harmonious relationships with our partner manufacturers.
- Constantly nurturing and acquiring outstanding talent.
- Sound financial health.

### ♥ Negative Factors for Long-term Business Prospects

- The strength of economic growth varies across regions.
- Changes in exchange rates.
- Entry of new competitors.
- Consumers lack of product knowledge.
- Products which imitate or infringe upon intellectual property confuse markets.



### ♥ Response Strategies and Opportunities

- ATEN's stable global expansion strategy will not be subject to the fluctuations of any single market, effectively shielding it from the potential risks of a single market meltdown. Simultaneously introducing the company's products into more diverse industries and fields of application can disperse the systematic risks stemming from the business cycle affecting any single industry.
- The company's *Treasurer's Department* closely monitors the fluctuations in currency exchange rates so as to strengthen the judgment of market price trends – to effectively avoid foreign exchange risks by leveraging financial instruments.
- In light of the increasing number of competitors in the low-end to mid-end KVM switch markets, ATEN will leverage our strengths in product development and R&D to increase our product differentiation and enhance product quality, in order to avoid engaging in price wars with our competitors over same-quality products. We'll also seek to differentiate ourselves against price-cutting competitors by improving the efficiency of our product repair and maintenance services, as well as the quality of our customer service. Additionally, we will take legal action against any third-party that infringes on the company's trademarks and patents, so as to protect the company's rights.
- We introduce our products as solutions through promotional and marketing methods that help potential clients such as system integrators; vendors, corporate offices, government agencies, and general consumers to better understand KVM switch technology. Meanwhile, we widely advertise the various benefits of KVM products that include energy-saving, environmentally-friendly, space-saving and increased efficiency and productivity solutions for different environments.
- We search with intensity for counterfeits and take concrete measures to protect the distribution rights to our patented products.



### 3.2 Worldwide Presence

ATEN has never faltered in the determination to market and sell self-owned, branded products, worldwide. Our transformation from an OEM to an independent self-owned brand was extremely tough and filled with formidable challenges. We faced razor-thin margins with orders placed through existing distribution channels via OEM clients – with the uncertainty of expanding into unfamiliar markets. If ATEN's management had not marched on with a strong will, ATEN's aspirations for building a self-owned brand would have been easily discarded, and it wouldn't have been possible for ATEN to achieve its extensive global presence as it stands today.

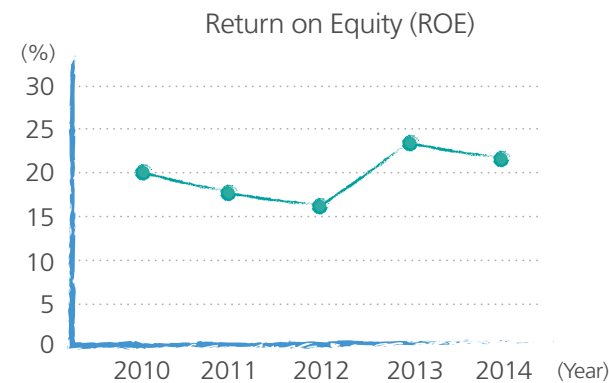
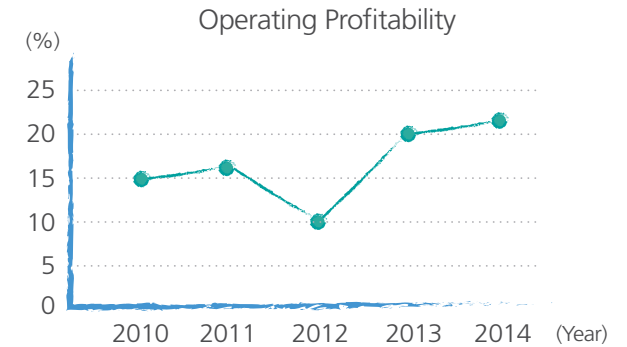
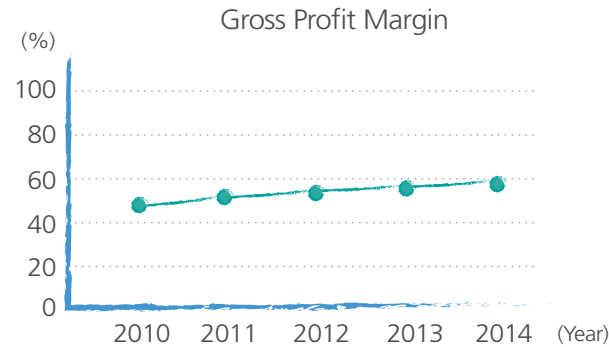
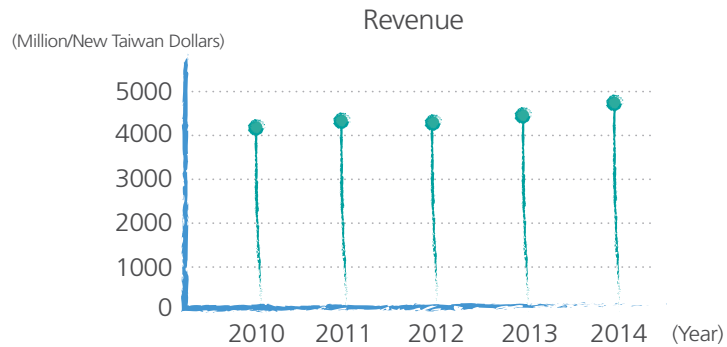
By now, ATEN as a global brand has successfully built a world-leading status in the KVM switches industry and the company is currently seeking to expand its influence to other product lines. In the meantime, we hope that through ongoing establishment of subsidiaries in important markets, we'll be able to provide faster, more immediate assistance for our sales partners and offer product solutions that best suit the needs of the local markets. This will also allow us to further differentiate ourselves from competitors through better service and supply-chain efficiency.

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



### 3.3 Operational Achievements

In 2014, we achieved better performance than the previous year, in both revenue and earnings. In terms of the company's key performance statistics over the last five years, we achieved an average earnings profit per share (EPS) of 5.14NTD. The five-year average ROE was maintained at an outstanding 20.2%, which demonstrates that the capabilities of the company's leadership in daily operations, as well as in crisis management, fully delivers on our shareholders' expectations, creating profitable returns for our shareholders and earning the trust of investors.



Issue 572 of CommonWealth Magazine listed the annual *Top 2000 Major Enterprises*, which ranked the top 2000 companies in manufacturing by revenue for 2014; of which ATEN ranked 531st, an improvement of 14 places as compared to 2013. In the *Top 2000 Major Enterprises* survey, ATEN ranked 114th on indicators of "management performance" and 220th on "Profit Rate" and "Net Income After Taxes", both of which showed remarkable improvements over last year's ranking. These demonstrate that with the dedication and hard work of ATEN's management and all employees, the company achieves sound profit earnings and delivers outstanding business performance for the shareholders.



### 3.4 Awards Won (2008~2014)

2014



♥ Taiwan Excellence Award



♥ Awarded one of the Best Corporate Citizens by the Commonwealth Magazine, ranked "1st" among Medium-sized Enterprises Group



♥ The "Top 10 Outstanding Enterprises" and "Top 10 Enterprises for Innovation and R&D" in the 16th Golden Peak Awards



♥ "Corporate Award for Standardization" in the 15th National Standardization Awards



♥ Gold Medal in "Awards for Best Companies to Work For"



♥ Best Features Award

2013



♥ Taiwan Excellence Award



♥ Computex Best Choice Golden Award



♥ Computex d&i Award



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



♥ Russia Technical Perfection Award



♥ Hong Kong PC Station Best Design Award



♥ Russia Technokitchen Silver Award

2012



♥ Taiwan Excellence Award



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



♥ ATEN International received the silver medal for the 2012 "National Invention and Creation Award."



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



2011



• Computex Best Choice



• Taiwan Excellence Award



• ComputerDIY Recommended Purchase



• ComputerDIY Best Design



• Russia Technokitchen Gold Metal



• Electronic House 2011 Products of the year Gold Medal Winner

2010



• Taiwan Excellence Award



• Computex d&i Award



• Awarded Taiwan Superior Brand Award by the Ministry of Economic affairs



• Ministry of Economic Affairs' *National Invention and Creation Award*



• Awarded one of the Best Corporate Citizens by the Commonwealth Magazine, Top 10 among Medium-sized Enterprises Group



• ComputerDIY Product of the Year



• ComputerDIY Recommended Purchase



• Korea PC Award



• Interop Tokyo Best of Show Award



• 2010 Russia IT Expert's Choice

2009



• Taiwan Excellence Award



• Computex Best Choice



• Awarded one of the Best Corporate Citizens by the Commonwealth Magazine, Top 10 among Medium-sized Enterprises Group



• ComputerDIY Product of the Year



• Interop Tokyo Best of Show Award

2008



• Taiwan Excellence Award



• ComputerDIY Product of the Year



• Malaysia Editors' Choice Award



• Netadmin World Magazine Editors' Choice Award







## CH4 • Corporate Governance

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





# Corporate Governance

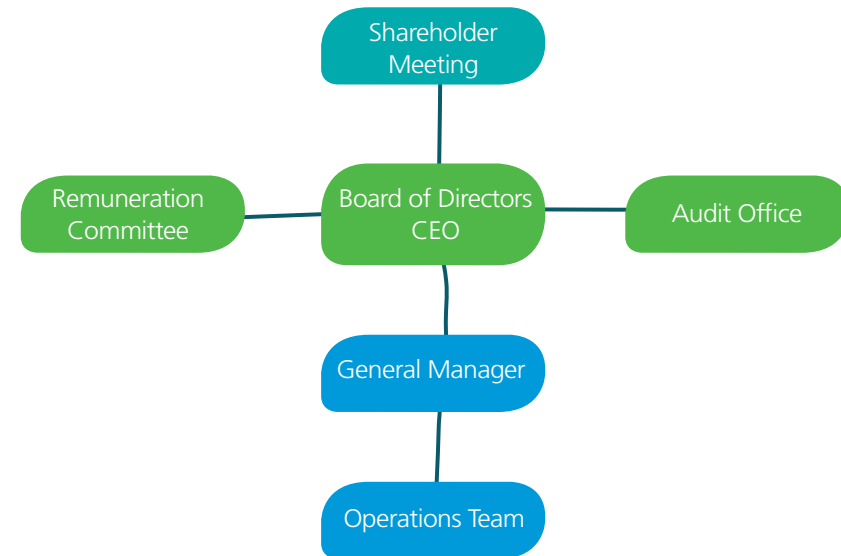


Corporate governance is an extremely critical element of corporate sustainability, which also reflects the extremely high standards that ATEN's leadership sets for itself in managing the company over the years so as to fully live up to investors' expectations. Companies with good corporate governance create well thought-out management structures, effectively oversee the execution of the insightful strategy, protect shareholder rights, and publicize relevant information when appropriate. All of which are especially important for boosting investor confidence, attracting long-term capital, and winning over international investors. In recent years, ATEN has also continued to seek improvement in its corporate governance. According to the first "Corporate Governance Evaluation Ranking" that was published by the Securities and Futures Institute in Taiwan, ATEN was ranked among the top 6%-20% of the TSE & OTC Listed Companies - an illustration of ATEN's commitment to effective corporate governance. Examples of ATEN's standing include improved execution of board of directors and shareholder meetings, unwavering respect for stakeholder rights, voluntarily disclosure of company financial and operational information, and emphasis on values, ethics, and core corporate values. ATEN further believes that the full implementation of corporate governance should include commitment to corporate social responsibility.

With this in mind, ATEN will continue to evolve its corporate governance by ensuring information disclosure, ensuring the efficacy of board meetings, the establishment of functional committees, the implementation of the CSR Committee Operational Guidelines, the establishment of corporate self-discipline guidelines, and the development of internal control systems.



## 4.1 Corporate Governance Structure



ATEN ensures compliance with all regulations through its rigorous internal audit and control systems, and requires its management, overseas subsidiaries, and employees to review and repeatedly examine the company's compliance with regulations and the execution of internal control systems. Once any irregularity in the internal control system is detected, the problem is reported, addressed, and closely monitored by relevant departments until it is completely corrected and meets all relevant regulations and laws. After the Auditing Department collects review reports for all departments, its executives feed back to all supervisors and board members.





To further strengthen ATEN's risk management system, each category of risk has been allocated to:

Departments in Charge	Work and Duties
Global Law and Intellectual Property Center	Responsible for contract review and management as well as patent and litigation strategies aimed at minimizing legal risks.
Information Center	Responsible for database management, information security, document control procedures, information storage and maintenance, and the minimization of information security risks.
Auditing Department	Responsible for internal control system as well as the auditing of all departments as well as subsidiaries.
Manufacturing Unit	Responsible for production, management of manufacturing processes, and continued improvement of manufacturing techniques and productivity, and the minimization of manufacturing and operational risks.
Quality Assurance Unit	Responsible for quality control, Quality System (QS), exports and imports, and payment collections.
Global Customer Service Center	Responsible for customer service, RMA repairs and maintenance, e-service platform, technical support, and improving the quality of after-sales service.
General Management Unit	Responsible for capital, investment, tax, and information disclosure management.



In the first "Corporate Governance Evaluation Ranking", ATEN ranked among the top 6%-20% out of all TSE & OTC Listed Companies. We look forward to further improving our operational excellency and achieving even greater recognition in the future. Recent Action Taken to Promote Corporate Governance:

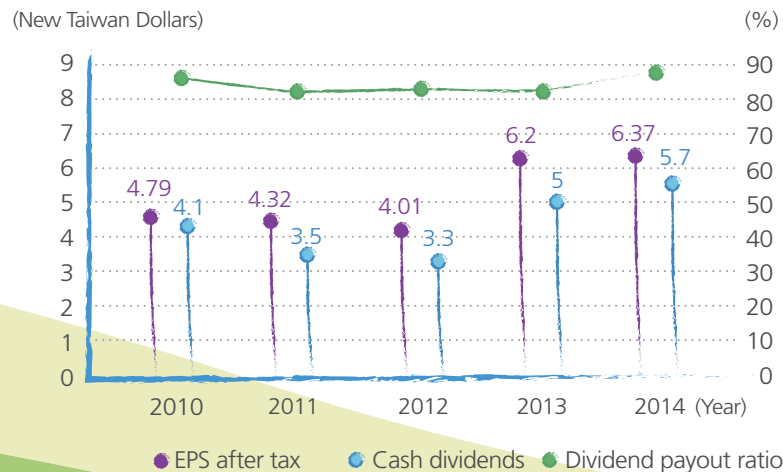
Directions	Achievements
Protection of Shareholder Rights	<ul style="list-style-type: none"> <li>To ensure and promote timely disclosure, the meeting agenda as well as other supplementary materials will be publicized 30 days before shareholder general meetings to the Market Observation Post System.</li> </ul>
Equal Treatment of All Shareholders	<ul style="list-style-type: none"> <li>Voluntarily produce English-version shareholder meeting notices, agenda pamphlets, meeting minutes, and yearly reports and upload them to the Market Observation Post System as well as the company website as references for all investors.</li> <li>Establish a spokesperson system; designate contact persons in the Investor Relations department to handle the various suggestions and questions from the investors.</li> </ul>
Strengthening of the Board of Directors	<ul style="list-style-type: none"> <li>Stipulate corporate governance guidelines and upload them to the Market Observation Post System as well as the company website as references for all investors.</li> <li>To stipulate rules regarding the calculation and rewarding of remuneration for the company's Directors/Supervisors in order to enhance the effectiveness of the Board of Directors.</li> </ul>
Enhancement of information transparency	<ul style="list-style-type: none"> <li>Placing particular emphasis on stakeholders' right to information, ATEN received the highest grade (A++) in the 11th and 12th annual "Information Disclosure and Transparency Evaluation" in Taiwan.</li> <li>Since 2013, we have simultaneously published important announcements in Chinese and in English, so as to further protect the rights of foreign investors and enhance information transparency.</li> <li>In 2014, we were invited to three investor conferences, and the related information as well as presentation materials in both Chinese and English were uploaded to the Market Observation Post System and the company's website as references for shareholders.</li> </ul> 
Fulfillment of corporate social responsibility	<ul style="list-style-type: none"> <li>Set up a "Social Corporate Responsibility Section" on the company's Chinese and English official website.</li> <li>The company's official website provides information such as: The email addresses for stakeholders to contact us for different issues including overseas locations, product sales, technical supports, company opinions, marketing and promoting, etc.</li> <li>Contact maintained with all stakeholder groups to establish effective communication platforms.</li> <li>Disclose annual CO2 emissions or other greenhouse gas emissions.</li> </ul> 

## 4.2 Shareholders' Meeting

ATEN holds both regular and provisional Shareholders' Meetings. The regular Shareholder's Meeting is held annually, convened by the Board within 6 months of the end of each financial year, while provisional Shareholders' Meetings are convened when necessary, both in accordance with the law.

