

2016

ATEN International Co., Ltd.

Corporate Social Responsibility Report



Table of Contents

○ About the Corporate Social Responsibility Report					
○ Manager's Preface					
1 Implementation of CSR					
1.1 CSR Practice Principles					
1.2 Corporate Social Responsibility Committee					
1.3 CSR Policy Statement					
1.4 Identification and Engagement of Stakeholders					
2 Enterprise Operations					
2.1 About ATEN					
2.2 Worldwide Presence					
2.3 Operational Achievements					
2.4 Honors and Recognition					
	P3	3 Corporate Governance	P33	5 Active Social Participation	P55
	P5	3.1 Corporate Governance Structure		5.1 Caring about Education	
		3.2 Shareholders' Meeting		5.2 Community Relations	
	P6	3.3 Board of Directors		5.3 Environmental Protection	
		3.4 Remuneration Committee		5.4 Overseas Record	
		3.5 Domestic and International Associations		6 Sustainable Environment Commitments	P69
				6.1 The ATEN Green Management System	
		4 Friendly & Happy Workplace	P41	6.2 Climate Change and Greenhouse Gas Reduction	
		4.1 Treasuring Talented People		6.3 Green Products	
	P14	4.2 Global Recruiting, Localized Development		6.4 Green Supply Chain Management	
		4.3 Strategic Focus, Practical Experiences		6.5 Green Training and Promotion	
		4.4 Bilateral Communication, Performance Incentive			
		4.5 The Balance of Work and Life			
		4.6 Rights Maintenance, Respect for Differences			
					7 Client Satisfaction and Service
					P89
					7.1 Comprehensive Customer Service System
					7.2 Global Client After-Sales Service Satisfaction Survey
					7.3 Customer Health and Safety
					7.4 Information Security and Guaranteeing Customers' Right to Privacy
					7.5 Marketing Communications
					○ Appendix 1: GRI Indicator Index
					P99
					○ Appendix 2: Independent Assurance Statement
					P112



About the "ATEN 2016 Corporate Social Responsibility Report"

The ATEN 2016 Corporate Social Responsibility Report is the sixth corporate social responsibility report issued by ATEN International Co., Ltd. We uphold the four core corporate values of: Integrity with Pragmatism; Caring with Respect; Ambition with Optimism; and Novelty with Value. We expect to put these values and beliefs into action and strive to continue improving ourselves in all dimensions through the honesty and transparency in our informational disclosures, 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 to put special emphases on continually realizing and implementing the positive beliefs of Environmental Sustainability and a mutually beneficial relationship between the corporation and stakeholders. Since 2016, ATEN has been committed to the United Nations 17 Sustainable Development Goals (SDGs) to promote the well-being of all mankind, and we hope to keep on working together to create an equal, happy and harmonious global village.

On August 30th, 2016, The Commonwealth Corporate Citizenship Awards published its 2016 social responsibility award results and ATEN stood out from more than 200 companies and won fourth place in the medium-sized enterprise category. This is the eighth time that ATEN has received an award, and has placed in the top 5 several times. Over the past few years, the ATEN board of directors has passed regulations and implemented policies about CSR, including Corporate Social Responsibility Best Practice Principles; Ethical Corporate Management Best Practice Principles; Procedures for Ethical Management and Guidelines for Conduct; and Corporate Social Responsibility Policy Statement, Institution and Management System. These show that the relationship between corporate social responsibility and corporate management is inseparable, and also demonstrate the determination of the management team that wishes to institutionalize these processes to fully implement the CSR program.



2011



2012



2013



2014



2015

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, 2016, with the full scope of events extending into March 31, 2017. The content of this report is focused on ATEN International Co., Ltd., with financial and social welfare information covering subsidiary companies in Belgium, Japan, PRC 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 (TSE) efforts to promote the disclosure of information by its listed companies regarding corporate social responsibility. Part of this report is based on the Core option of the fourth generation of GRI's Sustainability Reporting Guidelines, also known as the GRI G4 Guidelines, proposed by the Global Reporting Initiative and we are working toward full disclosure in accordance with the Comprehensive option. The CSR report is issued annually in Traditional Chinese and English.

Verification

The third-party certification organization, the British Standards Institute (BSI) was commissioned to verify the content of this annual report using the AA1000 Assurance Standard (2008). Please refer to the appendix of this report for Assurance Statement.

Report Publications

Previous edition: Published in June 2016

Current edition: Published in June 2017

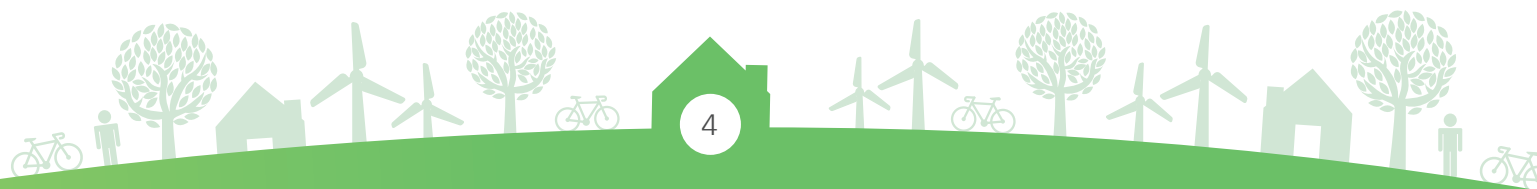
Next edition: To be published in June 2018

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 221, Taiwan
Tel: +886-2-8692-6789
Fax: +886-2-8692-6577
Email: csr@aten.com
Website: www.aten.com



Manager's Preface

ATEN was established in 1979, and after nearly 40 years of effort in the global KVM (keyboard/video/mouse) switch field, it has become a recognized world leader. However, the technology industry is changing rapidly, and the global economy has experienced many ups and downs as countries and companies compete in emerging sectors within the ebb and flow of an ever-changing marketplace. Thus, how to maintain a leading edge has become the most important factor for any global player. ATEN's current success in the KVM industry represents the results of our hard work and vision in the past, but we have to keep striving and innovating to achieve sustainable development and to stay ahead of the curve. Therefore, ATEN is currently proactively engaged in the professional audio/video industry in order to leverage many of our long-standing technical advantages and experience in the KVM industry. ATEN is facing a whole new set of challenges in the vast Pro AV industry,

including product design and development, product line planning, and brand awareness building. We are gradually expanding our Pro AV product line revenue share and brand value, and so I believe in the near future ATEN will be able to show successful results, with Pro AV becoming as important as KVM in terms of profit for ATEN.

For this business model to succeed, in addition to promoting our own ATEN brand to global markets, the company's sustainable development and corporate social responsibility are also very important. With support from all shareholders, the management team has been forward-looking with regard to this perspective, not only by providing a stable and generous investment income for the shareholders every year but also by continuing to help disadvantaged people or groups in society, and by contributing to measures that benefit the environment. This is all due to the company's continued operations that further the idea of mutually beneficial coexistence.

In 2016, the United Nations officially launched their 17 sustainable development goals (SDGs) with the goal of making the world a better place for everyone. The 17 goals cover three aspects: to end poverty; to protect the planet; and to ensure prosperity for the world. To cover a broad range of sustainable development issues and to serve as guiding principles for national cooperation over the next 15 years (before 2030), the UN divided these 17 goals into 169 targets. The 17 SDGs have also functioned as global guidelines for CSR's short, medium and long-term strategies from the perspective of national cooperation. After ATEN examined its internal sustainable development, business capabilities, stakeholders' concerns about CSR issues, and other factors, we decided it was within our capabilities to focus our response on seven of the 17 goals: Zero Hunger; Quality Education; Gender Equality; Decent Work and Economic Growth; Life Below Water; Life on Land; and Partnership for the Goals.

Below Water; Life on Land; and Partnership for the Goals. ATEN will set out a program of short and middle-term actions and goals, and fully expect to become part of the successful effort to achieve these SDGs. Furthermore, ATEN will co-operate with partners in other countries for the ultimate goal of sustainable development, to demonstrate to the world the scope, influence and vision of Taiwan enterprises.

The Sustainable Development Goal of the United Nations



CEO & President of the Board

A stylized, handwritten signature in black ink.

1

Implementation of CSR



- 1.1 CSR Practice Principles
- 1.2 Corporate Social Responsibility Committee
- 1.3 CSR Policy Statement
- 1.4 Identification and Engagement of Stakeholders



For many years, ATEN has been tasked by the Board of Directors to discuss issues such as Corporate Governance, Corporate Commitment, Social Participation, and Environmental Protection, and the implementation of these issues is followed up at monthly meetings by CSR group members. Reports are made to the CSR Management Committee and the Board of Directors to ensure that the direction of implementation on the ground conforms to expectations.

At the same time, in order to help senior management and CSR group members gain a more complete understanding of the latest global CSR trends and sustainable operations, ATEN also hires external CSR consultants to lecture about relevant topics. In this way, employees may easier gain consensus on CSR goals and promote CSR affairs internally using commonly agreed-upon terms. This focus on fostering smooth communications means that interaction between stakeholders and employees comes from a place of mutual foresight and vision. Establishing this common language has been an excellent way to enhance the promotion of CSR.



1.1 CSR Practice Principles

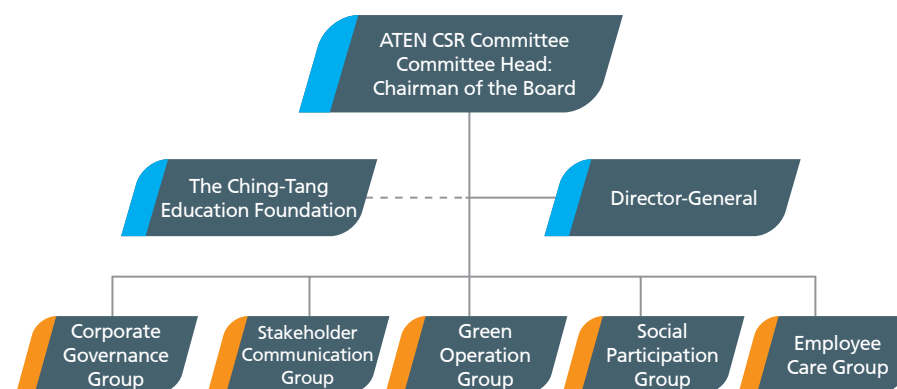
Since 2016, the stipulations of the Corporate Social Responsibility Practice Principles, approved by the Board of Directors, have been in effect at ATEN. The main purpose of these is to specify departmental responsibility and ensure corporate social responsibility is fulfilled with the help of internal control regulations. According to the principles, there are specified standards to fulfill business requirements, develop a sustainable environment, maintain social advancement, and enhance disclosure of corporate social responsibility information. Moreover, the requirements of the Board of Directors shall be fully supervised as well as overall business operations that can impact stakeholders. Thus, an awareness of the importance of the integration of corporate social responsibility and corporate management is fully recognized as a part of ATEN corporate culture.

The purpose of enterprise shall not be regarded as only concerned with shareholders' investment earnings or work opportunities for employees. In fact, boosting stakeholders' welfare and making an effort to protect environment via Sustainable Enterprise Development is the main goal of ATEN and an important value.

1.2 Corporate Social Responsibility Committee

The ATEN Corporate Social Responsibility Committee was approved by ATEN's Board of Directors on April 24th, 2012, and it was defined as the highest level of CSR organization. The committee consists of ten members. Our CEO serves as the Committee Head, while the company's top-level executives in R&D, Manufacturing, Procurement, Planning, General Manager's Office, General Management Unit, Human Resources, Customer Service, and Quality Assurance serve as the other nine members on the committee. In addition to the hope to make good use of high level executives' influence and expertise on staff throughout our organization, we also hope executives can offer suggestions based on their long-term experience to effectively promote dealing with CSR related matters.

ATEN CSR Committee Group Structure



The next level under the committee is the CSR group, which includes representatives from all ATEN departments. This group 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 committee on a regular basis. The CSR group is also responsible for executing important decisions regarding CSR policies and directions made by the committee. After each year's CSR report is finalized, it will be signed by the chairman and published after his approval. The annual status and implementation of all CSR projects formulated by the CSR Committee should be reported regularly to the Board of Directors.

Committee Structure and Mission Statement

Position and Organizational Name	Department in Charge	Mission Statement
Director-General	General Manager's Office	Execute decisions made by the committee and coordinate daily operations and related work progress of each group and submits their execution status periodically to the committee meeting.
The Ching-Tang Education Foundation	Department of Management	Connect and unify company and foundation affairs.
Corporate Governance Group	Department of Investor Relations & Capital Market	Integrate relevant departments to enact various corporate governance rules and regulations. Carry out company core values of integrity and information transparency, value stockholder rights, and showcase business concepts of good internal control.
Stakeholder Communication Group	General Manager's Office	Identify objects of stakeholders, establish communication channels and mechanisms, summarize and respond to issues stakeholders care about. Compile corporate social responsibility reports, coordinate and release information on corporate social responsibility to the outside.
	Department of Investor Relations & Capital Market	
	Marketing and Promotion Center	
Green Operation Group	Department of Quality System	Establish green design ability and system, develop tools and monitoring analysis mechanisms complying with relevant environmental protection regulations, promote various projects like waste reduction and resource reuse, and greenhouse gas reduction. Externally cope with government policy requirements in the public sector, internally take charge of publicizing and promotion of the whole company's energy-saving and water-saving policies. Take charge of the whole company's tasks related to green manufacturing process and green products.
	Department of Management	
	Department of Factory Affairs	
Social Participation Group	General Manager's Office	Take charge of promoting the conglomerate's communication with external communities and society, keep dedicating to cooperation of scientific and technological research and development, long-term education assistance, promote public benefit activities like artistic and cultural activities, and sports activities.
	Volunteer Club	
Employee Care Group	Human Resources Center	Plan and promote matters like labor-capital relations, employee benefits, healthy workplace, training and promotion, safety and health, gender equality, employee care, cultural heritage and so on.
	Office of Environmental Safety	
	Department of Factory Affairs	

1.3 CSR Policy Statement

For the purpose of fulfilling CSR requirements with maximum efficiency, "Policy Statement" and "Management systems" involved in CSR were approved by the Board of Directors on April, 24th, 2012.

ATEN CSR Policy Statement

ATEN upholds four Corporate Core Values of **Integrity**, **Caring**, **Ambition** and **Novelty**, and uses them to make CSR a reality, allowing us to become a force for improving society, and to provide more benefits to the environment and stakeholders while simultaneously pursuing sustainable development.

As an international brand, ATEN will use its presence around the globe to establish CSR as a duty, so that products, services, environmental protection, energy efficiency, employee health and safety, corporate governance, human rights, public welfare and social participation can be implemented during 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 CSR-related information by issuing a Corporate Social Responsibility Report every year, thereby affirming that we are continuing to take action in the area of CSR. This will also enable us to reflect upon formulating more concrete, diverse and effective operational activities in accordance 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 sustainable development, allowing humanity and the natural environment to co-exist. ATEN ardently hopes to do all it can to make greater contributions to environmental protection.

1.4 Identification and Engagement of Stakeholders

ATEN has stipulated 5 steps about identifying and engaging with stakeholders. These are collecting, identifying, sorting, confirming and reviewing.



ATEN defines the "stakeholders" as a group or organization that may influence ATEN or may be influenced by ATEN. The ATEN CSR committee is divided into 5 groups, including corporate governance group, the stakeholder communication group, green operation group, social participation group and employee care group. The group members were made up of the Office of General Manager, Human Resource Center, Production Department, Quality Assurance Center, Marketing Promotion Center, Investor Relations and Capital Market Department, Management Department and Environmental Safety Office. Each group holds monthly meetings and the committee meets twice yearly. We collect the stakeholders' opinions and information via independent communication with group members, such as understanding shareholders' opinions through investors' mail and institutional investors; understanding customers' issues through global customer satisfaction investigations and conferences; and understanding staff issues through labor meetings. We identify two factors, the stakeholder-focused issues and the company operating impact based on the relevance of each job division job. We also include the relevant issues concerning long-term target plans and disclose information regarding specific issues and feedback methods in the CSR report, annual report and company website.

➤ **ATEN's stakeholders include clients, shareholders, employees, suppliers, social organizations, the media, and government agencies**



➤ The stakeholders' caring issues and the way of corporate communication

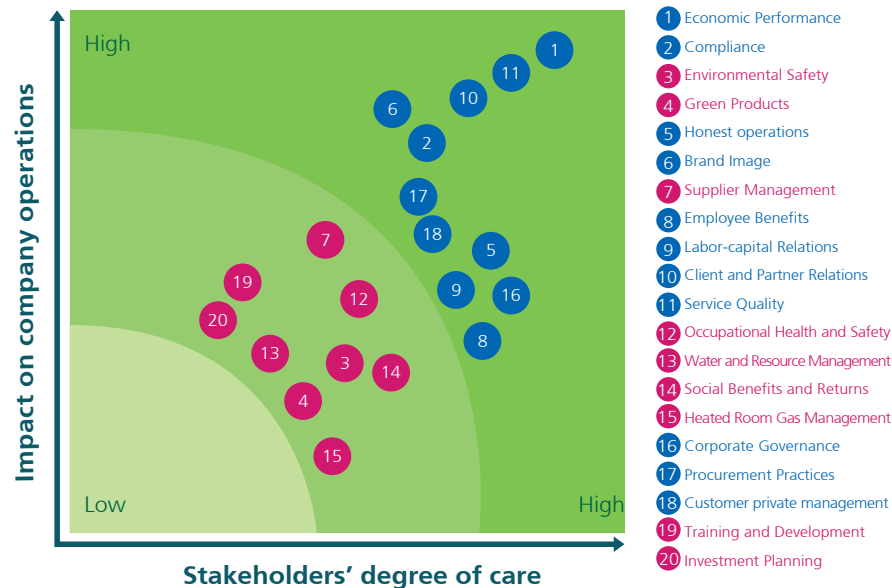
Stakeholder	Issues	Communication Channels	Frequency of Communication
Clients	<ul style="list-style-type: none"> Product Price Product and Service Liability Client and Partner Relations Research and Development Raw material use and renewable material 	Client Satisfaction Survey	Annually
		eService Website Platform	Constantly
		Partner Center Website	Constantly
		Customer Service Line	Constantly
		Agent Conference	Annually
Shareholders	<ul style="list-style-type: none"> Operational Effectiveness Earnings Situation Investment Planning Corporate Governance Enterprise Sustainability 	Convening a Regular (Provisional) Shareholders' Meeting	Annually
		Investor Conference	No set time
		Financial Report	Quarterly
		Annual Reports	Annually
		Spokesman System	Constantly
		Establishing Investor Relations Department	Constantly
		Company Website Announcement	Constantly
		Corporate Governance Evaluation System	Annually
		Mailbox: ir@aten.com.tw	Constantly
Employees	<ul style="list-style-type: none"> Salary and Benefits Labor-capital Relations Talent Nurturing Occupational Health and Safety Diversity and Equal Opportunities 	Employee Benefits Committee	Constantly
		Human Resource e-School	Constantly
		Capital-labor Meetings	Quarterly
		Occupational Safety and Health Committee Meeting	Quarterly
		Solution provision and improvement system	Constantly
		Employee 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	<ul style="list-style-type: none"> Purchasing Price Regular Provisions Green Product Management Raw material use and renewable material 	Regular Quality Inspection	Monthly
		International List	No set time
Social Organizations	<ul style="list-style-type: none"> Heated Room Gas Management Water and Resource Management Environmental Safety Social Benefits and Returns 	Company Website	Constantly
		CSR Report	Annually
		The Ching-Tang Education Foundation	Constantly
		Employee Benefits Committee	Constantly
		Mailbox: csr@aten.com	Constantly
The Media	<ul style="list-style-type: none"> Operational Effectiveness Recruitment Investment Planning Corporate Governance Social Benefit 	Press Releases	Constantly
		Press Conferences	No set time
		Interviews	No set time
government agencies	<ul style="list-style-type: none"> Directive Adherence Environmental Safety Payment of Taxes and Duties Political Compliance 	Explanatory meetings held by supervisory agencies	No set time
		Corporate Governance Evaluation System	Annually
		Publishing Directives	Constantly
		Government Agency Websites	Constantly

► Classification of Issues Related to Stakeholder Care

Through the ATEN CSR Group's communication channels, we consolidate the concerns of stakeholders and identify and evaluate "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 ATEN or into cross-departmental solutions and are the important foundations that guide the development of the company's sustainable management strategy.

The analysis diagram of stakeholders' caring issues and the importance



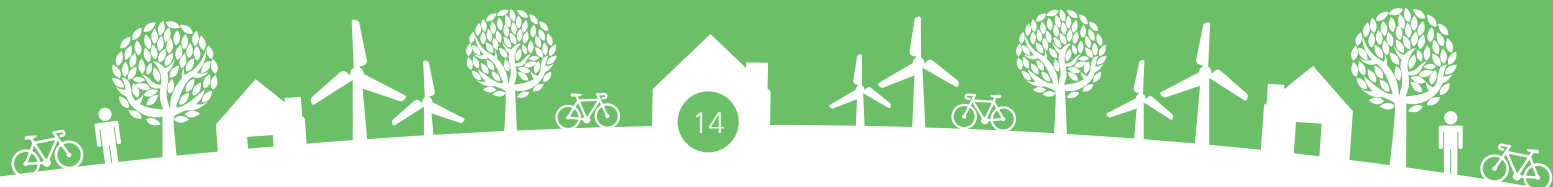
Major Issue	Management Guidelines (DMA) Sections	GRI Categories and Aspects	GRI Indicator Index	Report Boundaries
Earnings Situation	2.3 Operational Achievements	Economic aspect – economic performance	G4-EC 1	Within the organization: ATEN Outside the organization: shareholders
Directive Adherence	6.3 Green Products	Social aspect – product responsibility – compliance	G4-PR9	Within the organization: ATEN Outside the organization: clients, government agencies
Operational Effectiveness	2.3 Operational Achievements 3.1 Corporate Governance Structure	Economic aspect – economic performance General indicator – corporate governance	G4-EC 1 G4-34	Within the organization: ATEN Outside the organization: shareholders, clients, suppliers
Service Quality	7.2 Global Client After-Sales Service Satisfaction Survey	Social aspect – product responsibility – product and service labeling	G4-PR5	Within the organization: ATEN Outside the organization: clients
Salary and Benefits	2.3 Operational Achievements 4.1 Treasuring Talented People 4.3 Strategic Focus, Practical Experiences 4.4 Bilateral Communication, Performance Incentive	Economic aspect – economic performance Social aspect – labor practices and decent work – training and education	G4-EC 1 G4-LA9~ 11	Within the organization: ATEN Outside the organization: government agencies
Corporate Governance	3.1 Corporate Governance Structure 2.1 About ATEN	General indicator – corporate governance General indicator – ethics and integrity	G4-34 G4-56	Within the organization: ATEN Outside the organization: shareholders, government agencies
Green Product Management	6.2 Climate Change and Greenhouse Gas Reduction 6.3 Green Products	Environmental aspect – energy Social aspect – product responsibility – compliance Environmental aspect – compliance	G4-EN3 G4-EN6 G4-PR9 G4-EN29	Within the organization: ATEN Outside the organization: clients, suppliers, government agencies
Social Benefits and Returns	5 Active Social Participation	Economic aspect – indirect economic impacts	G4-EC 7	Within the organization: ATEN Outside the organization: social organizations, the media, government agencies
Environmental Safety	4.5 The Balance of Work and Life 6.1 The ATEN Green Management System	Social aspect – labor practices and decent Work – Occupational Health and Safety	G4-LA5	Within the organization: ATEN Outside the organization: government agencies
Client and Partner Relations	7.1 Comprehensive Customer Service System 7.4 Information Security and Guaranteeing Customers' Right to Privacy	Social aspect – product responsibility – product and service labeling Social aspect – product responsibility – customer privacy	G4-PR5 G4-PR8	Within the organization: ATEN Outside the organization: clients

2



Enterprise Operations

- 2.1 About ATEN
- 2.2 Worldwide Presence
- 2.3 Operational Achievements
- 2.4 Honors and Recognition



2.1 About ATEN

#1
Global KVM
Market Leader

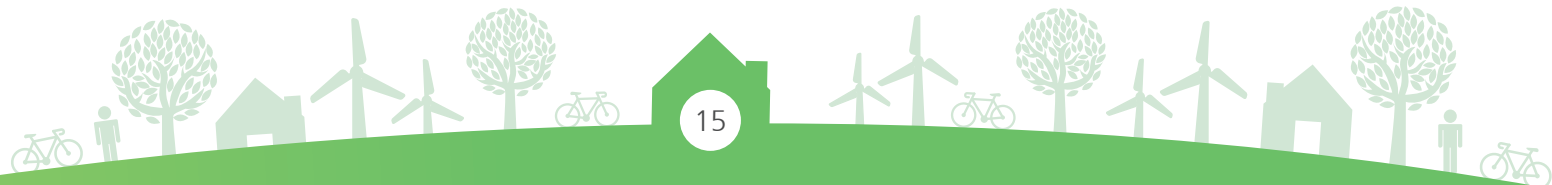
38
Years of
Excellence

1.6K
Employees
Worldwide

50%+
Gross Profit Margin

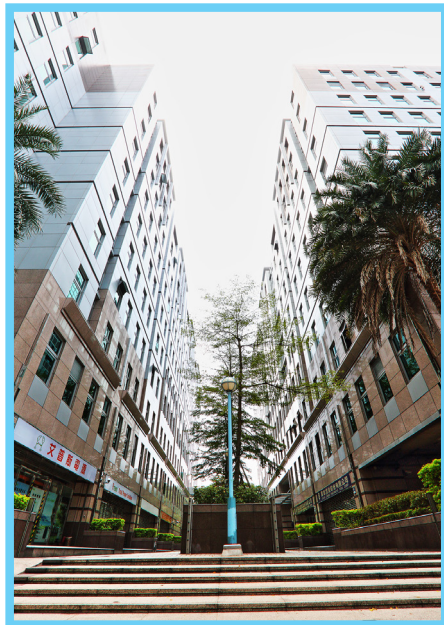
4.9 billion
NT dollars +
2016 Total Revenue

500+
Patents Awarded



ATEN International Co., Ltd. was established in 1979 with headquarters located in New Taipei City, Sijhih District, Taiwan, and was listed on the Taiwan Stock Exchange (stock code: 6277) on October 30th, 2003.

ATEN dedicated itself to evolving its own brand and focused on industrial development during these years. ATEN has since obtained the largest market share in the world and developed strengths in independent R&D, manufacturing and successfully pushed its brand in the competitive KVM server industry. Moreover, ATEN has established global sales regions, promoted production efficiency and controlled costs so the combined conglomerate gross profit reached a record high at 60% – which is no easy feat in the high-tech industry. Consolidated revenue was also at its highest at NT\$4.936 billion, so it can be said that 2016 was definitely a harvest year for ATEN.

