

2017



ATEN International Co., Ltd.

Corporate Social Responsibility Report





Table of Contents

 About the Corporate Social Responsibility Report	 Ch3 Corporate Governance	 Ch5 Active Social Participation	 Ch8 Customer Satisfaction and Service	
 Manager's Preface	 P5			
 Ch1 CSR Execution	 P6			
1.1 CSR Institution and Operations	3.1 Corporate Governance Framework	5.1 Caring about Education and Cultural Heritage Promotion	8.1 Comprehensive Customer Service System	
1.2 Corporate Social Responsibility Committee	3.2 Board of Directors	5.2 Caring for the Elderly and Minority Groups	8.2 Global Customer After-Sales Service Satisfaction Survey	
1.3 Identification of Stakeholders	3.3 Performance Evaluation of the Governing Team	5.3 Community Environment Maintenance	8.3 Online Product Training	
1.4 Stakeholder Communication	3.4 Shareholders' Interests	5.4 Overseas Records	8.4 Customer Health and Safety	
1.5 Management of Major Issues	3.5 Ethics and Integrity		8.5 Information Security and Customer Privacy Protection	
	3.6 Response and Management of Major Negative Events	 Ch 6 Environment Protection	 P71	
 Ch2 Business Operations	 Ch4 Employee Care	 P42	 Appendix I- GRI Indicator Index(GRI Standards)	 P108
2.1 Company Profile	4.1 Equal Employee-Employer Relations	6.1 Climate Change Response and Risk Management Assessment		
2.2 Worldwide Presence	4.2 Strategic Focus, Practical Experiences	6.2 Environmental Sustainability Management to Mitigate Environmental Impact	 Appendix II- Independent Assurance Statement	 P114
2.3 Operation Performance	4.3 Occupational Safety and Health			
2.4 Honors and Recognition		 Ch 7 Supply Chain Management	 P91	
2.5 Participation in External Organizations		7.1 ATEN Supply Chain Management		
		7.2 Supply Chain Management Guidelines		
		7.3 Supply Chain Management Strategy and Objectives		
		7.4 Supply Chain Management Performance		
		7.5 Growing Together with Suppliers		



About the Corporate Social Responsibility Report

ATEN International Co., Ltd. has been making every endeavor towards the implementation of "Corporate Social Responsibility" and is always attentive to topics that stakeholders are concerned about. We hope to bring a positive impact to the environment, society and governance with the company's power, and aim to achieve a better future by working together with all our stakeholders.

You are welcome to read this seventh Corporate Social Responsibility Report issued by ATEN International Co., Ltd. We carry the spirit of our four core corporate values of "Integrity", "Caring", "Ambition" and "Novelty" in daily business operations and management. In addition to our efforts of maintaining reasonable profits, we also continue to practice and promote the positive beliefs of Corporate Sustainability, Environmental Sustainability, and a mutually beneficial and prosperous relationship between the company and its stakeholders. With the annual issue of this report, we effectively establish a bridge for interactive communication with our stakeholders. We look forward to receiving your feedbacks and advices as well, in order to learn, grow and realize a greater value of the company together.

CSR 天下企業公民
Excellence in Corporate Social Responsibility

On August 2017, the Common Wealth Corporate Citizenship Awards announced the results for the 2017 Corporate Social Responsibility Award, and ATEN stood out from more than 200 companies, winning second place in the medium-sized enterprise category.



2011



2012



2013



2014



2015



2016



Report Scope and Period

The information disclosed in this report covers ATEN's concepts and actions in the areas of corporate governance, environmental protection and community participation from January 1st to December 31st, 2017, and records major events until March 31, 2018. The contents of this report are mainly based on ATEN International Co., Ltd., headquarters in Taiwan, with consolidated financial statements and social welfare information covering subsidiary companies overseas.

Guiding Principles in Writing this Report

This report is written in response to the increasing emphasis on corporate social responsibility around the world and Taiwan Stock Exchange's efforts to promote the disclosure of information regarding corporate social responsibility by listed companies. It is partly based on the Core options proposed in the latest GRI standards by the Global Reporting

Initiative (GRI), and we are working toward the disclosure of the Comprehensive option as well. The report is issued annually and made available on the company's official website in both Traditional Chinese and English.