Shareholders' Meetings are held regularly every year in order to report on the company's operational and financial situation. Investors can also submit a written request to ATEN for a Shareholders' Meeting. Before notifying shareholders of the date of the meeting, ATEN will notify the submitting shareholder of the result of their request and convene the meeting as required by company regulations. In the case of a proposal not being added to the Shareholders' Meeting agenda, the Board will explain the reason for this to the submitting shareholder.

With its four core corporate values of "Integrity", "Caring", "Ambition", "Novelty", our company cares greatly for all stakeholders, which includes not only our employees, clients, suppliers, and community groups, but also the shareholders. In terms of its dividends policy, ATEN gives all of its dividends, except for partial amounts that need to be retained by the company due to regulations, to shareholders - and so sharing the company's profitability with all. In recent years, the proportion allotted has reached a new high at over 80%.



Note: Dividend allocation for 2014 will be decided at the 2015 Shareholders' Meeting.

ATEN also places a significant emphasis on shareholder rights to information and upholds the principle of adequate disclosure. The company not only discloses information on the Market Observation Post System, as required by regulations, but also publishes different types of operational and financial information through the company's annual reports and website. Additionally, the company also sets up a spokesperson system and an Investor Relations Department to specifically address the suggestions and concerns of shareholders. Shareholders can contact us via email ([ir@aten.com.tw](mailto:ir@aten.com.tw)) with any suggestions or queries for the company.





### 4.3 Board of Directors

The board is responsible for assessing the company's management strategies and important operations as well as financial affairs, so as to ensure the correctness and appropriateness of the company's financial reports and to maximize shareholder rights.

The board of ATEN has 7 directors and 3 supervisors, with terms for three years. Two of the board's directors are independent directors and are selected through nominations. The board meets at least once a quarter. In 2014, a total of 7 board meetings were held. On the Investors Section of the company's official website, the following information will be made available to shareholders in electronic files: minutes of board meetings over the years, announcements of important decisions, selections of independent board directors, etc.

#### ♥ Members of the Board of Directors

Title	Name	Notes
President	Kevin Chen	Also serving as CEO
Vice-Chairman of the Board	Steven Chen	—
Director	Shu-Shan Lin	—
Director	Yung-Ta Lin	Began June 17, 2014
Director	Lung-Chi Tsai	Resigned on March 1, 2015
Independent Director	Wei-Jen Chu	—
Independent Director	Chung-Jen Chen	—
Supervisor	Shiu-Ta Liao	—
Supervisor	Se-Se Chen	—
Supervisor	Chen-Lin Kuo	—

#### ♥ Qualifications of the Board of Directors

All Directors have the experience in operations, accounting and financial analysis, and management required to fulfill their duties. All have at least five years of experience in business, law, finance, accounting, or other fields required by the company. Please refer to the following table for further information.

Name	Do they possess over five years of work experience and the following professional qualifications?		
	Business, law, finance, accounting or other discipline essential to the company at the level of college professor or higher.	Judge, prosecutor, lawyer, accountant or other specialist or technical employee possessing certification or a national exam qualification in a field required by the company.	Work experience in business, law, finance, accounting or other field essential to the company.
Kevin Chen			•
Steven Chen			•
Shu-Shan Lin			•
Yung-Ta Lin			•
Wei-Jen Chu		•	•
Chung-Jen Chen	•		•
Shiu-Ta Liao			•
Se-Se Chen			•
Chen-Lin Kuo		•	•

The attendance of board directors and supervisors at board meetings, as well as the status of their continuing education, are disclosed on the Market Observation Post System.





#### ♥ The training undergone by Directors and Supervisors in 2014

Title	Name	Course organizer	Details	Courses take
Legal Representatives of Institutional Directors	Shu-Shan Lin	Accounting Research and Development Foundation	Relevant legal responsibilities and consequences resulting from improper lobbying by corporations	6
Director	Yung-Ta Lin	Securities & Futures Institute	Seminar on equity transfer by insiders of listed companies and legal compliance	3
Supervisor	Chen-Lin Kuo	Securities & Futures Institute	Implementing in line with IFRS.	3
Supervisor	Shiu-Ta Liao	Securities & Futures Institute	Seminar on equity transfer by insiders of listed companies and legal compliance	3
Director (Reigned)	Lung-Chi Tsai	Securities & Futures Institute	Seminar on equity transfer by insiders of listed companies and legal compliance	3

#### 4.4 Remuneration Committee

ATEN established a Remuneration Committee with three members, one of whom is an Independent Director, on December 20, 2011 by resolution of the Board.

The incumbent Remuneration Committee members are designated to serve from July 11, 2014 till June 16, 2017. As of January 16, 2015, the committee has already held two meetings (A), with the attendance details of the committee members as follows:

Title	Name	Number of actual attendances (B)	Number of principal attendances	Ratio of actual attendance (%) (B/A)
Convener	Wei-Jen Chu	2	0	100%
Member	Chen-En Ko	2	0	100%
Member	Yen-Jung Li	2	0	100%

#### 4.5 Domestic and International Associations

Through participating extensively in various domestic and international associations and organizations related to the KVM switch industry, the company seeks to further strengthen its ties with the industry and gain greater exposure to the latest related techniques and technologies. By doing so, the company can not only enhance the competitiveness of its products, but also expand opportunities for forming strategic alliances and catalyzing growth in the company's business and operations.

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





## CH5 • Employee Care

5.1 Employee Status

5.2 Talent Nurturing

5.3 Compensation and Benefits

5.4 A Healthy Workplace

5.5 Human Rights

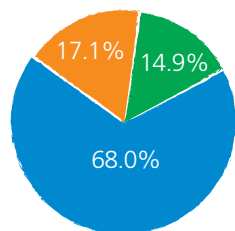


## 5.1 Employee Status

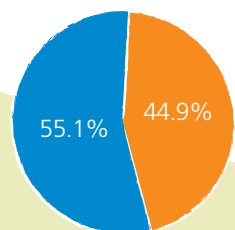
The most vital part of company operations is talent. An enterprise can only grow and flourish sustainably if it is sufficiently able to attract, retain, and develop talent. With a professional human resource management mindset, ATEN upholds its beliefs of striving for excellence and sharing accomplishments, which motivates the company to offer better work terms than required by Taiwan's Labor Standards Act and to establish a rewarding remuneration system that values performance while also taking into account seniority of employees. Given our professional human resource development system, we construct organizational development strategies that focus on enhancing employees' professional capabilities as the core of company management, helping employees to improve their performance at work as well as to grow personally, so as to establish a positive, friendly, and competitive talent development system and business environment at the same time. Over the years, it is exactly because of our proactive, driven employees at ATEN that the company is able to maintain stable growth and achieve great performance. Looking forward, we believe that in the business environment we build with our sustainable development mindset as well as with our market competitiveness, all our employees will march toward a promising future side by side with the company, sharing its accomplishments together.

### ♥ Human Resources

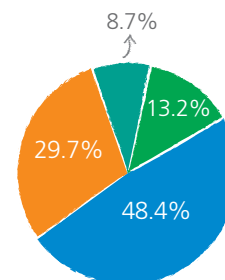
As of December 31, 2014, ATEN employed a total of 1607 personnel around the world, of which 612 were in Taiwan (male employees comprise 55.1%; female employees comprise 44.9% of this total). The Taiwanese division consists of: 91 high-level managers (78.0% male; 22.0% female), 416 indirect professional staff, and 105 technical professional staff. The average age is 38.79 and the average time spent with the company is of 8.35 years. 76.7% are university graduates and the proportion of persons with a disability is 1.33 times higher than the amount required by law.



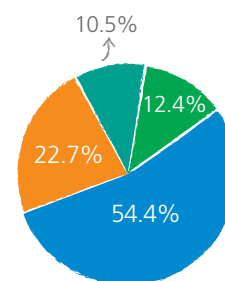
Work Type	No.	Percentage
Mid and Upper Management	91	14.9%
Indirect Professional Employees	416	68.0%
Direct Technical Employees	105	17.1%
Total	612	100.0%



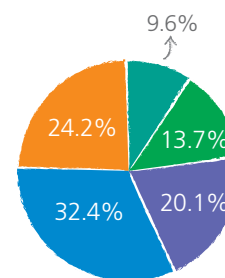
Gender	Total	Percentage
Female	275	44.9%
Male	337	55.1%
Total	612	100.0%



Age	No.	Percentage
20~29	81	13.2%
30~39	296	48.4%
40~49	182	29.7%
50~65	53	8.7%
Total	612	100.0%



Seniority	No.	Percentage
Less than 1 year	76	12.4%
1-10 years	333	54.4%
10-20 years	139	22.7%
Over 20 years	64	10.5%
Total	612	100.0%



Educational background	No.	Percentage
Lower than senior high school	59	9.6%
Senior high school	84	13.7%
Technical college	123	20.1%
University	198	32.4%
Post-graduate education	148	24.2%
Total	612	100.0%

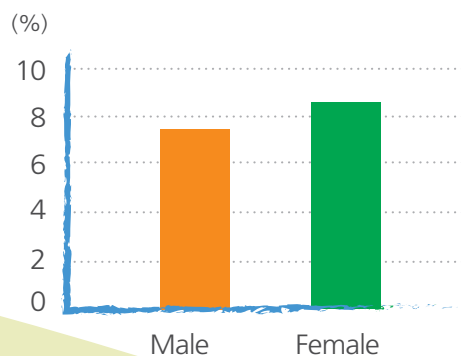


## ♥ Employee Retention

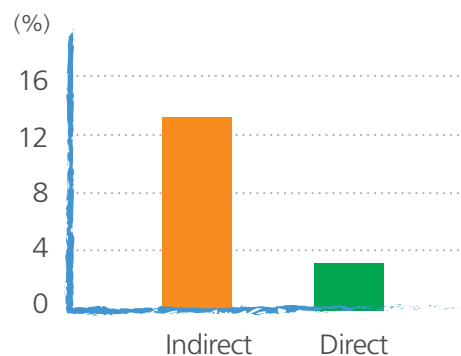
ATEN is committed to the principles of anti-discrimination and equal opportunities in our recruitment. Under our Human Resource Management system (HRM) and Human Resource Management blueprint (HRD), we are also dedicated to: developing dual ladders and assessing employees' aptitude so as to select the appropriate person for each position, talent development plans for professional learning and capabilities, and a talent-retention system that features fair compensations and rewards as well as comprehensive employee benefit packages. We are also deeply aware that in addition to benefits and compensation packages, an environment of teamwork and work-life balance are also key factors for retaining talent. Hence, ATEN built a small yet comprehensive in-house fitness center. We also administer regular employee health check-ups, have an annual Family Day, and facilitate all types of employee benefits and club activities. What's more, we have all types of complementary measures that allow our employees to take the necessary time off to be with any new additions to their families. As a result, the reinstatement rates among our female employees in recent years have always been 100%.

In 2014, turnover of male employees at ATEN was 7.7%, while that of female employees was 8.3%. These results are 12.6% lower than in 2013. The turnover among direct labor was only 3.1%.

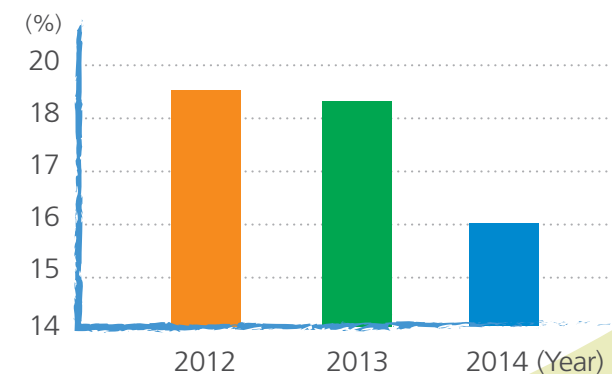
Turnover Rate	Percentage
● Male	7.7%
● Female	8.3%
Total	16.0%



Turnover Rate	Percentage
● Indirect Labor	12.9%
● Direct Labor	3.1%
Total	16.0%



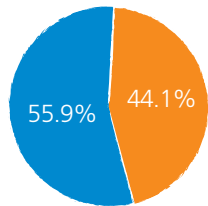
Turnover Rate	Percentage
● 2012	18.9%
● 2013	18.3%
● 2014	16.0%



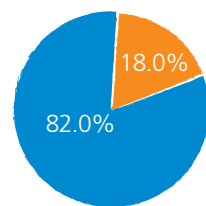
## ♥ Recruiting Talent

ATEN's corporate headquarters are based in Xizhi District of New Taipei City. Despite the continuing exodus of Taiwanese businesses overseas in recent years, ATEN still insists on keeping its root in Taiwan. In addition to its global R&D center, ATEN also has the manufacturing line of its top-priority, high-end products set up in Xizhi, using local talent to develop and produce top-quality, competitive products for the global market. With regard to recruiting talented employees, we have always held to our principles: eliminate discrimination, offer equal opportunity, and respect the diverse backgrounds of employees. ATEN recruits outstanding talent who share our values from across the world through many channels, including attending campus recruitment activities. ATEN uses the "Recruitment, Employment, and Management Method" for its standardized, fair, and objective talent selection process. The principles of mutual respect and confidence govern the staff management system, and interviews with applicants are conducted to determine whether they are suitable and willing to join ATEN as work partners. In 2014, ATEN employed a total of 111 new employees, of which 55.9% were male and 44.1% were female, while 18.0% and 82.0% of these new employees are direct and indirect labor respectively.

Gender	No.	Percentage
Female	49	44.1%
Male	62	55.9%
Total	111	100.0%



Gender	No.	Percentage
Direct	20	18.0%
Indirect	91	82.0%
Total	111	100.0%



Recruitment activity in cooperation with Taipei City Government



Key Talent Recruitment Requirements



Campus recruitment activity at NTU

## ♥ Management Performance and Development

ATEN conducts an employee performance assessment every six months, with the following as the evaluation's key values:

- Employees should be held accountable for their performance
- Collaboration between supervisors and subordinates
- Continuous interaction and communication
- Equal emphasis on performance and personal development
- Discern differences in the value of employee contribution (Differentiation in rewards and compensation)

Results of the performance assessments will be used as a basis for deciding changes in job assignments, salary adjustment, and employee benefit and bonus distribution. Additionally, the company has a "Sun Medal" reward system, which rewards employees whose performance and conduct are aligned with the company's corporate values: In any of the following categories, an employee can be nominated through multiple channels and, based on their performance and level of contribution, be awarded with a sun medal. These are: "Integrity", "Caring", "Ambition" and "Novelty". Also, in the system, the number of sun medals awarded to an employee can be accumulated to become a commendation for the employee, so as to encourage all our staff to fully show our corporate values in their attitudes toward their work.



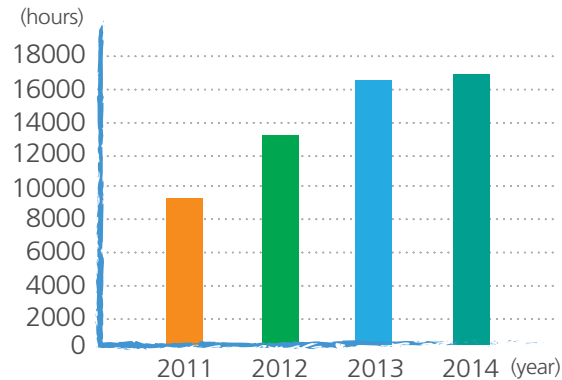
Sun Medals



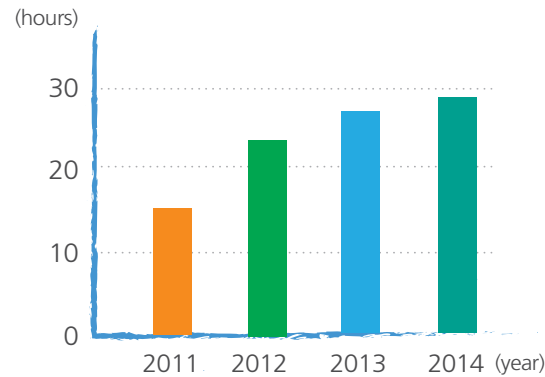


## 5.2 Talent Nurturing

In order to provide our employees with opportunities for continued learning and growth, the company makes education and training plans each year based on the company's strategy and annual targets. In addition, the company also allocates budget for employee education and training as a given proportion of the revenues from the year before, a measure that is articulated and stipulated in the "Employee Education and Training Guidelines" for implementation. The data in the table below clearly demonstrates ATEN's determination in supporting employee education and training as well as their personal development. In 2014, the total hours of education and training in ATEN Taiwan reached 16,939, growing by around 2.41% from last year, with the average number of training hours received by each employee increasing from 27.3 to 28.0, equivalent to a growth by 2.56%.