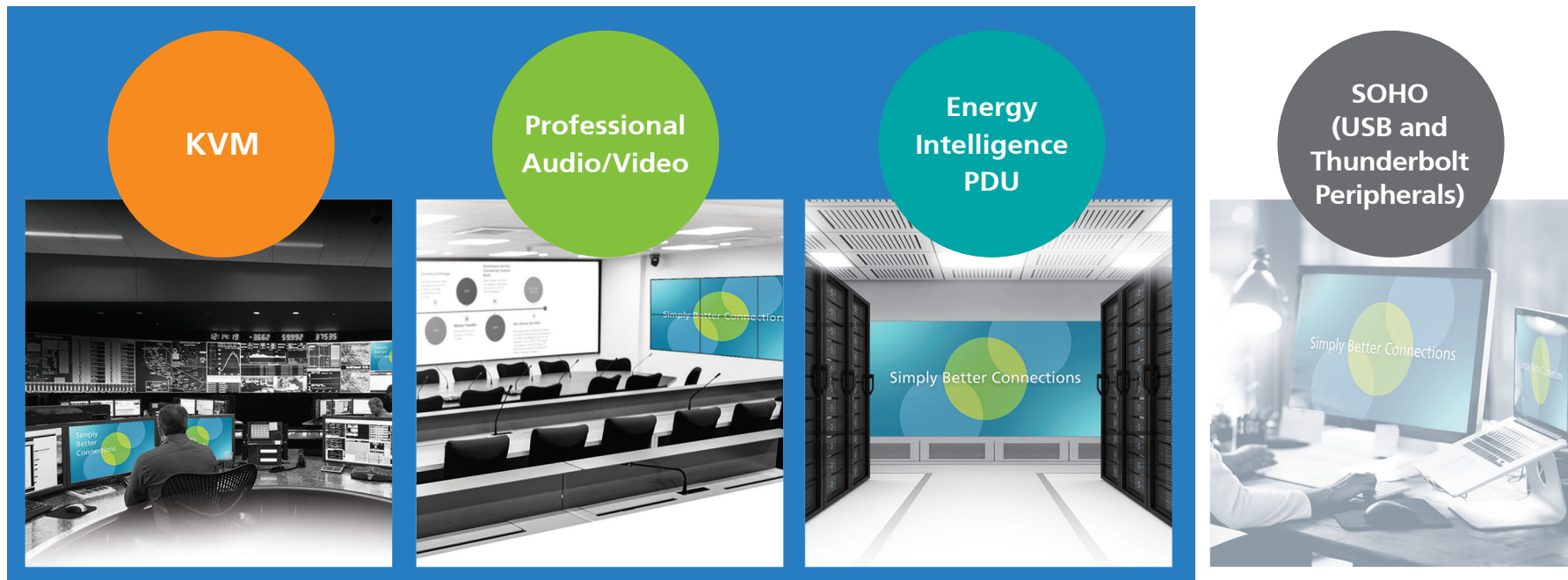


Sharing Infinite Possibility
Through Connective Technology

To create the limitless possibility through common cooperation of link technology with "ATEN", "Cooperation Partner" and "End Customer"!

Product Line

The three major of ATEN's product lines: "KVM", "Professional Audio/Video" and "Energy Intelligence PDU", even development process and industry position are different, marketing and target customer are also different; however, that's ATEN unique advantages. How to integrate the three product lines with a distinctive solution is the goal to make effort and the important chance of expanding short-term operating income.



In the face of the ever-maturing KVM market, ATEN started to promote "Product Application Innovation" with an enterprise leader advantage and obtained excellent sales performances through a necessary upgrade in product quality, service and function and by remaining distinct from competitors in order to remain highly profitable. In contrast, the Pro AV industry is larger in scale than the KVM market by several hundred times and keeps growing by double-digits every year. ATEN has developed Pro AV product lines according to its experience in KVM, audio and video control techniques. Due to the fact that Pro AV marketing channels, sales methods and target customers are completely different from KVM, we were not been able to simply follow previous KVM marketing experiences and channel placement. Therefore, in order to create another business peak, ATEN has started to evaluate the unique circumstances of Pro AV industries carefully through internal discussions and with advisors to assist us to fully realize our advantages and disadvantages in this highly competitive market. In this way, we are confident of success in the Pro AV market because of our focus on target applications, scheduling brand strategies and action plans and the 6 reasons for customers to select ATEN products and services.



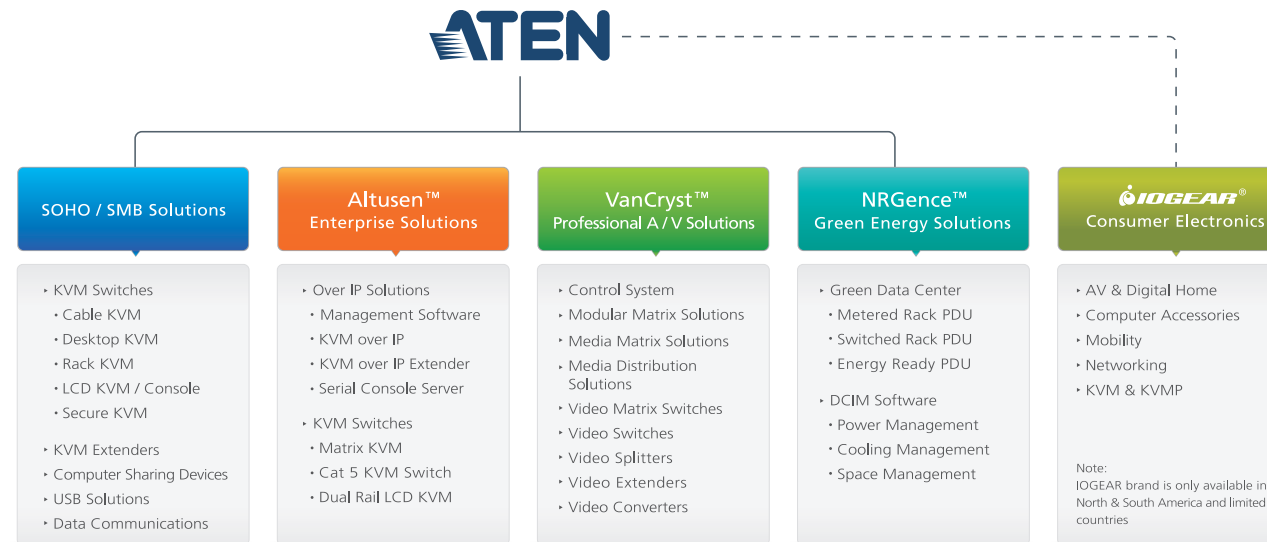
➤ Branding

ATEN has achieved excellence in performance in global ATEN-brand promotion after many years of effort. The global brand value authoritative survey institution Interbrand announced "2014 Taiwan Best 35 Global Brands" list in January 2015, and ATEN made the list. This certification is an important milestone on the path of brand management that makes us one of the top-ranking international brands.



To focus on brand promotion and offer highly efficient and consistent service standards to our customers, ATEN has integrated all of its various product lines as a single brand called "ATEN". This will be promoted globally via established overseas sales channels and resellers in order to shorten delivery times and provide pre-sales and after sales services with the most time-to-market efficiency for our customers around the world.

ATEN is the brand of ATEN International Co., Ltd, and is promoted to market as a single brand around the world.



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®

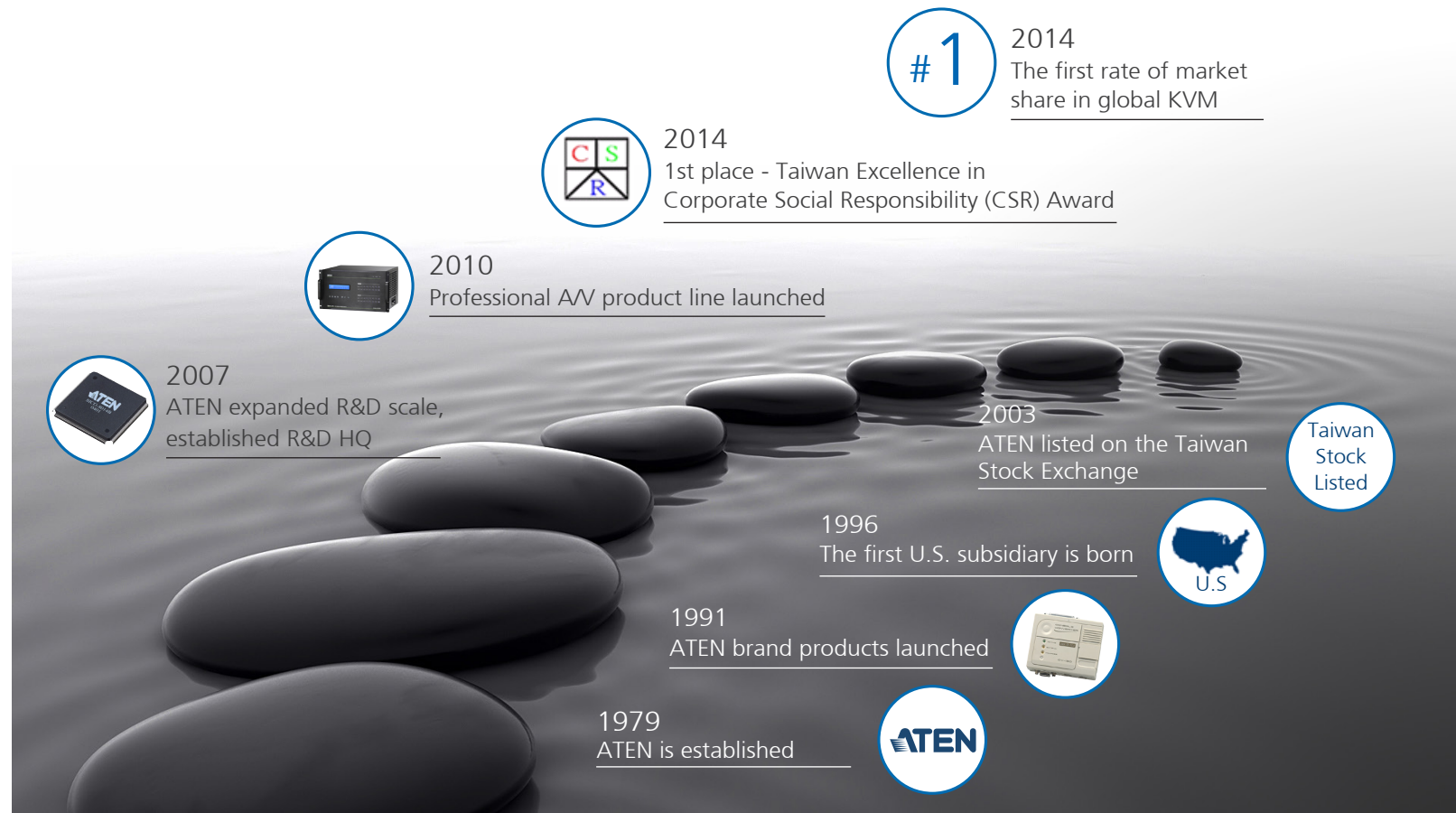
IOGEAR™, a consumer electronics brand under the ATEN Group, has achieved exceptional sales and fame in the American market. It provides a diverse selection of integrated consumer electronics and IT products suitable for home, office and mobile use. They can be connected easily, bringing technology into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

We have implemented the following aspects to promote service quality and brand value to ensure that our distributors, system integrators (SI), and value-added resellers (VAR) are more than willing to cooperate with ATEN to promote brand products and facilitate ATEN brand competence.

- Provide professional Solution Guides targeted to the main markets
- Set up a strong Pre-Sales Support system
- Provide a clear and incentive-driven Loyalty Program
- Comprehensive and convenient on-line product Training Program
- Effective product Seminar & Road Show

It has been 26 years since ATEN sold its first own-brand product in 1991. Compared to other OEM-only companies with single-digit gross margin rates, ATEN has managed to maintain a very gross margin rate at 57-60% over the last 5 years. In addition to having selected the right niche industry to develop deeply, "Insisting on walking the road of our own brand persistently" is another key factor for us.





Timeline

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

	<ul style="list-style-type: none"> Headquarters moved to present address: 3F., No. 125, Sec. 2, Datong Rd., Sijhih District, New Taipei City, Taiwan
2000	<ul style="list-style-type: none"> Unveiled world's first USB KVM at the Comdex Fall trade fair in the USA 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 Established subsidiary sales company, "ATEN INFOTECH N.V." in Belgium CS182, CS124, CS1016 won Taiwan Excellence Award
2001	<ul style="list-style-type: none"> New ATEN factory at Sijhih completed. Had 210 staff and occupied an area of 7,000m² Ching-Tang Education Foundation established with the aims of nurturing talents in technology, advocating progressive thoughts, and promoting social progress CCS428/CS9138 won Taiwan Excellence Award
2002	<ul style="list-style-type: none"> ATEN's shares registered as "emerging stock" in the GreTai Securities Market Awarded ISO-9001 certification ACS1714 and ACS1808 won Taiwan Excellence Award
2003	<ul style="list-style-type: none"> ATEN shares officially went on the market in Taiwan
2004	<ul style="list-style-type: none"> Subsidiary sales company, "ATEN JAPAN YKK", established in Japan Awarded MOEA's Industrial Technology Development Award Won the Golden Root Award
2005	<ul style="list-style-type: none"> Acquired "Wellsyn Technology INC.", thereby obtaining advanced IPMI technology Released first wireless KVM solution – KW1000 KM0432 won Taiwan Excellence Award

2006	<ul style="list-style-type: none"> KL1116, KM0832 and KA9233 won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs Named to Forbes Magazine's List of Asia Pacific's 200 most outstanding SMBs KL1116, KN2116 and CS1774 won Taiwan Excellence Award Comprehensive introduction of ROHS manufacturing Passed IS14001 certification Established holding company, "ATEN EUROPE LTD.", in the UK Established subsidiary sales company, "ATEN UK LTD.", in the UK Established holding company, "ATEN US HOLDINGS INC.", in the U.S.A. Established subsidiary sales company, ATEN NEW JERSEY INC., in New Jersey, U.S.A.
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 3rd among Medium-sized Enterprises) ATEN R&D headquarters founded Established a subsidiary sales company in Korea ("ATEN ADVANCE Co., Ltd.", renamed "ATEN KOREA Co., Ltd." in 2009) Established holding company, "FOREMOST INTERNATIONAL Co., Ltd.", in Mauritius Established subsidiary sales company, Beijing ATEN Co., Ltd., in Beijing
	<ul style="list-style-type: none"> CS52 series and CS62DU/CS62D won Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs Launched first KVM switch supporting IPMI functionality – KH98 Launched first DVI KVM Switch – CS62DU/CS62D Launched world's first 19-inch LCD KVM Switch – KL1508/1516 KL9116 Dual-rail LCD KVM switch won iF China Award KH98, KL9108/9116, and CS52 series & CS62DU/CS62D won Taiwan Excellence Award
	<ul style="list-style-type: none"> ATEN launched first notebook USB KVM switch – the CS661 Promoted core enterprise values of "Integrity", "Caring", "Ambition", and "Novelty" Established wholly-owned factory, ATEN (Shenzhen) Co., Ltd., in Shenzhen, China KE8220, CL5708 / CL5716, and CS1782 / CS1784 won Taiwan Excellence Award

2009	<ul style="list-style-type: none"> 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" 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 Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 9th among Medium-sized Enterprises) Won the contribution award at the National Invention and Creation Award by the MOEA ATEN's CEO, Mr. Kevin Chen, commended for outstanding commercial contributions and technological achievements by King Badouin of Belgium HDMI KVM CS1792/CS1794 switches won Taiwan Good Design Product Mark, awarded by the Industrial Development Bureau, part of the Ministry of Economic Affairs VS1504 / VS1508 Cat-5 audio/video splitters won Taiwan Excellence Award KN4140v honored with Computex 2009 "Best Choice Award" and Japanese "Interop Tokyo Best Show Award"
	<ul style="list-style-type: none"> 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 Established office in Moscow, Russia 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 Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 9th among Medium-sized Enterprises) Won 2010 Taiwan Superior Brand Award, awarded by the Bureau of Foreign Trade under the Ministry of Economic Affairs KL3116T awarded "2010 Computex Taipei d&i Award" CE790, KM0932, PN7212/PN7320, CS1792/CS1794 won Taiwan Excellence Award

2011	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> CM0264 won Taiwan Excellence Award
2012	<ul style="list-style-type: none"> VM0808T honored with Computex 2011 "Best Choice Award"
	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> ATEN issued its first "Corporate Social Responsibility (CSR) Report", honestly disclosing ATEN's status and behavior with regard to CSR
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 4th among Medium-sized Enterprises)
2013	<ul style="list-style-type: none"> ATEN Industrial Operation Console won the invention award at the MOEA's National Invention and Creation Award
	<ul style="list-style-type: none"> iListen, smart communication software for the deaf designed by ATEN in cooperation with the Department of Industrial & 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
	<ul style="list-style-type: none"> VE892, CCVSR products won Taiwan Excellence Award
	<ul style="list-style-type: none"> EC2004 Energy Box won the 2013 Computex Best Choice Golden Award
	<ul style="list-style-type: none"> KL1516Ai LCD KVM over IP won Computex d&i Award
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 3rd among Medium-sized Enterprises)

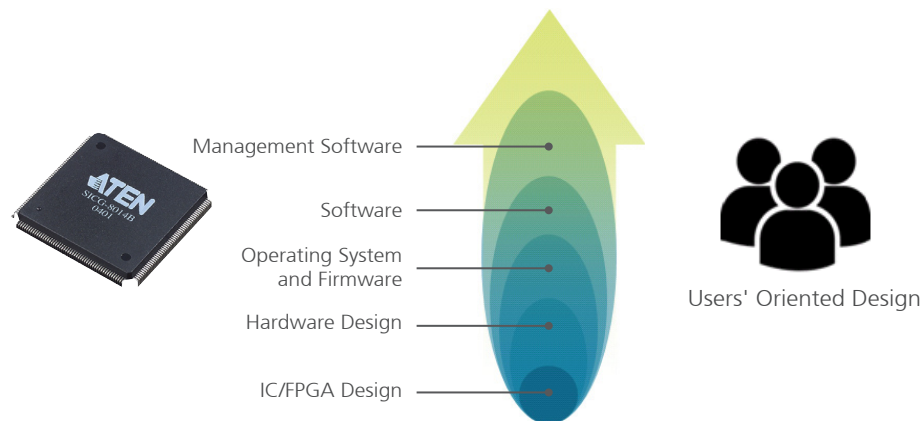
2014	<ul style="list-style-type: none"> VE892, CCVSR products won Taiwan Excellence Award
	<ul style="list-style-type: none"> ATEN received a rating of A++ (the highest level) in 2013 Information Disclosure and Transparency Ranking conducted by the Taiwan Stock Exchange (TSE) and the Taipei Exchange (GreTai Securities Market)
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 1st among Medium-sized Enterprises)
	<ul style="list-style-type: none"> Received a Gold Medal in New Taipei City Government's "Awards for Best Companies to Work For"
2015	<ul style="list-style-type: none"> Received awards as one of the "Top 10 Outstanding Enterprises" and "Top 10 Enterprises for Innovation and R&D" in the 16th Golden Peak Awards
	<ul style="list-style-type: none"> Corporate Award for Standardization in the 15th National Standardization Awards organized by the Bureau of Standards, Metrology & Inspection, Ministry of Economic Affairs
	<ul style="list-style-type: none"> Set up ANZ subsidiary "ATEN ANZ PTY LTD." in Sydney, Australia
	<ul style="list-style-type: none"> KE6940 products won Taiwan Excellence Award
2016	<ul style="list-style-type: none"> ATEN received the Interbrand's "2014 Best Taiwan Global Brands"
	<ul style="list-style-type: none"> Received the "3rd Taiwan Mittelstand Award" by the MOEA
	<ul style="list-style-type: none"> 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)
	<ul style="list-style-type: none"> ATEN's VM Seamless Switch Series won the Red Dot Award 2015: Communication Design 2015
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 2nd among Medium-sized Enterprises)
	<ul style="list-style-type: none"> Both CS782DP and VK2100 won Taiwan Excellence Awards
	<ul style="list-style-type: none"> ATEN ranks No. 1 of market share in global KVM according to industrial research report
	<ul style="list-style-type: none"> The corporate social responsibility report was first reviewed and certified by third party international certification body, British Standards Institution (BSI)
	<ul style="list-style-type: none"> Awarded one of the Best Corporate Citizens by the Commonwealth Magazine (ranked 4th among Medium-sized Enterprises)
	<ul style="list-style-type: none"> Established subsidiary corporate in Turkey

› Competitive Advantages

1. Excellent R&D teams that keep making technological breakthroughs and innovations that in turn allows us to possess the relative advantage of being a market leader.
2. Across-the-board remote management solutions with comprehensive high-end, mid-range, entry-level product lines that meet the needs of different clients and markets.
3. Professional international marketing talent and excellent distribution channels; globalized sales network and quick market response mechanisms.
4. ATEN's own brands with products widely recognized by the market for their high quality and stability.
5. Design patents and legal protection of IP rights raise the threshold to enter the market.
6. A leader in mid-entry level KVM products with a leading role in the market.

The Advantage of Vertical R&D Integration

To know users' implicit demands and create world-class brand through vertical R&D integration and concerning users' experienced design.



Global Patent Deployment

Collected by the end of March, 2017 statistics, ATEN has arranged patent global placement for 659 cases and 532 were approved. The approved 532 cases of patents within duration of patent right protection including 485 cases of invention, 14 cases of new model and 33 cases of design. ATEN actively invested and maintained the results of important R&D that was an effective guarantee for future growth.

By the end of May 2016, ATEN's commitment to technological R&D resulted in



► Factors Conducive to Long-Term Development

1. The KVM product line has been in development for over 10 years and has already put ATEN on the world map.
2. Numerous major awards have been won, laying the foundation for ATEN's status as a leading global brand.
3. ATEN plans and cultivates to expand its sales reach to every major region of the world in order to expand our effective base for future operations.
4. Focusing on niche markets, expanding the range of product applications, and transitioning products gradually from KVM to Pro A/V and green power management product lines. This helps build up the base of business revenue and growing benefits.
5. Outstanding, experienced self-development and production teams.
6. 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.
7. Integrity.
8. Continuing to act according to our CSR goals and strengthening the positive image of our enterprise.
9. Harmonious relationships with our partner manufacturers.
10. Constantly nurturing and acquiring outstanding talent.
11. Sound financial health.

► Negative Factors for Long-Term Business Prospects

1. The strength of economic growth varies across regions.
2. Changes in exchange rates.
3. Entry of new competitors.
4. Consumers lack of product knowledge.
5. Products which imitate or infringe upon intellectual property disrupt markets.

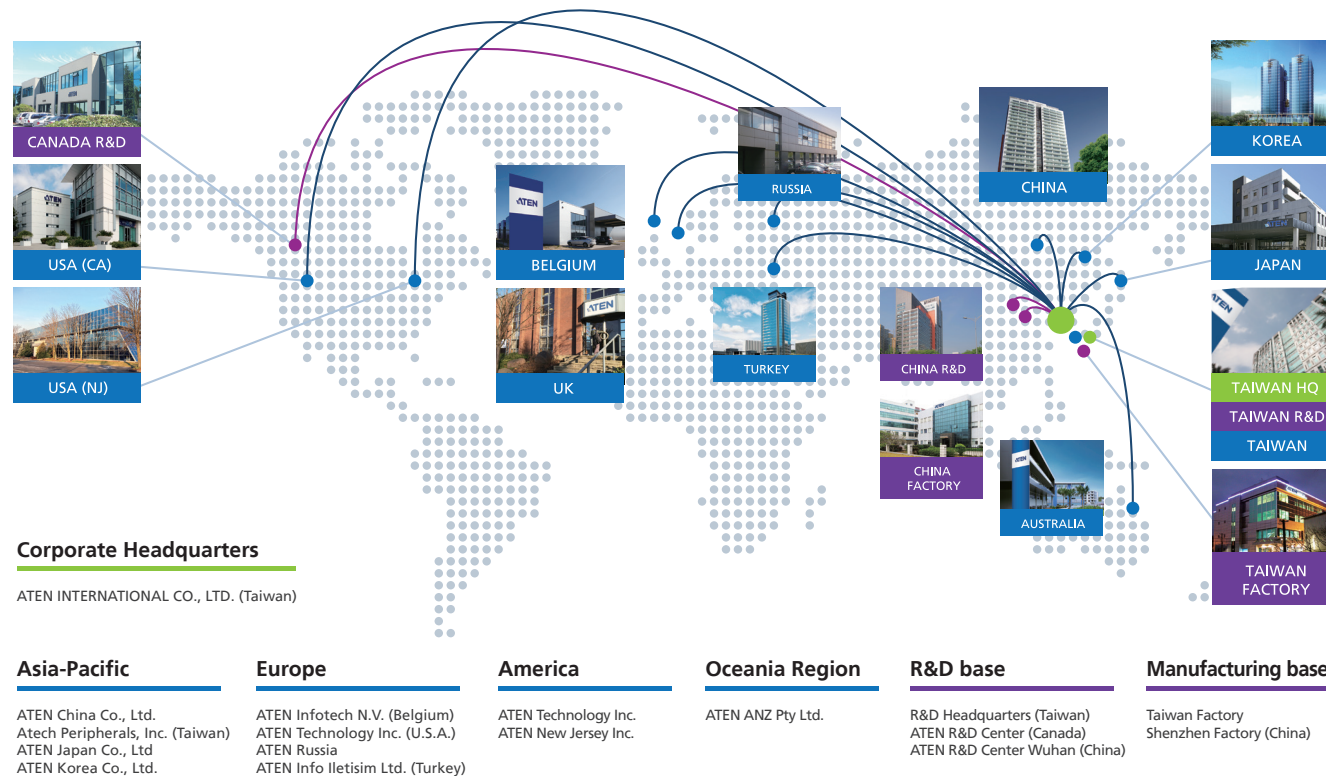
► Response Strategies and Opportunities

1. 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.
2. The company's Financial Department closely monitors the fluctuations in currency exchange rates so as to strengthen the judgment of market price trends – effectively avoiding foreign exchange risks by leveraging financial instruments.
3. 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 similar products. We will 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.
4. 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 technology for different applications.
5. We search with intensity for counterfeits and take concrete measures to protect the distribution rights to our patented products.

2.2 Worldwide Presence

In order to be close to customers and provide immediate supply and technical support services, ATEN followed the pace of globalization and set up a sales base for local services in the country bordering Europe and Asia, Turkey, in 2016, in addition to existing subsidiaries or offices in USA, Belgium, UK, China, Japan, Korea, Russia, Australia.

The company will continue setting up sales-oriented subsidiaries and offices to explore local markets and enhance the efficiency of our services. Our hope is to establish a stable and long-standing global sales system.

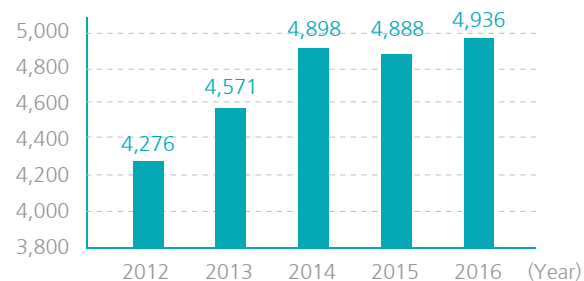


2.3 Operational Achievements

The performances of business revenues or benefits in 2016 were better than the previous year. According to the operating data for the last 5 years, the average of after-tax earnings per share was NT\$5.82, return on shareholders' equity was maintained at 21%, gross margin was 60%. Therefore, the operating team can meet shareholders' expectations, including the aspects of business development, cost control, efficiency improvement. This is reliable and dependable for investors that continue to create benefits from investment.