Verification

A third-party certification organization, the British Standards Institution (BSI), was commissioned to verify the content of this annual report according to the AA1000 AS:2008 Type 1 Moderate Level of assurance and GRI Standards: 2016 Core options. Please refer to the Appendix of this report for the Independent Third-Party Assurance Statement.

Report Publications

Previous Edition: Published in June 2017
Current Edition: Published in June 2018
Next Edition: To be published in June 2019

Contact Us

ATEN International Co., Ltd.
President Office, Mr. Kao

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



In order to protect the environment and cherish our natural resources, this report is only published electronically and made available on ATEN's Chinese and English official websites.



Welcome to contact us should you have any opinions or require information related to this report.



Manager's Preface

Since its establishment in 1979, ATEN is about to enter its 40th year. While striving to shape the industry and achieve good economic performance, we have not forgotten to practice the concepts of corporate social responsibility and sustainable development. In the past few years, the Board of Directors has passed CSR-related policies including "Corporate Social Responsibility Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Corporate Social Responsibility Policy Statement, Regulation and Management System", which repeatedly shows the inseparable relationship between CSR and corporate management while demonstrating the management team's determination towards the execution of CSR in a systematic process.

Global competition is ever-growing, and ATEN is also facing many challenges in KVM and Pro A/V markets. Regardless, with the continuous efforts of all our colleagues, the consolidated revenue in 2017 grew slightly from the previous year, reaching NTD 4.947 billion in total. The gross profit maintained at its high standard of 59.1% and the after-tax earnings per share was NTD 6.08. We did not disappoint our shareholders with regards to financial performance. With respect to the rights and interests of other stakeholders, we have paid close attention and continued to in actions for establishing mutually beneficial and prosperous relationships. For example, ATEN has repeatedly been listed on the "Taiwan High Compensation 100 Index" proposed by Taiwan Stock Exchange Corporation (TWSE) with the purpose of encouraging companies to raise salaries and maintain long-term competitiveness. ATEN raises salaries annually and aside from encouraging employee morale, it demonstrates the importance we place on our stakeholders' interests as well, considering both CSR and investment efficiency.

United Nations' 17 Sustainable Development Goals (SDGs) identified 169 target indicators from problems faced by the three major aspects of "economic growth", "social progress", and "environment protection" that urgently need to be solved, to serve as guiding principles for national cooperation and practice. After reviewing our internal sustainable development, business capabilities, stakeholders' degree of concern towards CSR issues, and other factors, ATEN decided to focus response on these 10 goals: Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Decent Work and Economic Growth; Climate Action; Life below Water; Life on Land; Peace, Justice and Strong Institutions; Partnerships for the Goals. We have made environmental and corporate sustainability possible through the continuous promotion of a mutually beneficial and prosperous relationship between the company and its stakeholders. This allows us to have more foresight while responding to UN's 17 SDGs, making mankind's well-being our responsibility and jointly establishing a global village of equality, happiness and harmony.



CEO &
Chairman of
the Board



Ch 1

CSR Execution

- 1.1 CSR Institution and Operations
- 1.2 Corporate Social Responsibility Committee
- 1.3 Identification of Stakeholders
- 1.4 Stakeholder Communication
- 1.5 Management of Major Issues



1> CSR Execution

ATEN has been deeply involved in CSR for many years and is very concerned about global sustainability and corporate social responsibility related trends and issues. The company expects to lead the trend and influence others so that this positive energy can spread. The United Nations officially launched the 17 Sustainable Development Goals (SDGs) in 2016. These are important indicators that bring together the strength of enterprises globally and serve as guiding principles for national cooperation and practice before the year 2030. After reviewing its internal sustainable development, business capabilities, stakeholders' degree of concern towards CSR issues, and other factors, ATEN decided to focus its response on these 10 goals: Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Decent Work and Economic Growth; Climate Action; Life below Water; Life on Land; Peace, Justice and Strong Institutions; Partnerships for the Goals. ATEN continues to examine the relationship and feasibility of the remaining 7 goals, while standing on the stage of sustainable development and working together with the world towards a common goal of encouraging the success of SDGs.