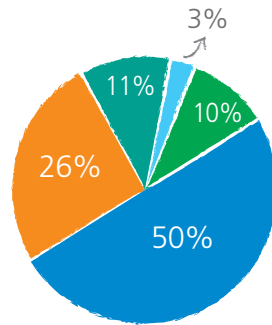


Total hours of training for the year



Average hours of training for indirect employees

	2011	2012	2013	2014	Growth
Total hours of training for the year	9,300	13,374	16,531	16,939	2.41%
Average hours of training for indirect employees	15.5	22.2	27.3	28.0	2.56%



Training Type	Total hours duration	Total number of employees receiving training	Total hours of training	Percentage
Management Skills	10	484	1,751	10%
Professional Skills	349	3,091	8,501	50%
Core Skills	50	1,835	4,304	26%
Personal Growth	26	1,346	1,895	11%
New Employee Training	3	57	489	3%
Total	438	6,813	16,939	100%



In order to implement more fully ATEN's blueprint for employee education and training, in 2013 the company allocated a substantial budget for arranging a "Digital Learning Platform for Education and Training" as well as for setting up a "Cloud Learning Platform". These would allow for the sharing of training resources with all employees and distributors worldwide and were successfully launched online in August 2014. Intended to complement the company's strategic training projects and to integrate the training needs and professional competency/career development at each levels of the company, the ATEN Education and Training System was established and comprises three dimensions: "Annual Strategic Project", "Hierarchy Level Management Training", and "Training for New Employees". These are complemented by the three major professional competencies, namely "managerial competency", "professional competency", and "core competency", as well as a "Personal Development" series. Given that the "Digital Learning Platform for Education and Training" is online, the company's traditional training of new employees is now completely digitalized and so not subject to any physical restrictions. The company does, however, continue its face to face symposium - "Have a Date with the Chairman" and core values training camp.



Education and Training System  
Blueprint



Annual Strategic Planning Training:  
Enhancing Service Quality



Management Skills Training:  
Targeted Recruitment Interviewing Skills



Professional Skills Training:  
Structured Sales Skills



Core Skills Training:  
Innovative Thinking and  
Applications



Online Personal Development  
Courses



Personal Development Series:  
Training of In-house Instructors



Resources for Personal Development:  
Full Reimbursement for  
Receiving Online English  
Education Programs



Additionally, the company also organizes four types of seminars on a regular basis, namely “Management Seminars”, “Career and Professional Trends Seminars”, “Core Values Seminars”, and “LOHAS Health Seminars”, whose attendances and satisfaction rates all reach above ninety percent. This is not only an indication of the desire and passion of our employees toward learning but also recognition of the training resources that ATEN offers. In the future, we will implement ATEN's blueprint for employee training in a more systematic, structured way and gradually develop a learning and development plan that is customized for each individual employee (Individual Development Plan). This will allow ATEN employees to develop by doing and learning, so as to maximize the effectiveness of training and to achieve organizational goals at the same time.



Career and Professional Trends Seminars



Core Values Seminars



LOHAS Health Seminars



Management Seminars



### 5.3 Compensation and Benefits

To ensure that we provide competitive wages and salaries to employees, each year the company participates in an external industry compensation survey and makes salary adjustment plans at the beginning of each year by taking into account the outcome of business operations from the year before (as well as the changes in the Consumer Price Index). In addition to the three generous bonuses that our employees receive each year during Dragon Boat Festival, Mid-Autumn Festival, and at the end of the year, the company also offers bonuses and dividends based on different operational outcome indicators, as permitted by regulations. Besides these, the company also bases its bonuses and dividends on whether organizational and individual employee's personal goals were achieved. With its diverse and competitive salary and wage policies (that includes both retaining as well as motivating factors), the company successfully attracts and retains talent, forming a high-quality and stable workforce as the cornerstone of the company's management and continual growth.





The company is fully dedicated to providing comprehensive and diverse benefits to its employees, such as a clean, comfortable office space, a parking area, a healthy and enjoyable lunch, stylish and comfortable uniforms for different seasons, generous subsidies for overseas travel, a fitness center, birthday gifts, gifts for Taiwanese employees working overseas on major holidays, sponsored activities for Family Day, recognition and celebration tea parties for senior and retiring employees, and even year-end banquets. The company also offers comprehensive insurance plans that are extended to include employees' family and parents. For employees that have young children, the company has appointed day care centers near the company where their children can be enrolled and taken care of for added convenience and peace of mind. Additionally, the company also offers paid holidays according to the Labor Standards Act (9 days), paternity leave (6 days), and prenatal checkup leave (women: 6 days, men: 2 days), fully demonstrating the company's genuine interest in taking care of its employees.

Complying with local regulations, ATEN's Full-time Employee Welfare Committee operates as an independent, autonomous entity. Using budgets regularly allocated to itself, the Committee organizes various employee welfare activities, with budget execution rates reaching almost 100% each year. Apart from organizing various activities on a regular basis, including domestic and overseas trips, monthly birthday celebration treats, and a Christmas party, the company also gives out cash gifts for wedding celebrations, funerals, other festival occasions, childbirths, birthdays, Moon and Dragon Boat Festival, as well as free movie tickets, gift vouchers, and subsidies for club activities - all of which are run by our employees themselves to maximize colleague welfare.



Gifts for Taiwanese employees working overseas on three major traditional Chinese holidays



Thank you and farewell party for retiring employees



Avenue of Stars Singing Competition



Spacious employee cafeteria



Festive and bustling Family Day



Galloping Horse Weiya Activities



Senior Employees Recognition Tea Party



The first Group Dining Safety and Sanitation Management Improvement Program





## 5.4 A Healthy Workplace

In compliance with the Occupational Health and Safety Act of 2013, ATEN has formulated its "Occupational Safety and Health Committee Organizational Statutes". An Occupational Safety and Health Committee meeting is convened every three months to discuss and ensure the provision of a healthy, safe workplace for our staff to work happily and productively.

### Regular Employee Health Checks

ATEN abides by the Method for Automatic Inspection of Labor Safety and Health, and has formulated its own "Employee Health Inspection and Management Method". ATEN provides subsidized regular health inspections beyond those required by law. In September 2014, twenty-three types of inspections encompassing over 86 health indices were carried out. This process drew employees' attention to their health and promoted regular health management.



Regular Employee Health Checks

### Employee Health Monitoring Management

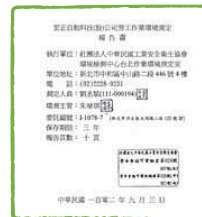
For employees who receive abnormal results during their medical check-ups, or those who want to further understand their own health conditions, the company arranges for a doctor and registered nurse to come into the company and factory to provide services such as health consultations and medical referrals. The company's in-house health clinic also assists our staff with their follow-up health examinations.



Medical Staff for Health Service Provision

### Environmental Safety Testing and Accident Drills

The Office of Environmental Safety implements air quality inspections twice a year to ensure that the CO2 levels in the workspace are kept below 1000ppm to ensure employee health. Our Management Department administers environmental disinfection each quarter and has a long-term collaboration with the Association of Fire Protection to hold self-defense drills and related workshops to help our employees foster abilities to prevent and deal with disasters and issues of personal safety.



Regular CO2 level monitoring and inspection

### Breastfeeding Room

ATEN has established breastfeeding rooms for the exclusive use of female employees, which include comfortable sofas, fridges, hot water bottles, and paper towels. This encourages employees who have given birth to continue to breast-feed after returning to the workplace.



Spacious and Comfortable Breastfeeding Room

### Gym and Leisure Center

ATEN has a small but comprehensive employee leisure center which includes a yoga studio (the employees' favorite), a gym, a sauna, a large-screen LCD TV, and an attached library, pocket billiards, and table tennis areas. Furthermore, in 2014 the company launched a renovation project on the employee leisure center so as to provide our staff with an even better space for leisure and exercise.



Gym and Leisure Center

### Diverse Group Activities

As of now, ATEN has a diverse range of employee clubs including a volunteer club, a yoga club, a basketball club, a jogging club, and a coffee bean roasting club. In addition, the company offers subsidies for club activities as well as paid leave for community volunteering services so as to encourage our staff to actively participate in activities that benefits both their body and mind.



Basketball club activities

### Employee Assistance Programs

Collaborating with professional consultancies, the company introduced the EAP (Employee Assistance Programs), which offers a 24 hour hotline consultation service for our employees. In addition, professional consultants are also available to address issues in five major fields including law, finance, management, health, and emotional health and well-being, so as to help our colleagues with challenges at work or in their personal lives. These programs have received overwhelming approval and positive feedback from our colleagues.



Employee Assistance Programs

### Health Activities and Lectures

The Human Resources Center provides a wide range of LOHAS health seminars, including personal development, language learning, investment and personal finance, travel information, parent-child relationship dynamics, and food safety. Additionally, ATEN provides all employees with diverse health promotion activities, including Yoga courses, weight loss courses, health and well-being lectures, and relationship lectures for single people.



LOHAS health seminars



## 5.5 Human Rights

The company cares greatly about the rights of our employees and requires no special and differential treatment in the recruitment, probation, induction, distribution of bonuses, assignment, results, promotion or reassignment, training, salary, retirement, resignation, dismissal or the provision of all benefits as a result of race, gender, sexual orientation, age, political standpoint, or religious belief. Under the "Labor Standards Act", the "Act of Gender Equality in Employment" and other government regulations related to the protection of the human rights of employers and employees, the company also formulated various systematic guidelines including "Work Regulations", "Employee Salary Management Guidelines", "Recruitment, Retention, and Management Guidelines", "Education and Training Guidelines", "Employee Achievement, Evaluation and Management Guidelines", and "Guidelines for withholding Employee Salary Upon Resignation/Retention", so as to stipulate and guarantee the rights and benefits of our employees in writing and to ensure that each employee receives fair, reasonable treatment and respect.

To provide channels for communication and complaints, ATEN also established "Regulations Measures for Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace" and set up a complaint hotline as well as an email address to be used exclusively for this purpose. Posters announcing and advertising these complaint channels have also been put up around the offices.

Furthermore, labor-capital meetings are regularly held at which employees can voice their opinions directly to shareholders' representatives. The meeting minutes for these are all published on the company's website. Issues for which no conclusions are reached in the meetings are handed over to the department in charge which is then responsible for following up on the matter so as to promote good capital-labor relations. No cases of discrimination were reported in 2011, 2012, 2013 and 2014.



Capital-labor meetings are held regularly



Sexual harassment prevention poster





## CH6 • Active Social Participation

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





# Active Social Participation



ATEN has been second to none in social welfare and charity participation. Through the collaboration and joint efforts of the “ATEN CSR Group”, “ATEN Volunteer Club”, and the “Ching-Tang Educational Foundation”, we offer various types of assistances and support for disadvantaged communities, physically and mentally challenged individuals, school education, and elders living alone. Also, on matters of environmental protection and restoration of ecological systems, ATEN volunteers as well as their families work together to give as much back as possible to Mother Earth.

It is estimated that over the ten years between 2005 and 2014, ATEN has donated more than NT\$24 million (excluding donations made by Ching-Tang Educational Foundation) to education, community development, and charitable and public welfare causes. The activities sponsored and supported by the donations include: Financial assistance for disadvantaged groups, renovations of school buildings and campuses, purchase of equipment for teaching, financial support for economically disadvantaged students, donation of ambulances and police cars, sponsorships for art events and sports activities, environmental protection, and relief and money donations for major disasters and accidents.

## ♥ “Global Kids Junior Monthly” Magazine Donation

ATEN also supports the Commonwealth Publishing Group’s initiative, “Charitable Delivery of the ‘Global Kids Junior Monthly’ for Creating a Shared Knowledge Platform for 2,678 Elementary Schools Nationwide”. With this initiative that builds a shared reading platform for children to fulfill their dreams, we hope to create equal opportunities for all children to enjoy the fun and joy of acquiring knowledge without any separation in opportunities between children in rural and urban areas. The company also donated a year’s subscription to “Global Kids Junior Monthly” magazine to 100 elementary schools in New Taipei City which have fewer than 26 classes, in an effort to provide assistance to schools with relatively few resources. [Number of Beneficiaries: a total of 550 classes from grades 1-3 of elementary school]

## 6.1 Caring for Education

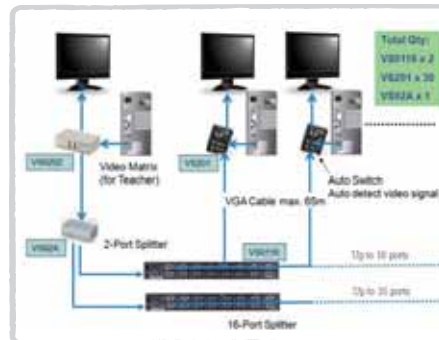
Education is the cornerstone of the prosperity and development of a society. Education should not only enhance the knowledge of students but also seek to build a strong character and integrity, values and ethics, as well as kindness and compassion in children. Education is the main reason that has motivated ATEN to initially dedicate itself to social welfare. The hope is that by starting with providing support and assistance for groups that are particularly in need of care, such as children who are from single-parent families, raised by grandparents, or abused, we will be able to offer them timely guidance before their circumstances lead them astray. It is also hoped that, with our support, these children who tend to be faced with limited resources, lacking in care from family, or that are subject to social stigma, can start developing more self-confidence, recognize their dreams, and eventually begin making their own contributions to society.





## ♥ Digital Broadcast Teaching System Improvements at Gukeng Junior High School and Gukeng Elementary School

In 2013, for the very first time, ATEN extended the reach of its education assistance efforts to the Gukeng Township in Yunlin County and donated information technology equipment, including 23 brand-new personal computers as well as three projectors, to the resource-constrained Gukeng Elementary School so as to improve its teaching and learning environment. In 2014 during our second visit to the computer rooms at the Gukeng Junior High School and Gukeng Elementary School, we found that while the teacher's display should have been able to switch to the "Digital Broadcast Teaching System" on the students' displays, the system did not work at all due to lightning damage and lack of maintenance. This teaching system is similar to a number of ATEN's pro AV (professional audio and visual) solutions (such as the VS0116 [16 port VGA Video Splitter], VS201 [2 port video switch], VS92A [2 port video splitter]). Hence, after an assessment by our Product Department, we designed and rebuilt a convenient and efficient computer-based broadcast teaching system that utilized the school's existing computers, complemented with ATEN's very own professional visual and audio products. The expenses were donated by the wife of our Board Chairman, who is also the president of the Volunteer Club, in order to provide a good IT learning environment for students. [Number of beneficiaries: more than 600]



## ♥ After-school Support Programs in Gukeng Junior High School

Due to the remote location of Gukeng Junior High School, its lack of resources, and the limited time that local parents have for taking care of their children, some students are at high risk of becoming truant. Hence, starting from the end of 2012, the school launched a "Firefly Class Program", which offers dinners after school to students from lower-income families and, through after-school support programs, provides professional competency education programs, group activities, and life and schoolwork consultations in order to enhance their sense of morality, enrich their lives, help them build integrity and strong characters, guide them to develop themselves based on their potential, and improve their academic performance. Continuing her support for this program in 2013, the wife of our Board Chairman, who is also the president of the Volunteer Club, made a personal donation to cover all the expenses of dinner, support classes, and teaching materials for the entire year of 2014. [Number of beneficiaries: more than 30]





### ♥ 2014 Poverty Relief Education Subsidies

For years, “Ching-Tang Educational Foundation” has been offering scholarships to students enrolled in public elementary schools and high schools in Xizhi who demonstrate financial need, in the hope that the scholarships can encourage economically disadvantaged students to work hard toward their goals and to make a contribution to society. At the 2014 ATEN award ceremony, a special invitation was extended to the Dongshan Elementary School's Shadow Puppetry Theater Group, which won the Special Excellence Award at the National Student Competition of Creative Puppetry Art, to perform on stage and bring a feast of traditional art for all those in attendance. [Number of beneficiaries: 450]



### ♥ “Diligent Study Awards” Presented to Graduates from Xizhi Public Schools

To encourage each graduate to step into the next phase of their journey in life with a hard-working attitude and to strive for outstanding academic performance, the Ching-Tang Educational Foundation gives out “Diligent Study Awards” each year right before the graduation season to one student selected from each class at all public schools in Xizhi. [Number of beneficiaries: 120]



### ♥ Training and Cultivation of Sporting Talent

The journey to competitive sports is extremely tough and so is the cultivation of sporting talent. For an athlete to be recognized and to achieve high performance in international competitive sports and win honors for his/her country, crucial factors lie in not only the athlete's own gifts and hard work, but also the availability of long-term financial support. With its cause and mission of enhancing education, the Ching-Tang Educational Foundation also gives frequent support to young sport stars. For example, the Foundation provided financial support to cover the expenses involved in training Chen Rui-Xu, a gifted figure skater and former champion of the Asian Junior Figure Skating Challenge. The Foundation also sponsored a local team in Xizhi, the “New Taipei Municipal Xiufeng Senior High School Girls’ Softball Team”, to travel to and compete in Japan. [Number of beneficiaries: more than 50]



## ♥ Donation of Emergency Relief Grants to Public Schools in Xizhi

In May of each year, the Ching-Tang Educational Foundation assists those individuals who are from economically disadvantaged households but are not poor enough to be eligible for receiving subsidies or students who have no means to pay for tuition or school lunch due to severe, unforeseen family misfortunes. In May of every year, the foundation does this by asking schools to investigate and identify students that are in financial distress, after which the foundation provides those students with emergency funds to enable them to continue attending school despite the challenging circumstances facing them. [Number of beneficiaries: 255]



## ♥ Sponsored National Children's Theater Charity Show

Responding to the National Children's Theater's charitable tour hosted by the World Peace Organization, ATEN's volunteers sponsored more than half of the tour's admission tickets, making them free for families with lower incomes and those that are located in remote countryside areas, so that children in disadvantaged communities could also have an opportunity to watch high-quality art performances. Additionally, part of the revenue from ticket sales of the tour were collected and contributed to the "Save Hungry Kids" campaign in 2014. On the day of the performances, ATEN's Volunteer Club brought 18 volunteers together to help with venue setup and ushering during performances, helping ensure the event went smoothly and was a great success.