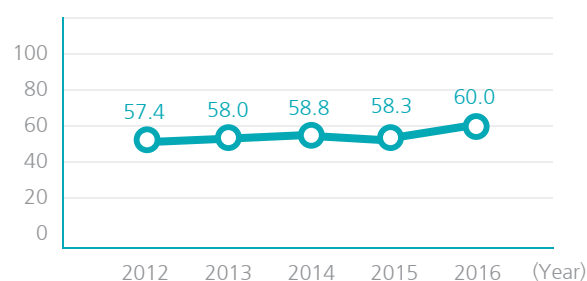
Revenue

(Million New Taiwan Dollars)



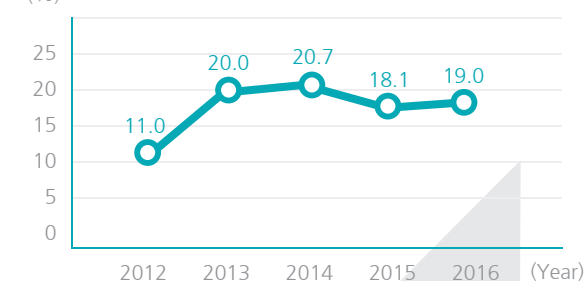
Gross Profit Margin

(%)



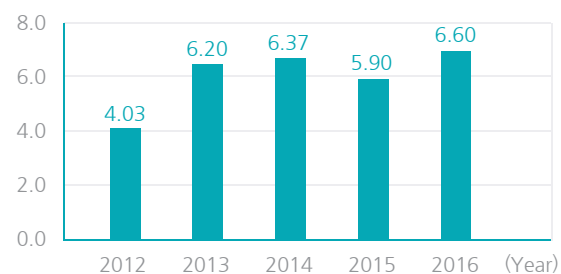
Operating Profitability

(%)



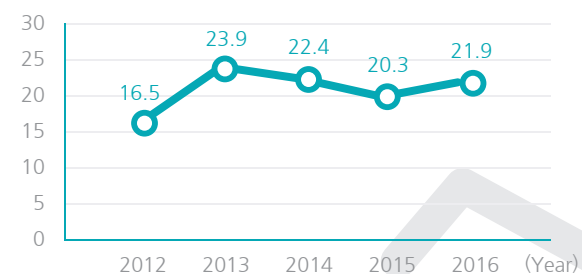
Earnings Per Share

(New Taiwan Dollars)



Return on Equity (ROE)

(%)



2.4 Honors and Recognition (2009~2016)

ATEN received awards in the aspects of product, design, business operation and CSR during these years.



red^{dot} award 2015
winner interface design



2016



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



2016 Taiwan Excellence Award



2016 Interop Tokyo Best of show Award - Special Prize

2015



Taiwan Excellence Award



Awarded one of the Best Corporate Citizens by the Commonwealth Magazine, ranked "2nd" among Medium-sized Enterprises Group



German Red Dot Design Award: Communication Design 2015



3rd Taiwan MITTELSTAND Award



Best A++ Ranking of Information Disclosure and Transparency in Taiwan

2014



Interbrand "2014 Best Taiwan Global Brands"



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



Best A++ Ranking of Information Disclosure and Transparency in Taiwan

2013



Taiwan Excellence Award



Computex Best Choice Golden Award



Computex d&i Award



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



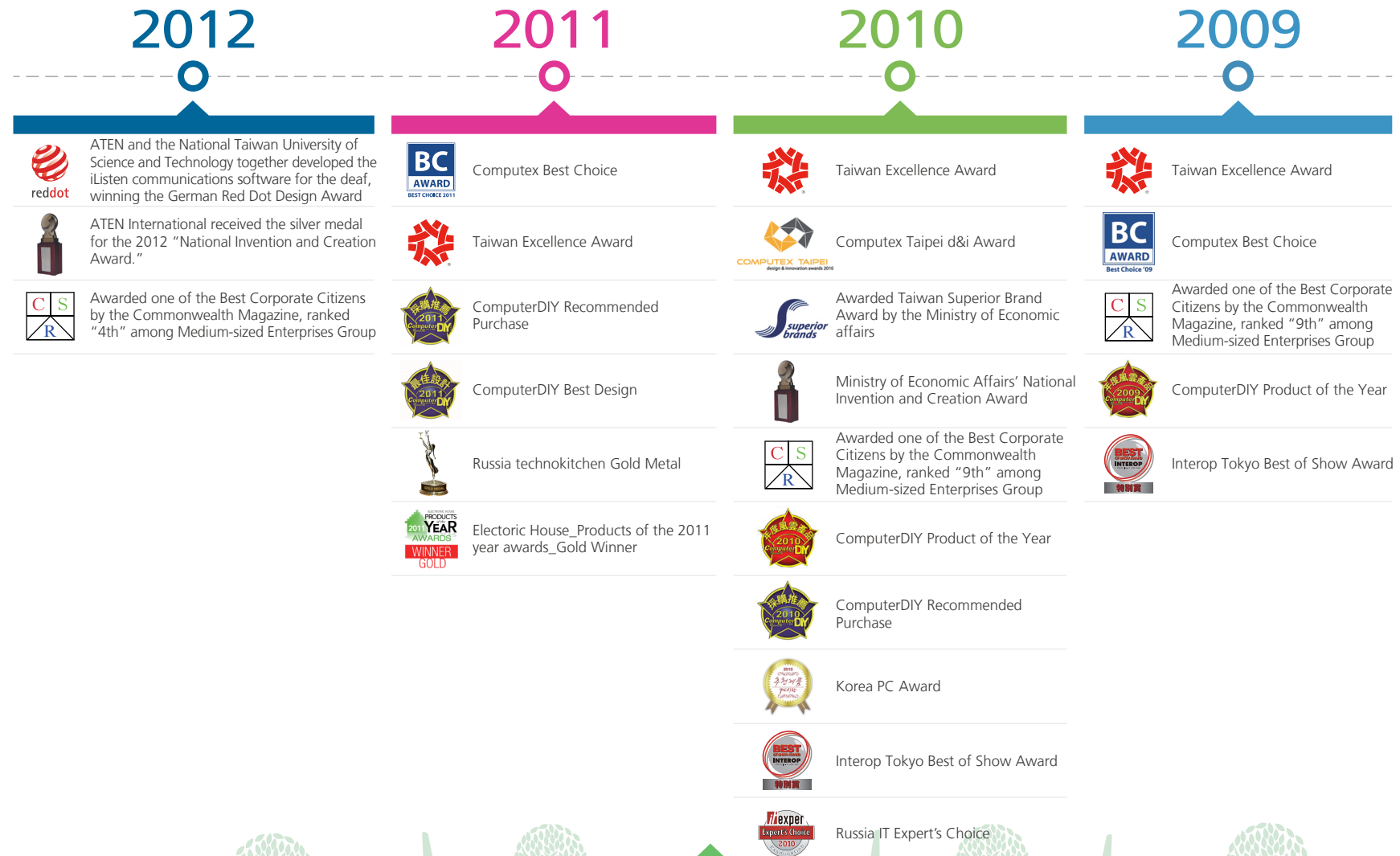
Russia Technical Perfection Award



Hong Kong PC Station Best Design Award



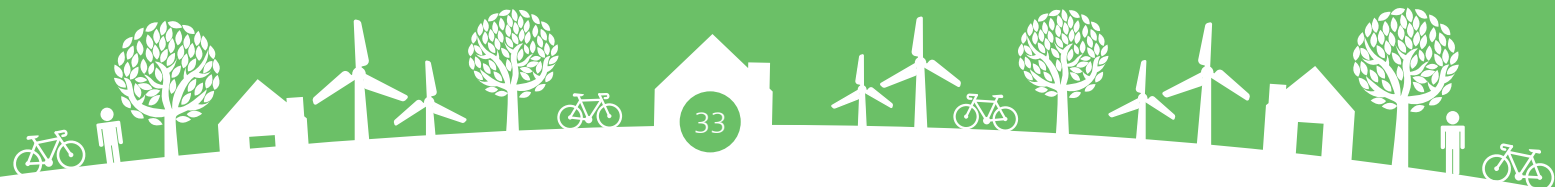
Russia technokitchen Silver Award



3.

Corporate Governance

- 3.1 Corporate Governance Structure
- 3.2 Shareholders' Meeting
- 3.3 Board of Directors
- 3.4 Remuneration Committee
- 3.5 Domestic and International Associations



Corporate governance is an extremely critical element of corporate sustainability and the goal is to make the company's operation ethical and seek maximum benefits. Companies with good corporate governance create well thought-out management structures, effectively oversee the execution of insightful strategy, protect shareholder rights, and publicize relevant information when appropriate. All of which are especially important for gaining investor confidence, boosting investor confidence, attracting long-term capital, and winning over international investors.

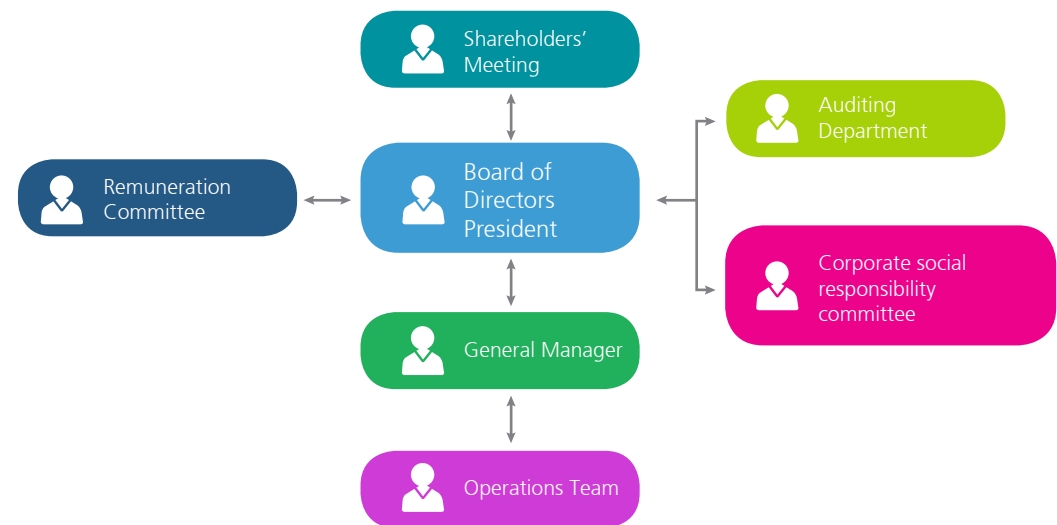
Of the 17 UN sustainable development goals formally launched in 2016, the appeal to seek corporate governance echoes Goal 16 "Peace, Justice and Strong Institutions; in four major core values of ATEN, the first item is "Integrity with pragmatism". This means that, for the stakeholders, it's necessary to insist on the principle of honesty and credibility and proceed with transparent corporate governance. Also, our company enacted "Honest Business Operating Principles" and "Moral Behavior Principles" for the Board of Directors, supervisors and employees to abide by.

According to the 3rd corporate governance audit results in 2016, ATEN has been ranked ahead of 6%~20% of listed companies, making obvious progress in corporate governance. In the future, ATEN will continue to make effort in corporate governance including the Board of Directors and Shareholders Meeting implement status, the stakeholders' rights maintenance, financial operating information disclosure and enterprise core values fulfillment. ATEN executive believes that corporate governance fulfillment is a guarantee to investors and the stakeholders' rights and a necessary way to implement CSR.



With this in mind, ATEN will continue to evolve its corporate governance by establishing communication channels with stakeholders, implementing information disclosure, strengthening the efficacy of board meetings, constituting functional committees, fulfilling the CSR Management Committee, developing corporate self-discipline guidelines, and the development of internal control systems.

3.1 Corporate Governance Structure



ATEN also ensures compliance with all necessary 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.

ATEN management teams established execution and responsible divisions to promote risk management performances with integrate risk management mechanisms; each division duty shown as below.

Departments in Charge	Scope of Execution
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.
Manufacturing Unit	Responsible for production, management of manufacturing processes, 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, eService platform, technical support, and improving the quality of aftersales services.
General Management Unit	Responsible for capital, investment, tax, and information disclosure management.



Based on corporate governance audit, the specific corporate governance that ATEN promoted was collected as below:

Five aspects of corporate governance audit	Achievements
Protect shareholder rights	<ul style="list-style-type: none"> The Board superintendent election plan has been adopted the nomination system for candidates and revised the articles of incorporation on March, 14th, 2017. Each proposal in regular shareholders' meetings is voted for by ballot. Results of shareholders' agreement, rejection, and abstention of each proposal are entered on the public Market Observation Post System and recorded in the minutes.
Equal treatment for all shareholders	<ul style="list-style-type: none"> Shareholders meeting adopted electronic voting system in 2017. As for the contact window to investors disclosure on company website and reply or proceed all kinds of investors' suggestions and problems, please refer to investor section on our company website. http://www.aten.com/tw/zh/aten-info/investor-relations/person-to-contact/ 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.
Strengthening of the Board of Directors	<ul style="list-style-type: none"> "Corporate Social Responsibility Practice Principles" has been approved by the Board of Directors and uploaded to Market Observation Post System and company website for the stakeholders' references, please refer to investor section on our company website. http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Board directors and supervisors have all finished the hours of continuing education required by local guidelines, namely Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies.
Enhance information transparency	<ul style="list-style-type: none"> Emphasize the right to know for the stakeholders and ATEN has been ranked ahead 6%~20% in listed company on the 3rd of corporate governance audit results in 2016. Establish English version of company website to provide foreign investors all of company information and refer to website linkage as below. http://www.aten.com/global/en/aten-info/investor-relations/corporate-governance/company-structure-and-responsibilities/ ATEN was invited to participate the broker-dealer institutional investors 2 times in 2016 and held on-line institutional investors on March, 30th, 2017, all the relevant Chinese-English powerpoint data were uploaded to Market Observation Post System and disclosed on company website for investors references, please refer the website shown as below. http://www.aten.com/tw/zh/aten-info/investor-relations/investor-event/
Carry out corporate social responsibility activities	<ul style="list-style-type: none"> The ATEN's Corporate Social Responsibility Report was first reviewed and proposed to "Significance", "Responsiveness", "Comprehensiveness" by the third-party notarization institution, the British Standards Institution (BSI) based on AA1000 assurance standards with an independent statement of opinion. Establish "Ethical Management Procedures and Behavior Guidelines" to regulate the illegal and unethical behaviors of reporting systems for internal and external staffs. It will be uploaded on Market Observation Post System and company website for the stakeholders' references as being approved by the Board of Directors. Please refer to investors section on our company website. http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Establish the stakeholders contact window on company website and provide communication platform. Please refer to linkage shown as below. http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/

3.2 Shareholder's Meeting

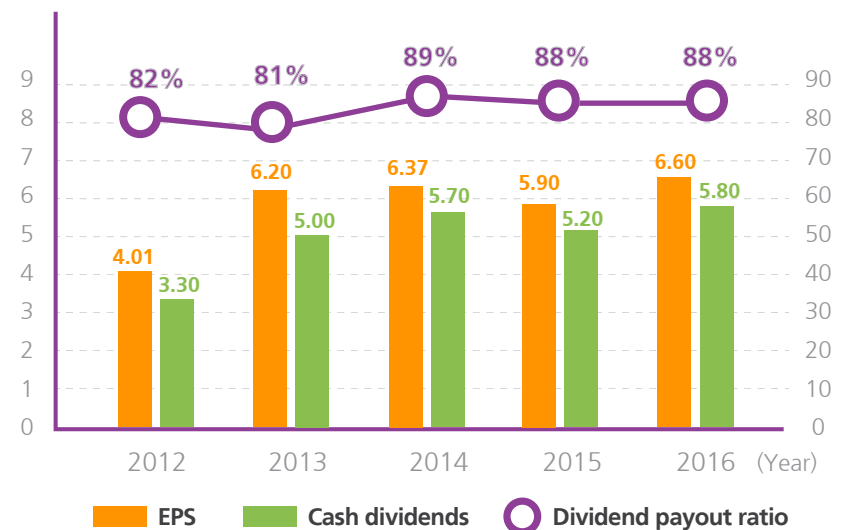
ATEN holds both regular and provisional Shareholders' Meetings. The regular Shareholder's Meeting is held annually, convened by the Board within 6 months of the end of each financial year, while provisional Shareholders' Meetings are convened when necessary, both in accordance with the law. Shareholders'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

Our company expresses concern to the stakeholders, employees, customers, suppliers, and community groups with "Integrity with pragmatism", "Caring with respect", "Ambition with optimism", "Novelty with value" corporate core values and focuses on shareholders' rights. Based on the recent dividend distribution policy of ATEN, all stock dividends were distributed to shareholders except for the provisions of law and other factors to retain some of the unissued ones; the ratio of distribution was even close to 90% in recent years and dividend payout ratio was 88% in 2016.

In addition to the provisions of the law in Market Observation Post System to disclose information, ATEN has arranged various business operating and financial status for investors to understand company business and set up a spokesman system and investors division to proceed shareholders suggestions in annual reports and on the company website. Shareholders can offer any suggestions to company by investor mail (ir@aten.com.tw) and contact information is disclosed on the company website for the stakeholders' request.

(New Taiwan Dollars)

(%)



Note: The 2016 annual surplus distribution shall be decided by 2017 shareholders meeting

3.3 Board of Directors

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 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. In order to enhance corporate governance, the Board of Directors and supervisors' election plan were adopted by the "Candidate Nomination System" and approved by the Board of Directors to revise the company's Articles of Incorporation on March 14, 2017.

The board meets at least once a quarter. In 2016, a total of 5 board meetings were held. If occurring profit conflict and the directors occur, ATEN will follow Article 16 "The Board of Directors Rules": "The directors shall explain events that are related interests in detail in the Board of Directors meeting; if the event would cause damage to company interests, it is forbidden to discuss and vote. Furthermore, the discussion and voting shall be avoided and may not act as proxy for other directors to execute their voting rights.

According to the company's Articles of Incorporation, after the offset for the amount of accumulated losses is reserved, the company should use the year's earnings before tax without deducting employees' compensation and compensation of directors and supervisors. If there is still a positive balance, it should be appropriated as compensation for employees' compensation at 10% to 16% as well as for directors and supervisors at no more than 2%. The ratio of employees and the Board of Directors remuneration distribution and employees remuneration released with stock or cash shall be voted by the Board of Directors that the number of people present over two thirds and over a half of the Board of Directors agree, then report in stockholders meeting.

The Board of Directors members shall focus on gender equality and have the knowledge, skill and literacy to perform their duties in accordance with Article 20 "Corporate Governance Guidelines". In other words, the Board of Directors members shall be versatile and plan diversified guidelines

including gender, age, professional knowledge and skills based on business operations, business model and development demand. ATEN has implemented the policy in the members of the Board of Directors that possess various professional skills. The representative of corporate director, ShuShan Lin and supervisor, Se-Se Chen are both female that correspond to Goal 5: Gender Equality of the 17 UN Sustainable Development Goals. The diversified policies mentioned above show ATEN's persistence to pursuing sustainable business operations.

Members of the Board of Directors

Title	Name	Gender	Notes
President	Kevin Chen	Male	Also serving as CEO
Vice-Chairman of the Board	Shang-Jen Chen	Male	-
Director	CDIB Private Equity Corp. Shu-Shan Lin	Female	-
Director	Yung-Ta Lin	Male	Vice President of ATEN
Director	Lung-Chi Tsai	Male	Resigned on March 1, 2015
Independent Director	Wei-Jen Chu	Male	-
Independent Director	Chung-Jen Chen	Male	-
Supervisor	Shiu-Ta Liao	Male	-
Supervisor	Se-Se Chen	Female	-
Supervisor	Chen-Lin Kuo	Male	-

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 / Terms	Do they possess over five years of work experience and professional qualifications shown as below		
	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			•
Shang-Jen Chen			•
CDIB Private Equity Corp. Authorized Representative: Shu-Shan Lin			•
Yung-Ta Lin			•
Wei-Jen Chu		•	•
Chung-Jen Chen	•		•
Shiu-Ta Liao			•
Se-Se Chen			•
Chen-Lin Kuo		•	•

ATEN also encourages board directors to undergo continuing education to ensure they are always aware of the latest relevant skills and trends and enhance their ability to cope with the evolving business landscape. 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 study status of the Board of Directors and supervisors in 2016:

Title	Name	Start of Course	Course Organizer	Details	Course Hour Taken
President	Kevin Chen	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3
Vice-Chairman of the Board	Shang-Jen Chen	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		12/19		Money Laundering and Laws Compliance from Mega Holdings Sanction Case	3
Legal Representatives of Institutional Directors	Shu-Shan Lin	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		7/29		Listed Company Employees' Law Equity Trading Session	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3
Director	Yung-Ta Lin	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3
Independent Director	Wei-Jen Chu	4/8	National Federation of Certified Public Accountant Associations	The Notification of Corporate Account Principles During Transition Period	3
		6/1		The 58th, 59th Audit Bulletin Practical Analysis	3
		6/3		Corporate Account Principles Bulletin Practical Analysis	3
		6/16		Corporate Account Principles Bulletin Practical Analysis Part 2	3
		9/23		Legacy Tax Declaration Practical from a Group's Probate Case	3
		10/21		Communication of Critical Audit Items in Audit Report	3
Independent Director	Chung-Jen Chen	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		8/11	Taiwan Corporate Governance Association	Corporate Mergers and Insider Trading	3
		11/11		Company Significant Message Disclosure and Directors Responsibility	3
Supervisor	Chen-Lin Kuo	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3
Supervisor	Shiu-Ta Liao	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3
Supervisor	Se-Se Chen	5/10	Securities & Futures Institute	Legal Liability of Corporate Mergers	3
		11/9		The Business Secret and Non-compete Duty of Directors and Supervisors	3

3.4 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. It is responsible for setting and routinely reviewing the policy, system, standard, and structure of the annual and long-term performance target and compensation of the company's board directors, supervisors, and managers. Also, to routinely evaluate the status of performance, targets and achievements of the company's board directors, supervisors, and managers as well as set the content and amount of compensation for each individual.

The remuneration for directors and supervisors includes traveling expenses and reward in the form of distribution of earnings. The traveling expenses are in accordance with common business standards. The amount of distribution of earnings is in line with the rules in the company's Articles of Incorporation. It is recommended by the Remuneration Committee first and then ratified by vote by the Board of Directors before it is submitted to the Shareholders' Meeting for final approval and distribution. The remuneration for managers includes salary, reward, and bonus from dividend allocation. The payment standards follow the company's Employee Salary Management Guidelines.

The incumbent Remuneration Committee members are designated to serve from July 11, 2014 till June 16, 2017. As of January 11, 2017, the committee has already held six 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	6	0	100%
Member	Chen-En Ko	6	0	100%
Member	Yen-Jung Li	6	0	100%

3.5 Domestic and International Associations

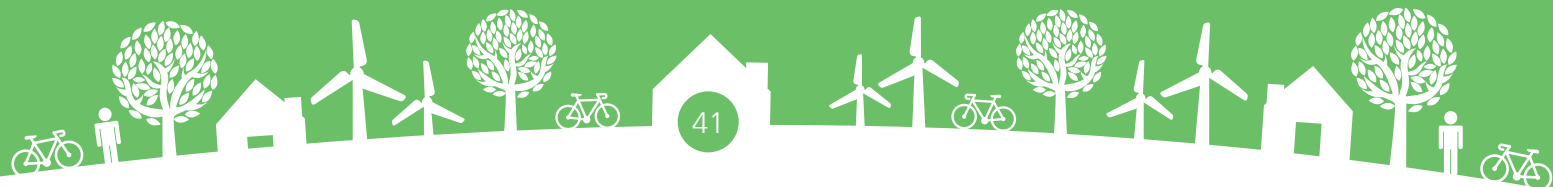
Through participating extensively in various domestic and international associations and organizations related to the KVM switch industry, the company seeks to further strengthen its ties with the industry and gain greater exposure to the latest related techniques and technologies. By doing so, the company 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	

4

Friendly & Happy Workplace

- 4.1 Treasuring Talented People
- 4.2 Global Recruiting, Localized Development
- 4.3 Strategic Focus, Practical Experiences
- 4.4 Bilateral Communication, Performance Incentive
- 4.5 The Balance of Work and Life
- 4.6 Rights Maintenance, Respect for Differences



4.1 Treasuring Talented People

ATEN is dedicated to creating a good workplace for employees and believes the balance of work and life is beneficial for employees to develop potential and values. "Caring with respect" is one of our core values. It's our goal to hire the right people to join us, respect his or her individual demands and develop their professional capacity within the organization. Running business operations, we insist that "Integrity with pragmatism" is the priority when facing the high risks and pressures of the business environment in an age of uncertainty. We regard it as a chance and grow as we encounter challenge and frustration each time "Ambition with optimism" is deeply rooted in our mind. "Novelty with value" is the way to help us make breakthroughs in a competitive environment because innovation can bring customer values.

ATEN regards its four major corporate core values of "Integrity with pragmatism, Caring with respect, Ambition with optimism, Novelty with value" as the prime guiding principles to develop global human resource management thought, appropriate work environment and culture, work rules and regulations superior to the Labor Standards Act, practical experience, competence training and project development, performance oriented salary and promotion systems. We also expect our talented staff can make progress gradually and show their influence.

➤ Stable Human Resource Structure

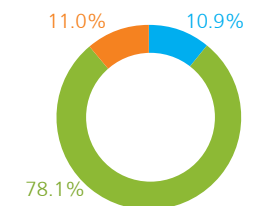
As of December, 31st, 2016, ATEN's total staff was 1560 globally; 626 staff worked in Taiwan (Male staff: 55.6%, female staff: 44.4%), 96 middle-senior supervisors (Male supervisors: 76%, female supervisors: 24%), 425 indirect professional staff, 105 direct technical staff; the average age was 40.26, the average service years was 8.55, college degree and above was 78.5%. The number of physically challenged hired shall be 6 employees but there are 8 employees working in ATEN which is higher than the regulation by 1.33 times. Since 2014, the staff that qualified for parental leave included 75 male employees and 40 female employees in 2016, 5 female staff applied for parental leave without pay in 2016; 4 staff were reinstated with resumption rate of 80%. After finishing parental leave 2 employees were still with the company within a year and retention rate was 50%.

Year	Gender	Qualified for Child Care Leave Without Pay	Exact Application for Child Care Leave	Reinstatement from Child Care Leave	Still On Duty one year after reinstatement from Child Care Leave
2016	Male	75	0	0	0
	Female	40	5	4	2

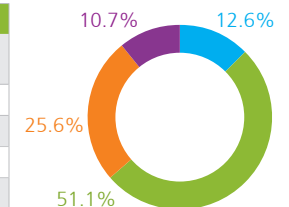
Employee Category	No.	Percentage
Mid and Upper Management	96	15.3%
Indirect Employees	425	67.9%
Direct Employees	105	16.8%
Total	626	100.0%

Gender	Total	Percentage
Male	348	55.6%
Female	278	44.4%
Total	626	100.0%

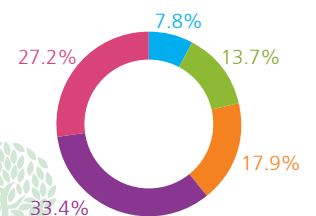
Age	No.	Percentage
20~29	68	10.9%
30~39	489	78.1%
40~49	69	11.0%
Total	626	100.0%



Seniority	No.	Percentage
Less than 1 year	79	12.6%
1-10 years	320	51.1%
10-20 years	160	25.6%
Over 20 years	67	10.7%
Total	626	100.0%



Educational background	No.	Percentage
Lower than senior high school	49	7.8%
Senior high school	86	13.7%
Technical college	112	17.9%
University	209	33.4%
Post-graduate education	170	27.2%
Total	626	100.0%



➤ Diversified and Equal Human Resource Management

We offer diversified human resources service and management based on complete Human Resource Management (HRM) and Human Resource Development (HRD). As ATEN recruits employees, we insist on the principles of no discrimination and equal opportunity. Also, we focus on individual demands for talent development such as duty rotation, internal lecturer training and digital learning platform. We also dedicate ourselves to developing dual career paths, individual development plan and performance management systems and highly competitive reward design. Furthermore, we have relevant counseling mechanisms for employees with performance not meeting expectations. If an employee's performance is constantly under par, an elimination process will be in place for those at the bottom of the spectrum.