1> CSR Execution

1.1 CSR Institution and Operations

Since 2012, ATEN's Board of Directors has approved the following internal regulations related to corporate social responsibility. The objective is to ensure that ATEN's corporate social responsibility is implemented through system transparency.

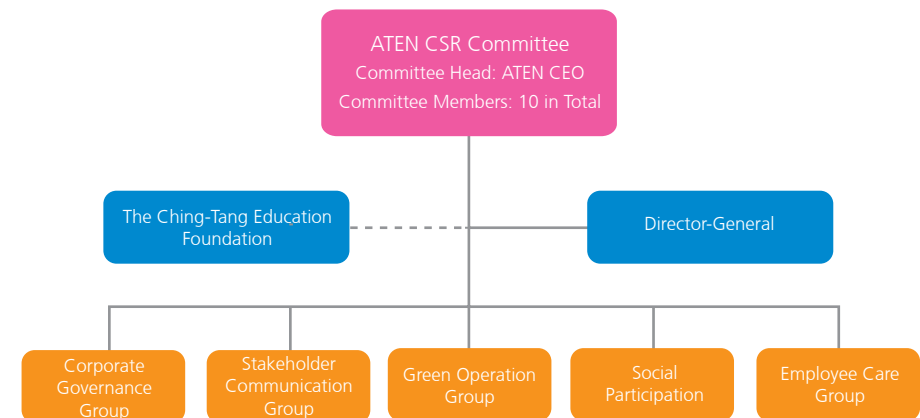
(2012/4/24)	Corporate Social Responsibility "Policy Statement" and "Institution and Management System"
(2012/4/24)	ATEN International Co., Ltd. Code of Ethical Conduct
(2012/4/24)	ATEN International Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct
(2014/11/11)	Corporate Governance Best Practice Principles
(2016/11/9)	Corporate Social Responsibility Best Practice Principles
(2017/1/20)	Procedures for Ethical Management and Guidelines for Conduct

Under the Board of Directors' supervision, a monthly meeting is conducted by members of the "CSR Group" from the Corporate Social Responsibility Management Committee to discuss goal setting and status of corporate governance, corporate commitment, community participation, and environmental protection. Regular reports are made to the Corporate Social Responsibility Management Committee and the Board of Directors to ensure that directions are in line with management's expectations.

1.2 Corporate Social Responsibility Committee

In 2012, the ATEN Corporate Social Responsibility Management Committee was approved by ATEN's Board of Directors, and it was defined as the company's highest level of CSR organization internally. The committee consists of ten members. Our CEO serves as the committee head, and the other nine members are top-level managers from the R&D, Manufacturing, Procurement, Planning, General Manager's Office, General Management Unit, Human Resources, Customer Service, and Quality Assurance departments. In addition to having top-level managers lead the promotion of CSR that nurtures this culture throughout the company, the arrangement of this structure also combines CSR with corporate strategy and allows CSR to be considered during policy formulation. A good example of this is green products.

ATEN CSR Committee Organizational Structure





1> CSR Execution

Under the committee are CSR groups represented by members from ATEN's various functional departments. Every month, a meeting convened by the Director-General is held by these groups to plan and execute CSR-related affairs, and reports are made to the CSR Management Committee on a regular basis to ensure that CSR policies and directions made in committee meetings are implemented accordingly. Once the annual CSR report is finalized, it is published upon approval from the chairman. The annual objectives and execution status of CSR items defined by the committee should be reported to the Board of Directors on a regular basis.