## 6.2 Community Relations

With "Caring" as one of its core corporate values, ATEN has dedicated itself to helping communities, neighborhoods, and deserving groups. With sincere empathy, we make every effort to care for all those that are in need in Taiwan and create more harmonious community relations.

### ♥ Collaboration with the First Social Welfare Foundation to Improve Lives of ALS Patients.

The Dual Touch Mouse Upgrade Project was the first time that the First Social Welfare Foundation collaborated with ATEN. The project leveraged ATEN's core competencies in the fields of keyboards, displays, and mice to rewrite the built-in chip programming inside dual-touch mice in order to add a motion control accelerator for use in ALS treatment. The project was formally launched in October 2014 and improved overall patient efficiency of computer use by 30% and received much praise from them. Furthermore, this update also improved the function of other assistive devices, further improving patient quality of life. With the added convenience made possible by the accelerated dual-touch mouse, ALS patients are no longer restricted to only browsing the internet but can now even reply to emails and type messages, opening up their experience to an even more interactive world. This mouse upgrade project best illustrates ATEN's dedication to Corporate Social Responsibility and the use and integration of core corporate competencies for improved community welfare.



### ♥ Donation of equipment for Volunteers at all Public Schools in Xizhi and Thank-You Party

During hours when students are coming to and leaving school, we can always see a group of volunteers that are guiding and watching over the students' safety, rain or shine. The company cares about education greatly and also cares for school volunteers that take action and show their commitment to education. To increase the safety of school volunteers and students while guiding traffic, ATEN donated safety vests, LED guiding batons, and LED signaling flags to all volunteers at each of the public schools in Xizhi. The Ching-Tang Educational Foundation also hosted thank-you parties to publicly recognize and commend volunteers, in the hope that such interactions would bring recognition to volunteers and their selfless contributions. It is hoped that these events will eventually trigger a benevolent cycle that will inspire even more virtuous and kind actions in society.



### ♥ Winter Blessing for the Needy

To show care and deliver warmth to the lower-income households in Xizhi during Chinese New Year, the ATEN Volunteer Club took the initiative to prepare and pack gift boxes for each family. Containing ten types of traditional foods for the New Year celebration, including shiitake mushrooms, rice, apples, tangerines, nuts, and turnips, the package also contained a holiday greeting card. The gift boxes were distributed by the Xizhi-based "Missionary of Charity" to the lower-income households in Xizhi.



### ♥ Syin-Lu's "Hiking Together" Activity

To help individuals with intellectual development disorders acquire the ability to mingle and interact naturally with families, as well as to promote hiking as a healthful activity, for two years in a row the company has offered support to the Syin-Lu Social Welfare Foundation's "Hiking Together, I Donate and You Walk" activities. By encouraging our employees with the incentive that for each 1 kilometer they walk, ATEN will make a donation of 10 dollars to help raise funds for the Syin-Lu Social Welfare Foundation, we were able to support individuals with intellectual development disorders as well as the well-being of our own employees. ATEN volunteers also worked together with the Syin-Lu Welfare Foundation to plan a series of activities and helped with the shooting of promotional video clips. They also personally participated in the hiking activities hosted by the organizer to hike with mentally challenged friends at the Guting Riverside Park.







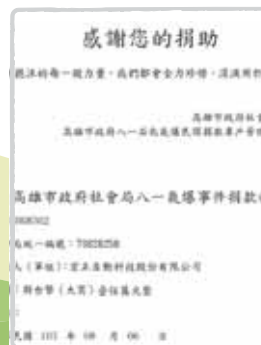
### ♥ Charitable Mid-Autumn Festival: Donation of Heart-Warming Golden Pineapple Cakes

Aware of the fact that while we celebrate the Mid-Autumn Festival with our families, others are just barely meeting their needs for food and shelter, ATEN wished to extend care to disadvantaged families in New Taipei City as well as to respond to the efforts of New Taipei City's Food Bank. Therefore, to give disadvantaged communities an opportunity to enjoy delicious moon cakes, our Volunteer Club took the initiative to call our colleagues together to purchase almost 400 boxes of pineapple cakes. These were then distributed to needy households through the help of the Food Bank under the supervision by the *New Taipei City Government's Department of Social Welfare*.



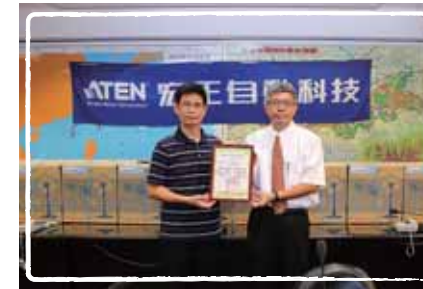
### ♥ Fund-Raising for the August 1st Gas Explosion Accident in Kaohsiung

On August 1st, 2014, the most severe gas explosion accident in the history of Kaohsiung hit the city, with a series of gas blasts taking place in the Cianjhen and Lingya Districts, resulting in a disaster range of around six kilometers. The range of almost three square kilometers included a great number of fatalities and severe injuries. With its spirit of "Caring", and under the instruction of our Board Chairman, the company took the lead to donate NT\$1 million to the Department of Social Welfare of the Kaohsiung City Government. Afterwards, the Volunteer Club also called on all of our colleagues for donations and collected over NT\$1.46 million in total, which was donated to the Department of Social Welfare as a fund earmarked specifically for the relief of the gas explosion accident.



### ♥ Donation of Electric Fans to Low-Income Households

When summer approached in 2014, the president of our Volunteer Club thought of the lower-income families that had no means to afford air conditioners, or even utility fees, and wished to make electric fans available to these families. Hence, the club and the company as a whole made a joint donation of 1000 electric fans to the Xizhi District Office, which in turn distributed them to lower-income households as well as to charitable organizations in the 49 neighborhoods of Xizhi.



### ♥ Celebrate the Dragon Boat Festival in a Charitable Way - Donate Gift Boxes from those with Down Syndrome

On the eve of Dragon Boat Festival, the ATEN Volunteer Club launched a "Celebrate the Dragon Boat Festival in a Charitable Way - Donate Gift Boxes from those with Down Syndrome" initiative. This called on our colleagues to buy food products from the Down Syndrome Foundation's associated business. Eventually, a total of 400 food gift boxes were collected and handed to the Xizhi District Office and New Taipei City Food Bank, which helped us donate and deliver these boxes to low-income households in New Taipei City. This initiative not only delivered foodstuffs to the underprivileged in need, but also gave encouragement to Down Syndrome individuals who earn their own living at this business.



### ♥ Yueqin Folk Music Festival

The Ching-Tang Educational Foundation also places high value on the preservation of local culture and hopes that new generations, with increased exposure, can learn to appreciate, preserve, and eventually carry forward traditional cultures. For years, the Foundation has been sponsoring the Yueqin Folk Music Festival, held at the Beitou Hot Spring Museum, in the hope that we can all be reminded of the Yueqin, a traditional musical instrument that is unique to Taiwan, through the teaching demonstrations, performances, exhibitions, and the sharing of the instrument.



### ♥ Aging Awareness and Senior Sensitivity Training Project - Save Your Love for the Beloved Volunteers Recruitment Program

In light of a rapidly aging society, as well as the heavy burden of care this presents to many families, the New Taipei City Government implemented the Elderly Care Depository Program. This program calls for corporate volunteers to take care of senior citizens as a joint force to bring a higher level of energy to the elderly by visiting community care stations and increase the time spent participating in activities with them. Called on and encouraged by the company, in 2014, a total of 130 ATEN employees successfully completed a three-hour training for volunteers and received certifications, qualifying them to participate in volunteering services of accompanying the elderly. Also, the Volunteer Club plans that, starting from 2015, the club will include aging awareness and senior sensitivity as one of its regular service items. Meanwhile, as the company employees to volunteer", will be a greater number of care of ATEN's employees warmth of the society.



provides "paid leave for it is expected that there seniors who receive the and feel the kindness and

## 6.3 Environmental Protection

### ♥ Fulong's 'Adopted' Beach

ATEN has 'adopted' the beach that stretches for over 360 meters in front of the Dongxing Temple in Fulong, Gongliao, from the Northeast and Yilan Coast National Scenic Area Administration with the aim of fulfilling its commitment to environmental protection. In 2014 alone, we organized three beach clean-ups. Each of these activities helped us experience firsthand what it takes to maintain our environment. We also plan to set an example for others to follow in the coming years and to expand the reach of our impact by inviting the families of ATEN's employees, partners, and vendors in our supply chain, or any organizations and institutions that are willing to make a contribution to our environment, to join our beach clean-up activities. The hope is that by fostering cooperation, we'll be able to make the cause of environmental protection a more widely adopted one; as through cooperation, a greater number of people will get to witness and value the initiative.







### ♥ Afforestation - Building a Sustainable Home for Butterflies

ATEN's Volunteer Club collaborated with the Butterfly Conservation Society of Taiwan for the second year and organized four "Butterfly Habitat Conservation and Ecology Workshops" in the Jiannan Butterfly Eco-education Park and Jiannan Trail. Led by the instructors from the Butterfly Conservation Society, during weekends volunteers from ATEN and their families participated in workshops to understand butterfly ecology and the removal of invasive plant species (including Mikania micrantha, Railway Beggartick, and Epipremnum aureum), and their replacement with nectar source plants (such as the Taiwan Dendropanax, Strobilanthes formosanus Moore, Taiwan Angelica tree, and Gordonia axillaris), so as to provide a better habitat and breeding environment for various butterfly species. During the half-day activity, all the volunteers and their family members made efforts to conserve the green resources in Taiwan while enjoying the beauty of Taiwan's natural environment.



### ♥ New Mountain Dream Lake Clean-up Activities

New Mountain Dream Lake is a great destination in Xizhi for outdoor activities and always attracts a great number of visitors on holidays, which, unfortunately, also results in increased environmental damage and littering. It was revealed by tour guides from the Society of Wilderness that the bottles and cans carelessly thrown away by many visitors and drivers, not to mention abandoned furniture, all get stuck in bushes or along trails and driveways. Consequently, ATEN's Volunteer Club brought together 28 volunteers, who were supported by the company's policy of "paid leave for employees to volunteer", spent an afternoon cleaning the area. A total of 56 kilograms of garbage was collected and removed, allowing the mountains to breathe again.



## 6.4 Overseas Record

### ♥ Beijing Subsidiary (ATEN China) Charitable Accomplishments Overseas - Lake Cleanup Campaign

Echoing the ATEN corporate headquarter's belief in social corporate responsibility, as well as attempting to advocate the cause of environmental protection in Beijing (where the problem of pollution is endemic), ATEN's Beijing subsidiary decided to launch a lake cleaning initiative. A total of 35 people, including the employees of our Beijing subsidiary as well as their families, spent half a day in cleaning up the Daoxiang Lake, located in Haidian District, Beijing. Prior to the trip, organizers from the company shared the concept of waste sorting and allocated the participants into several groups with different specific tasks (including equipment arrangement and garbage collection, sorting, weighing, recording, and disposal). The whole process not only served educational purposes for all participating employees but also exerted its positive influence on families and friends, strengthening their commitment to environmental protection.



### ♥ Wuhan-based R&D Center - Clean Up the World Weekend Campaign

To respond to our corporate headquarter's endeavors in "environmental protection and community care", ATEN's R&D Center in Wuhan initiated and coordinated with Guang Shan Street in September to promote and advocate the "Clean Up the World Weekend" campaign, for which the Guan Shan Kuo Community, as well as the Guan Shan branch of the Industrial and Commercial Bank of China, were also invited to serve as co-organizers. On the day of the campaign, ATEN also prepared a series of eye-catching posters that advocated different causes, such as "Clean Up the World Weekend". To establish Wuhan as a modern, pro-recycling city, the organizers also presented a "Clean Up the World Weekend Proposal" and called on all our employees in Wuhan, as well as the event's co-organizers and local residents (amounting to hundreds of people), to participate in community cleanup and street cleaning activities. The campaign did not only successfully develop the local residents' awareness of environment care but also encouraged its fulfillment in a concrete way, therefore setting an example for others to follow.

(Note: Clean Up the World Weekend [CUW Weekend] was first founded by an Australian competitive sailor, Ian Kiernan, who in March 1989 organized the first Clean Up the Sydney Harbor campaign. This campaign, previously only Australian, has expanded and scaled up to become a global event, with participation of more than 125 countries and 40 million individuals each year.)





### ♥ Charity Record of ATEN Technology, our US subsidiary

ATEN's subsidiary in the U.S., ATEN Technology, is also committed to its parent company's CSR principles and in 2014 targeted underprivileged families in southern Orange County. Collaborating with a non-profit charity, South County Outreach (SCO), ATEN Technology set up food donation bins in the office for disadvantaged neighboring households.



### ♥ Charity Record of ATEN Infotech, our Belgian subsidiary

ATEN's subsidiary in Belgium made a donation of €500 to *t Weyerke*, a local charitable organization that raises funds for the physically challenged.





## CH7 • Environmental Promise

- 7.1 The ATEN Green Management Group and System
- 7.2 Climate Change and Greenhouse Gas Reduction
- 7.3 Green Products
- 7.4 Green Supply Chain Management
- 7.5 Green Training and Promotion





## Environmental Promise



In recent times, the environment has come to the fore as issues such as global warming, and air pollution begin to affect our daily lives. ATEN has long dedicated itself to the cause of environmental protection. Through instilling green practices, we strive to lead by example and encourage other companies to follow in our footsteps. ATEN believes that it is each company's responsibility to consider their environmental impact. Little by little, we hope to expand our influence and make a real difference in improving our environment.

ATEN actively pursues environmentally friendly actions by "enforcing environmental protection regulations, harnessing creativity in resource use, and sustaining green production". We constantly work on improving our technology and techniques to make them more sustainable and encourage our suppliers to work with us to build a green supply chain. With great drive and commitment, ATEN actively pursues and implements environmental management activities on all fronts. We put environmental protection into actions and through so doing increase all of our employees' awareness of their environmental responsibility.



### Green Design:

Our introduction of modular design has effectively shortened the development time of projects and improved the quality of R&D technology, making the products we develop low-cost and customizable.

### Green Purchasing:

We work together with our supply chain partners to reduce resource use and pollutants caused by product production and provide our clients with innovative green products that are more energy-saving, and environmentally friendly.

### Green Manufacturing:

ATEN implements Lean Manufacturing processes to reduce resource waste within our manufacturing system. Improving our manufacturing processes also helps to increase productivity.

### Green Education:

We strive to strengthen environmental education within our company and raise our employees' awareness and knowledge of green practices.

### Green Products:

ATEN is committed to protecting the ecological environment and fulfilling its corporate environmental responsibilities while actively pushing for green environment management systems. By doing so, we can ensure that our products and production processes comply with environmental protection regulations and international standards.