The annual staff turnover rate was 15.5% and 1.3% monthly in 2016. The male annual staff turnover was 8.6%, female annual staff turnover was 6.9%. Viewed by age groups, the rate was 3.3% for those less than 30 years old, the rate was 10.9% for those between 30 and 40 years old and the rate was 1.3% for those above 50 years old. The average staff turnover rate was 1-2% each month as we referred to the data from the past 3 years.

Gender	Direct Employees		Indirect Employees		Total	
	No.	Percentage	No.	Percentage	No.	Percentage
Male	4	22.2%	50	63.3%	54	55.7%
Female	14	77.8%	29	36.7%	43	44.3%
Total of Staff Turnover	18	100.0%	79	100.0%	97	100.0%

Type	Staff Turnover Ratio
Direct Employees	2.9%
Indirect Employees	12.6%
Total	15.5%

Type	Staff Turnover Ratio
Male	8.6%
Female	6.9%
Total	15.5%

Age Group	Staff Turnover Ratio
20~29	3.3%
30~49	10.9%
Over 50	1.3%
Total	15.5%

Turnover Rate	Yearly Ratio	Monthly Ratio
2014	16.0%	1.3%
2015	19.1%	1.6%
2016	15.5%	1.3%

4.2 Global Recruiting, Localized Development

There are over 1560 staff from 36 nations working around the world, and we have established R&D centers, sales subsidiary companies and offices based on local needs over the 38 years. Also, we recruit all talents to develop local marketing and services. The headquarters of ATEN corporate, established in Sijhih, New Taipei City, insists on developing high quality products, 91% of the products are made in Taiwan, to be competitive in global marketing, even under circumstances such as manufacturing industries off shoring and labor population change.

► Diverse Recruitment that Crosses Many Areas

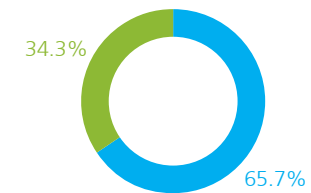
The company also has a "Recruitment, Employment, and Management Method" that clearly states that methods of recruitment has to be done through Internet recruiting, newspapers, magazines, and the media, campus recruiting, headhunting, job fairs, referral by internal employees, and interdepartmental transfers. Furthermore, we also are actively involved with LinkedIn and Facebook, in employment service centers, Taiwan External Trade Development Council, and other channels to conduct talent recruitment activities. A lot of the talent is hired through partners and end customers. As such we can see the company's good corporate image and reputation does have a say regarding diverse recruitment.

We also welcome students from Taiwan's colleges and universities to join us through our Internship Program for College and University Students to witness ATEN's unique corporate culture and work environment. This kind of to-and-fro interactivity can infuse new viewpoints and liveliness into the company. It offers students an early chance to understand career life and work regulations, which can be said to be a win-win situation for both students and company.

► Equal Employment Opportunity According to the Law

We have a standardized, fair, and objective talent selection process. Suitable candidates are selected through systematic selection tools and the person in charge of the interview will employ a structured way to assess the candidate to make sure the two sides are suitable for each other. In 2016, ATEN employed a total of 105 new employees, of which 65.7% were male and 34.3% were female, while 12.4% and 87.6% of these new employees are direct and indirect labor respectively.

Gender	No.	Percentage
Male	69	65.7%
Female	36	34.3%
Total	105	100.0%



Gender	Direct Employees		Indirect Employees		Total	
	No.	Percentage	No.	Percentage	No.	Percentage
Male	2	15.38%	67	72.83%	69	65.71%
Female	11	84.62%	25	27.17%	36	34.29%
Total	13	100.0%	92	100.0%	105	100.0%

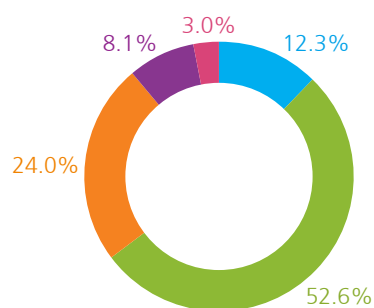
4.3 Strategic Focus, Practical Experiences

ATEN allocates a budget to arrange annual education training every year in accordance with previous 0.15% of revenue to develop 4 major items such as managerial competency, professional competency, core competency and self-development based on the ATEN education training system chart. As for the yearly training resource plan, we refer to senior supervisors' interviews, staff interviews and training demand investigation to build up training resources of strategic focus and practical experience with digital learning programs, new recruit co-creation camp and Mentor mechanism.



Training Type	Total hours duration	Total hours of training	%	Total number of employees receiving training
Managerial competency	21	1854.5	12.3	513
Professional competency	325	7954.0	52.6	3626
Core competency	46	3632.5	24.0	2153
Personal Growth	21	1230.0	8.1	823
New Employee Training	2	444.0	3.0	111
Total	415	15115.0	100.0	7226

Ratio of Training Hours



Average of Training Hours, 15115 hours/626 staffs= 24.1 hours/staff

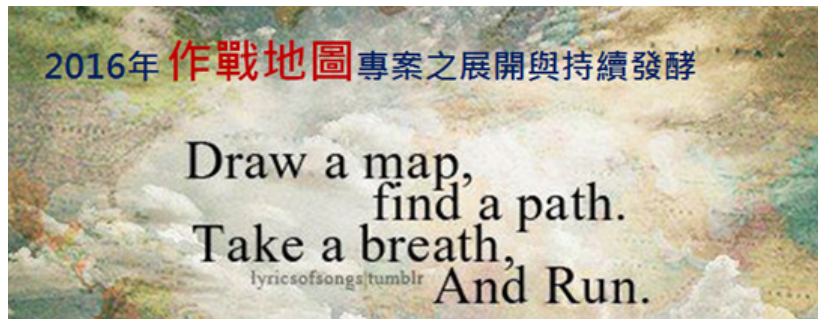
In 2016, the total hours of education and training in ATEN Taiwan reached 15,115. Among them a total of 7,954 hours, namely around 52.6% was on professional competencies. The number of courses even reached a high of 325, occupying 78.3% of the annual total number of courses. ATEN is highly concerned with developing employees' professional capacity so we usually share knowledge experiences with each other through internal training like small reading groups organized by each division or external training sharing sessions. We have established "ATEN Private School" for internal lecturers in 2016 and started 4 courses successfully, a total of 143 employees, 304.5 hours, and an average satisfaction of 90.5%.

As we analyze direct and indirect staff for male and female, the average of direct staff for male and female training hours is 12.1 and 19.3 hours. The average of indirect staff for male and female is 26.7 and 22.9 hours.

Type	Gender	Total hours of training	No.	Average Training Hours
Direct Staff	Male	193	16	12.1
	Female	1719	89	19.3
Indirect Staff	Male	8867	332	26.7
	Female	4336	189	22.9
Total		15115	626	24.1

The average of business operating and human rights policy training hours were 273 hours in 2016, a total of 91 employees participated, 1.8% of annual training hours, with a penetration rate of 14.5%. The annual training hours were 197 hours and a total of 68 employees participated as recorded in 2015. We can see training hours and staff participation numbers are growing. Therefore, we will continue to increase company operations and human rights policy lectures/programs.

› Annual Training Project of Strategic Focus



We have launched a "Battle Map" project to choose employees from RD, PM, Sales, UX (User Experience) for participation in February, 2016. We practiced the real competitive environment with current product lines to experience the future product market orientation and tactics.

We have grasped the competitive market and penetrated our own niche to explore gradually the orientation in the future and our disadvantage through proceeding with projects for over 200 days. The team members not only learned from practice but broke through previous inter-department cooperation barrier through the training project to show empathy to each other and have the confidence to face challenges in the future. The training resources focused directly on company strategies are worth investing.

› 3 Major Competency-oriented Training Structure

We usually proceed with "Annual Training Request Investigation" to understand all staff demands and suggestions for training. Furthermore, we also continue to explore potential demands under quantization through senior managers and staff demand interviews. We develop 3 annual training plans according to the structure of 3 major competencies, "Management Competency", "Professional Competency" and "Core Competency". Additionally, the company also organizes 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 more than ninety percent.

In order to fulfill CSR concepts and spirits, we hold "Caring with respect" lectures every year to make employees realize the truth about CSR.

› Auxiliary Resources for Self-learning & Developing

We also encourage employees to study and learn after work. We allocate a budget for external training every year, so if employees want to keep learning at work, they can discuss with their supervisors and submit the application. The ratio of 2016 annual external training costs was 41% and some of the programs were free. In the "Education and Training Guidelines" it states the maximum language learning subsidy was NT\$5000 per person every year and 50 coworkers submitted the application in 2016. In addition, each department will hold small study sessions or outside training sharing sessions irregularly. An atmosphere of learning organization can be built through voluntary sharing and exchange of experiences.



Professional Competency: The persuasive of professional propose presentation



Managerial Competency: Courses on labor laws and practices that employee supervisors need to take



Management Competency: Build up common good teams and move toward success



Management Competency: The leadership and management of ME generation



ATEN Private School: The sense of quality-
Retrieve the sense of work and life quality



Health LOHAS: Go mountain climbing in fall



Core Values
Create the perfect career with
full of zeal and passion

Core Values
Management Movie Theater –
The promotion

Career and Professional Trends
Digital marketing strategy plans
Community big data analysis application

Core Values
Copywriting Power –
Every staff shall learn this

Health and LOHAS
The 5 common problems to
sore patients



Health and LOHAS
Get rid of modern civilized
illness in New Year

ATEN Private School
UX Competitiveness – Same thought
with designers

ATEN Private School
Perception – The feedback of
using ES and SI products

4.4 Bilateral Communication, Performance Incentive

ATEN implements two performance assessments each year with the hope that individuals can conduct a self-review and have an interview with the manager on performance assessment every six months. On the one hand, it can summarize a person's performance; on the other hand, the employee can understand the expectation of the job from the manager's perspective. Through systematic assessment the 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.

› Performance Assessment Principles

As we want to carry out maximization of the organization's targets and strengthen the effectiveness of teamwork, we use overall competitiveness as the priority in performance assessment. First the general manager will evaluate the order of group performance for each team, then based on this an individual's performance rating can be determined. That is to say we believe if a team's performance is in line with the organization's target and direction, it will bring good performance and results. In teams with better performances, a higher proportion of their team members can have good results.

We also consider the CSR concepts as performance systems, the main purpose of which is to remind that supervisors and coworkers can dedicate themselves at work.



Group Performance Assessment



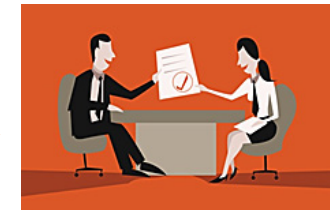
Individual Performance Assessment

› Performance Management Procedure

All qualified indirect employees need to fill in the self-assessment forms by themselves and submit it to their direct superior as a reference for performance interview. Within a prescribed time, the superior should finish the performance interview with the employee. The superior should hold onto principles like mutual respect and full communication to reach an agreement with the employee and reach a consensus on the status of the current task(s) and future plan of development.



Self-Assessment Form



Performance Assessment Interview

The exact number of performance evaluation implemented on to direct, indirect male and female in 2016 is shown below. We have deducted variable factors like under probation period, leave of absence and foreign workers. The average of performance evaluations was 90.7%.

2016	Gender	Direct Employees	Indirect Employees	Total
1st half of this year	Male	16	310	326
	Female	62	182	244
2nd half of this year	Male	15	312	327
	Female	61	178	239

› Sun Medal Reward System

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".

Sun Medals



In 2016 we offered coins based on "Integrity with pragmatism", "Caring with respect", "Ambition with optimism" and "Novelty with value" and gave out 1, 20, 64 and 35 pieces respectively. The company core values performance is manifested in daily work attitude and performance through multiple approaches.

4.5 The Balance of Work and Life

We are committed to building a healthy LOHAS workplace to let employees wield their expertise at ease and peacefully in a focused manner. Aside from the benefits prescribed by law, we also have lots of tangible and intangible measures in place to promote employee health both physically and mentally and achieve work-life balance.

› Comprehensive Benefits

We offer leave benefit that is better than Labor Standards Act, floating leave (5 days), volunteer leave (2 days), paternity leave (6 days), pregnancy inspection leave (Female: 6 days, male: 2 days). Also, we provide the full insurance plan to family dependents and parents and pay pension according to the laws. Besides, employees with new born babies will receive a 5-item set with gold ornaments priced at NT\$3000 when their babies reach one month of age from the company, and the welfare committee will give a NT\$1200 red envelope and HR will offer a ATEN Baby birth magazine. There is a comfortable nursing room in our company and we also have signed a special contract with nearby nursery so our staff, can leave their children there and work without worry.

Furthermore, we offer a daily catering service that is controlled by nutritionists; doctor health counseling on Mondays and our chief manager gives birthday gifts to our employees every month. We also implement staff health inspection with an excellent medical center every year.

We operate "Employee Welfare Committee" with independent model in accordance with the laws; hold committee meeting quarterly and gather leaders for work meeting every month to plan each welfare activity meticulously. The ratio of budget implementation is almost 100% and welfare fund is allocated to our staff every 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.

› Safe Working Environment

Aside from providing a clean and comfortable office space, ATEN also has spacious and convenient parking spaces, a compact and comprehensive gym for employees, and comfortable breastfeeding rooms. We also carry periodic environmental disinfections and air quality inspections to ensure that the CO2 levels in the workspace are kept below 1000ppm to ensure employee health.

ATEN develops "Occupational Safety and Health Committee Articles of Incorporation" in accordance with "Occupational Safety and Health Act". There are 14 committee members and the labor representative are 5 members, accounting for 35%. The occupational safety and health committee meeting is held quarterly, report each target of laboring safety and health to committee members regularly and discuss how to improve environment safety at work. We hope each coworker can work hard in a healthy and safe environment.

› LOHAS Employee Relations

CSR x ER, Let's Run off at the Moustache

We believe a happy staff can perform higher productivity so global human resource center particularly plans "Employee Relation Projects" to hold various life lectures including self-development, language learning, investment and financial management, traveling information, parent-child relationship, food safety workplace cosmetics and so on. In 2016, we even combined CSR public welfare donations to hold a "Let's Run off at the Moustache" moustache-wearing activity in November to encourage everyone to value men's physical and mental wellness. Over 200 coworkers participated and responded the activity within a month, the total donation was NT 88500 dollars.



Second Battle of Wits in Tabletop Games Competition

To follow the 1st "Battle of Wits in Tabletop Games Competition" held in 2015, the 2nd competition was also extremely popular. We took "IP Man Trilogy" as a theme to fight with martial arts between west and east corps and the atmosphere was heated and exciting.



ATEN Baby Birth Magazine

We really understand the joy and anxiety of being a parent and realize a new born baby is a sweet burden for new parents. Therefore, we provide a special "ATEN Baby Birth Magazine" along with a card signed by our chief manager to send to the new parents.



Farewell Party for Retiring Employees

We sincerely thank the staff that have worked at our company until their retirement and they are our stable power without doubt. However, when they decide to retire due to various concerns we will still hold a "Farewell Party for Retiring Employees" with bright smiles to make a perfect ending for the last day.



Annual Senior Staff Rewards

The most important event of staff relations is "Annual Senior Staff Rewards". In order to thank senior staff that have dedicated themselves to the company for a long time, senior staff with over 5, 10 and 15 years of service will be rewarded on stage and we also plan theme activities that enable them to share glory and joy.



To treat staff's families well is a Corporate Social Responsibility and the basis of corporate sustainable profit.

---Professor Nina Bosnicová of Charles University in Prague, Czech Republic

For families of employees stationed in other companies, the general manager will send his regards by signing greeting cards along with gifts on occasions like Mid-Autumn Festival, Dragon Boat Festival and Lunar New Year Festival. For each employee's birthday or employee of the month the general manager will deliver birthday gifts to them in person, which is very heartwarming. As of now, ATEN internally has several clubs including a volunteer club, a yoga club, a basketball club, a jogging club, and a coffee bean roasting club, giving employees a chance to make their lives more fulfilling in their spare time. Our company also offers a budget for subsidies and volunteer leave to encourage employees to participate well for physical and mental health and social activities.

4.6 Rights Maintenance, Respect for Differences

We expect to develop a friendly and happy workplace without any difference due to age, appearance, race, gender, political viewpoint and religion. ATEN established "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" in accordance with minimum standard of "Labor Standards Act", "Act of Gender Equality in Employment" and other laws to protect employees' basic rights and welfare.

We agree that invisible discrimination and acquiescent bullying result in reduction of corporate productivity. We have developed various facilities and invisible systems to satisfy diversified demands from each employee and respect their differences. Therefore, that's the only way to respect and cooperate between employer and employees in order to make progress for corporate and talented people.

›Capital-labor meetings are held regularly

ATEN follows relevant regulations and holds regular labor-management meetings to serve as the platform for communication of opinions between the two sides. Labor representatives can submit employee opinions to shareholders' representatives directly through the meetings. 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 labor-management relations. No major labor management disputes have occurred so far.

›Employee Assistance Programs

We value the need of every employee and understand that people will encounter all sorts of troubles or problems at different stages of their lives. We have implemented "Employee Assistance Programs" (EAPs) and cooperated with a professional consultant firm since 2014 to offer an active listening, professional and attentive, objective and comforting assistance channel that our staff need.

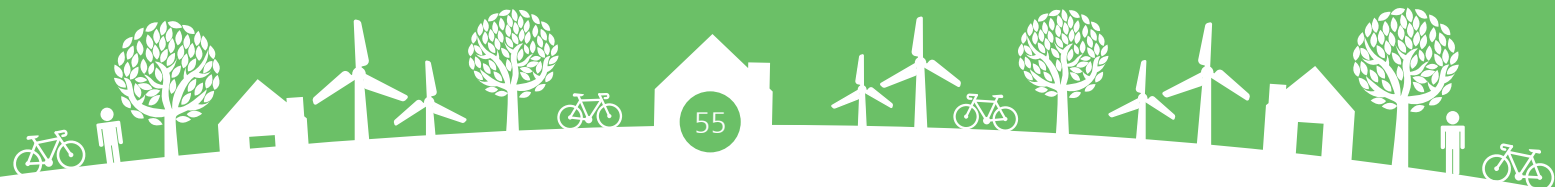
EAPs-Happiness Enterprise and Friendly Workplace



5

Active Social Participation

- 5.1 Caring about Education
- 5.2 Community Relations
- 5.3 Environmental Protection
- 5.4 Overseas Record



Of the 17 United Nations Sustainable Development Goals, at least 7 can be improved through active social participation by enterprises. ATEN's social participation activities that involve care and support for poverty-stricken students, senior citizens, and disadvantaged families can directly or indirectly realize the four goals of "No Poverty", "Zero Hunger", "Good Health and Well-being" and "Quality Education". On the other hand, activities like beach, mountain, or street cleanups, butterfly garden restoration, and wetland adoption shows our active work on the goals of "Climate Action", "Life Below Water", and "Life on Land".



ATEN is deeply aware of the role corporations play in society – they are not only entities for making profits for shareholders and creating job opportunities for its employees; rather, they also impact communities, the environment, and even the wider global village. Therefore, we continue to show our caring for people and the environment through the "ATEN CSR Group", "ATEN Volunteer Club", and the "Ching-Tang Educational Foundation". Through the united efforts of the three sides as well as teaming with the civil, enterprise and government sectors in Taiwan and around the world, ATEN will do its part to help achieve the 17 UN Sustainable Development Goals by 2030.

It is estimated that in the eleven years between 2006 and 2016, ATEN has donated more than NT\$23 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.

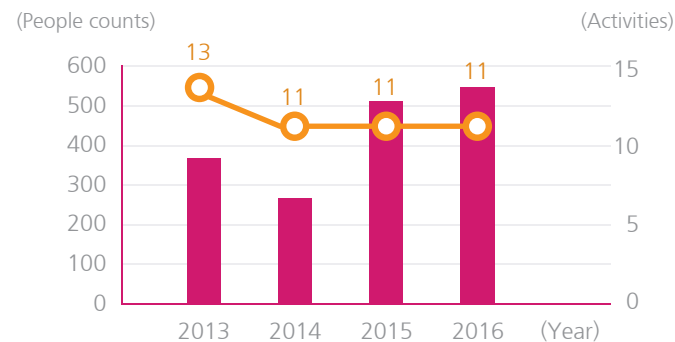
The Ching-Tang Educational Foundation and ATEN Volunteer Club are two of ATEN's major organizations that carry out donations to the needy and various charitable activities. The Ching-Tang Educational Foundation was established in 2001 with the aims of nurturing young talent and providing educational assistance. The foundation has been active in activities related to rewarding culture and physical education, and has provided a great deal of help to regional schools.

The ATEN Volunteer Club was established by ATEN employees voluntarily at the end of 2012 under the company's promotion of CSR concepts and support of tangible assets. It integrates man power and organizes activities systematically with the aims of striving for "Juvenile Probation", "Environmental Restoration", "Care for the Disabled", and "Care for Women and Children". In 2016, the Club held a total of 11 volunteer activities with participation of 550 volunteers, 274 of whom were ATEN employees. The club's four years of operation not only fully shows the volunteers' passion and power, but also the ability of the club to find more innovative and efficient ways to work earnestly in the area of corporate social responsibility together with the company.

ATEN's actions and direction in social participation have gradually become more systematic and organized over the years. We hope we can have more influence and bring more attention to the environment and the most warmth to the people we care about.



Activity statistics of the Volunteer Club over the years



5.1 Caring about Education

ATEN's involvement in social welfare has involved education since the beginning. We wish to be able to help children in their formative years to ensure positive character development despite different family backgrounds or environments, which can sometimes results in children developing a sense of abandonment, leading to social and family problems. Timely care and support provided by enterprises and public interest groups can help children to develop a correct outlook on life and find the value of their existence when they reach adulthood, at which point they will emulate the encouragement and help them received in the past and give back to society themselves.

In response to Goal 4 of the 17 UN Sustainable Development Goals (SDGs), "Quality Education", ATEN has listed this goal as one of our long-term, strategic CSR directives, striving towards "ensuring non-discriminatory, fair, and high quality education, and the promotion of lifelong learning".

➤ Paperwindmill's Anti-Drug Show Sponsorship

On June 15, 2016, the Ching-Tang Educational Foundation invited the Paperwindmill Theatre to perform an anti-drug stage show called "Saving Faust" for the second year at the gymnasium of New Taipei Municipal Xiufeng Senior High School for local junior high school graduates from the four schools of Xiufeng, Qingshan, Xizhi, and Jhangshu. The show was specifically tailored for teenagers, using their slang and topics related to their life to remind them of the pitfalls of drug use in both a serious and sometimes humorous manner.

Number of Beneficiaries: 2000



➤ "Global Kids Junior Monthly" Magazine Donation

For the third year, ATEN participated in the Commonwealth Publishing Group's initiative "Charitable Delivery of the 'Global Kids Junior Monthly'". Through this initiative, which 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 and remove the opportunity gap between kids in rural and urban areas. ATEN also donated a year's subscription to "Global Kids Junior Monthly" magazine to 100 elementary schools in New Taipei City with fewer than 26 classes in an effort to provide assistance to schools with relatively few resources. The Monthly is an excellent magazine containing subjects related to English, math, history, geography, science, arts, and humanities with Bopomofo and lively illustrations that helps children to develop a love of reading. The past two years' donations have been well received by the teachers, parents and students alike.

Number of Beneficiaries: A total of around 10,500 students from grades 1-3



➤ Donation for After-school Support Programs in Yunlin Gukeng Elementary and Junior High School

Gukeng Elementary and Junior High School is located in rural Yunlin County with many of the students coming from single parent, skipped generation, foreign spouse, and low income families. As many of these children do not have a stable home environment, we often worry about their academic achievement and character development. In order to give a warm place to study to students in need of guidance and counseling in their academic performance and daily lives, the school's principal initiated the "Firefly Class Program" in hopes that through integration of resources and the children's own efforts, the future of the children can be changed – just like newly emerged fireflies with twinkling lights. The wife of the ATEN Board Chairman (who is also the president of the Volunteer Club) made a personal donation to support expenses needed for Gukeng Elementary and Junior High School's "Firefly Class Program" in the form of dinners, after-school classes, and teaching materials. Over the past 4 years, students have all performed well in the areas of character, schoolwork, and the development of talents & skills. They have also garnered good standings in many regional competitions. In 2016, a student, Yao Li-Wen in the Junior High School Division, won the second place in the President's Cup Boxing Championship, which is also a best case of success in the face of adversity. Principal Chen Yu-Lin mentioned that a kid like Li-Wen, if he did not receive care from the school or people around him, he might have gone astray in life. However as long as we are willing to give a bit more warmth to those students in need of care, we believe they won't become hidden problems in society. Owing to the disadvantaged students' determination to not give up on themselves up and work hard, they can find a place to develop their potential.

Number of Beneficiaries: 41



➤ Poverty Relief Education Subsidies and Emergency Relief Grants

Each year the Ching-Tang Educational Foundation is offering scholarships and emergency relief grants to students enrolled in public elementary schools and high schools in Xizhi who demonstrate financial need. This is done in the hopes that the scholarships can encourage economically disadvantaged students to work hard toward their goals and to make a contribution to society. For students facing emergencies, grants are also provided to help them get through hard times.

Number of Beneficiaries: 496

➤ Donation to Xiufeng Elementary School Education Foundation

Xiufeng Elementary School is the largest elementary school in the Xizhi District of New Taipei City. It currently has more than 70 classes and over 2000 students enrolled. ATEN has made many contributions to the school over the years and in 2007 donated related equipment for the ATEN Astronomy Education Building to make astronomy education a feature of the school. Meanwhile, for the purpose of expanding available resources for teaching and enriching students' learning scope, ATEN appealed to prominent people in the region and in the field of education to pool funds for the founding of Xiufeng Elementary School Education Foundation. Chairman Chen of ATEN serving as Chairman. The Foundation donates every year and also raises funds from outside donors to organize meaningful activities like Parent-Children Star Gazing Astronomy Camp, Pottery Summer Camp, Reading Promotion, and Club Art Exhibition that add variety to the learning experience of the students.

Number of Beneficiaries: 2000



➤ Donation to NTU Low Income Scholarship Sustainable Development Fund

The purpose of this donation was to help economically disadvantaged students at Taiwan's highest ranking educational institution – National Taiwan University – by easing their burden both academically and economically and give them a chance to study without worry and contribute back what they have learned to society after they complete their professional training. ATEN donated NTD 300,000 to be used as NTU Low Income Scholarship Sustainability Fund. The goal of the fund is to raise NTD \$1 billion and set the total amount as the principal that is never going to be used and each year 4% of the interest will be allocated in helping low income students at NTU with grants for projects like "Hope Meals", "Learning Material", "Peaceful Lodging", "Study Subsidy", and "Love Grant" to give those students working part time to support their families and themselves some space to breathe.