Committee Organizational Structure and Mission Statement

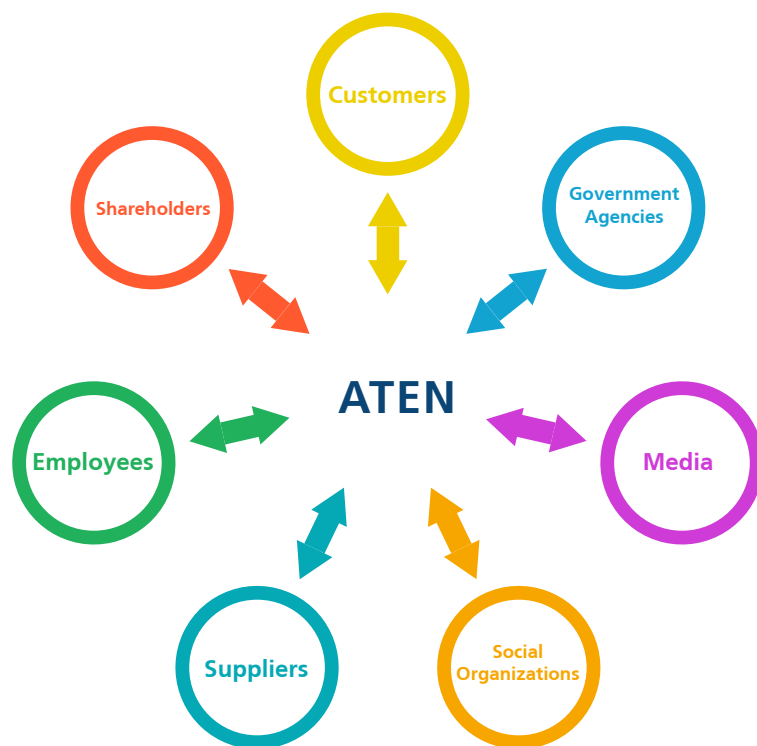
Position and Organizational Name	Department in Charge	Mission Statement
Director-General	General Manager's Office	Execute decisions made by the committee and coordinate the daily operations and related work progress of all groups and report their execution status to the committee on a regular basis.
The Ching-Tang Education Foundation	General Manager's Office	Connect and combine company and foundation affairs.
Corporate Governance Group	Department of Investor Relations and Capital Market	Integrate relevant departments to formulate corporate governance rules and regulations. Carry out company core values of integrity and information transparency, focus on shareholder's rights, practice good internal control management philosophy.
Stakeholder Communication Group	General Manager's Office	Stakeholders' object identification, establish communication channels and mechanisms, consolidate and respond to topics that stakeholders are concerned with. Compile CSR Reports, coordinate and announce all corporate social responsibility-related information to the public.
	Department of Investor Relations and Capital Market	
	Marketing Planning Center	
Green Operation Group	Department of Quality System	Establish green design capabilities and systems, develop tools and monitoring analysis mechanisms that comply with related environmental regulations, promote waste reduction, resource reuse, and greenhouse gas reduction. Cooperate with the government's public sector policy requirements externally, and handle the entire company's energy and water conservation policy promotion internally. In charge of the entire company's tasks related to green process and green products.
	Department of Management	
	Department of Factory Affairs	
Social Participation Group	General Manager's Office	Responsible for promoting the Group's communication with external communities and society with continuous contributions toward scientific research and development cooperation, long-term education support, and promote social welfare activities such as arts and sports.
	Volunteer Club	
Employee Care Group	Human Resources Center	Plan and promote matters related to labor relations, employee benefits, a healthy workplace, training and promotion, gender equality, safety and health, employee care, cultural heritage and so forth.
	Office of Occupational Safety	
	Department of Factory Affairs	



1> CSR Execution

1.3 Identification of Stakeholders

ATEN defines stakeholders as individuals, groups or organizations that may influence ATEN or may be influenced by ATEN. These stakeholders include customers, shareholders, employees, suppliers, social organizations, media, and government agencies. We gain understanding of our stakeholder's issues of interest through diverse communication channels, and after concluding key themes in discussions, we formulate related management policies and execution plans in response to their needs and expectations.



1.4 Stakeholder Communication

We highly value communication with our stakeholders. In addition to clearly stating contacts for each type of stakeholder under the Stakeholder Zone on the official website (<http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/>), we have also set up a questionnaire which stakeholders can use to express their degree of concern over twenty economic, society and environment related issues we selected. Different opinions can be provided to the company for reference as well.