### ♥ The Major Environmental Activities We Promoted in 2014 include:

- Integration of external components to reduce costs and enhance product reliability and introducing green modular designs to reduce lead time and production costs.
- Continue to promote our non-toxic substance management policy, and thereby provide clients with products containing no hazardous substances.
- Strengthen internal training, actively promote employee awareness of energy-efficiency and carbon reduction; and continue to launch a range of energy-efficiency plans.
- Continue to promote an energy management policy and look for measures and opportunities which could be taken to reduce energy use. Additionally, improve the efficiency of equipment through regular inspections. Improving suppliers' awareness of CSR issues such as: protecting the environment and labor rights, and adding items related to GSR and carbon footprints to the Standards for Performance Appraisal of Suppliers.
- Improving suppliers' awareness of CSR issues such as: protecting the environment and labor rights, and adding items related to GSR and carbon footprints to the Standards for Performance Appraisal of Suppliers.

### ♥ Quantitative Environmental Goals

ATEN has been focused on environmental protection since 2011. We have actively sought to minimize our environmental impact through enhancing production efficiency.

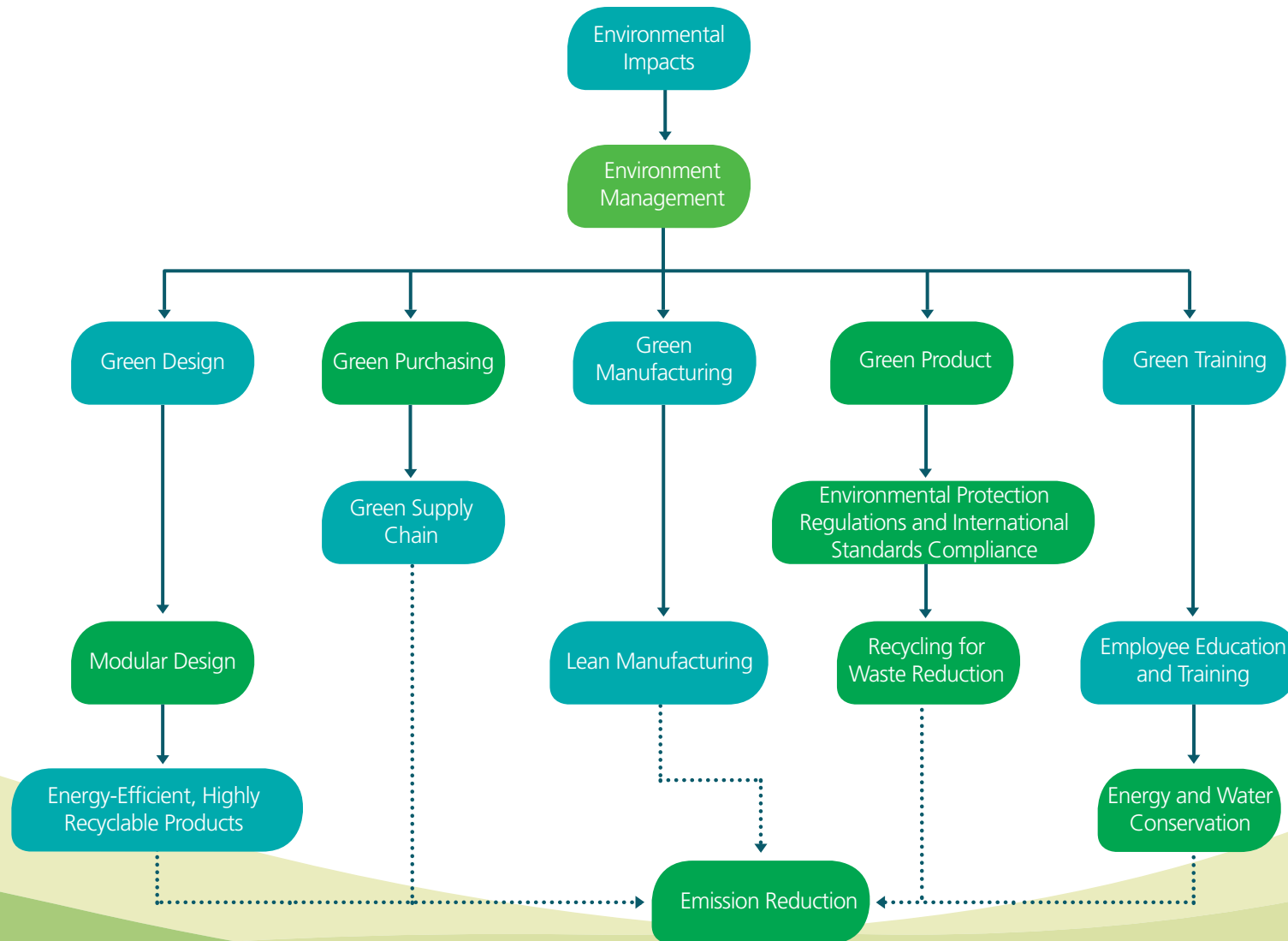


Year \ Items Under Monitoring	Total Amount of Greenhouse Gas Emission (Tons) as Inspected	Electric Energy Consumption Under Energy-saving (million kWh)	Water Consumption Under Water-saving (CCF)	Amount of Recycling Under Waste-reduction (Tons)
2011	3014.76	9.324	5.24	15.80
2014	2679.67	7.697	3.59	21.94
Efficiency Index	Reduced by 11.2%	Saved by 17.4%	Down by 31.48%	Increased by 27.9%



## 7.1 Green Management Group and System

ATEN's environmental management system group is comprised of environmental safety specialists. This team supervises various environmental issues and closely follows the global climate change trends and environmental impacts. Furthermore, through continued monitoring and analyses, the group executes policies as well as formulates various types of standardized procedures in accordance with yearly plans.



## ♥ Environmental Safety Strategy

Our "Green Promise":

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

### ☁ Enacting environmental laws:

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

### ☁ Encouraging creative use of resources:

Using available resources well, reducing wasteful behavior, lowering pollution of the environment, and reducing resource consumption.

### ☁ Supporting green production:

Regularly carrying out inspections and audits to ensure the continued effectiveness of enacting company environmental policy and doing our part in protecting our green global village.



Environmental Safety Strategy



ISO 14001 Certification

## ♥ Environment Management Measures

- Maintaining an environmental management system that addresses climate change and minimizes environmental impact. Promising to continue to improve our methods and find new ways to minimize pollution.
- Guiding global product R&D and ruling that no hazardous materials may be used in the R&D of new products. Hazardous materials in old products must be changed or replaced so as to comply with product greening standards and the product greening promise. Furthermore, comprehensive material testing needs to be carried out to comply with safety standards.
- All purchase and use of raw materials, manufacturing of products, product packaging, shipping and pollution management, as well as related service activities and business operations must comply with environmental regulations and requirements so as to reduce their impact on the environment.
- ATEN carries out environment and pollution management in all company locations with reference to the related local environment laws. When there is a clear relationship between products or services and serious environmental considerations, relevant local standards and requirements must be passed on to subcontractors or suppliers. This is done so that they continue to improve and actively fulfill our green promise.
- ATEN actively promotes, educates and communicates the importance of protecting the environment, energy efficiency, and reducing emissions. All employees must understand these concepts and the rules and requirements ATEN enforces in regards to the environment management system.
- We guarantee employees' safety by: carrying out self-inspections, regularly practicing our accident response plan, and actively preventing industrial accidents.
- By making ATEN's environment management system and environmental achievements public, we make ourselves publicly accountable.



## 7.2 Climate Change and Greenhouse Gas Reduction

In today's every changing, developing and expanding landscape, we often forget about our impact on the environment. Climate change is one of the most prominent environmental issues of our times. ATEN is continuing to: observe climate trends and the response measures taken by industry, abide by the emission reduction plans of advanced countries, and manage targets. Apart from enacting systematic management of resources, constantly monitoring and making improvements, and striving to meet our energy-efficient and carbon-reduction environmental targets, we also educate all of our employees to encourage them to cultivate the notion of saving energy in their daily lives.

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

### ♥ Resource Management Policy

In order to fulfill the CSR of a global citizen, ATEN strives to save energy and reduce emissions. ATEN carries out the prevention of pollution and green product design in accordance with related laws to achieve the aim and benefits of conserving resources.

The related measures are as follows:

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



## ♥ Slowing Climate Change

Climate change and global warming have caused rapid changes in recent years. We believe that the most effective and direct method of resisting climate change and slowing global warming is if businesses play an active role. ATEN believes each company should actively monitor their emissions and develop a reduction target. In this way, each business can be active players in helping our global village.

## ♥ Greenhouse Gas Inspections

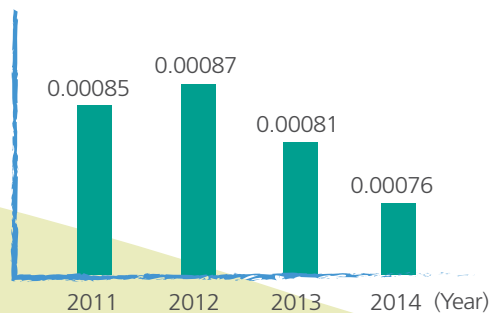
ATEN takes concrete, effective action to verify greenhouse gas emission figures every year in accordance with the ISO's requirements for greenhouse gas control. We achieve our aims in the areas of energy-efficiency and reducing emissions.

We use ISO 14064 standards and GHG Protocol as the set boundaries for our company.

Scope of inspection:

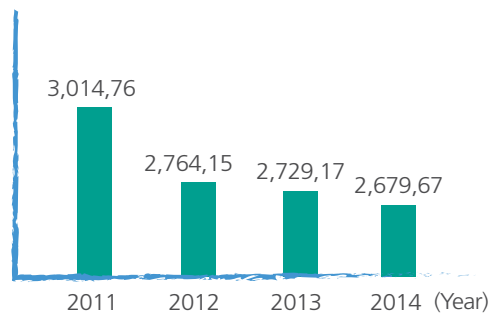
- (1) Floors 3-6, No. 125, Sec. 2, Datong Road, Sijhih District, New Taipei City (ATEN International Co., Ltd. Headquarters)
- (2) No.20, Ln. 30, Xinjiang N. Rd., Sijhih Dist., New Taipei City (ATEN Taiwan factory)

Greenhouse gas emission of Scope 1



● CO2 emission (tons)/Sale Revenue

Greenhouse gas emission of Scope 2



● CO2 emission (tons)

In 2010 ATEN established and launched a greenhouse gas inspection system. The system shows that in comparison to 2011, carbon emissions in 2014 (Scope 1) was down by 10.5%. Given the company's operational patterns, most of the carbon dioxide emissions come from electricity (Scope 2), and inspections show that the CO2 emissions were down from 3,014.76 a reduction of 11.1% in total emissions.

Item	Content	Definition
Identification and Setting of Borders for Operations	(Scope 1)	Refers to direct greenhouse gas emissions, specifically emissions from sources that are owned or controlled by the reporting entity, such as factory chimneys, manufacturing, ventilation, as well as emissions from fossil fuels burned on site, emissions from manufacturing, and entity-owned or entity-leased vehicles.
	(Scope 2)	Refers to indirect greenhouse gas emissions resulting from the generation of electricity, heating and cooling, or steam generated off site.
Verification of Emission Sources	Six main greenhouse gases	Refers to the six major green house gases stipulated in the Kyoto Protocol, including carbon dioxide (CO2), methane (CH4), nitric oxide (N2O), fluorocarbons (HFCs), per fluorocarbons (PFCs) and sulfur hexafluoride (SF6).





## ♥ Disclosing Greenhouse Gas Data

ATEN has an open attitude, disclosing information on greenhouse gas emissions related to ATEN and environmental information on the platform of the company website. We have disclosed greenhouse gas inspection figures every year since 2010. The results of the 2014 greenhouse gas inspection are as follows:

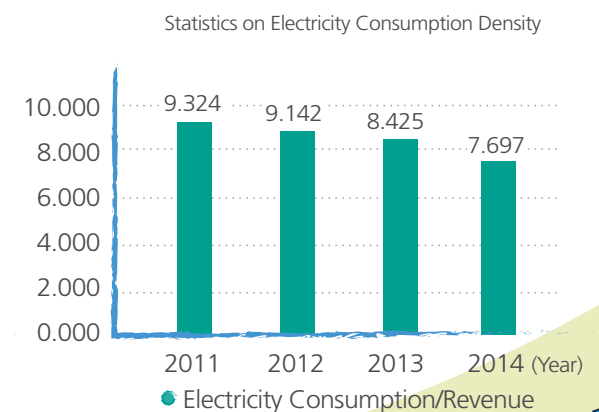
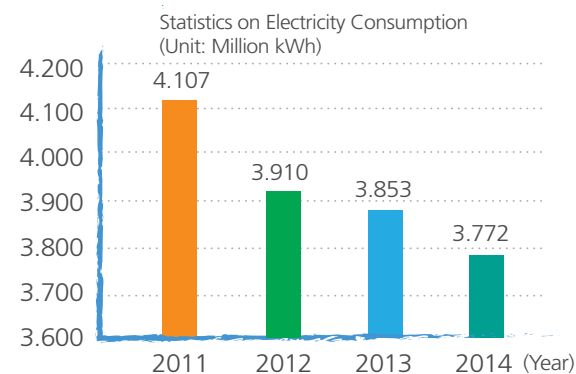
Greenhouse Gas Emission Investigation 2014 Findings (tons of CO<sub>2</sub>e/year)

Greenhouse gas emission	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	Total annual emissions
Scope 1	84.44	7.66	2.88	242.49	0.00	34.88	372.34
Scope 2	2,307.33	0.00	0.00	0.00	0.00	0.00	2,307.33
Total	2,391.33	7.66	2.88	242.49	0.00	34.88	2,679.67
Proportion of total emissions (%)	89.26%	0.29%	0.11%	9.05%	0.00%	1.30%	100.00%

## ♥ Power-saving Targets and Energy Efficiency Measures

Electric energy is the main source of energy that the company relies on in its operation. Given this, the company continues to promote and implement various types of energy-saving measures and management programs, so as to reduce energy use and minimize the impacts on the environment. For a long time, we've been using the method of using manufacturing processes to control energy use, which effectively reduces energy waste resulting from wait time. Over the past few years, ATEN has created a number of green initiatives to reduce energy consumption. In 2011 ATEN scaled up its efforts to promote and use energy-efficient equipment in its manufacturing processes (2011). Energy-efficient (T5) lighting was introduced in 2012 and in 2013 the three-year plan for improving the energy efficiency of air conditioning was launched.

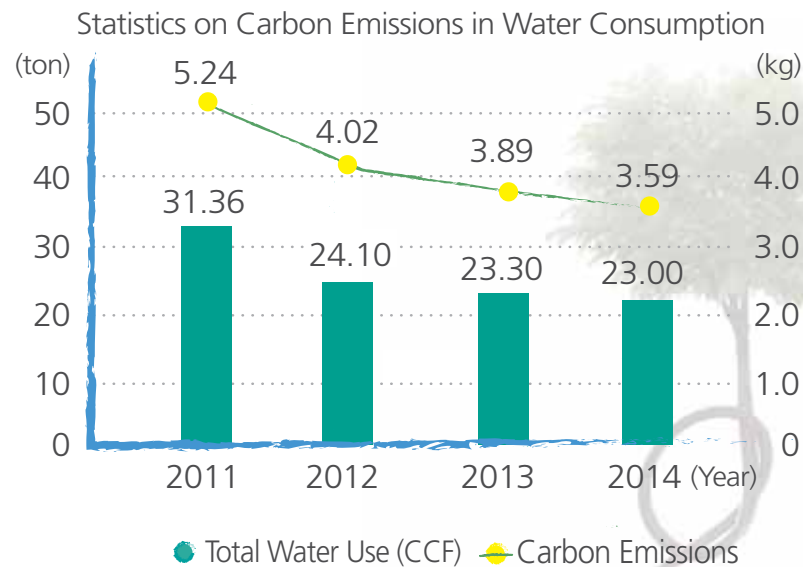
According to the indicator of electricity use intensity per unit (area), the kilowatt-hours were down from 9.324 kWh in 2011 to 7.697 kWh in 2014, representing an improvement of 17.4%.



## ♥ Water Resource Management

Climate change and global warming have led to devastating water shortages, the impact of which will worsen if we fail to act. ATEN has installed taps which have a Water-Saving Marie in all of the hand-washing facilities in the company. We also continue to roll out water-saving equipment and promote water-saving among employees.

Since 2011, ATEN has collected statistics on water consumption in our Xiwan plant. Water consumption was down from 31.36 kg per person in 2011 to 23 kg per person in 2014, a reduction of 26.66%. (Carbon emission due to water usage CO2 decreased by 1.65 kg).