➤ "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 an outstanding academic performance, the Ching-Tang Educational Foundation gives out the "Diligent Study Awards" right before the graduation season each year. The award comes with a book coupon to one student selected from each class at all public schools in Xizhi.

Number of Beneficiaries: 116



5.2 Community Relations

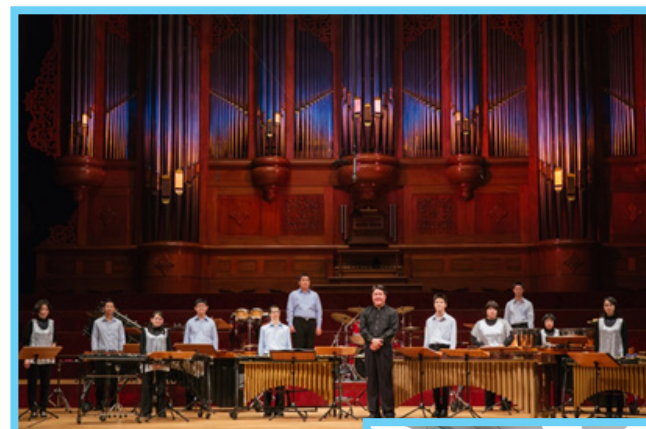
With "Caring with respect" as one of its core corporate values, ATEN has dedicated itself to helping people needing our care and help. Whether it is senior citizens living alone, the elderly, differently abled, or poverty stricken families and other disadvantaged groups, we make every effort to care for all those that are in need in Taiwan to create more harmonious community relations. The three sustainable goals of "No Poverty", "Zero Hunger", "Good Health and Well-being" in the SDGs have been implemented in the community care activities held by us.

› Sponsoring Polar Light Percussion Group

The Polar Light Percussion Group was formed in 2004 by Deputy Director Ho Hong-Chi of Ju Percussion Group after he marshaled members with visual, hearing, physical or mental disabilities and autism to go transcend their limitations. The goal is to help these differently-abled individuals to broaden their scope and level of participation in society.

When ATEN first learned of Polar Light, we were moved by the passion and persistence of Ho Hong-Chi. He rented a place not big in size in Zhonghe to serve as the rehearsal studio. In the narrow space scattered with various percussion instruments he led a group of members that had in some way retreated from society either actively or passively. Even with a tight budget and the challenges of helping the members to perform, Mr. Ho has never thought of quitting. After many years of hard work, Polar Light Percussion Group finally made it to perform on the stage of Taiwan's premier concert venue, the National Concert Hall, at the end 2015, where it won sincere and thunderous applause from the audience on the floor.

The selfless, decade-long contribution of Ho Hong-Chi to Polar Light Percussion Group not only brings a ray of hope that serves as a turning point to more than 50 families, it also shows the meaning of education in a positive light to society. ATEN is extremely appreciative of Polar Light's efforts for the disadvantaged. Therefore, starting from 2016, ATEN routinely pays the rent for the rehearsal space allowing them able to extend their idea from the base in the north to central and southern Taiwan. From Polar Light Band One to Band Two, to Band Three and Little Polar Light to give more people who are differently abled a chance to know themselves again in the area of percussion music and let their families and the outside world see the power of rebirth.



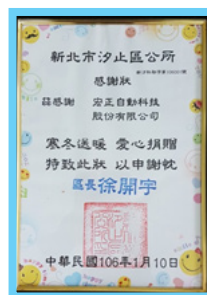
➤ Giving Warmth on Three Major Traditional Chinese Holidays

Continuing the practices of the past several years, ATEN hopes to bring warmth during the three major traditional Chinese holidays of Lunar New Year Festival, Dragon Boat Festival, and Mid-Autumn Festival to aid the socially disadvantaged. With the careful arrangements by the company and employees, we can provide the elderly living alone or disadvantaged families substantial support and spiritual comfort.

Lunar New Year Festival

The Xizhi District Office and Ruifang District Office will give goods and materials and meal subsidies to the elderly who are poverty-stricken and living alone before the Lunar New Year. ATEN takes part in the activity and selects delicious meals, handy souvenirs and warm supplies that include ginseng chicken soup, instant oatmeal, hand warmers, beanies, wool socks, scarves, and candied dates for the Lunar New Year Festival under the careful planning of the ATEN Volunteer Club to meet the actual needs of the elderly living alone. The hope is that the recipients can feel the care of society and have a warm Lunar New Year Festival.

Number of Beneficiaries: 35



Mid-Autumn Festival

Around Mid-Autumn Festival, the ATEN Volunteer Club invited coworkers to show care for the disadvantaged by buying moon cakes and donating them to disadvantaged families, economically disadvantaged families and the elderly living alone through the Qixing Social Welfare Center of New Taipei City Government, Xizhi District Office, Taiwan Fund for Children and Families and Old Five Old Foundation. With coworkers' active participation, we raised 410 boxes of moon cakes in total that gave the Mid-Autumn Festival a warmer atmosphere.

Number of Beneficiaries: 410



Dragon Boat Festival

On the eve of the Dragon Boat Festival, the ATEN Volunteer Club initiated a "Donate Gift Boxes" activity by buying Down Syndrome Gift Boxes from ABRAZO Sheltered Workshops operated by the ROC Down Syndrome Foundation. Doing so can give individuals with Down Syndrome a chance to support themselves. We also managed to send 275 boxes of materials that included whole wheat noodles, spaghetti, cold noodle sauce, Rice and Wheat Roll, canned handmade cookies, and Plumule & Sesame Square Cookies raised in the activity to high-risk families in Xizhi, single-parent new immigrant families and those economically disadvantaged families residing in Qixing Area through the New Taipei City Xizhi District Office, Taiwan Fund for Children and Families (Xizhi) and Old Five Old Foundation at Xizhi.

Number of Beneficiaries: 275



What is a high-risk family?

A high-risk family refers to a family with children and youth under the age of 18 and when the family is faced with a major emergency, family members would clash with each other often. Or when there are family members with mental diseases or drug or alcohol addiction without getting medical help and end in economic difficulties. Or the bread winner met with a major accident before, no one to take proper care of the children, or even a member committing suicide and other critical incidents leading to very high likelihood of children safety, domestic abuse and sexual harassment cases and the family lacks sufficient support and systematic intervention to help deal with the ensued crisis.

Donation of Cancer Screening Material to Xizhi District Office

In order to assist the public sector in promoting cancer-screening health activities for the elderly in local communities in the hope of early detection and early treatment to reduce medical burden on society, the company donated low sodium soy sauce, toothpaste, and detergents for a total of 3000 pieces as gifts at cancer-screening activities held by the 38 neighborhoods of Xizhi District Office to encourage people to take part in the screening events.



› Syin-Lu's "Hiking Together" Activity



For four 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. We encourage our employees with the incentive that for each 1 kilometer they walk, ATEN will make a donation of NT 10 dollars to help raise funds for the Syin-Lu Social Welfare Foundation. The Syin-Lu Social Welfare Foundation helps those with intellectual development disorders, autism, Down Syndrome,

cerebral palsy or those with multiple disabilities accompanied by intellectual development disorders. The purpose of the activity is to help individuals with intellectual development disorders interact naturally with families as well as to promote hiking as a healthy activity. In collaboration with Syin-Lu, the ATEN Volunteer Club planned a hiking activity along the Xizhi River Bank on Mar. 19 and called for coworkers to take part in it for their own health as well as engaging in a charitable event. Even though it rained heavily that day, the passion did not subside, with 147 people taking part in the activity. ATEN donated NTD 50,000 at the end to sponsor this hiking activity.

› Aging Awareness and Senior Sensitivity ~ Accompanying the Elderly Living Alone to Purchase

In response to the Five Old Five Foundation's initiative to accompany the elderly living alone to purchase goods at PX Mart with PX Mart donated gift vouchers, 9 ATEN volunteers responded to the call with the company's paid leave for community volunteering services, and accompanied mobility-impaired senior citizens for a half-day event of shopping and dining at Shenkeng. On that day the volunteers adopted a one-on-one approach to accompany the elderly by either helping them walk or pushing them in a wheelchair all the way through picking up the stuff they needed, getting on and off the bus, engaging in conversations, and dining together. During the process, the senior participants showed radiant smiles and excitement, showing us that the help and accompaniment might mean nothing significant to us, but it meant a lot to them.



› Aging Awareness and Senior Sensitivity ~ Asia Best Healthcare Nursing Home

In response to the New Taipei City Government's "Elderly Care Depository Program", ATEN expects that through the power of corporate volunteers, we can put needed human resources into the aging society and provide companionship and assistance to the elderly in the community.

In 2016, ATEN worked together with Asia Best Healthcare Nursing Home in Xizhi to conduct a total of two volunteer services with 19 people involved. With the support of the company's half-day "paid leave for employees to volunteer", volunteers paid a visit to Asia Best Healthcare Nursing Home in Xizhi to show their care and help in rehabilitation work. We took care of the elderly needing rehabilitation and day-time care in the nursing home and helped them walk up and down the stairs in addition to services like guiding them to do fall-prevention exercises, accompanying the elderly, and feeding them. During the volunteer services, ATEN volunteers wore blue vests which looked full of spirit. Afterwards, our volunteers got along with the elderly very well after feeling unfamiliar at the beginning. With the smiles, caring words, walk assistance, encouragements and so on, the seniors gradually opened their hearts to the volunteers. It was quite evident from their expressions that our companionship helped a lot in elevating their moods after enduring loneliness and frustration for quite a long time. Our coworkers could also get a sense of achievement from the feedback of the elderly as manifested in their smiles and excitement.



At the end of the event, all the volunteers and social workers at the nursing home shared their ideas of serving together and discussed the idea of "combining ATEN's R&D technology and expertise with the needs of life of the elderly to create assistive devices or technological products beneficial to the elderly" that the company wished to promote. All of the volunteers taking part in the two services expressed they gained a lot in the event. In the face of the increasing aging population in

Taiwan, the ATEN Volunteer Club will continue its Aging Awareness and Senior Sensitivity service in the hope of getting more people under ATEN's care and making them feel the warmth of society during the process. ATEN volunteers will also continue to use elements like "listening", "empathy", "respect", "care", "consolation", "love" to treat the elderly to know their needs and share their feelings as well as resort to companionship and interaction to soothe their lonely and easily frustrated emotions to provide stabilizing power for the quickly aging Taiwan society.

› Combining Employee Relations with CSR ~ Movember



Gender equality has been an issue discussed by people for quite a long time with emphasis mostly on fighting for women's rights. However, there have been few activities concerning men. HR's Learning Development Department wielded its creativity and made use of "Movember" held in Australia each year as the topic to use "moustaches" to care about male coworkers by unfolding a series of projects. After discussion by the CSR team, this employee relations activity moreover combined charitable donations and no-smoking promotion to make the event

even more meaningful and achieve the multiple effects of "boosting employee relations", "promoting gender equality", and "carrying out corporate social responsibility activities".

Contents of the activity include:

- 💋 "Promotion of men's health issues" → Providing men's health information to remind them to pay attention to their own physical and mental wellness.
- 💋 "Care reminding" → Reminding ladies to take more care of the men around them.
- 💋 "Participation" → Those who take part in "Run off at the Moustache" by growing a moustache will receive a donation of NTD 1,200 per person from the company.
- 💋 "Professional moustache guidance" → Providing GQ Comfy Moustache Maintenance Seminar to participants + one one-on-one exclusive GQ stylist moustache trimming service.
- 💋 "Voting" → Coworkers taking part in "Macho Moustache Man" election will receive a donation of NT 10 dollars per ticket from the company. Each person can have up to 3 votes.
- 💋 "Promotion of tobacco hazards prevention" → John Tung Foundation will share knowledge related to diseases commonly seen in men and the hazards of tobacco smoking with coworkers.
- 💋 "Engaging in charitable events" → The company will donate to John Tung Foundation in collaboration with the activity.

The month-long "Let's Run off at the Moustache" event proceeded with vitality and excitement to successfully enhance company atmosphere, health education and promotion of CSR ideas. Moreover, with more than 200 coworkers taking part in the event, the company donated NTD \$88,500 for use by John Tung Foundation to advance our national health.



The origin of Movember:

Movember (a portmanteau of the Australian-English diminutive word for moustache, "mo" and "November") is an annual event involving the growing of moustaches during the month of November to raise awareness of men's health issues. In 2004, a group in Melbourne, Victoria organized an event where 30 men would grow a moustache for 30 days in order to raise awareness for prostate cancer and depression in men. (Wikipedia)

› Donation of Wheelchairs to Remote Areas



In 2016, the company started to launch an assistive devices donation program called "Care for those with difficulty walking to send you love", the main purpose being to donate wheelchairs and crutches to remote areas with no sufficient resources for them to provide to patients with walking difficulties. This program will be one of ATEN's continued donation programs and the aim is to spread ATEN's care to every place that really needs it. This time, ATEN donated 20 wheelchairs in total to Matsu, Lanyu (Orchid Island), and Jianshi Township, Hsinchu County. During the shipping coordination process, we also received support from Shinhwa Shipping who shipped wheelchairs to Matsu free of charge through the Taima Star to give people in the area a chance to get help more quickly. The donations to Matsu and Orchid Island were also ATEN's first experience in extending our care from Taiwan proper to offshore islands.

➤ Sponsoring Yueqin Folk Music Festival



2016 was the sixth year Yueqin Folk Music Festival was held and was also the sixth time the Ching-Tang Educational Foundation sponsored this event. The Yueqin Folk Music Festival, held in September at the Beitou Hot Spring Museum, rolled out not only the routine exhibition, music concert, painted yueqin display, and seminar, but also a "parent-child yueqin music concert + yueqin painting DIY" activity. The activity

started from yueqin performance to fables telling by members of Taiwan Yueqin Folk Music Association to give parents and children a chance to know and enjoy yueqin music together. Also children had the chance to try to paint on planks shaped like little yueqins, combining education with entertainment. The hope is that through contacts and enjoying yueqin music, the young generation can play a role in passing down local culture and carry it forward. We 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.



➤ Thank You Party for Volunteers from Public and Private Schools in Xizhi District

The Ching-Tang Educational Foundation invited volunteers, teachers, and principals from various private and public schools to a thank you party to express our appreciation for the efforts of the volunteers as they used their own time and effort to make school education proceed smoothly and ensure safety of the students. The foundation gave volunteers from various schools certificates of appreciation, gift certificates, and boxed meals. Also, the Jhangshu International Creative Technical School's samba drum team was invited to perform dressed in aboriginal clothing. We hope that this good spirit will continue long into the future.

Number of Beneficiaries: 250



➤ Donation to Care Program for Families of Children with Intellectual Disabilities

The Children Are Us Foundation has been helping people over 15 years old with mental disabilities for a long time. With over 60 outlets around Taiwan like workshops and childcare institutions as training places, the foundation works hand in hand to plan practical counseling and learning sessions to help children with intellectual disabilities to be more self-reliant in the future. In the face of the approaching urgency of the twofold issues of people with mental disabilities and their primary caretakers getting older, the Children Are Us Foundation specifically initiated "Care Program for Families of Children with Mental Disabilities" to raise funds for 2017 expenses that cover health management, daycare, night time care, lifetime care, daily activity training, academies for children with mental disabilities, family support, and seminar promotion.



Based on the company's "Caring with respect" core value to help the disadvantaged, ATEN donated NTD \$200,000 to this program and discussed with the foundation about opportunities for volunteer participation, procurement for charitable causes, charity shows and so forth in the hope that more help could be provided to people with mental disabilities.



Health Management



Daycare



Home for the Night



Daily Activity Training



Academy for Children
with Intelligence Disability



Family Support



Lifetime Care

5.3 Environmental Protection

➤ Fulong Beach Cleanup



Goal 14 of the 17 UN sustainable development goals (SDGs) is Life Below Water. Starting from 2012, ATEN has adopted a beach that stretches for over 360 meters in front of the Dongxing Temple in Fulong, Gongliao District, New Taipei City from the Northeast and Yilan Coast National Scenic Area Administration with the aim of fulfilling its commitment to environmental protection. This is the sixth year of our commitment.

Issues such as overfishing, habitat destruction, wastewater release, garbage pollution, or global warming lead to a marine ecological catastrophes, and it always needs a tremendous amount of time to restore to afflicted beaches. In some case, they cannot be restored at all. Despite strong efforts, the effect of "beach cleanup" on improving the marine environment is limited because the area covered is not big enough, but it is still the most direct way to instill the concept of conservation of the marine environment in people. Of the various kinds of man-made waste picked up by volunteers on the beach, part of the garbage discarded at random by people on land will flow into the ocean and some of it will flow onto the beach. If we cannot control it from the source, we cannot have a clean beach no matter how many beach clean-ups we have and how often we do it.



Moreover, most garbage sinks to the bottom of the sea or floats in the sea, like plastic particulates. Even if they are tiny in size, they will come back to the human body silently through the ecological circle in the food chain and cause damage to humans. An important concept of marine conservation like this can be rooted deeply in the minds of people from the actual experience of beach cleanups and accompanying education and promotion.

Therefore, while arranging beach cleanup work, we also try to contact different social groups like the ROC Down Syndrome Foundation, senior care centers, and suppliers to give more people the chance to join. The goal is not only to bring together a group of people to get rid of garbage on the beach, but to spread the concept of conservation of marine ecology to more people to have a greater impact.

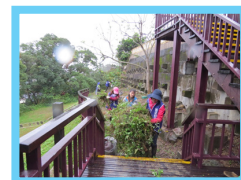
➤ Tree-planting and Weeding ~ Building a Sustainable Home for Butterflies

Jiannan Butterfly Garden and Jiannan Butterfly Trail located in Neihu District, Taipei are hard-to-find conservation sanctuaries in Taipei City because of their rich butterfly ecological resources, making them the best places to conduct ecological education for schools in the greater Taipei area. The ATEN Volunteer Club is now in its fourth



year of cooperation with the Butterfly Conservation Society of Taiwan, holding activities like planting nectar plants, removing invasive non-native harmful plants, and putting up signs describing plant species on weekends. With the guidance and introduction of instructors from the Butterfly Conservation Society, the participants came to know many different species of butterflies, understand the ecological environment needed for butterfly growth, and witnessed the destruction brought by invasive non-native plant species like Mikania Micrantha on the habitat of nectar plants. At the same time of physical hard work they could also bring rich butterfly ecology and environmental conservation knowledge to the volunteers and their families.

There are over 150 species of nectar plants and host plants in the butterfly garden. But as most of them do not have educational signage, the company paid for the production of 27 boards for major plants there to give visitors young and old a chance to educate themselves. Besides the basics like scientific name of the plant and its features, on each board are also butterfly-related pictures to give the visitors a chance to learn the relationship between plants and butterflies.



This is a substantial contribution to Goal 15, Life on Land – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss of the 17 UN Sustainable Development Goals.

5.4 Overseas Record

ATEN's overseas sales branches all responded to the HQ's CSR actions by implementing CSR activities freely of their own accord.

➤ China – Sales Subsidiary Company, "Protecting blue water and blue sky, managing a green home" Street Cleanup Campaign



2016 was the fourth year for ATEN's China sales subsidiary company Beijing ATEN Tenda to use "Life on Land" as the main theme to carry out waste cleanup activities to protect the environment. The topic was "Protecting blue water and blue sky, managing a green home", the street

cleanup activity taking place in Jiangli Village, Xingshou Town, Changping District, Beijing. The reason to initiate this activity was based on the rapid population growth in Beijing that has led to a huge increase in the amount of daily garbage produced.



Therefore, how to scientifically and effectively classify garbage and raise the awareness of people on the importance of garbage classification has become an important task.

Volunteers from ATEN China picked up and cleaned garbage along the two sides of roads connecting the city and the township. After all the garbage was gathered together, pedestrians were invited to take part in garbage sorting, and tasks like weighing, recording, and removal of the garbage were done while promoting useful environmental protection tips to the participating pedestrians at the same time. The event's purpose was to engage more than 40 people in the task of implementing "Corporate Social Responsibility" through actual involvement and promotion. Not only did ATEN employees taking part in the event learn something, they were also able to extend the influence to their families and friends so as to enhance overall attention to environmental protection.

垃圾分类记录表 (kg)		
废纸	报纸、各种包装袋、办公用品、广告纸、大纸箱等	2.5
废塑料	各种塑料制品、塑料瓶、塑料桶、塑料盆、一次性塑料餐具等	3.2
废金属	易拉罐、铁罐、废铁、废铝等	0.8
废玻璃	各种玻璃瓶、玻璃杯、镜子、灯罩等	4.5
废织物	废弃衣服、毛巾、鞋、袜子等	1.5
其他垃圾	除以上垃圾外的其他垃圾、果皮、菜叶、剩饭菜等	3.0
总重量		16.5



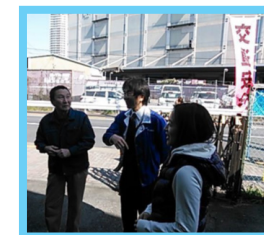
➤ Japan – Sales Subsidiary Company, "Traffic safety promotion program"

ATEN Japan, located in Minami-senju, Arakawa-ku, Tokyo, routinely holds traffic safety activities every year. Seasonal activities such as flower viewing, Golden Week activities, and



year-end parties contribute to the increase in traffic as well as increased cases of drunk driving. To reduce traffic accidents, residents and businesses in Minami-senju find occasions in Spring and on specific days in Autumn to remind pedestrians of traffic safety through promotion on the streets during the morning rush hour. ATEN Japan also responded to the call from the Traffic Safety Headquarters of Sumidagawa Peace Society by taking part in the promotional activity. Our volunteer coworkers

readied themselves early at 7:00 in the morning by wearing "traffic safety" hats and ATEN uniforms and observed the road condition earnestly to remind pedestrians and cyclists not to look at their cellphones while walking, not to drive without lights on, and not to take passengers. To a Taiwanese company like ATEN, the cooperation with a local charitable organization has once again been deepened. It also represents a propagation of the CSR idea to expand the influence of this good deed.



► Belgium – Overseas Charity Record of ATEN's Sales Subsidiary Company

The company's sales subsidiary in Belgium, ATEN Infotech, fully supports the headquarters' CSR policy and makes use of different ways like monetary donation or volunteering to implement CSR.

't Weyerke ~ Charitable Organization

This is the third year for ATEN's subsidiary in Belgium to support the program by donating €2000 to 't Weyerke, a local charitable organization that raises funds for disabled people. The donation would be used for expenditures like the training of disabled people, planning of permanent housing, and administrative expenses of the organization.



Dracula Hunt ~ Assistance to Romanian Orphans

Coworkers in the Belgium subsidiary and its clients raised funds through Dracula Hunt (a Halloween parade) to support Romania Committee of Diest, a charitable organization located in Belgium that helps Romanian orphans to find a foster home.



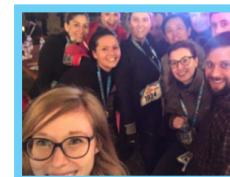
Red Cross ~ Red Cross Blood Donation

In response to the Red Cross' call, 7 coworkers from the Belgium subsidiary took part in a blood donation in 2016.



Warmathon Hasselt Donation

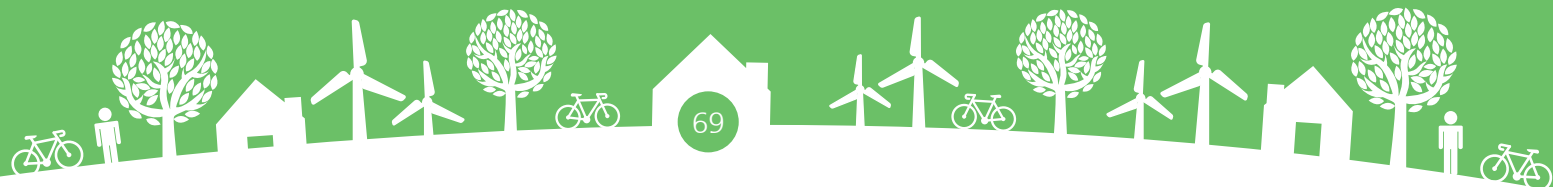
The Belgium subsidiary made a donation of €240 to the charitable organization Warmathon Hasselt to support the achievement of more than 1,000 good and heartwarming deeds.



6

Sustainable Environment Commitments

- 6.1 The ATEN Green Management System
- 6.2 Climate Change and Greenhouse Gas Reduction
- 6.3 Green Products
- 6.4 Green Supply Chain Management
- 6.5 Green Training and Promotion



The company is deeply aware of the mission and responsibility it should take on for environmental protection issues and in response to the 17 UN Sustainable Development Goals (SDGs) of 2016, we made them the direction the company needed to strive for in the area of sustainable development. Besides abiding by the government's environmental regulations, more attention is paid to development and responses to environmental issues by actively adopting environmentally friendly actions. 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.

Meanwhile, with great drive and commitment, ATEN actively pursues and implements environmental management activities on all fronts. In 2006, we introduced an ISO 14001 environmental management system. Through putting environmental protection into actions compliant with related government environmental regulations, pollution prevention has also been carried out and in turn increased all of our employees' awareness of their environmental responsibility. Moreover, we started to promote a greenhouse gas emissions investigation in 2010 and set up an internal investigation mechanism based on ISO 14064-1 standards at the same time to actively engage in voluntary greenhouse gas emissions investigation tasks. The continued investment in energy conservation programs and elevation of energy use could reduce the impact on the whole environment, which also contributed to our passing a third party ISO greenhouse gas verification in 2016. Through participation by all the employees and corporate commitment, we have achieved the goals of environmental protection and corporate sustainable development.



› Vision and Planning of Environmental Sustainability Management

Through continued performance maintenance, promotion of management mechanisms and establishment of systems to combine environmental cooperation between society and businesses as planned in different stages, we can gradually achieve the short-term, medium-term, and long-term goals of sustainable development.