Stakeholder Zone

Stakeholder	Contact
Customers	Online Customer Service
Community Relations	President Office Mr. Kao Email: csr@aten.com
Investors	IR & Capital Market Department Miss. Huang Email: ir@aten.com.tw
Media	Corporate Marketing Department Miss. Shen Email: pr@aten.com.tw
Other Stakeholders	President Office Mr. Tsui Email: atencorp@aten.com



1> CSR Execution

Stakeholders' Topics of Interest and the Method of Corporate Communication:

Stakeholder	Topic of Interest	Communication Channel	Communication Frequency
Customers	<ul style="list-style-type: none"> Product Price Product and Service Liability Customer-Partner Relations Research & Development Raw Material Use and Renewable Materials 	Customer Satisfaction Survey	Annually
		e-support Online Platform	Constantly
		Partner Center Website	Constantly
		Customer Service Hotline	Constantly
		Agent Conference	Annually
Shareholders	<ul style="list-style-type: none"> Economic Performance Earnings Situation Investment Plans Corporate Governance Corporate Sustainability 	Shareholders' Annual General Meetings and Extraordinary General Meetings	Annually
		Investor Conference	No Set Time
		Financial Report	Quarterly
		Annual Report	Annually
		Spokesperson System	Constantly
		Establish Investor Relations Department	Constantly
		Company Website Announcement	Constantly
		Corporate Governance Review	Annually
		ir@aten.com.tw	Constantly
Employees	<ul style="list-style-type: none"> Salary and Benefits Labor Relations Talent Development Occupational Health and Safety Diversity and Equal Opportunities 	Employee Benefits Committee	Constantly
		Human Resources e-School	Constantly
		Capital-labor Conference	Quarterly
		Occupational Safety and Health Committee	Quarterly
		Solution Proposal and Improvement System	Constantly
		Employee Opinion Channels (such as Employee Complaint Line 3333 and Appeal Email: emap@aten.com.tw)	No Set Time
		Corporate Announcement	Constantly

Stakeholder	Topic of Interest	Communication Channel	Communication Frequency
Suppliers	<ul style="list-style-type: none"> Purchasing Price Terms of Agreement Green Product Management Raw Material Use and Renewable Materials 	Regular Quality Inspection	Monthly
		International List	No Set Time
Social Organizations	<ul style="list-style-type: none"> Greenhouse Gas Management Water and Resource Management Environmental Safety Social Benefits and Returns 	Company Website	Constantly
		Corporate Social Responsibility Report	Annually
		The Ching-Tang Education Foundations	Constantly
		Employee Benefits Committee	Constantly
		csr@aten.com	Constantly
Media	<ul style="list-style-type: none"> Economic Performance Talent Recruitment Investment Plan Corporate Governance Social Benefits 	Press Releases	Constantly
		Press Conferences	No Set Time
		Interviews	No Set Time
Government Agencies	<ul style="list-style-type: none"> Adherence to the Law Environmental Safety Payment of Taxes Policy Compliance 	Briefing Meetings held by Governmental Authorities	No Set Time
		Corporate Governance Review	Annually
		Publish Directives	Constantly
		Government Agency Websites	Constantly



1> CSR Execution

➤ Supervisor Mail

In addition, in accordance with the Corporate Governance Best Practice Principles and related regulations, a "supervisor mail" is set up on the company's official website to establish a communication channel between employees, shareholders, other stakeholders and supervisors, which facilitates supervisors' discovery of possible company malpractices in time. Should any employees, shareholders or other stakeholders have any suggestions or reports about the company, they can send their messages to: supervisor@aten.com. All emails are received by three supervisors of the company and matters are processed in a timely and appropriate manner. The company will also keep any messages provided by informants safe and confidential

Supervisor Mail

Home > Contact Us > Supervisor Mail

The Handling Procedures for "Supervisor Mail" :

- According to "Corporate Governance Best Practice Principles", for supervisors to timely discover any possible irregular conduct in the company, the company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.
- For whistleblowing or any suggestion from Employees, shareholders, and stakeholders, please email to supervisor@aten.com. All the emails will be received by the three supervisors of our company and will be handled appropriately.
- For all the information provided by whistleblowers, our company will exercise the duty of due care and undertake the obligation of confidentiality.