In 2014, average water use per person dipped by 0.3 ton

In 2014, average CO2 emission per person dropped by 0.3kg

## ♥ Environmental Management Plan

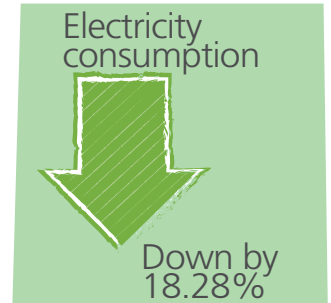
ATEN believes that by enforcing green initiatives, corporations can enhance their competitiveness. We believe that the environment should be a priority for corporations. Since 2011, ATEN has been actively promoting and implementing energy-saving measures and management projects, all of which have achieved spectacular results. The main projects that were undertaken in 2014 are as follows:

Continue to implement the "Three-Year Plan for Improving the Energy Efficiency of Air Conditioning" management program, which renovates and replaces motor compressors, main operating systems, and temperature switches of the air conditioning systems to improve the energy efficiency of the systems and reduce waste.

- Adding non-return valve to coolant motor. Effectively improve ice blockages causing short circuits, which increases heat exchanger efficiency and reduces energy consumption.
- Replacing coolant management control system's voltage switch, washing air drying filters and condenser with chemical agents. Reducing A/C condenser malfunctions, improving A/C condenser operating efficiency, and decreasing electricity current produced in operations.
- Replacing the temperature switch, adjusting the transmission method and output water temperature. Reducing the operating time of compressors and effectively improving energy efficiency.
- Checking the ice water control machine for leakage and refilling it. Lowering the likelihood of refrigerant leakage and the consequent environmental pollution, reducing electric current produced in machine operations.
- Replacing cooling pipes and seals. Substantially cutting water waste and reducing the rate of A/C condenser malfunction.

Comparison of Yearly Reductions, with the year 2011 as a point of reference:

Year	Electricity consumption (kilowatt hour)	Annual reduction (kilowatt hour)
2011	2,627,150	N/A
2012	2,318,035	309,115
2013	2,217,530	409,620
2014	2,146,870	480,280
Three Years of Reductions in Electricity Consumption		1,199,015



### 7.3 Green Products

ATEN has won the "Taiwan Excellence Award" every year it has participated. With ATEN's strengths and competencies in both hardware and software R&D, ATEN has won acclaim from professional judges in the categories of "Electronics, Electrical Equipment, Communications Products and Components" and "Communication Software". In addition to continuing to innovate and improve our R&D techniques, we also introduced modular design, integrated parts from external suppliers, researched and developed our own ASIC, *enhanced product reliability, reduced manufacturing costs, and increased product efficiency so as to deliver green products.*

#### ♥ Green Product Responsibility

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



#### ♥ Green Product Design

For a long time, ATEN has been researching and developing all types of cutting-edge electronic IT products and has emerged as a global leader in digital information sharing. ATEN also continues to seek to reduce the number of parts being used, improve quality, reduce manufacturing costs, and reduce manufacturing and production line lead times as our main directives for R&D. The design of FPGA/CPU/USB reduce yield rates in production, raise costs, increase the throughput time of parts, prolong programming time, and adversely affect the material management of manufacturing units as well as production efficiency that in turn have impacts on use of resources. Given this, the R&D team at ATEN decided to research and develop their own ASIC so as to improve our techniques, reduce costs and create a competitive advantage.

In 2014, ATEN successfully developed the exclusive New ASIC 8023, to be used to transmit signals by Dongle. The concrete benefits being delivered are as follows:

- Integration of parts from external suppliers results in reduced costs, enhanced product reliability, and combined the three IC pieces (CPU, USB, Power IC) required for FPGA into one piece of IC.



- Reduced Manufacturing Lead Time: reduces the time needed in programming FPGA.
- Reduced manufacturing costs: increases product competitiveness, and using the New ASIC 8023 brings down the manufacturing costs of the Dongle product (KA71XX series), with savings of around NTD 3,600,000 in 2014 alone.



## ♥ Green Product Policy

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

## ♥ Management of Non-Hazardous Substances

To sufficiently fulfill our responsibility as a global citizen, we made a set of management guidelines as follows:

- To comply with environmental regulations and live up to the requirements of our clients and become their very best green product partner.
- To design green products and emphasize the importance of products made with non-hazardous substances.
- To purchase green materials, implementing green production.
- To promote environmental protection education and to raise environmental awareness within our staff and supplier partners, so as to achieve the company's goal of sustainable management.

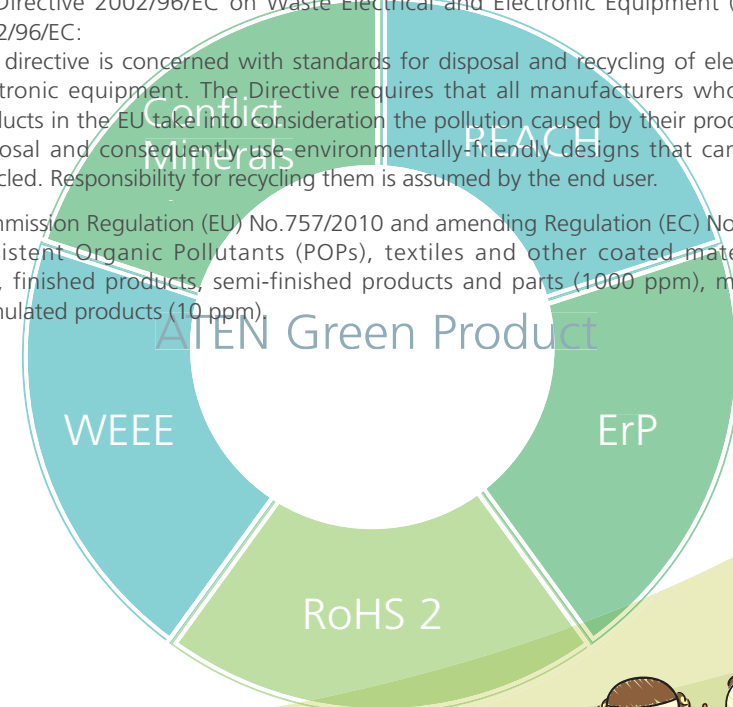
## ♥ To Comply with International Product Environmental Regulations

ATEN fully meets both international regulations on environmental protection as well as the environmental requirements made by our clients regarding the manufacturing process of our products. We update our hazardous material limitation standards as required and have established a "Plan for the Management of the Use of Restricted Materials", which contains standards of use for hazardous materials in products and ensures that our products respect each requirement of ATEN's CSR promise.



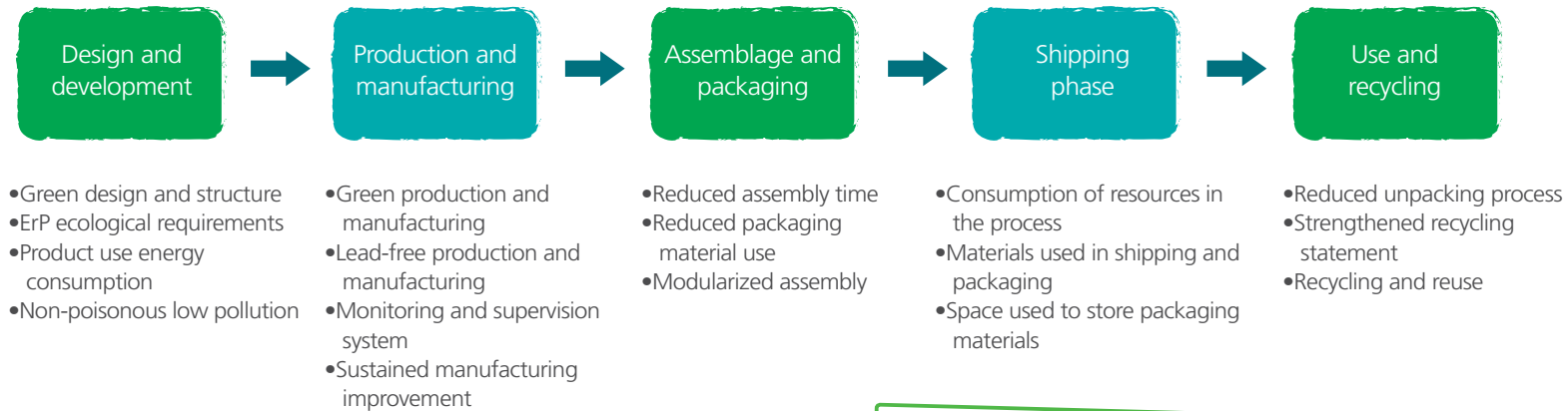
We comply with the following laws:

- EU Restriction on Hazardous Substances Directive (EU RoHS 2.0) 2011/65/EU:  
Restricts the concentration of lead (<1,000ppm), cadmium (<100ppm), mercury (<1,000ppm), ppmhexa-chrome (<1,000ppm), polybrominated biphenyls (<1,000ppm), polybrominated biphenyl ethers (<1,000ppm). All of ATEN's products comply with the aforementioned requirements, and are currently ranked within the quantity of lead permitted by the EU RoHS. We will diligently continue to develop products to meet clients' needs.
- EU Directive on Registration, Evaluation, Authorization and Restriction of Chemicals (EU REACH):  
ATEN fully complies with all of the requirements of the REACH Directive with regard to hazardous substances (Substance of Very High Concern, SVHC).
- EU Directive 2002/96/EC on Waste Electrical and Electronic Equipment (EU WEEE) 2002/96/EC:  
This directive is concerned with standards for disposal and recycling of electrical and electronic equipment. The Directive requires that all manufacturers who sell such products in the EU take into consideration the pollution caused by their products upon disposal and consequently use environmentally-friendly designs that can be easily recycled. Responsibility for recycling them is assumed by the end user.
- Commission Regulation (EU) No.757/2010 and amending Regulation (EC) No.850/2004 Persistent Organic Pollutants (POPs), textiles and other coated materials (1g/m<sup>2</sup>), finished products, semi-finished products and parts (1000 ppm), materials or formulated products (10 ppm).





## Green Product 3R Management System Structure (Procedures for minimizing impacts on the environment)



## ♥ Prohibition on The Use of Conflict Minerals

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



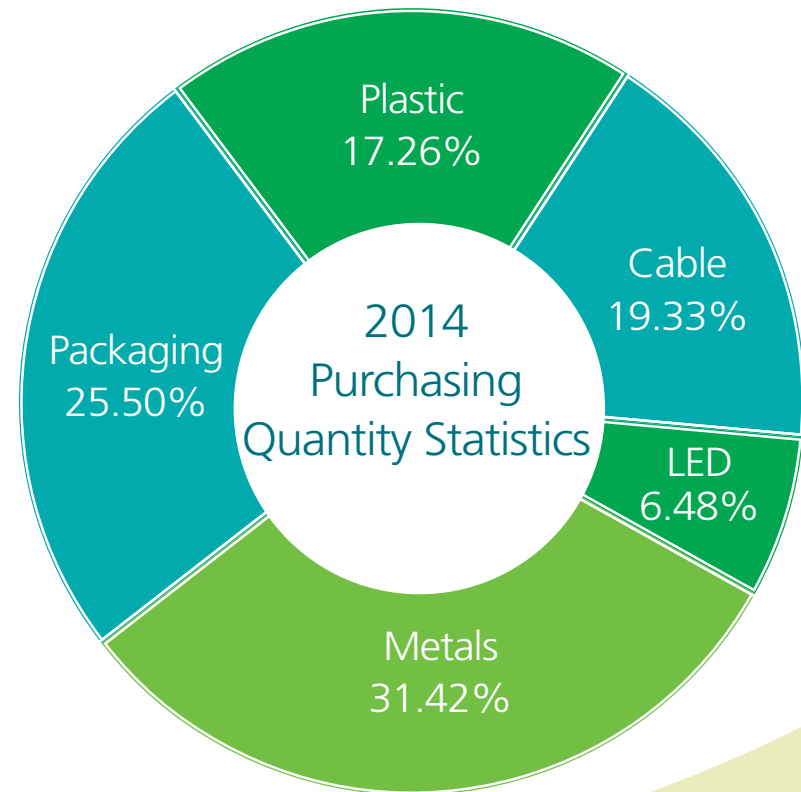
## 7.4 Green Supply Chain Management

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

### ♥ Types and Quantities of Raw Materials Used

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

There are altogether five major types of investment in production and operating resources in 2014. The amounts purchased can be seen below:

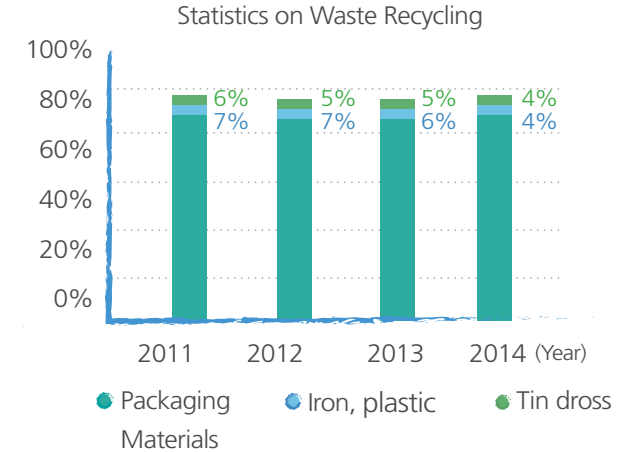
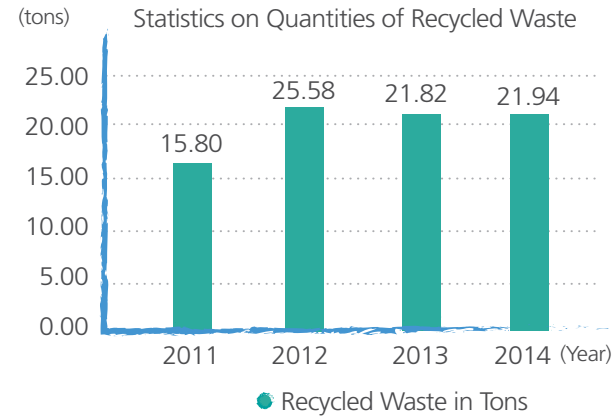


## ♥ Waste Management and Recycling

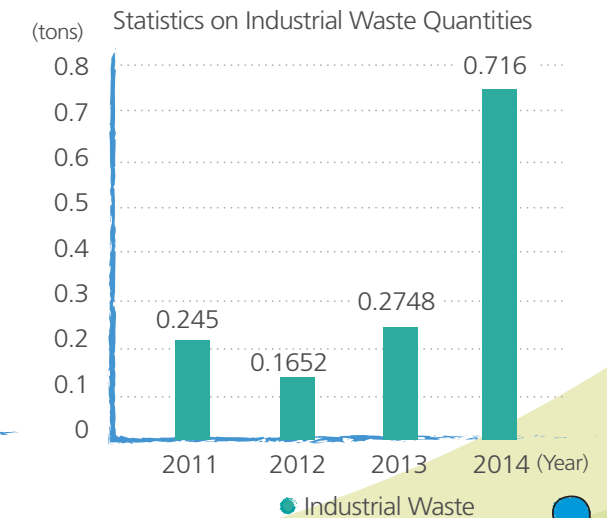
ATEN's business is mainly concerned with assembling and packaging electronics. Waste produced during production includes: tin dross, waste plastic, mixed metal scrap, and waste paper, of which tin dross, waste plastic, waste paper and mixed metal scrap are recycled and reused by professional, qualified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



### Growth in Waste Recycling in 2014



Through promotion and improvement in procedures, the company continues to strengthen its management on waste reduction in manufacturing processes as well as in the office.



## ♥ Green Supply Chain Management

Seeing suppliers as our partners, we constantly seek to raise the social responsibility awareness of our suppliers. This includes issues such as management of the environment and morality. ATEN has revised and enlarged those aspects of our standardized supplier appraisal methods related to CSR and environmental and health appraisals. In the future, we will comply with the requirements of international environmental regulations and customer standards, continue to roll out green production and improve our green competitiveness.

ATEN has a great number of supply chain partners, whom ATEN not only has been working with closely over the years but also has been learning from in corporate sustainable management and innovations. ATEN is committed to using our influence to promote relevant ideas and beliefs to reach all the partners in our supply chain.



## 7.5 Green Training and Promotion

The company continues to promote energy conservation and carbon reduction as well as encouraging employees to protect the environment. Internally, we facilitate education and promotion of the environment among our employees and include relevant content on environmental protection and management in our required online training curriculum (E-learning) for new employees. In addition to raising our colleagues' awareness of environmental protection, the company also seeks to encourage our colleagues to act. We regularly post energy conservation as well as other environmental slogans and educational posters on bulletin boards, in bathrooms, in elevators, and on internal websites, so as to raise our employees' awareness of environmental protection and energy conservation, allowing for a better understanding among employees on the company's initiatives on environmental protection and helping the environmental causes to take root in the work and life of our employees.