- Voluntary inventory of greenhouse gas emissions
- Lighting and energy saving for offices and plants
- Equipment upgrade project
- Introduction of enterprise cloud application platform
- Air conditioner energy efficiency improvement program

2010~2013

- Promotion of Complete Workflow Standardization
- Received National Standardization Award from the MOEA
- Lean Manufacturing Promotion Project
- Innovative Proposal Enhancement Project
- Conflict Materials Reporting

2014~2016

- Third party verification of greenhouse gases
- Attending various environmental protection seminars held by the government
- Promotion of energy saving & carbon reduction and training programs
- Waste recycle and resource reuse
- Reducing use of disposable tableware
- Environmental regulation identification and risk assessment consideration
- Introduction of power-consuming element layout and design in products
- Designing product packaging that is more eco-friendly and energy-saving

2017~2019

- Product carbon investigation
- Carbon management
- A Green Zone set up on a company internal website to provide strategies and information on carbon reduction, energy saving, fighting global warming, implementation of waste reduction, and resource (asset) recycle/reuse
- Continued promotion and training of environmental awareness to achieve a green office environment
- Continued development of low power consumption KVM products
- Development of new-generation ASIC that is more energy-efficient

2020~

Quantitative Environmental Goals & Continued Action Programs

Top 3 Environmental Issues in 2016 (1) Environmental Management (2) Energy Risk (3) Waste Management

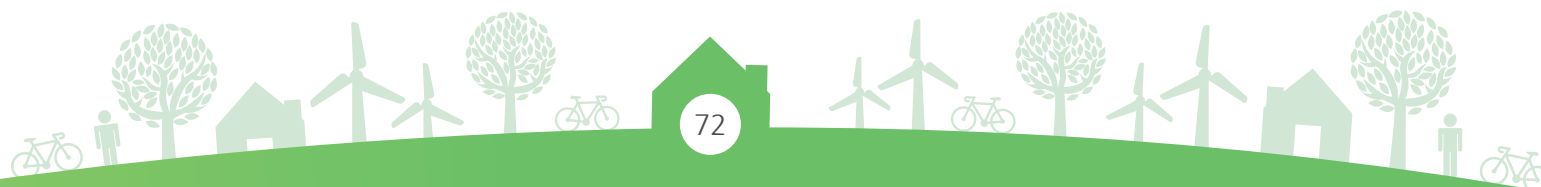
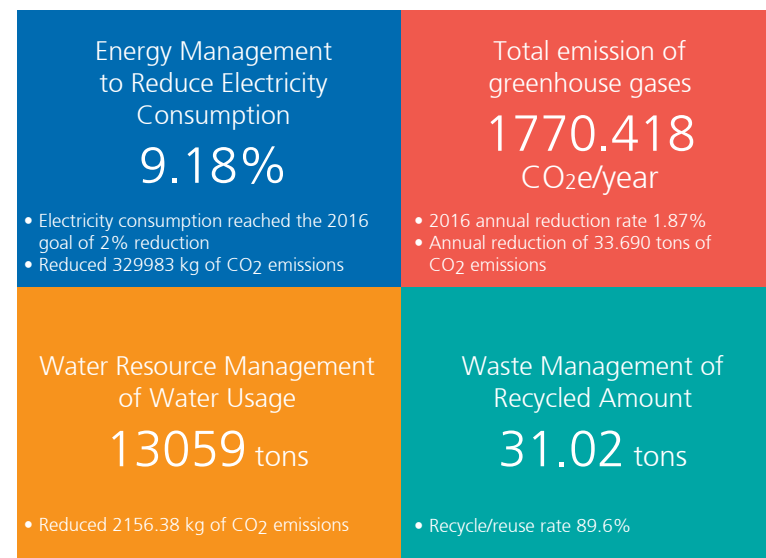
Environmental Issue	Goal	Measuring Index	2016 Performance Description	Continued Action Programs (2017 Goals)
Environmental Management	Compliance with government environmental regulations	Less than 1 case of regulation violation	No regulation violation	<ul style="list-style-type: none"> • Routine identification of regulations • Identification and inspection of the environmental aspect • Internal & external communications and risk assessment
	Passing ISO 14001:2004 environmental management system verification	Passing external verification and getting the certificate	Passed verification and got the certificate on Dec. 08, 2016	<ul style="list-style-type: none"> • Passing ISO 14001:2015 verification • Enacting environmental management plans and management inspection • Rolling out internal audit activities
	Passing ISO 14064-1 greenhouse gas verification	Passing external verification and getting the certificate	Passed verification and got the greenhouse gas verification certificate in May 2017	<ul style="list-style-type: none"> • Annual emissions 0.5% lower than the previous year • Continued verification by a third party notary
	Hazardous material management & inspection and supplier promotion More than 90% response rate from vendors compliant with RoHS 2.0	Achievement rate of supplier reporting replies	Vendor response rate reached 92%	<ul style="list-style-type: none"> • Continued focus on RoHS regulations • Survey of vendor compliance with REACH SVHC 173 items
	More than 75% response rate of conflict materials reporting from vendors	Achievement rate of supplier reporting replies	Vendor response rate reached 81%	<ul style="list-style-type: none"> • Continued update of CSFI requirements • Surveyed vendor response rate reaching 85%
Energy Risk	2% power consumption reduction compared to 2015	2% power consumption reduction compared to 2015	Annual electricity consumption reduced by 9.18% compared to 2015	<ul style="list-style-type: none"> • Continued monitoring of energy risks • Continued promotion of energy saving, carbon reduction implementation programs
Waste Management	Waste material recovery and reuse rate	Recovery rate above 90%	Annual recovery rate 89.6%	<ul style="list-style-type: none"> • Continued promotion and education of employees • Implementation of more than 90% waste recycle rate

› Results of Sustainability Actions

1. ATEN's R&D teams used innovative hardware heat dissipation design to reduce use of fans and reduce product energy consumption and implement packaging reduction design.
2. Continued promotion of approaches and policies superior to hazardous material management that comply with EU REACH regulations and requirements enacted by European Chemicals Agency (ECHA). ATEN introduced supplier survey and disclosed information on if any substance of very high concern (SVHC) was used during the product manufacturing process as well as provided customers products superior to hazardous material management requirements to become the best green product partner of the customer.
3. Strengthened internal green environment education activities, elevated employees' concept of energy saving and carbon reduction as well as continued promotion of various energy-saving programs.
4. Continued promotion of energy management policies and elevated equipment efficiency through periodic monitoring and review, sought energy saving improvement approaches and opportunities.
5. Continued with green supply chain, elevated degree of recognition of corporate social responsibility by suppliers as well as strengthened awareness of labor rights like that of conflict minerals reporting.

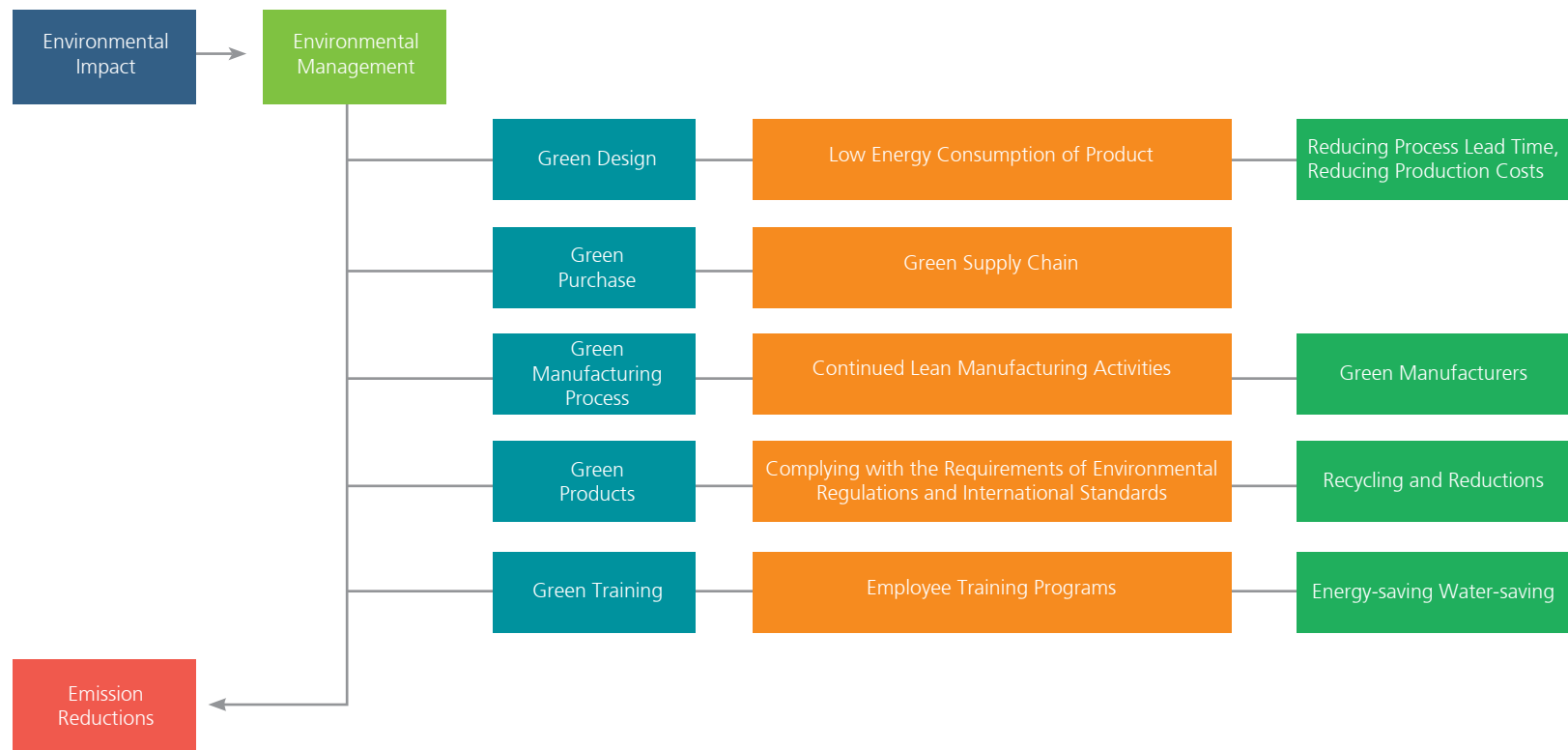
› Quantitative Environmental Goals in 2016

ATEN will continue to keep its focus on environmental protection and in 2011 we began to devote to efforts on reduction of the various kinds of energy and resources needed by our products on our own to enhance productivity and reduce the impact on the environment.



6.1 The ATEN Green Management System

ATEN's environmental management system group is comprised of environmental safety specialists. Through responsibility assignment and collaborative operation, this team works in cooperation with every member and supervises various environmental issues while closely following the global climate change trends and environmental impact. Furthermore, through continued monitoring and analyses, the group executes policies as well as formulates various types of standardized procedures in accordance with yearly plans.



➤ Green, Sustainable Environment Policy Commitment

The environment policy of ATEN International refers to its mission and conviction on social responsibility and environmental protection. In the process of seeking maintenance of the overall ecological environment and sustainable development, not only do we work hard to have technological enhancement and breakthroughs, we also adopt prudent attitudes to actively launch an environmental 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. We also adhere to the following commitments as the highest directive for making environmental management decisions:

1. Enacting environmental laws:

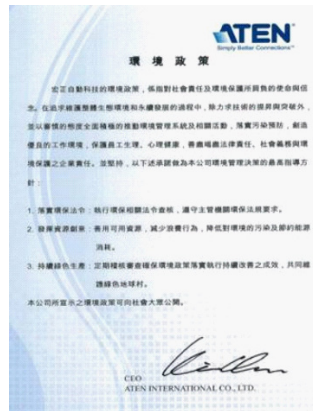
Auditing the implementation of directives related to protecting the environment, and abiding by the environmental regulations and requirements of supervisory agencies.

2. Encouraging creative use of resources:

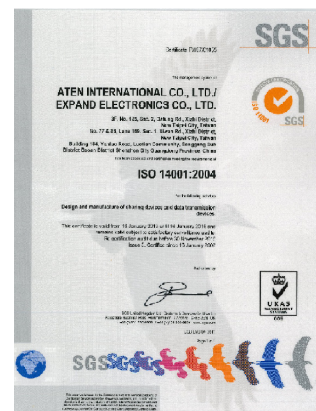
Using available resources well, reducing wasteful behavior, lowering pollution of the environment, and reducing resource consumption.

3. 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

1. 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.
2. Publishing product development directives as well as updating green product requirements on an irregular basis. Hazardous materials in old products must be changed or replaced constantly 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.
3. 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.
4. 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.
5. Calling our employees into action on doing our part in protecting the environment and continued initiation of beach cleanups, afforestation and other earth-loving activities. Seeing ourselves as a catalyst to start with, we can extend our influence and fulfill our commitment to environmental protection.
6. 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.
7. We guarantee employees' safety by: carrying out self-inspections, regularly practicing our accident response plan, and actively preventing industrial accidents.
8. By making ATEN's environment management system and environmental achievements public, we make ourselves publicly accountable.

6.2 Climate Change and Greenhouse Gas Reduction

With population growth and technological advancement, the pollution caused by human activities on the environment is constantly accelerating and widening its scope of influence, and global climate change has impacted the global ecological environment and human life. Drastic climate change is one of the environmental issues receiving most attention. 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, we have also enacted corresponding strategies and action plans. Each corresponding department adopts the "Plan → Do → Check → Act" (P-D-C-A) cycle to conduct regular management to strive to meet our energy-saving 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.

› Resource Management Policy

In order to fulfill the CSR as a global citizen, ATEN strives to save energy and reduce emissions. ATEN carries out prevention of pollution and green product design in accordance with related laws to achieve the aim and benefits of conserving resources. We are committed to environmental protection and constantly carry out environment-friendly measures as the following:

1. Regular inspection of targets:

Management inspection meetings are convened regularly to explore the resource use situation.

2. Improving the efficiency of equipment:

Regular maintenance, searching for more effective methods of saving energy and improving facilities.

3. Purchasing energy-efficient products:

Giving priority to the purchase of equipment bearing the Energy Logo, Water Logo, Energy Star, energy-efficient equipment, etc.

4. Promoting concepts among employees:

Promoting the concept of energy-efficiency among all employees.

› Slowing Climate Change

We believe the worsening phenomena of climate change and global warming in recent years can be effectively mitigated by inspection and reduction of our own greenhouse gas emissions as the most direct method. The inspection information can be used in pinpointing emission sources and enacting reduction targets corresponding to Goal 13: Climate Action of the 17 UN Sustainable Development Goals (SDGs) of 2016 in terms of slowing climate change, adaptation, impact reduction and early warning.



➤ Greenhouse Gas Inspections

ATEN is dedicated to becoming a benchmarking enterprise that shares digital information products. By following the ISO's requirements for greenhouse gas control, the company started to promote (voluntary) investigation of greenhouse gases since 2010. An internal investigation mechanism was formulated according to ISO 14064-1 and continued investment into energy-saving programs and improvement of energy use has been in place that in 2016 the greenhouse gas investigation passed a third-party emissions investigation by BV (Bureau Veritas Group) and this concretely presented the effective measures carried out by the organization.

The company defines the organizational boundaries in reference to ISO 14064-1 standards and GHG Protocol on the principle to set boundaries, and takes the control approach to consolidate greenhouse gas emissions and removal at the facility level. From Jan. 01, 2016 to Dec. 31, 2016, the boundaries were the premises under actual operation and control of ATEN International Co., Ltd.

The scope of investigation was ATEN International Co., Ltd. (ATEN Headquarters and Xiwan Plant)

Address: 3F., No.125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147 and 149, Sec. 2, Datong Rd., Sijhih Dist., New Taipei City
 4F., No.125, 127, 131, 133, 135, 137, 139, 141, 143, 145, 147 and 149, Sec. 2, Datong Rd., Sijhih Dist., New Taipei City
 4F., No.129, Sec. 2, Datong Rd., Sijhih Dist., New Taipei City
 5F., No.125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147 and 149, Sec. 2, Datong Rd., Sijhih Dist., New Taipei City
 6F., No.137, 139, 141, 143 and 145, Sec. 2, Datong Rd., Sijhih Dist., New Taipei City
 No.17 and 20, Ln. 30, Xinjiang N. Rd., Sijhih Dist., New Taipei City



Greenhouse gas inspection can be classified as Scope 1 and Scope 2

- **Scope 1 Definition:**

Direct greenhouse gas emissions (such as from vehicles, air conditioning equipment, water drinking facilities, power generators).

- **Scope 2 Definition:**

Energy indirect greenhouse gas emissions (such as outsourcing electricity)

The seven major greenhouse gases refer to: carbon dioxide (CO₂), methane (CH₄), nitric oxide (N₂O), hydrofluorocarbons (HFCs), per fluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) as well as others published by Central Competent Authorities.

Master Table of Greenhouse Gases Emission Sources Identification

Report Scope	Type	Emission Source
Scope 1 (Direct greenhouse gas (GHG) emissions)	<ul style="list-style-type: none"> • Transportation of material, products, waste, and employees owned or controlled by the company • Source of fugitive emissions (septic tanks, refrigerants) 	<ul style="list-style-type: none"> • Company cars (gasoline) • Power generators (diesel) • Fire extinguishers (CO₂, HFC-23, HFC-227EA) • Home refrigerators (R-134a) • Independent commercial cold storage equipment (R-134a) • Drinking fountains, vehicle refrigerants (R-134a) • Split-type air conditioners (R410a) • Medium to large cold storage equipment (R-407c)
Scope 2 (Energy indirect greenhouse gas (GHG) emissions)	GHG emissions from the generation of purchased electricity, heat, steam or energy derived from other fuels	Electricity (Taiwan Power Corporation)

Total GHG emissions in 2016

- Investigation period of GHG emissions: January/1/2016 – December/31/2016
- Base year for organizational GHG emissions 2015
- Total greenhouse gas (GHG) emissions: (1,770.4178 tons of CO₂e/year)
- Direct greenhouse gas emissions (Scope 1): 96.6721 tons of CO₂e/year
- Energy indirect greenhouse gas (GHG) emissions (Scope 2): 1,673.7458 tons of CO₂e/year
- Other indirect GHG emissions (Scope 3) are qualitative descriptions
- Carbon dioxide emissions from combustion of biofuels: 0.0000 tons of CO₂/year

Direct (Scope 1) and Indirect (Scope 2) GHG Emissions in 2016

Emission ratio of each scope		2016 (Scope 1) (tons of CO ₂ e/year)	2016 (Scope 2) (tons of CO ₂ e/year)	Total
Greenhouse Gases	CO ₂	8.663	1673.7457	1682.4087
	CH ₄	42.1491	0	42.1491
	N ₂ O	0.31	0	0.31
	HFCs	45.55	0	45.55
	PFCs	0	0	0
	SF ₆	0	0	0
	NF ₃	0	0	0
Greenhouse gas (GHG) emissions		96.6721	1673.7457	1770.4178
Ratio of total emissions (%)		5.46%	94.54%	100.00%

2016 GHG Emissions Investigation Ratio

Greenhouse gas emission	Emission Source	Report Scope	Greenhouse gas (GHG) emissions (tons of CO ₂ e/year)							Ratio of total emissions
			CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	
Stationary combustion (purchased)	Electricity	2	1673.7457	0	0	0	0	0	0	94.54%
Mobile combustion	Gasoline	1	8.197	0.0609	0.31	0	0	0	0	0.48%
Stationary combustion	Diesel	1	0.466	0	0	0	0	0	0	0.03%
Nonstandard fuel combustion & dissipation	Refrigerants	1	0	0	0	45.55	0	0	0	2.57%
Nonstandard fuel combustion & dissipation	Septic tanks	1	0	42.0882	0	0	0	0	0	2.38%
Total			1682.4087	42.1491	0.31	45.55	0	0	0	100.00%
Ratio of total emissions (%)			95.03%	2.38%	0.02%	2.57%	0.00%	0.00%	0.00%	

› 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. Since 2010, we have disclosed greenhouse gas inspection figures every year because we have a (voluntary) greenhouse gas inspection system in place. Our continued investment in energy conservation programs and elevation of energy use helped us to pass a third party verification by BV in 2016 and we also set 2015 as the base year of greenhouse gas emissions inspection.

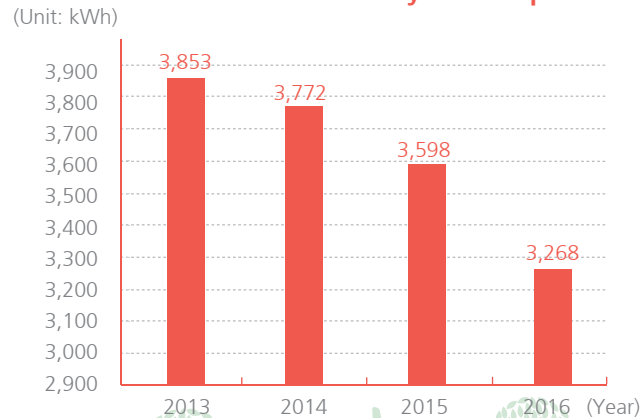
› Power-saving Targets and Energy Efficiency Measures

The main source of energy used by the company is electricity. 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 manufacturing processes to control energy use, which effectively reduces energy waste resulting from wait time. In recent years, we have scaled up our efforts to promote and use energy-efficient equipment in the manufacturing processes, introduced energy-efficient T5 and LED lighting and a plan for improving the energy efficiency of air conditioning. After constant monitoring, we have effectively reduced energy consumption. According to the indicator of electricity use intensity per unit (area) of the company, the kilowatt-hours were down by 329,983 kWh in 2016 compared to the previous year, representing an improvement of about 9.18%.

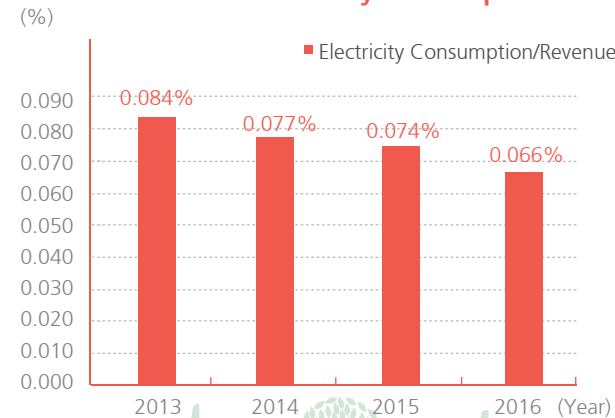
(Unit: tons of CO₂e/year)

Types of emission source	2015 (Base year)
Stationary combustion (purchased)	1730.5751
Mobile combustion	9.2633
Stationary combustion	0.466
Nonstandard fuel combustion & dissipation (refrigerants)	22.44
Nonstandard fuel combustion & dissipation (septic tanks)	41.3658
Total	1804.1102

Statistics on Electricity Consumption



Statistics on Electricity Consumption Density



› Water Resource Management

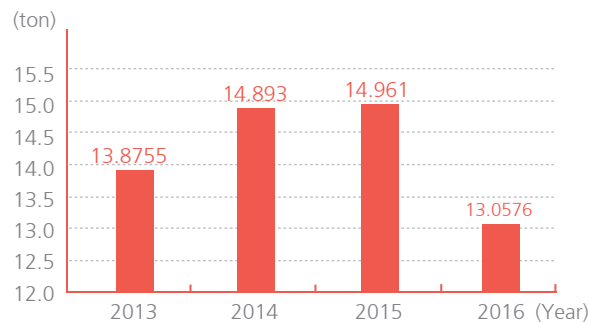
Apart from energy saving and carbon reduction at present, climate change and global warming have led to devastating water shortages, the impact of which will worsen if we fail to act. In the face of overpopulation and intensive development of business and industry, the water sources used by ATEN are all provided by Taiwan Water Corporation. ATEN has installed taps bearing a Water-Saving Mark in all of the hand-washing facilities in the company. We also continue to roll out water-saving measures and promote water-saving among employees.

Since 2011, ATEN has collected statistics on water consumption of the whole company. Compared to the previous 3 years, total water consumption in 2016 continued to drop. In our Xiwan plant, water consumption was 16.47 cubic meters per person in 2016. The average was down by 6.24 cubic meters (carbon emissions due to water usage CO₂ decreased by 0.97kg CO₂e).

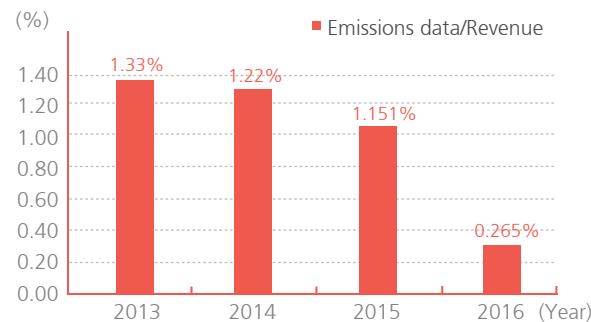
Unit: kgCO₂e

Year	2013	2014	2015	2016
Company HQ	8656	9934	10374	9796.5
Xiwan Plant	5219.5	4959	4587	3262.5
Total	13875.5	14893	14961	13059

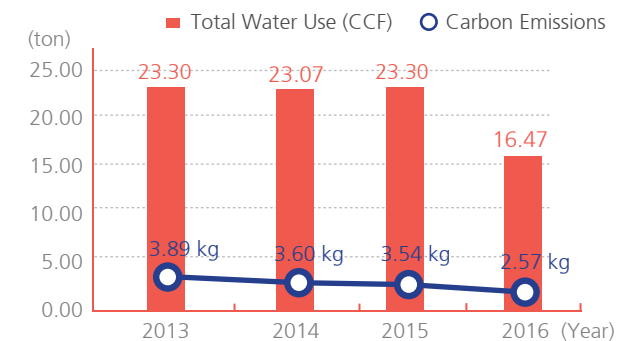
Statistics on average total water consumption per person



Statistics on water consumption density



Statistics on carbon emissions due to water usage at Xiwan plant (per person)



Carbon emissions base:
Carbon dioxide (CO₂) emissions from using water from Taiwan Water Corporation is about 0.154 equivalence.

› Environmental Management Plan

Climate change has impacted global ecological environment and human life, health and economics and is now one of the environmental issues receiving most attention from the United Nations, governments around the world, society and the business community. ATEN thinks that businesses definitely will be impacted by climate change and should also take on the responsibility of reducing it. Through active participation in various domestic activities related to environmental sustainability and understanding of issues related to environment and concerned by stakeholders like the government, investors, clients and the general public, we have concluded that the various major environmental issues are global climate change responses, energy management, water resource management, pollution prevention, environmental performance of suppliers, green products, chemical material management, compliance with environmental regulations, and external environmental impact assessment and control. We will continue to conduct analysis of the environmental aspect and control of environmental management plans, after they are regularly inspected by senior managers each year we will continue to observe the aftereffects and actively enact countermeasures that are more active and effective in reduction and adaptation as well as putting them into practice. We believe that alleviating the environmental impact should be a priority for corporations. With constant monitoring of various energy and resource use conditions, ATEN has been actively promoting and implementing energy-saving measures and management projects, all of which have achieved spectacular results.

› Employees Taking Part in Environmental Protection

The oceans account for 71% of the Earth's surface they include diversified ecological systems and are one of the major sources of food to humans. They also provide indispensable living environments to maintaining life on Earth. In the face of the fact that most pollutants in the oceans are from human's activities on the land and these pollutants pose great threats to human health and marine life resources, the company has been actively engaged in marine ecological conservation. Since 2012, the company has continued to adopt 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 to engage in ocean education and beach cleanup activities. ATEN is actively making corporate social responsibility every employee's social responsibility by encouraging them and their families to take part in volunteer activities. Meanwhile, this also echoes Goal 14 of the 17 United Nations Sustainable Development Goals that is Life Below Water – Conserve and sustainable use of the oceans, seas and marine resources for sustainable development.

Furthermore, regarding protection of land environment and ecology, in 2012 we started to work with the Butterfly Conservation Society of Taiwan to engage in butterfly habitat restoration efforts that include getting rid of non-native plants like Mikania micrantha and Chromolaena odorata to give growing space back to the trees. We also promote planting of native nectar and host plants to recreate the homeland of butterflies. This is also in response to Goal 15 of the 17 United Nations Sustainable Development Goals that is Life on Land – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation along with biodiversity loss.