➤ Supervisor Mailbox



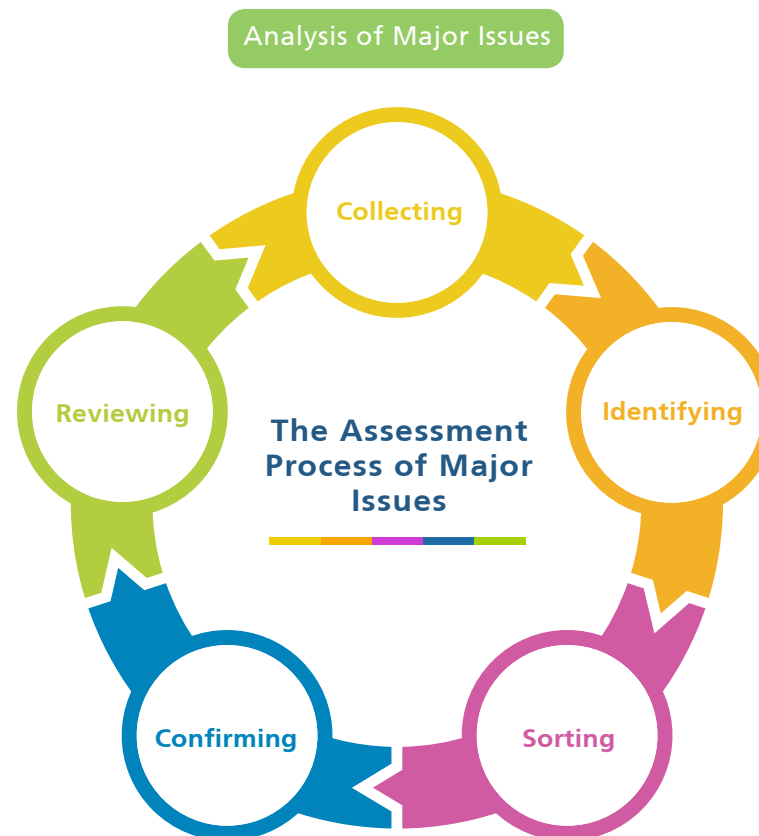


1> CSR Execution

1.5 Management of Major Issues

ATEN analyses an issue's degree of importance to stakeholders according to its sustainability context, degree of influence, degree of completeness, and stakeholder inclusiveness through a five-step cycle of collecting, identifying, sorting, confirming, and reviewing.

Collecting	Matters of interest to stakeholders are collected during daily interactions between CSR group members and various stakeholders. Major issues from domestic and international industry players and international sustainability development trends (such as UN's 17 SDGs) are taken into account as well.
Identifying	The CSR groups will summarize and list the matters of interest collected. 20 "CSR Key Issues" are formulated during the monthly CSR group meeting discussions and from considering industry characteristics, international trends and industry players' development status.
Sorting	Stakeholders are invited to complete the Stakeholder CSR Questionnaire Survey and statistical analysis is carried out on equal weighting. CSR group members discuss according to two major aspects - the degree of economic, environmental and social impact within or outside the company, and the degree of concern from stakeholders - and draw up a matrix diagram that proposes major issues.
Confirming	Preliminary results are submitted to the CSR Management Committee for review and after adjustments to take top-level opinions into consideration, 10 issues are concluded from the 20 key CSR issues and listed as "Major CSR Issues" for 2017. These issues serve as the main information uncovered in this report, which explains our response strategy and performance.
Reviewing	The rationality of the major issues matrix diagram is reviewed whenever necessary. Communication methods with stakeholders are strengthened in order to collect more opinions to serve as a basis for future adjustments.

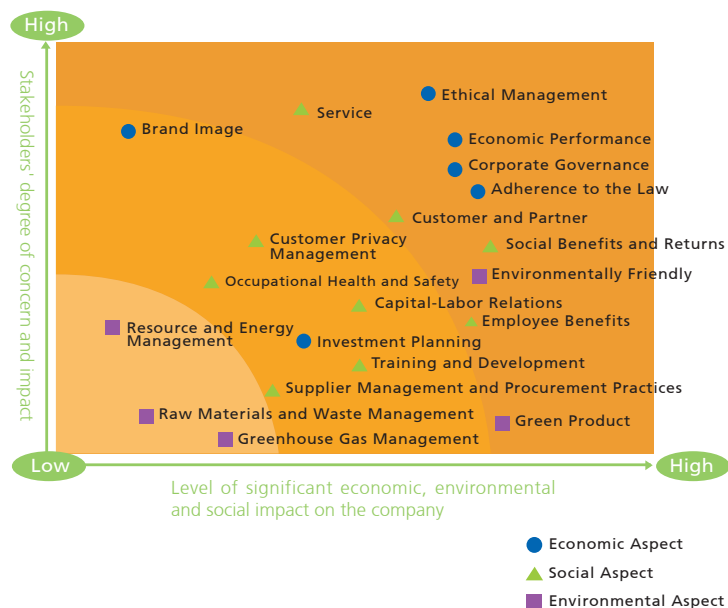




1> CSR Execution

According to the five-step cycle analysis, major issues and their corresponding GRI topics, management guidelines, internal and external impact boundaries and sustainability development goals in each aspect are summarized in the table below:

Major Issues Matrix Diagram



No.	Aspect	Material Topic	Corresponding GRI Topic	Corresponding Chapters on GRI Management Policies	Impact Boundary	Corresponding Sustainable Development Goals (SDGs)
1	Economic Aspect	Ethical Management and Adherence to the Law	205 Anti-corruption Compliance 307 Environmental Compliance 419 Socioeconomic Compliance	Ch.3 Corporate Governance Introduction Ch.6 Environmental Protection Introduction	ATEN Employees Shareholders Suppliers Social Organizations Media Government Agencies Customers	
2		Corporate Governance	Non-applicable GRI Topic	Ch.3 Corporate Governance Introduction	ATEN Employees Shareholders Media Government Agencies	
3		Economic Performance	201 Economic Performance	2.1 Company Profile 2.2 Worldwide Presence	ATEN Employees Shareholders Social Organizations	
4	Social Aspect	Service Quality, Customer and Partner Relations	416 Customer Health and Safety 417 Marketing and Labeling	Ch.8 Customer Satisfaction and Service Introduction	ATEN Customers	
5		Social Benefits and Returns	203 Indirect Economic Impacts 413 Local Communities	Ch.5 Active Social Participation Introduction	ATEN Employees Social Organizations Government Agencies	
6		Employee Benefits	401 Employment 404 Training and Education	Ch.4 Employee Care Introduction	ATEN Employees Government Agencies	
7	Environmental Aspect	Environmentally Friendly	Non-applicable GRI Topic	Ch.5 Active Social Participation Introduction (Community Environment Maintenance Section)	ATEN Social Organizations Government Agencies	
8		Green Product	307 Environmental Compliance	Ch.6 Environmental Protection Introduction Ch.7 Supply Chain Management Introduction	ATEN Employees Suppliers Government Agencies Customers	

- "Ethical Management" and "Adherence to the Law" are combined into one material topic.
- "Service Quality" and "Customer and Partner Relations" are combined into one material topic.

Ch2

Business Operations

- 2.1 Company Profile
- 2.2 Worldwide Presence
- 2.3 Operation Performance
- 2.4 Honors and Recognition
- 2.5 Participation in External Organizations