Externally, we actively push for green supply chain management by using corporate influence to work with our suppliers to formulate environmental and sanitation standards, requiring our suppliers to implement waste recycling and reductions and to control the sources of impact on the environment. Through sharing environmental protection information, we raise the environmental awareness of our suppliers as well as meeting the directive on the restriction of the use of certain hazardous substances.







## CH8 • Client Satisfaction and Service

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





# Client Satisfaction and Service



Comprehensive client service is the necessary path for branding. We listen to our clients and provide customized product combinations and service platforms that are innovative and competitive. At ATEN we strive to provide immediate and timely responses to meet our clients' needs. We also strive to continually improve our service quality, as it is our firm belief that a solid partnership built on trust is the key to building and cementing client loyalty.

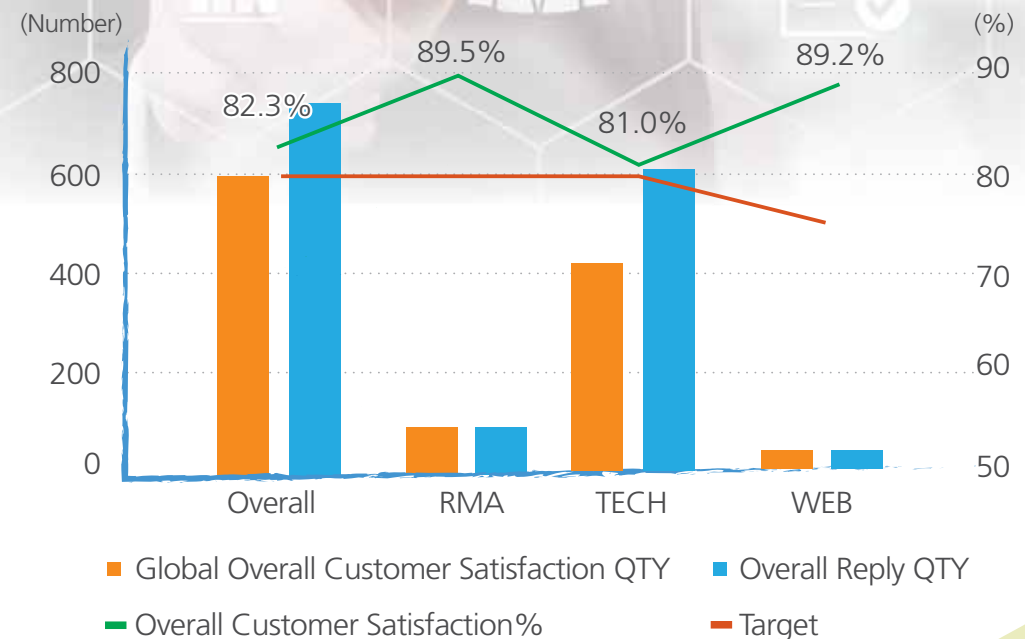
## 8.1 Client Satisfaction Survey

ATEN conducts regular global client satisfaction evaluations and surveys using comprehensive, first-hand feedback to understand client experiences and to improve our services accordingly. We make in-depth analyses in areas which require improvement and at the same time, set up monitoring and tracking systems to ensure that our clients' needs are fully met. At ATEN, we strive to meet the goal of providing supreme-quality service that "exceeds client expectations".

ATEN is also establishing diverse two-way client communication channels, such as: opinion forms within product boxes, a feedback area in all regional websites, and websites in over 12 languages, as well as a contact email. This allows client needs to be responded to and addressed within the shortest timeframe possible, strengthening trust between clients and ATEN, which in turn enhances client loyalty and trust toward the brand.

### Global Client Satisfaction Survey Statistics

2014 Global Overall Customer Satisfaction

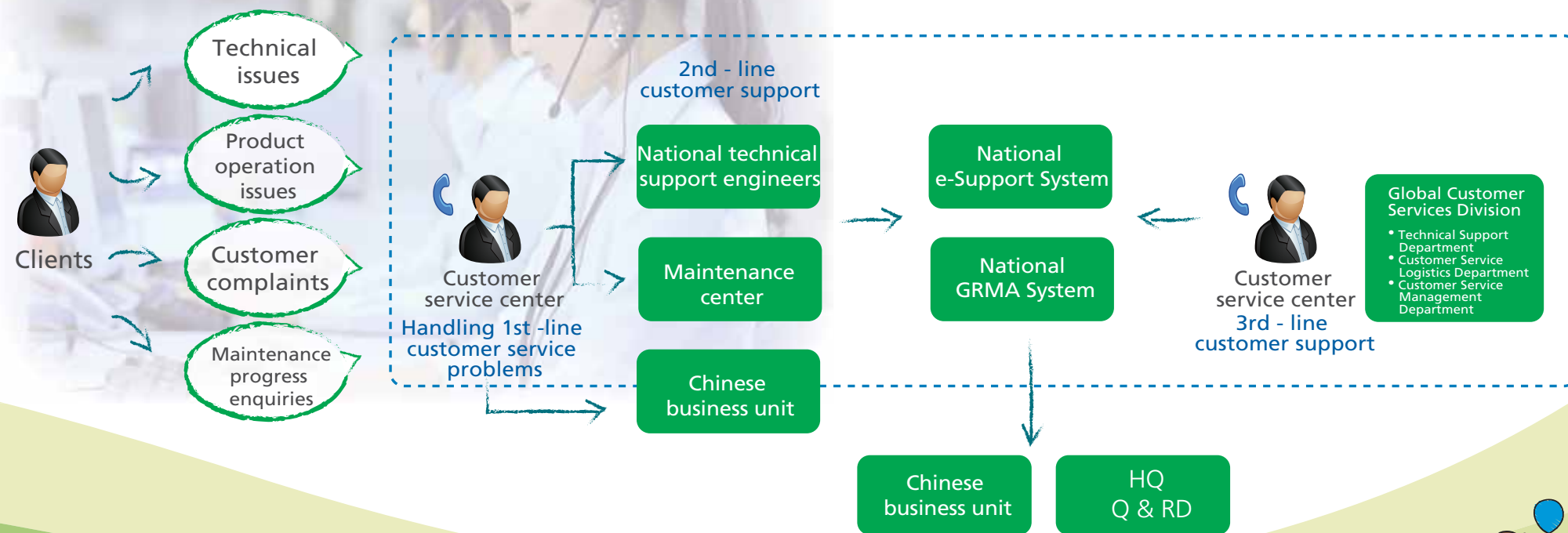


## 8.2 Comprehensive Customer Service System

With years of dedicated construction, ATEN's customer service network has a global presence. We have consolidated our customer service resources to establish a "Global Customer Service Division" and provide a service system that provides local services both in Taiwan and abroad. This guarantees the promptness and professionalism of customer service, building sustainable relationships with our clients and pursuing maximum satisfaction for our customers. A concrete explanation of the service system follows:

### ♥ Customer Service Hotline

ATEN is establishing a customer hotline system to provide customers with immediate support. We provide customer services including a 0800 hotline, technical support hotline and Skype hotline. Professional customer service center staff communicate directly with customers, helping them to solve problems. To provide better local service, ATEN officially set up a customer service center in China in 2014. The fixed position center will provide a 400-810-0-810 hotline to provide technical support for users, and a platform for sales functions. Standards for a "primary QA system" and "customer issue division and escalation management" are being drawn up and enacted rigorously to guarantee that customers will get feedback and solutions for their problems within a short time.



## ♥ Online Service Platform (eService)

To provide our global client base with a hassle free service, we integrated all customer service resources and set up a single-entry online service platform. (eService: <http://eservice.aten.com>) Thereby providing more convenient, after-sale services. This platform incorporates the following services:

### •Online Technical Support Service (eSupport):

When our global clients face technical problems ATEN technical personnel can use this platform to undertake direct and rapid communication with them, effectively assisting customers worldwide to resolve technical problems, eliminating obstacles and providing all the required information. Every enquiry is logged on the eSupport platform, to make it easier to track. Key issues will form part of the FAQ (Frequently Asked Questions) or knowledge base sections on the eService platform, to then be provided in response to customer queries.

In addition, ATEN also developed a mobile “ATEN Online Customer Service app”, a small yet exceptional app that provides a set of useful tools to help clients with questions about selecting products, technical information, and online customer service. In addition, the app is fully integrated with the original eService online customer service system, providing a brand-new customer experience of utmost convenience.

ATEN's online customer service app includes major functions such as:

- ATEN product selector
- Frequently asked questions about ATEN products (FAQ)
- Search for ATEN product hot keys and compatibility list
- The ability to create a new customer service request form on the app (user needs to have an eservice account and log in), search and reply to inquiries made in customer service request forms.
- The ability to use mobile phones to take a picture of the customer service request form and then upload the picture directly



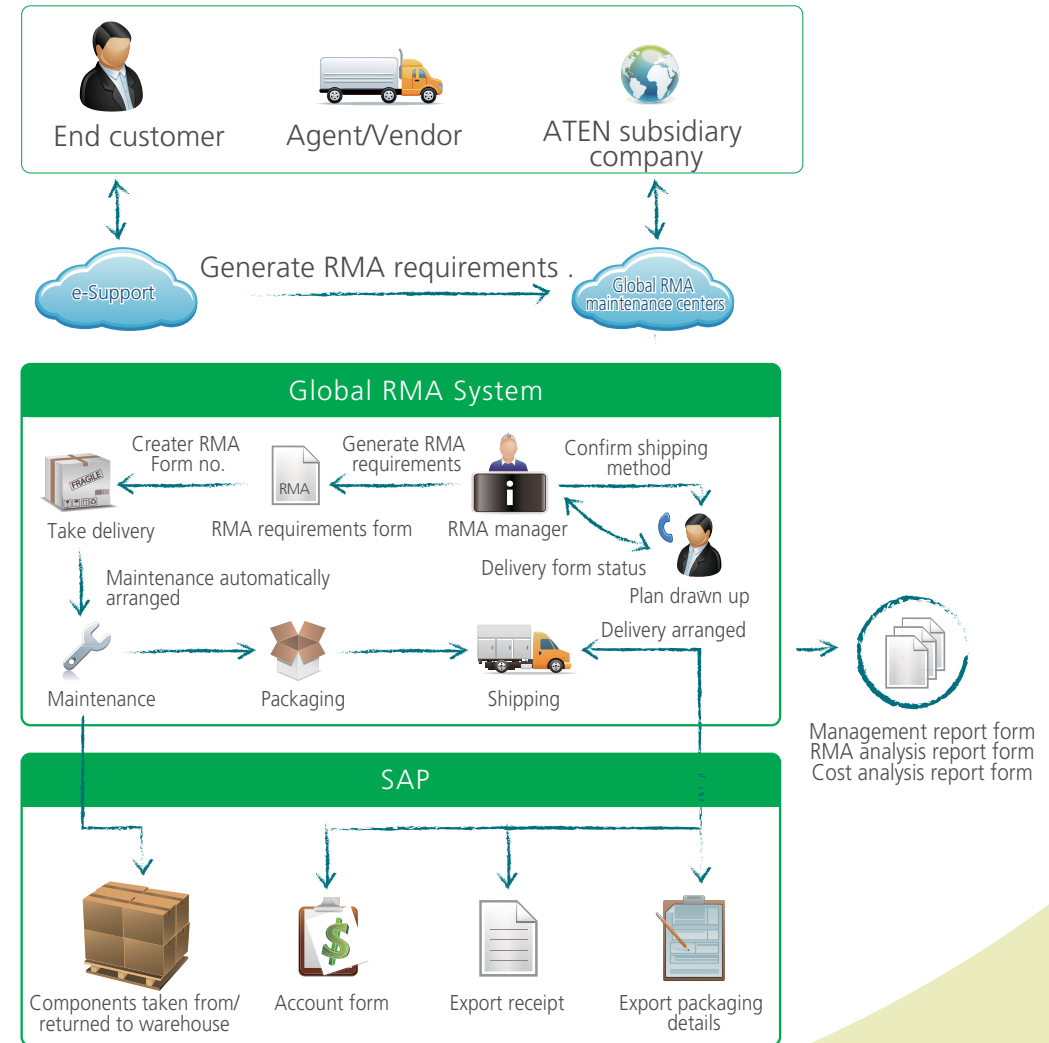
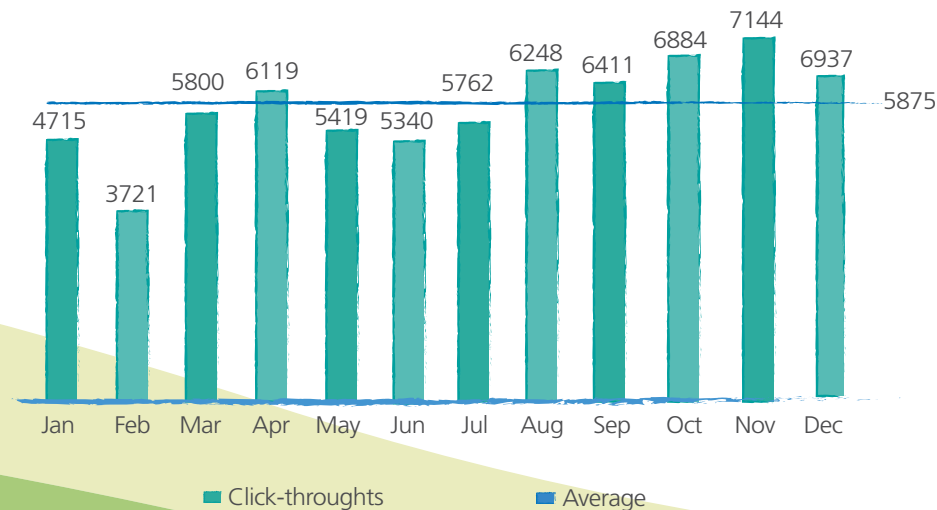


### •Online Maintenance Service Global-RMA System:

Clients can request repair and maintenance services by filling out an online application form. Our dedicated RMA professionals will then receive the form and provide a RMA code and delivery address. Customers can obtain a product's warranty information and real-time maintenance progress information by checking online. The platform also provides access to previous records of maintenance and repair work. This is a system with a complete RMA process, through which maintenance records from all over the world can be obtained and used to monitor 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:

The 2014 statistics show that the average click views per month was 5,875, a substantial increase over the average 1,850 click views per month in 2013. This indicates that the service is fits well with the needs of our customers. ATEN will continue to provide a more comprehensive FAQ section to meet clients' needs for solving problems on their own.





#### •Partner Center:

ATEN also provides sales partners with real-time market intelligence and product information by establishing an information sharing platform aimed at our sales partners. This allows 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:

Customer service departments, which are divided into "technical support" and "RMA" units have been established in ATEN's headquarters and all subsidiaries in Taiwan. When customers face product issues, they can seek assistance through the customer service hotline. Customers are promptly assisted by our professional technical support engineers. If a customer's product requires maintenance, they can immediately send it to one of our maintenance centers, where inspection and maintenance is carried out by RMA engineers. ATEN provides a 2-year warrantee worldwide (subject to adjustment in some countries), and stresses the strengthening of local after-sales support as the most important direction for enhancing client satisfaction and promoting the brand globally.

##### •Fast Repair Service:

Through the well-developed, comprehensive service network of the company headquarters and subsidiaries, we manage to offer a working day turnaround time, fast repair service in Asia Pacific and a 5 working day turn around service in Europe and America, cutting the wait time for clients and gaining widespread approval and recognition among our clients.



### 8.3 Customer Health and Safety

To provide clients with high value-added innovative product selections, we also use the provision of the most flexible, speedy, professional client services as an important indicator to enhance the company's competitiveness. In addition, with regards to material safety, manufacturing environment and life cycle of our products, we make sure to fulfill clients' 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 product safety. In 2005, the company set up the "Management of Hazardous Substances Use Restrictions", which successfully meets different international regulations including ErP, WEEE, REACH, RoHS 2.0, etc. By fulfilling the standards imposed by international regulations, we also meet all the new regulations made by the European Parliament and Council of the European Union, so as to offer safe, healthy products and services to clients.