• Caring for the Ocean and Beach Cleanups

2013	2014	2015	2016
Amount of garbage picked up around	Amount of garbage picked up around	Amount of garbage picked up around	Amount of garbage picked up around
0.2 tons	0.11 tons	0.26 tons	0.39 tons

• Ecological Sustainability by Tree Planting Activities

2013	2014	2015	2016
Absorbs about	Absorbs about	Absorbs about	Absorbs about
0.60 tons (carbon dioxide)	0.66 tons (CO2)	0.48 tons (CO2)	1.52 tons (CO2)

(Each tree can absorb about 12 kg of carbon dioxide a year)

6.3 Green Products

As a global leader in digital information sharing, the company has won the "Taiwan Excellence Award" many times and the chance to receive an award has reached 100%. ATEN products have high competitive capabilities in both software and hardware technologies. We have received acclaim from professional judges in the categories of "Electronics, Electrical Equipment, Communications Products and Components" and "Communication Software". We never forget to use innovative technologies in R&D to create green, energy-saving and environmental products and strive for enhancement of the overall welfare of humans from the beginning. The research and development of products has been devoted to enhancing quality, prolonging product life cycle, lowering product power consumption and reducing resource use. Besides introducing modular design to reduce board space a step further, we also 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

For the purpose of seeking maintenance of the ecological environment constantly and implementing corporate green responsibility, and active promotion of a green environmental management system, not only do we make sure products and business comply with the requirements of environmental regulations and WEEE directives, we also insist on a green supply chain from purchase of raw materials to their final treatment. All of our products sold in the EU have a design that is easy to recycle and environmentally friendly. We are also responsible for recycling waste electrical and electronic equipment manufactured by us and have faithfully implemented a series of preventative green management measures in order to reduce the negative influence of the products and the manufacturing process 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 3R (Reuse, Recycle and Recovery) Management System Structure Procedures for minimizing impacts on the environment



Models manufactured in the 2016 WEEE 3R Report

Item	Model Name	Item	Model Name	Item	Model Name
1	VM7604	16	VE805R	31	KN2116VA
2	VM8604	17	KN8132V	32	KN2132VA
3	CL6700MW	18	KN4164V	33	KN4116VA
4	CS1798	19	VM3909H	34	KN4132VA
5	CS17916	20	VM3404H	35	KN4140VA
6	KN8164V	21	SN0108A	36	UC3410
7	VM5404H	22	SN0116A	37	VK224
8	VM6404H	23	VM5404D	38	CE750A
9	VM8514	24	VM5808D	39	VM0404HA
10	VE801	25	CS782DP	40	VM0808HA
11	VE802	26	VE601	41	CL6708MW
12	VK2100	27	SN9108	42	PE5324TA
13	VM7104	28	SN9116	43	PE6208AV
14	GCS1642	29	SN0132D		
15	VM7514	30	SN0148D		



➤ 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. We hope to make use of our R&D technological capability and green product design concept to achieve the goals of energy saving, improving quality, reducing manufacturing costs, and reducing manufacturing and production line lead time.

As to the main ASIC component used by various KVM switches, the ATEN R&D team by itself decided to develop a new generation of ICs that adopts advanced wafer processing to elevate our R&D quality and technology and lower electricity consumption and cost of products as they are our advantages and successfully developed a dedicated NEW ASIC in 2015 to serve as the core SOC of ATEN's KVM switches.

R&D Benefits	Actual Application Result	Concrete Contribution
Saving product energy consumption	Entry-level 4-port desktop KVM switches	ASIC energy consumption down by 40%
Reducing process lead time	Elevating product functions and reliability	Shortening test time
Reducing production costs	Reducing production costs of desktop/rack mount KVM switches	Saving NTD 12,000,000

○ Management Measures of No Hazardous Materials in Products

- **Integrity with pragmatism as our philosophy:** To purchase green materials, implementing green production.
- **Caring with respect as our spirit:** 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.
- **Ambition with optimism as our attitude:** To comply with environmental regulations and live up to the requirements of our clients and become their very best green product partner.
- **Novelty with value as our achievement:** Novelty with value as our achievement: To design green products and emphasize the importance of products made with nonhazardous substances.

➤ Green Product Policy

The danger facing the global environment and human health as a result of hazardous materials is a developing issue which greatly concerns consumers and governments around the world. To address this, 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 meeting our environmental aims and fulfill our promise.



› To Comply with International Product Environmental Regulations

ATEN continues to make sure of fully meeting 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 control requirement of environmental compliance to guarantee that all the products follow the requirements and echo ATEN's commitment to corporate social responsibility.

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), hexa-chrome (<1,000ppm), polybrominated biphenyl (<1,000ppm), polybrominated diphenyl ether (<1,000ppm), bis (2-ethylhexyl) phthalate (<1,000ppm), benzyl butyl phthalate (<1,000ppm), dibutyl phthalate (<1,000ppm), diisobutyl phthalate (<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 2.0. 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 on Waste Electrical and Electronic Equipment (EU WEEE 2002/96/EC): The directive gears towards recycling rate of waste electrical and electronic equipment end products. The directive requires that all manufacturers of the aforementioned products sold in the EU take into consideration the environmental pollution caused by disposal of waste products and demands manufacturers to have a design that is easy to recycle and environmentally friendly as well as assume the responsibility of recycling them and that final holders and distributors of electrical and electronic equipment should be responsible for recycling and recovery.
- Commission Regulation (EU) No.757/2010 and amending Regulation (EC) No.850/2004 Persistent Organic Pollutants (POPs), textiles and other coated materials (1g/m²), finished products, semi-finished products and parts (1000 ppm), materials or formulated products (10 ppm).



› 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 our clients with clarification.

ATEN's Conflict Minerals Statement:

- ATEN's distributors must be responsible for social and environmental protection.
- ATEN's "Three Don't" Policy that is don't support, don't accept, don't use metals mined from illegal mining and low-quality work environments from the Democratic Republic of Congo (hereinafter referred to as Congo) and mining areas in neighboring countries. Those are called "conflict minerals".
- Suppliers should track all sources of cobalt (Co), gold (Au), palladium (Pd), tantalum (Ta), tin (Sn), and tungsten (W) in their products to ensure they are not from "conflict mining areas".
- Implement supply chain management to meet client requirements and practice of international justice more. Understand in-depth the management status of suppliers on conflict minerals and conduct surveys according to the EICC/GeSI Conflict Minerals Reporting Template by the Electronic Industry Citizenship Coalition (EICC).



6.4 Green Supply Chain Management

The company 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 as well as continue to implement the actual results of green management to reduce resource consumption throughout the product's life and improve product efficiency.

Green Supply Chain Purchase Policies:

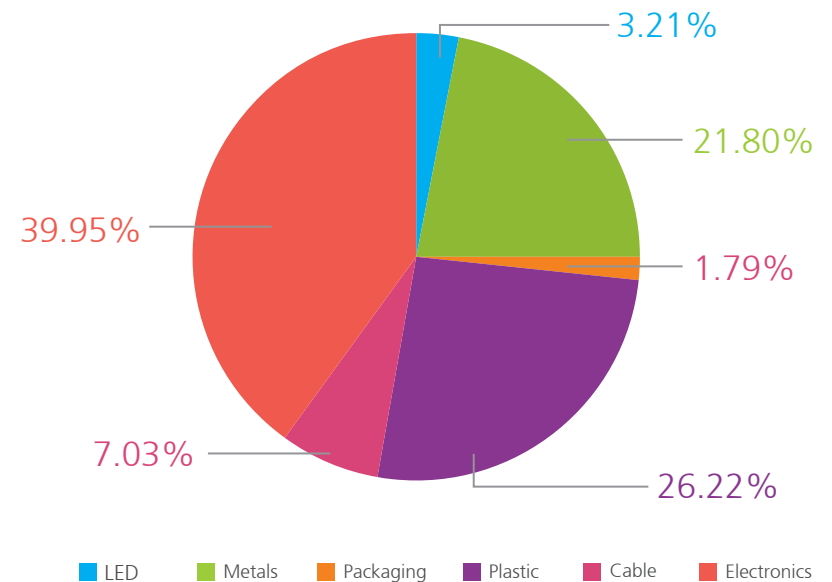
- Needs to comply with EU RoHS/PFOS/PFOA/REACH (Green) directives.
- Chemical suppliers should avoid polluting the environment during manufacturing or transportation. If a report has been made and is verified to be true, we will revoke the recognition and forbid purchasing from them.
- The provided materials, components, parts, packaging, process appurtenant materials should come with restricted substances (Green) commitment or related certificates.
- The company can change suppliers with those that do not meet aforementioned policies. Purchase will be resumed if the party can prove they meet the RoHS (Green) requirements at a later date.

> Types and Quantities of Raw Materials Used

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

There are altogether five major types of investment in production and operating resources. The amounts purchased in 2016 can be seen below:

Raw Material Percentage Weight

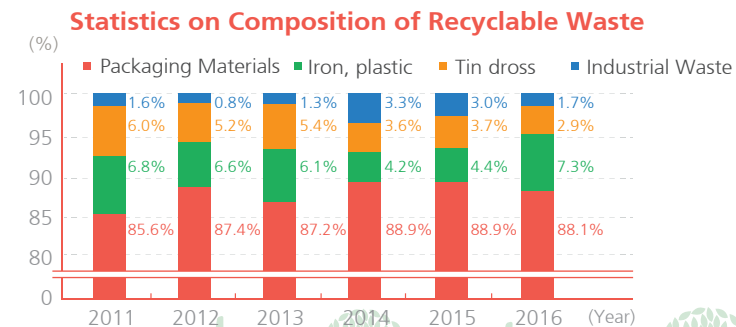
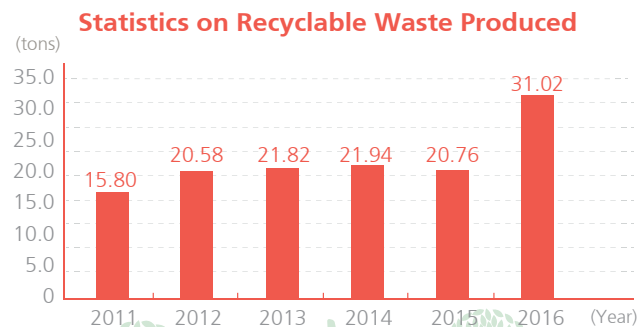
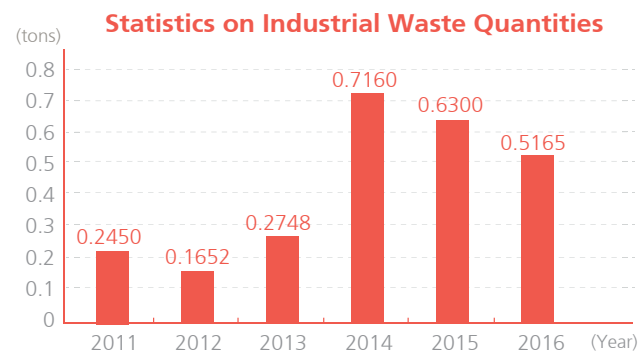
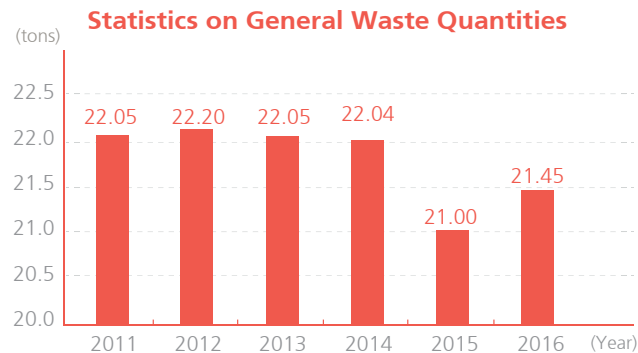


➤ Waste Management and Recycling

Our production is mainly concerned with assembling and packaging electronics and does not create hazardous industrial waste. The classification and processing methods of waste are described below:

- **General Waste** : Non-recyclable waste like daily garbage is collected by qualified companies and then incinerated or buried.
- **Recyclable waste** : Things like mixed metal scrap, waste paper, scrap iron, waste plastic, and tin dross are recycled and reused by professional and qualified companies.
- **Industrial Waste** : Among the recyclable waste, mixed scrap metals like waste metal circuit boards that can undergo physical processing can be separately categorized as industrial waste.

For a long time, ATEN has dedicated itself to waste reduction activities. Besides implementing promotion to all the employees, we also strengthen management of daily-produced waste. Garbage classification notices are put up in each plant and major factors contributing to office waste are identified. This is also the way we implement it daily in terms of management.

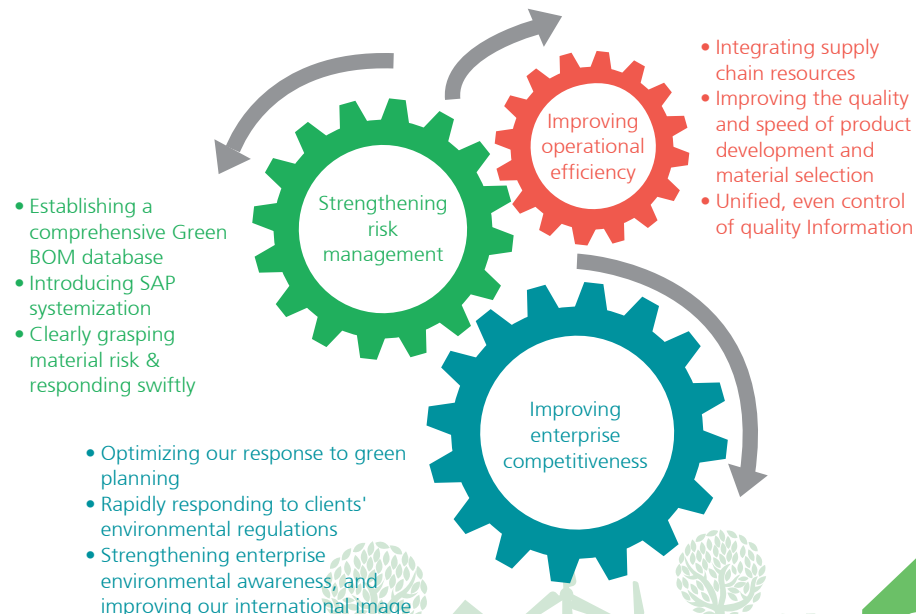


► Supply Chain Management

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. We invite our vendors to respond to global sustainable policy with us as we want to gradually realize the direction and goals of sustainable development ranging from ensuring Goal 3: Good Health and Well-being to realizing Goal 5: Gender Equality at work of the 17 United States Sustainable Development Goals.

ATEN has revised and enlarged those aspects of our standardized supplier appraisal methods related to CSR and environmental and health appraisals. We will comply with the requirements of international environmental regulations and customer standards, and through cooperation between ATEN and its supply chain partners to continue to roll out green production and improve our green competitiveness.

ATEN is committed to using our influence to promote relevant ideas and beliefs to reach all the partners in our supply chain.



6.5 Green Training and Promotion

The company continues to promote energy saving, carbon reduction and the concept of environmental protection to all internal employees and puts related information on environmental protection and environment management as a required course in new employee orientation. Combined with our internal E-learning platform, we heighten our colleagues' awareness of environmental protection and make them act more on environmental issues. 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 saving, allowing for a better understanding among employees on the company's initiatives on environmental protection that will also instill the notion of environmental protection deeply in the daily work and lives of the employees.

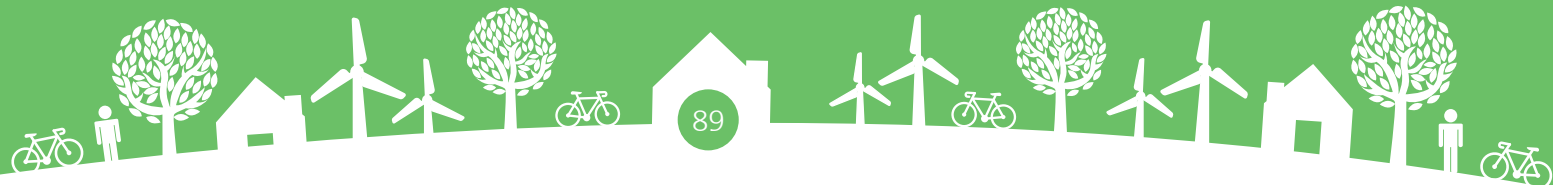


Externally, we actively push for green supply chain management and use our corporate influence to work with our suppliers to formulate environmental and sanitation standards, requiring our suppliers to implement waste recycling and reductions and to control the sources of impact on the environment. Through sharing environmental protection information, we raise the environmental awareness of our suppliers and comply with the specification of environmentally restricted substances.

7

Client Satisfaction and Service

- 7.1 Comprehensive Customer Service System
- 7.2 Global Client After-Sales Service Satisfaction Survey
- 7.3 Customer Health and Safety
- 7.4 Information Security and Guaranteeing Customers' Right to Privacy
- 7.5 Sales Regulations



The promotion of our own brand has to be based on client satisfaction. As we are in a competitive environment with B2B as the major form of business, not only do we need to know where our clients are, we also need to know their needs as well as how these needs can be met. In 2016, the company singled out our Pro A/V professional audio/video product line and selected a country each from Asia and Europe to carry out a series of client interviews. With the assistance of professional brand consultants, we ditched our past baggage and prejudice to just simply listen to existing clients and future potential clients for what they think of our products, services, marketing, and brand positioning. After statistics and analysis were carried out, we wrapped up the things our clients cared most and turned them into meaningful moments of truth (MOTs). Through understanding and discussion of moments of truth (MOTs), we start from client perspective, provide customized product combinations and service platforms that are innovative and competitive after we fully understand their needs to provide higher quality of customer service as it is our key to winning the game.

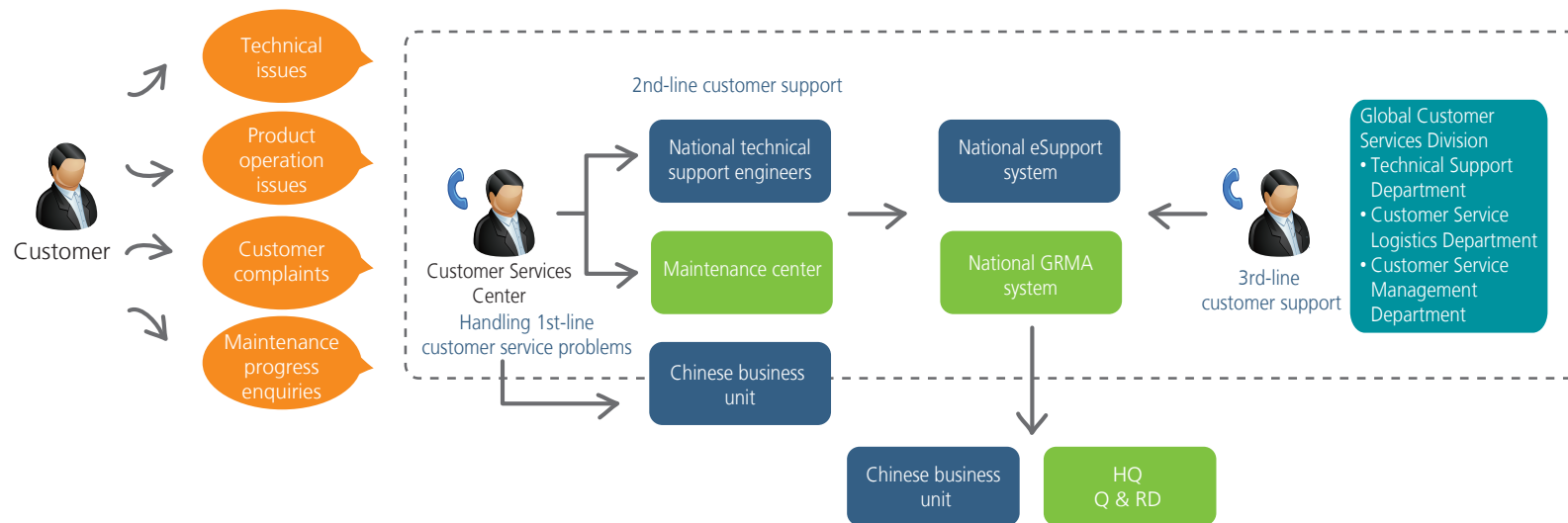
7.1 Comprehensive Customer Service System

With the existing global presence policy, ATEN's customer service network covers all our overseas locations. We have consolidated our customer service resources to establish a "Global Customer Service Division" in the company HQ to guarantee the promptness and professionalism of customer service, build sustainable relationships with our clients, and raise customer satisfaction.



Customer Service Hotline

ATEN has established a customer hotline system to provide customers with immediate support. We provide customer services including a 0800 hotline along with a technical support hotline for professional technical staff to communicate directly with customers, helping them to solve problems. To provide better local services for the China market, we also set up our "China Customer Service Center" in 2014 and provided a 400-810-0-810 hotline. Starting from 2016, we also have gradually set up new and dedicated pre-sales product consultation service windows in sales offices in Beijing and other locations such as Shenzhen. "China Customer Service Center" is dedicated to providing the technical service for end users as well as a platform for sales and marketing functions. ATEN has established standards for a "primary Q&A system" and "customer issue division and escalation management", standards which are enacted rigorously to guarantee that customers will get feedback and solutions for their problems within the shortest time.



➤ Online Service Platform (eService)

The ATEN eService (<http://eservice.aten.com>) is a single, centralized portal to provide global clients with convenient, real-time, and comprehensive after-sale services with zero time difference and in different languages.

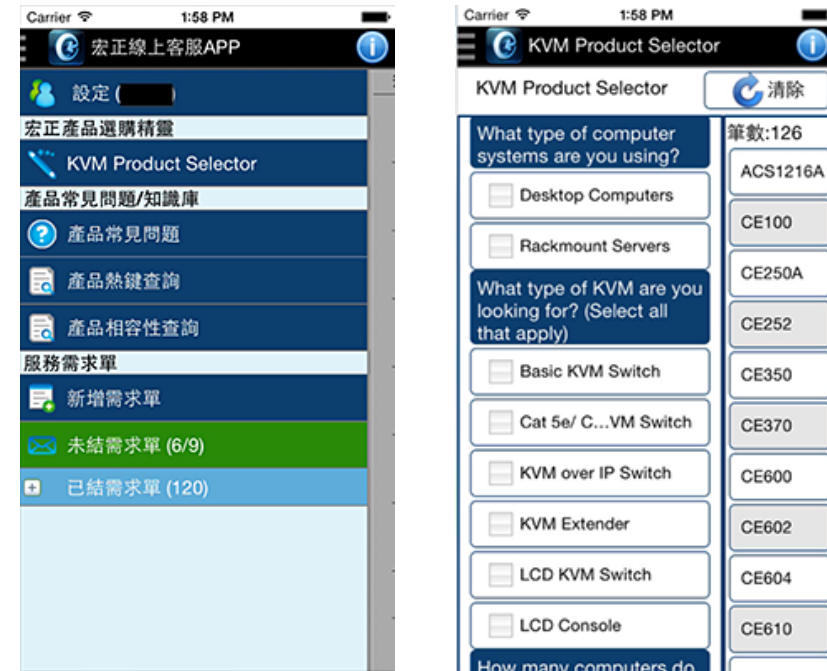
The eService platform incorporates services as follows:

Online Technical Support Service (eSupport)

When our global clients face technical problems, ATEN technical personnel can use the eSupport platform to undertake direct and rapid communication with them, allowing us to effectively assist customers worldwide to resolve technical problems, eliminate obstacles, and providing all the required information. Every inquiry 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, we also developed a mobile "ATEN Online Customer Service app", a small yet exceptional app that fully integrates with the existing eService online customer service platform and provides a set of useful tools to help clients with questions on selecting products, and technical information and online customer service to provide a brand-new customer experience of the utmost convenience.

ATEN's online customer service app includes major functions such as:
Product selector/Frequently asked questions about products (FAQ)/Search for product hot keys and compatibility list/The ability to create a new customer service request form on the app/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



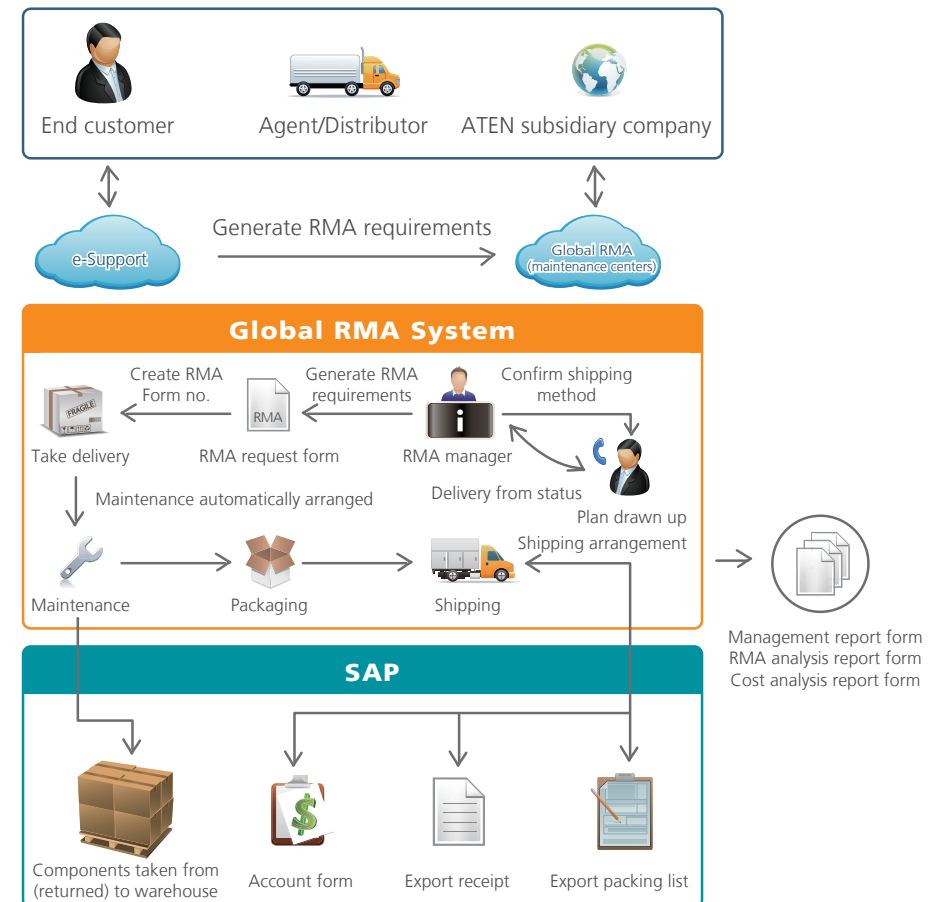
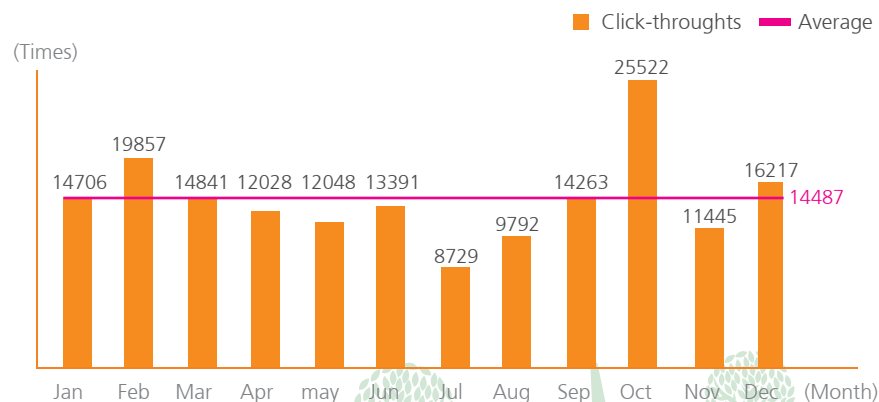
Online Maintenance Service Global-RMA System

Clients can request repair and maintenance services by filling out an online application form. Our dedicated RMA (Return Material Authorization) 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 complete RMA process system can collect maintenance records from all over the world. RMA Rate reports are produced and sent to the relevant departments every month for use in monitoring product quality and proposing improvement strategies.

Search for Frequently Asked Questions FAQ

The 2016 statistics show that the average click views per month of the FAQ pages was 14,487, an increase about 31% over the average 10,131 click views per month in 2015. This indicates that this service has been widely used by our customers and it also shows many customers around the globe will be more familiar with using our products because of this, making it a cost efficient way for both ATEN and the customers to answer questions. ATEN will continue to provide a more comprehensive FAQ section to meet clients' needs for solving problems on their own.

Statistics on 2016 FAQ Click-throughs



Partner Center

ATEN also provides sales partners with real-time market intelligence and product information by 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.

The screenshot shows the ATEN Partner Center interface. At the top, there's a navigation bar with links like Home, Contact us, Sign Out, and a language dropdown set to English. Below this is a banner with the text 'Hot off the press ! Get the latest marketing materials here' and a carousel of images labeled 'Media and Broadcasting', 'Hospital', and 'Education'. A main menu includes CASE STUDIES, MARKETING MATERIALS, ONLINE PROMOTION, CORPORATE INFO, PRODUCT INFO, and TECHNICAL SUPPORT. The 'What's New' section features a table with the following data:

Date	Type	Language	Brief	Download	Related Files
2017/05/25	FCC Declaration of Conformity	English	UE3315_FCC_DOC NES	Download	
2017/05/25	CE Declaration of Conformity	English	UE3315_CE_DOC_EU NES	Download	
2017/05/25	CE Certification	English	V5192_CE_CERT_EU NES	Download	
2017/05/25	CE Declaration of Conformity	English	V5192_CE_DOC_EU NES	Download	
2017/05/25	FCC Certification	English	V5192_FCC_CERT NES	Download	

The sidebar on the right includes a 'Time Remaining' counter (59 Min. : 42 Sec.), a 'File Download' section (0 MB), an 'Advanced Search' button, and links to 'KVM Compare' and 'KVM Hot Key List'.

Global RMA Replacement and Repairing Service System Structure

Perfect After-Sales Service and Product Guarantee

To provide the nearest and fastest after-sale services to regional clients around the world, ATEN's customer service departments, which are divided into "technical support" and "RMA" units, have been established in ATEN's headquarters and all overseas subsidiaries. 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 after being diagnosed by a technical service engineer, 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 warranty worldwide, a 3-year warranty for A+ models, and excellent Advanced Replacement (AR) Service (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.

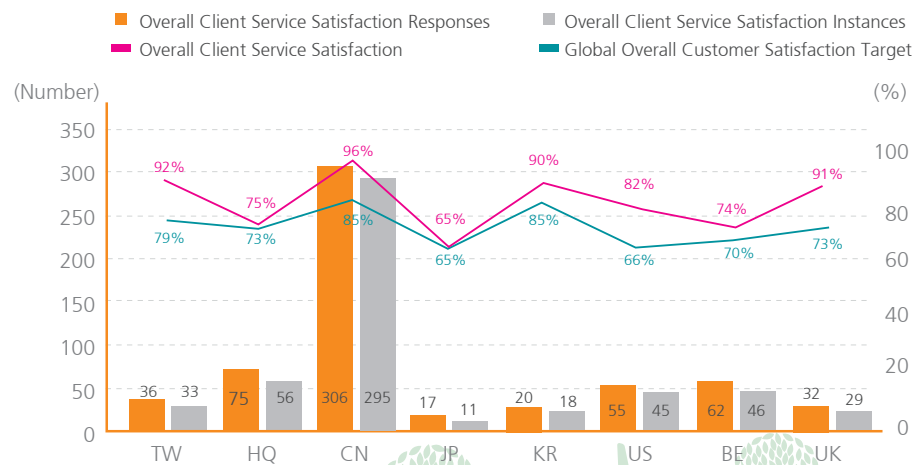
Fast Repair Service

Through the well-developed, comprehensive service network made up of ATEN's company headquarters and subsidiaries, we manage to offer fast repair service with a TAT (Turn-Around Time) of 3 working days in Asia Pacific and a TAT of 5 working days in Europe and the Americas, significantly cutting down the wait time and earning the widespread approval and recognition of our clients.

7.2 Global Client After-Sales Service Satisfaction Survey

In order to continually convert customer opinions to a driving force for improving ourselves, ATEN's Global Customer Service Center conducts regular global client after-sales service satisfaction surveys on items like product technical support and turnaround services. The comprehensive, first-hand feedback provided by these surveys assists ATEN to understand client experiences and to improve our services accordingly. We make in-depth analyses on areas which require improvement and at the same time, set up monitoring and tracking systems to ensure that our clients' needs are fully met. ATEN has also established diverse, two-way client communication channels, such as: opinion forms within product boxes, a feedback area on 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 consolidates client loyalty.

Global Client After-Sales Service Satisfaction Survey Statistics 2016



7.3 Customer Health and Safety

With "Integrity with pragmatism" being one of our core corporate values, ATEN makes client demands our priority. Apart from providing clients with high value-added and innovative product combinations, we also provide the most flexible, speedy, and professional customer service as a major index to keep enhancing our company's competitiveness. Furthermore, we work to ensure the utmost quality materials safety, manufacturing environment, and life cycle of our products to fulfill clients' requirements as well as international standards and regulations by actively implementing health and safety assessment and improvement programs, and establishing self-examination and oversight mechanisms to ensure product safety.

Since 2005, ATEN has set up a "Plan for the Management of the Use of Restricted Materials", which successfully meets different international regulations including ErP, WEEE, REACH, RoHS 2.0 and so on. Besides, 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, and offer safe, healthy products and services to clients. (Related details can be also found in section 6.3 Green Products)



7.4 Information Security and Guaranteeing Customers' Right to Privacy

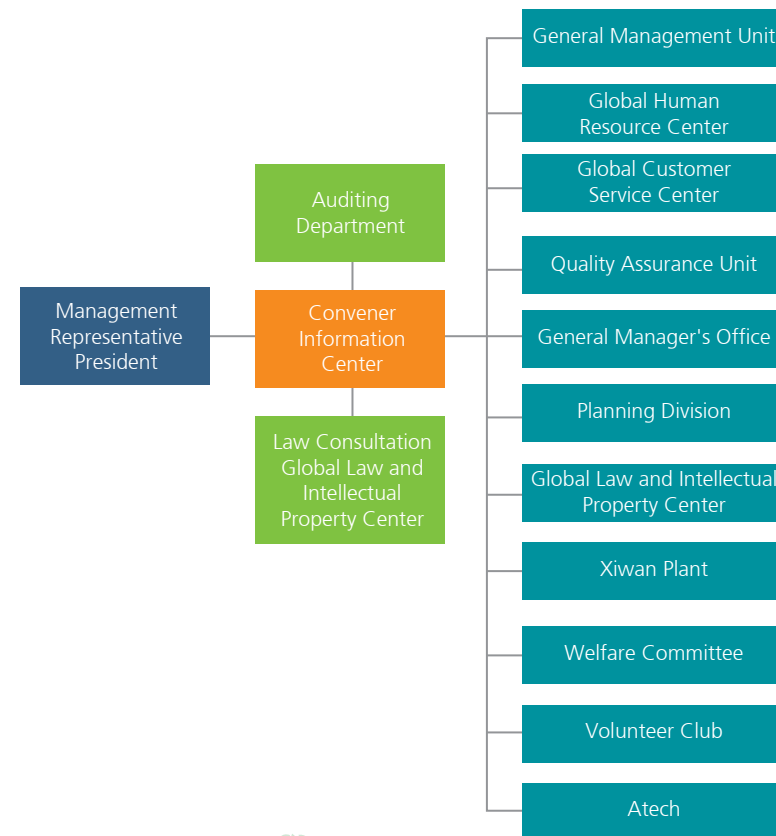
The computer and the Internet have become an indispensable link in the life and work of modern people as the platform for various activities and business transactions. The frequent incidents of data leakage of client data internationally not only is a kind of damage to clients, but also a great loss to the reputation of that company. We've been executing the construction of a client confidential information security protection system for years. The Information Center at the HQ deploys a solid, strong information security guard network, with 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 is also 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 the rigorous protection of our information systems, maintaining security of personal data of our clients and stakeholders and taking strong measures to cope with incidents, we also make use of an "internal audit and control system" and a "Personal Data Management Task Force" to ensure actual implementation and execution. The "Personal Data Management Task Force" not only is responsible for promotion of daily personal data security, but also holds a group meeting every six months and invite contact windows from each department as well as from the Welfare Committee and the Volunteer Club to inspect the execution status of personal data management and conduct discussion and sharing sessions about the latest rules, regulations, and cases.

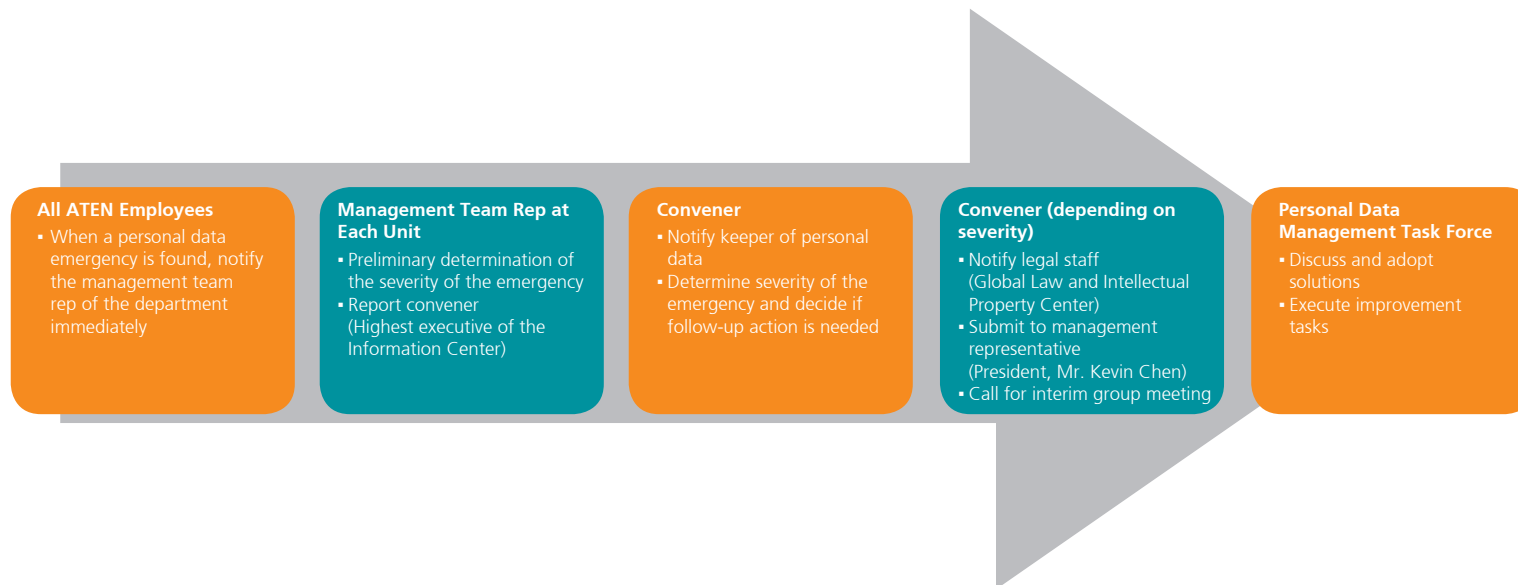
With "Integrity with pragmatism" being one of our Corporate Core Values, we insist on using the most rigorous and comprehensive protection mechanisms in handling any piece of confidential information for our clients to build and strengthen the trust of our clients and create a win-win situation for all.

Personal Data Management Task Force – organizational structure



Description of Personal Data Incident Handling Process

In January 2016, the email account atencorp@aten.com provided on the official company website for stakeholders to contact the company has received an email reminding the company in a friendly manner that after filling in information in the Customer Satisfaction with Activities Questionnaire on ATEN Taiwan's "ATZONE shopping site", the information returned in the results page showed information that included: email, name, telephone, address. The General Manager's Office is responsible for the email account and responded immediately eight minutes after the email was sent from clients. In addition to replying to the client that we would deal with it right way, we also asked ATEN Peripheral (Taiwan) to notify the contractor in charge of the ATZONE shopping site to remove the webpage instantly. Meanwhile, we initiated related procedures according to our "Personal Data Emergency Reporting Procedures" and reported the incident to the company's management representative – President – on the time we spent on the issue and how it was dealt with.



Not only did the incident did not have other negative impacts, we received understanding and satisfaction with the way we dealt with it from the client who reported it, and it has become a great test for the company to examine our handling of personal data incidents. Our coworkers, taking the training by the Personal Data Management Task Force to heart, responded in time and carried out the whole process of **discovery** → **preliminary determination** → **coping response** → **review to deal with the emergency**. The lesson from this incident gave the company greater confidence to give our clients more rigorous data safety protection in the future.

7.5 Marketing Communications

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:

1. Consistent global ATEN brand spirit, policy plan and implementation
2. ATEN corporate image planning and implementation
3. Product sales planning and implementation
4. Formulate corporate media PR plans and maintain good media relations
5. 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 (POS), 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. Besides, we also conduct Global Client Satisfaction Survey via electronic questionnaires annually to collect the opinions of end users and non-end users around the world on issues like brand reputation, product and service satisfaction, buying motives, usage scenarios, willingness to buy again, and suggestions for products and services. Doing so helps us to have an in-depth understanding of market trends and establish a two-way, interactive communication channel for use as a reference for raising product and service values as well as the corporate and brand image.



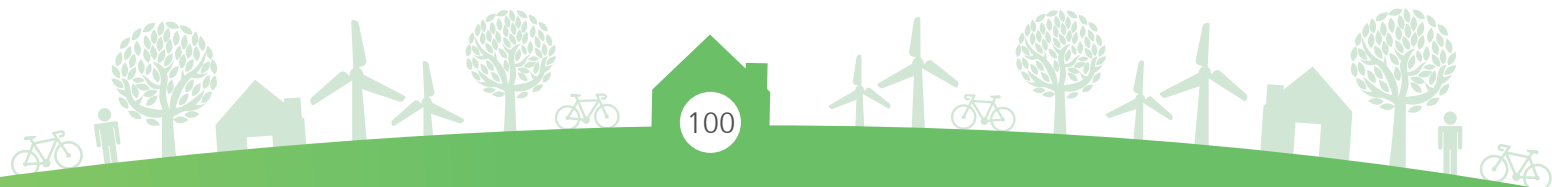
The following indicators constitute the entirety of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (GRI G4) in regards to this report.

› General 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	Manager's Preface	
	G4-2	Provide a description of key impacts, risks, and opportunities	2.1	
Organizational Profile	G4-3	Report the name of the organization	2.1	
	G4-4	Report the primary brands, products, and services	2.1	
	G4-5	Report the location of the organization's headquarters	2.1	
	G4-6	Report the name and the number of countries where the organization operates	2.2	
	G4-7	Report the nature of ownership and legal form	2.1	
	G4-8	Report the markets served with breakdown	2.2	
	G4-9	Report the scale of the organization	2.1	
	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	4.1	
	G4-11	Report the percentage of total employees covered by collective bargaining agreements	4.1	
	G4-12	Describe the organization's supply chain	6.4	
	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 2016

Appendix 1 GRI Indicator Index

Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Organizational Profile	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	2.1	
	G4-15	List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses		The company had no related matters in 2016
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates	3.5	
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 www.aten.com.tw 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 its "Reporting Principles for Defining Report Content"	About the Corporate Social Responsibility Report	
	G4-19	List all the material Aspects identified in the process for defining report content	1.4	
	G4-20	For each material Aspect, report the Aspect Boundary within the organization	1.4	
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization	1.4	
	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	1.4	
Stakeholder Engagement	G4-24	Provide a list of stakeholder groups engaged by the organization	1.4	
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage	1.4	
	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	1.4	
	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	1.4	



Appendix 1 GRI Indicator Index

Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Report Profile	G4-28	Reporting period for information provided	About the Corporate Social Responsibility Report	
	G4-29	Date of most recent previous report	About the Corporate Social Responsibility Report	
	G4-30	Reporting cycle	About the Corporate Social Responsibility Report	
	G4-31	Provide the contact point for questions regarding the report or its contents	About the Corporate Social Responsibility Report	
	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	About the Corporate Social Responsibility Report	
	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	About the Corporate Social Responsibility Report	
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 issues	3.1	
	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	1.2	
	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	1.2	
	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	1.2	
	G4-38	Report the composition of the highest governance body and its committees	3.1/3.4	

Appendix 1 GRI Indicator Index

Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Governance	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)	3.3	
	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	3.3	
	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	3.3	Please refer to page 25 of ATEN's 2016 Annual Report
	G4-42	Report the highest governance body 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	3.3	
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	3.3	
	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	1.2/3.4	
	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	3.1	
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	1.2/3.1	
	G4-47	Report the frequency of the highest governance body's review of economic, environmental, and social impacts, risks, and opportunities	1.2	
	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	3.3	

Appendix 1 GRI Indicator Index

Project	G4 No.	Standard Disclosures Indicator	Chapter	Notes
Governance	G4-49	Report the processes for communicating critical concerns to the highest governance body	1.2	
	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	1.2	
	G4-51	a. Report the remuneration policies for the highest governance body and senior executives Report how performance criteria in the remuneration policy relate to the highest governance bodies and senior executives' economic, environmental, and social objectives	3.4	
	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	3.4	
	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	3.4	
	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	1.2	
	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 or advice lines	3.1	
	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	3.1	

› Specific Standard Disclosures:

Category: Economic

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Economic Performance	G4-EC1	Direct economic value generated and distributed	2.3	
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		No significant implications have been discovered for the organization
	G4-EC3	Coverage of the organization's defined benefit plan obligations	4.5	
	G4-EC4	Financial assistance received from the government		1. Received NTD 750,000 subsidy from the Industrial Development Bureau, Ministry of Economic Affairs for brand and channel assessment in the second phase of the Branding Taiwan Campaign 2. According to the Statute for Industrial Innovation, the company is eligible for tax credit investment (the ratified amount in 2013 was NTD 39,300,000)
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% receive wages that meet the basic wage standards required by law; as for other types of employees, the average salaries of our entry-level positions far exceed NTD 20,008 and reach NTD 28,674, 1.43 times of the minimum wage
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		10 significant locations of operation, besides China, all other locations have senior management hired from the local community, the proportion is 90%
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	5	
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	5	
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation		NA

Category: Environment

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Materials	G4-EN1	Materials used by weight or volume	6.4	
	G4-EN2	Percentage of materials used that are recycled input materials	6.4	
Energy	G4-EN3	Energy consumption within the organization	6.2	
	G4-EN4	Energy consumption outside of the organization		No surveys were done regarding energy consumption outside the organization in 2016
	G4-EN5	Energy intensity	6.2	
	G4-EN6	Reduction of energy consumption	6.2	
	G4-EN7	Reduction in energy requirements of products and services	6.3	
Water	G4-EN8	Total water withdrawal by source	6.2	
	G4-EN9	Water sources significantly affected by withdrawal of water		No water resources were significantly affected as only tap water was used
	G4-EN10	Percentage and total volume of water recycled and reused		No surveys were done regarding rates of recycled water in 2016
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity 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 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 habitability of the surrounding area for local fauna
	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

Appendix 1 GRI Indicator Index

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	6.2	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	6.2	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		No inspection has been conducted yet
	G4-EN18	Greenhouse gas (GHG) emission intensity	6.2	
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	6.2	
	G4-EN20	Emissions of ozone-depleting substances (ODS)		Production and products do not use any ozone-depleting substances (ODS)
	G4-EN21	NOx, SOx, and other significant air emissions		No pollutants emitted
Effluents and Waste	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	6.4	
	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 to the environment
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	6.3	
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		Done on the 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 non-compliance with environmental laws and regulations received in 2016
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	6.4	
Overall	G4-EN31	Total environmental protection expenditures and investments by type	6.2	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	6.3	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	6.5	
Environmental Issues / Environmental Grievance mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		There were no grievances filed about environmental impacts in 2016

Category: Society

Sub-category: Labor Practices and Employment Quality

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	4.1	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		The company does not have temporary or part-time employees
	G4-LA3	Return to work and retention rates after parental leave, by gender	4.1	
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		No trade union; not applicable
Occupational Health and Safety	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	4.5	
	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		In 2016, a male employee in the headquarter was in a road traffic incident during commuting. Rate of injury was 1.2, rate of lost days was 1, rate of absenteeism was 1; In the Xiwan plant, one male coworker fell to the ground, rate of injury was 2.34, rate of loss days was 3, rate of absenteeism was 3. No work-related fatalities were recorded
	G4-LA7	Workers with high incidences or high risk of diseases related to their occupation		Due to the use of Volatile Organic Solvents with n-hexane, which can cause peripheral neuropathy, we periodically track the health status of the 13 persons at the company that are most exposed to this risk. So far, there have been no exposure-related illnesses reported.
	G4-LA8	Health and safety topics covered in formal agreements with trade unions		No trade union; not applicable
Training and Education	G4-LA9	Average hours of training per year per employee by gender and by employee category	4.3	
	G4-LA10	Programs for skill management and lifelong learning that support the continued employability of employees and assist them in managing career endings	4.3	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	4.4	
Diversity and Equal Opportunity	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		Currently 9 members on the board of directors, male to female ratio is 7:2, aged over 50: 30-50 age ratio is 7:2

Appendix 1 GRI Indicator Index

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
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		The company does not offer different remunerations because of gender differences. ATEN participates in external industry salary surveys each year so as to ensure competitive salaries and wages are 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		No assessment in 2016
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		No assessment in 2016
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		No labor union, but holds labor/management meetings on a regular basis, no major case filed

Sub-category: Human Rights

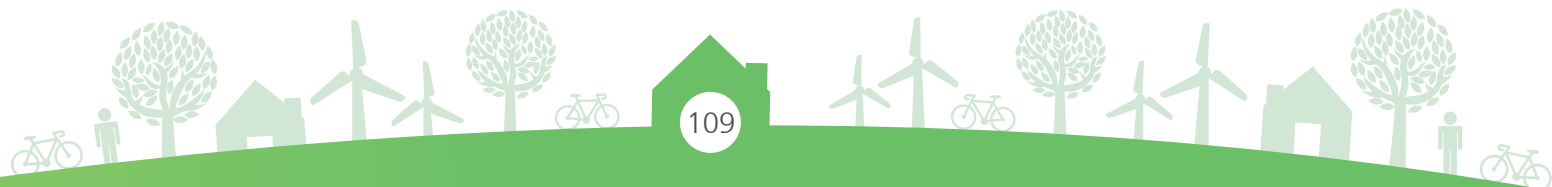
Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Not applicable
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	4.3	
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken		No discrimination cases since 2011
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 2016
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 2016

Appendix 1 GRI Indicator Index

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
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 2016
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		No direct employment of security personnel, therefore not applicable
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		No such events occurred in 2016
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		No such events occurred in 2016
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria		No assessment in 2016
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken		No assessment in 2016
Labor Practice Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	4.6	The company holds labor/management meetings on a regular basis. In 2016, the number of cases filed was 0

Sub-category: Society

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		36%
	G4-SO2	Operations with significant actual or potential negative impacts on local communities		None



Appendix 1 GRI Indicator Index

Material Aspects	G4 No.	Disclosures Indicator	Chapter	Notes
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		Based on rules related to "Ethical Management Procedures and Behavior Guidelines" and the core corporate value of "Integrity with pragmatism", 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		It is clearly specified in ATEN's "Work Rules" and "Ethical Management Procedures and Behavior Guidelines" 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 2016
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary		No such events occurred in 2016
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 2016
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 2016
Supplier Assessment for Impact on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impact on society		Complies with Supplier Assessment Guidelines
	G4-SO10	Significant actual and potential negative impact on society in the supply chain and actions taken		Encouraged suppliers to commit to issues or areas related to social outreach as well as shared our experiences at ATEN
Grievance Mechanisms for Impact on Society	G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms		No such events occurred in 2016

Sub-category: Product Responsibility

Material Aspects	G4 No.	Disclosures Indicator	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 impact of products and services during their life cycle, by type of outcomes		There were no incidents of violations of regulations or voluntary codes in 2016
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		There were no incidents of non-compliance with regulations or voluntary codes concerning product and service information and labeling in 2016
	G4-PR5	Results of surveys measuring customer satisfaction	7.2	
Marketing Communications	G4-PR6	Sale of banned or disputed products		There were no sales of banned or disputed products in 2016
	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		There were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications in 2016
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	7.4	One
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		There were no fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2016

INDEPENDENT ASSURANCE OPINION STATEMENT

ATEN International Co., Ltd. 2016 Corporate Social Responsibility Report

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

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

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

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

Scope

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

1. The assurance scope is consistent with the description of ATEN International Co., Ltd. 2016 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the ATEN's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

Opinion Statement

We conclude that the ATEN 2016 Corporate Social Responsibility Report provides a fair view of the ATEN CSR programmes and performances during 2016. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ATEN and the sample taken. We believe that the 2016 economic, social and environmental performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate ATEN's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ATEN's description of their approach to AA1000 Assurance Standard and their self-declaration of 'in accordance' with the GRI G4 guidelines: the Core option were fairly stated.

Methodology

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

- review of issues raised by external parties that could be relevant to ATEN's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 10 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G4 guidelines is set out below:

Inclusivity

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

Materiality

ATEN has established relative procedure in organization level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of company. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the organization's management and performance. In our professional opinion the report covers the ATEN's material issues.

Responsiveness

ATEN has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ATEN is developed and provides the opportunity to further enhance ATEN's responsiveness to stakeholder concerns. Issues that stakeholder concern about have been responded timely. In our professional opinion the report covers the ATEN's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Encouraging to work towards a type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholder concerns.

GRI-reporting

ATEN provided us with their self-declaration of 'in accordance' with the G4 sustainability reporting guidelines: the Core option (at least one indicator related to each identified material Aspect). Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self-declaration covers the ATEN's social responsibility and sustainability issues.

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

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

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

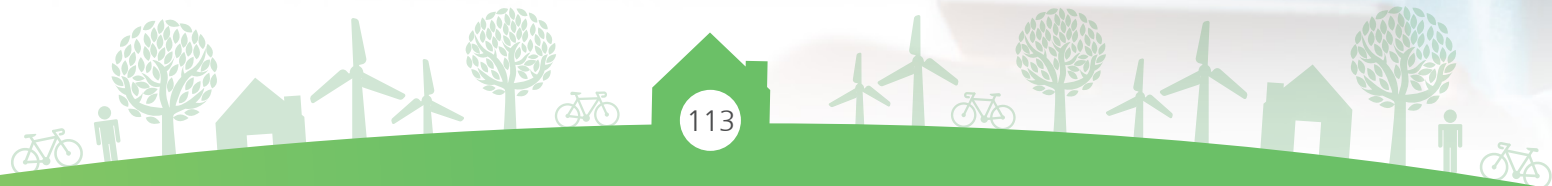


Peter Fu
Managing Director BSI Taiwan
2017-06-10



Taiwan Headquarters: 5th Floor, No. 39, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.

Simply Better Connections





ATEN International Co., Ltd.

Address: 3F., No. 125, Sec. 2, Datong Rd.,
Sijhih District., New Taipei City 221, Taiwan
Tel.: +886-2-8692-6789 Fax: +886-2-8692-6577
<http://www.aten.com>



Integrity



Caring



Ambition



Novelty