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

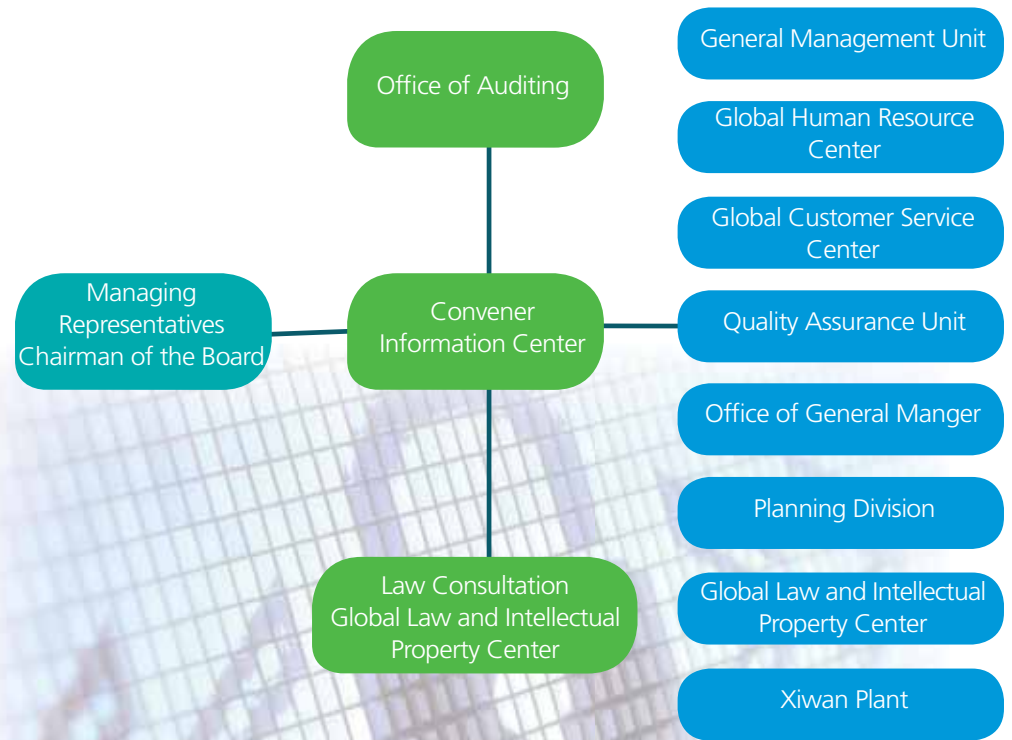
For years we've been executing the construction of client confidential information security protection system. Only through rigorous planning along with careful construction can the assets of important information be well protected and in turn ensure and maintain the competitiveness of our clients in their markets. ATEN's Information Center sets up a solid, strong information security guard network, with an information security protection mechanisms that are not only well-equipped in preventing invasions, but also block any potential channels for confidential data leakage with multiple information software technology as well as tests of hacking attacks. Meanwhile, a confidential data censoring system was also put in place to closely control and monitor data storage as well as access permissions, so as to guarantee the highest-level of protection of information security and right to privacy for our clients.

In addition to abiding by the updated "Personal Data Protection Act" that officially took effect in 2012, the company also set up the "Personal Data Management Task Force", with the board chairman as the representative of the task force. Through the creation of an SOP, thorough management of forms and record, continued promotion, and the signing of "Compliance with Personal Data Protection Responsibility" document, the company makes every effort to ensure that each of our employees at ATEN lives up to the responsibility of protecting the information security as well as the rights to privacy of our clients.

With "Integrity and Honesty" being one of our core corporate values, we insist on using the most rigorous, comprehensive protection mechanisms in handling any single piece of confidential information for our clients, to build and strengthen the trust of our clients and create a win-win situation for the company and our clients.

As of the end of 2014, ATEN has never violated any customer's right to privacy, lost any customer data, harmed the interests of customers, or been the target of legal action as a result of data loss.

### ♥ Personal Data Management Task Force – organizational structure





## 8.5 Sales Regulations

### ♥ In Compliance with Regulations

ATEN employees a strategy of promoting and marketing its own ATEN brand. The company complies with regulations that are applicable to all countries as well as any specific policy or laws that are upheld in different regions, including anti-trust laws (unfair competition), financial reporting procedures/internal control, insider trading, intellectual property rights, protection of confidential information, etc., all of which ATEN abides by in full accordance with the regulations of each region. The company strictly forbids any illegal competitive behaviors or unfair business practices, and strongly promotes the use of fair, legal marketing strategies at the company headquarters and its subsidiaries worldwide.

As of the end of 2014, ATEN has never violated any law related to market expansion, including: regulations related to advertising, promotion and subsidy, and our voluntary principles.



### ♥ Marketing Communication

ATEN markets and sells its products globally under the single ATEN brand. The "Planning Division" based in ATEN's head office is in charge of global strategic planning, product planning, digital marketing, distribution channels, brand communications, market trend research, and selling and promoting each of our product lines through the respective product business groups. The Marketing Division's subordinate "Sales and Promotion Center" is responsible for promoting the ATEN brand, improving our corporate image, increasing corporate differentiation, product marketing and the communication of corporate social responsibility. Its main functions and jurisdiction include:

- Consistent global ATEN brand spirit, policy plan and implementation
- ATEN corporate image planning and implementation
- Product sales planning and implementation
- Formulate corporate media PR plans and maintain good media relations
- Corporate Stakeholder Communication

Through various channels and forms of communication including company websites, digital marketing channels, expos in different regions of the world, press conferences, seminars, point of sale materials (POSM), etc., the company seeks to convey to the markets precise information about the company, management philosophy, operational status, product information, brand story, corporate culture, business ethics, and corporate social responsibility. Meanwhile, through voices and feedback from consumers and markets, the company gains an in-depth understanding of market trends and establishes a two-way communication channel between the company and its audience, so that ATEN's corporate image as well as brand value is conveyed in a consistent fashion thorough the global market.



# CH9 • GRI Indicator Index





# GRI Indicator Index



The following indicators constitute the entirety of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (GRI G4) in regards to this report.

## ♥ Standard Disclosures

Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Strategy and Analysis	G4-1	Provide a statement from the most senior decision-maker of the organization.	1	
	G4-2	Provide a description of key impacts, risks, and opportunities.	3.1	
Organizational Profile	G4-3	Report the name of the organization.	3.1	
	G4-4	Report the primary brands, products, and services.	3.1	
	G4-5	Report the location of the organization's headquarters.	3.1	
	G4-6	Report the name and the number of countries where the organization operates.	3.2	
	G4-7	Report the nature of ownership and legal form.	3.1	
	G4-8	Report the markets served with breakdown.	3.2	
	G4-9	Report the scale of the organization.	3.1	
	G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers. f. Any significant variations in employment numbers.	5.1	
	G4-11	Report the percentage of total employees covered by collective bargaining agreements.	5.1	
	G4-12	Describe the organization's supply chain	7.4	
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.		No significant changes during 2014.
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	3.1	
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	2.1	
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates.	4.6	



Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Identified Material Aspects and Boundaries	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.		For reference, please visit the investor section on our official website, or the yearly reports and financial documents on the Market Observation Post System.
	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the "Reporting Principles for Defining Report Content".	Introduction	
	G4-19	List all the material Aspects identified in the process for defining report content.	2.2	
	G4-20	For each material Aspect, report the Aspect Boundary within the organization.	2.2	
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	2.2	
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		No restatement was made.
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	2.2	
Stakeholder Engagement	G4-24	Provide a list of stakeholder groups engaged by the organization.	2.2	
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	2.2	
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	2.2	
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	2.2	
Report Profile	G4-28	Reporting period for information provided.	Introduction	
	G4-29	Date of most recent previous report.	Introduction	
	G4-30	Reporting cycle.	Introduction	
	G4-31	Provide the contact point for questions regarding the report or its contents.	Introduction	
	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	Introduction	
	G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Introduction	





Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Governance	G4-34	Report the governing structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	4.1	
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	4.1	
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	4.3	
	G4-37	Report the process for consultation between stakeholders and the highest governance body on economic, environmental and social issues. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	4.2/4.3	
	G4-38	Report the composition of the highest governance body and its committees.	4.1	
	G4-39	Report if the Chair of the highest governance body is also an executive-officer (and, if so, report his or her function within the organization's management and the reasons for this arrangement).	4.3	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees and the criteria used for nominating and selecting highest governance body members.	4.3	
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	4.3	
	G4-42	Report the highest governance body's and senior executives role in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.	4.3	
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	4.3	
	G4-44	a. Report the process for evaluation of the highest governance body's performance with regard to governance of economic, environmental and social topics. Report whether such evaluation is independent or not and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	4.3	
	G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks and opportunities.	4.3	
	G4-46	Report the highest governance body's role reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	4.3	



Governance	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	4.3	
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	4.3	
	G4-49	Report the processes for communicating critical concerns to the highest governance body.	4.3	
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	4.3	
	G4-51	a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance bodies and senior executives' economic, environmental and social objectives.	4.4	
	G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	4.4	
	G4-53	Report how stakeholder opinions are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	4.4	
	G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.		NA
	G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.		NA
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2.1	
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines.	5.5	
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	5.5	



## ♥ Specific Standard Disclosures

### Category: Economic

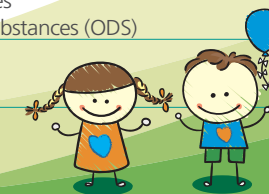
Material Aspects	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Economic Performance	DMA		3	
	G4-EC1	Direct economic value generated and distributed	3.3	
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		No significant implications are posed for the organization.
	G4-EC3	Coverage of the organization's defined benefit plan obligations	5.3	
	G4-EC4	Financial assistance received from government		According to the Statute for Industrial Innovation, the company is eligible for tax credit of investment.
Market Presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.		For foreign blue-collar employees, 100% of them receive wages that meet the basic wage standards required by law; as for other types of employees, the average salaries of our entry-level employees far exceeds 19273 and reaches 28337, about 1.47 times that of
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		94%
Indirect Economic Impacts	DMA		6	
	G4-EC7	Development and impact of infrastructure investments and services supported	6	
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	6	
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation		ATEN selects its suppliers based on procurement practice guidelines so as to promptly offer supreme quality materials or services to fulfill production and client requirements, achieving the goal of normal production and operations without gaps between regions.

### Category: Environmental

Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Materials	DMA		7.4	
	G4-EN1	Materials used by weight or volume	7.4	
	G4-EN2	Percentage of materials used that are recycled input materials	7.4	



Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Energy	DMA		7.4	
	G4-EN3	Energy consumption within the organization	7.2	
	G4-EN4	Energy consumption outside of the organization	7.2	
	G4-EN5	Energy intensity	7.2	
	G4-EN6	Reduction of energy consumption	7.2	
	G4-EN7	Reductions in energy requirements of products and services	7.2	
Water	DMA		7.2	
	G4-EN8	Total water withdrawal by source	7.2	
	G4-EN9	Water sources significantly affected by withdrawal of water	7.2	
	G4-EN10	Percentage and total volume of water recycled and reused		No surveys were done regarding recycled water rates in 2014.
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		None of ATEN's plants or operational sites are located in protected areas.
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		None of ATEN's plants or operational sites are located in protected areas.
	G4-EN13	Habitats protected or restored		Greening was done around our plants so as to conserve the landscape and to increase the number of habitats for creatures.
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		None of ATEN's plants or operational sites are located in protected areas.
Emissions	DMA		7.2	
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	7.2	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	7.2	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	7.2	
	G4-EN18	Greenhouse gas (GHG) emissions intensity	7.2	
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	7.2	
	G4-EN20	Emissions of ozone-depleting substances (ODS)		Production and products do not use any ozone-depleting substances Ozone-depleting substances (ODS)
	G4-EN21	NOx, SOx, and other significant air emissions		No pollutants emitted





Aspect	G4 No.	Management Guidance and Disclosure Indicators	Chapter	Notes
Effluents and Waste	DMA		7	
	G4-EN22	Total water discharge by quality and destination		ATEN has different types of effluent and wastewater discharge facilities, which properly treat the wastewater from each of our plants before discharging it into government-owned sanitary sewers.
	G4-EN23	Total weight of waste by type and disposal method	7.4	
	G4-EN24	Total number and volume of significant spills		No spills
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention (2) Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		All clearing of hazardous waste is done in accordance with environmental directives
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		Except for rainwater, all of the effluent and wastewater is discharged into sanitary sewers in the plant after being treated, and causes no direct impact.
Products and services	DMA		7.3	
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	7.3	
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		Done on basis of WEEE Directives
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		No punishment related to noncompliance with environmental laws and regulations received in 2014
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations and transporting members of the workforce	7.4	
Overall	G4-EN31	Total environmental protection expenditures and investments by type	7.2	
Supplier Environmental Assessment	DMA		7.4	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	7.3	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	7.5	
Environmental Issues Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		In 2014, there were no grievances filed about environmental impacts.



## Category: Society

## Sub-category: Labor Practices and Decent Work

Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Employment	DMA		5	
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	5.1	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	5.3	
	G4-LA3	Return to work and retention rates after parental leave, by gender	5.1	
Labor/Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		Not applicable
Occupational Health and Safety	DMA		5	
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs		Our Employee Health and Safety Committee has 14 members in total, wherein the total number of labors was 5 and the ratio was 35%
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender		1. Company Headquarters Disabling injury frequency rate: 0 Disabling injury severity rate: 0 2. Xiwan Plant Disabling injury frequency rate: 14.05 Disabling injury severity rate: 142
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		Due to the use of Volatile Organic Solvents with n-hexane which can cause numerous neurological diseases, there are 9 persons at the company that are exposed to such risk
	G4-LA8	Health and safety topics covered in formal agreements with trade unions		No trade union; not applicable



Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Training and Education	DMA		5.2	
	G4-LA9	Average hours of training per year per employee by gender and by employee category	5.2	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	5.2	The company organizes core, management and professional skills courses each year so as to increase the continued employability of our employees. Additionally, the company also holds Respect and Care and Health LOHAS Seminars on a regular basis so as to promote lifelong learning among our employees. In 2014, the company organized "A Financial Management Lesson You Must Learn in Life" seminar to help our employees master their personal finance planning.
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	5	All of our 612 employees, except for blue-collar workers that are foreign nationals, receive regular performance reviews and participate in career development programs.
Diversity and Equal Opportunity	DMA		5	
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	5.1	
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		ATEN participates in external industry salary surveys each year so as to ensure competitive salaries and wages offered by the company. Additionally, the company formulates salary adjustment plans each year based on the company's internal operations as well as external consumer price index changes.
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		Asks suppliers to comply with the Labor Standards Act
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		Educate the suppliers to conduct employee satisfaction surveys on a regular basis
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms		The company holds labor/management meetings on a regular basis. In 2014, the number of cases filed was 0



## Sub-category: Human Rights

Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Investment	DMA		5.5	
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Not applicable
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Relevant laws and regulations concerning human rights of employees have been formally incorporated in training for our new hires. The total hours of new employee training amounted to 489 hours and the proportion of employees that received training was 9.31%
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	5.5	With regard to the channels for communication and grievance, the company made "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" and faced no cases of discrimination, complaint in 2011, 2012, 2013, and 2014
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights		No such events occurred in 2014
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		No such events occurred in 2014
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		No such events occurred in 2014
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		100%
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		No indigenous issues
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		Not applicable
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria		Complies with Supplier Assessment Guidelines
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken		Prompted our suppliers to support policies such as gender equality or anti-sexual harassment
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	5.5	



## Sub-category: Society

Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Local Communities	DMA		6	
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs		50%
	G4-SO2	Operations with significant actual or potential negative impacts on local communities	6.2	
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		Based on our "Work Rules" and the core corporate value of "Integrity", our employees conduct themselves with integrity in all their dealings. If any incident of corruption occurs, it is handled on the basis of ATEN's internal methods in a fair manner
	G4-SO4	Communication and training on anti-corruption policies and procedures		ATEN's "Work Rules" state that it is not permissible to use a work relationship to receive gifts or banquet invitations.
	G4-SO5	Confirmed incidents of corruption and actions taken		No such events occurred in 2014
Public policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary		No such events occurred in 2014
Anti-competitive behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		No such events occurred in 2014
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		No such events occurred in 2014
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		Complied with Supplier Assessment Guidelines
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken		Encouraged suppliers to commit to issues or areas related to social participate as well as shared our experiences at ATEN
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievance about impacts on society filed, addressed and resolved through formal grievance mechanisms		No such events occurred in 2014





## Sub-category: Product Responsibility

Aspect	G4 No.	Management Guidance and Indicator Disclosures	Chapter	Notes
Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		Not applicable
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		In 2014, there were no incidents of violations of regulations or voluntary codes
Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements		Not applicable
	G4-PR4	By type of outcome, total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		In 2014, there were no incidents of non-compliance with regulations or voluntary codes concerning product and service information and labeling
	G4-PR5	Results of surveys measuring customer satisfaction	8.1	
Marketing Communications	G4-PR6	Sale of banned or disputed products		In 2014, there were no sales of banned or disputed products
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		In 2014, there were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		In 2014, there were no complaints regarding breaches of customer privacy or losses of customer data.
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		In 2014, there were no fines for non-compliance with laws and regulations concerning the provision and use of products and services





## ATEN International Co., Ltd.

Address: 3F., No. 125, Sec. 2, Datong Rd.,  
Sijhih District., New Taipei City 221, Taiwan

Tel.: 02-8632-6789 Fax: 02-8692-6577

<http://www.aten.com>



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