2> Business Operations

2.1 Company Profile

#1

Global KVM
Market Leader

39 Years
of Industry
Experience

1,600
Employees
Worldwide

59%+
Gross Margin

4.9 Billion NT
Dollars+
2017 Revenue

560+
Approved and
Valid Patents



2> Business Operations

➤ Vision and Goals

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

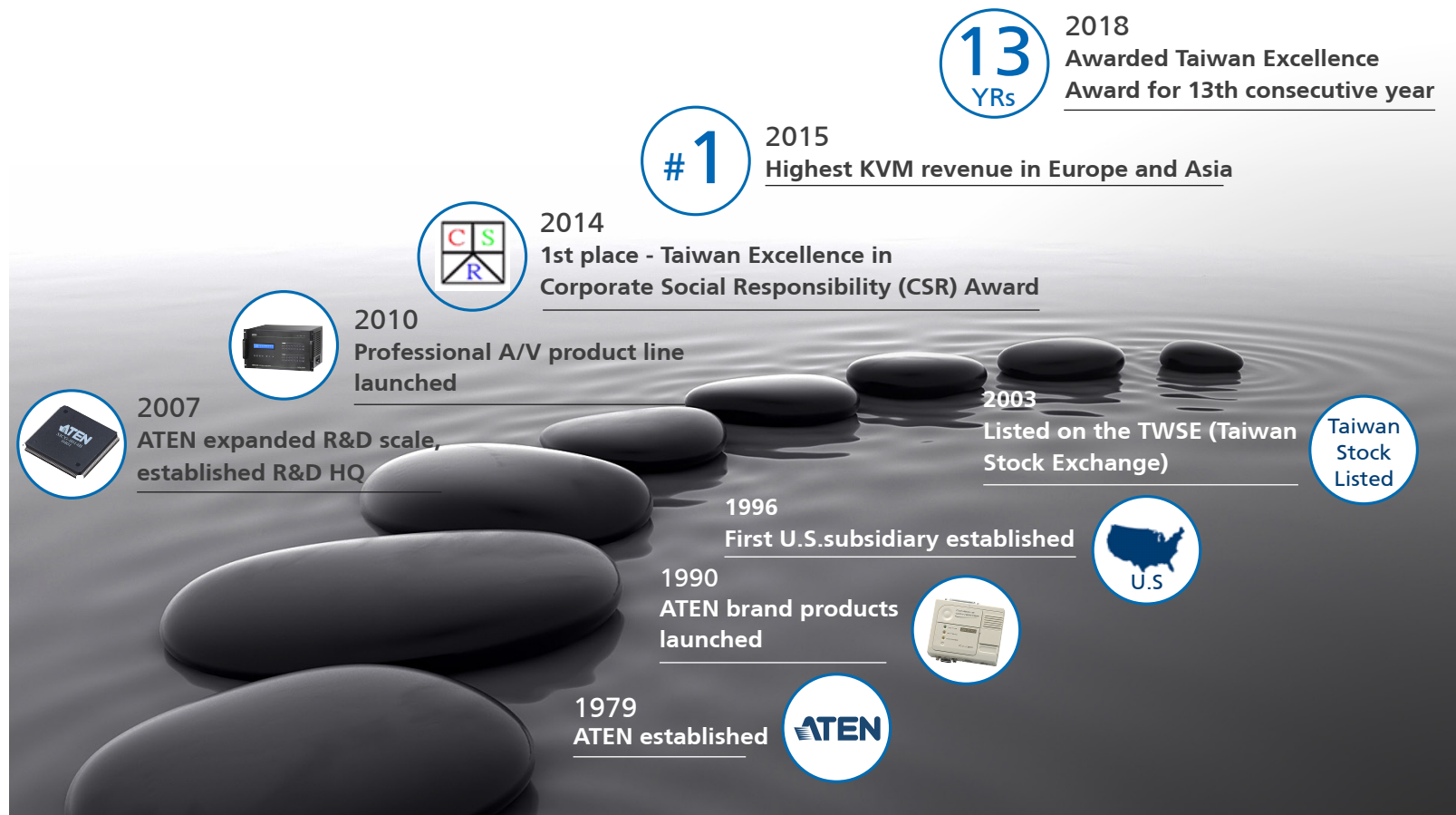
For many years, ATEN has dedicated itself to the development of connectivity and management solutions. With the vision of "Simply Better Connections" and the goal of "becoming the most trusted partner in the development of connectivity technologies", it is committed to providing customers with the most efficient, reliable, and user-friendly connectivity solutions. In addition to the market-leading KVM switch products, ATEN also provides connectivity and sharing solutions such as data center, professional audio/video, signal extenders, and interface converters to help businesses of all sizes and individuals achieve better performance and more cost-effective digital information sharing, connectivity and switching applications. Most importantly, it satisfies the needs of enterprises facing global competition.





2> Business Operations

> Milestones





2> Business Operations

➤ Diversified Product Portfolio

The three major product lines currently developed by ATEN - KVM Switches, Professional Audio/Video and Energy Saving PDUs - have different development histories and industry positioning; moreover, sales channels and target customers are different as well. These differences make ATEN unique. To integrate these three product lines into distinctive solutions and develop exclusive business models for each are important for short-term revenue growth opportunities. We are currently working hard in this direction.

KVM Switch



Professional
Audio/Video



Energy
Saving PDU



USB and
Mobile Device
Peripherals





2> Business Operations

➤ AV meets IT

Facing the rise of business digitization and intelligence, ATEN utilizes its Professional Audio/Video (Pro AV) and IT technology advantages to launch "AV Meets IT" in order to take charge of two major trends - instant integration and sharing of visual data, and intuitive control - and to help businesses carry out high definition, instant data sharing, and improve management efficiency as well.





2> Business Operations

Brand Management

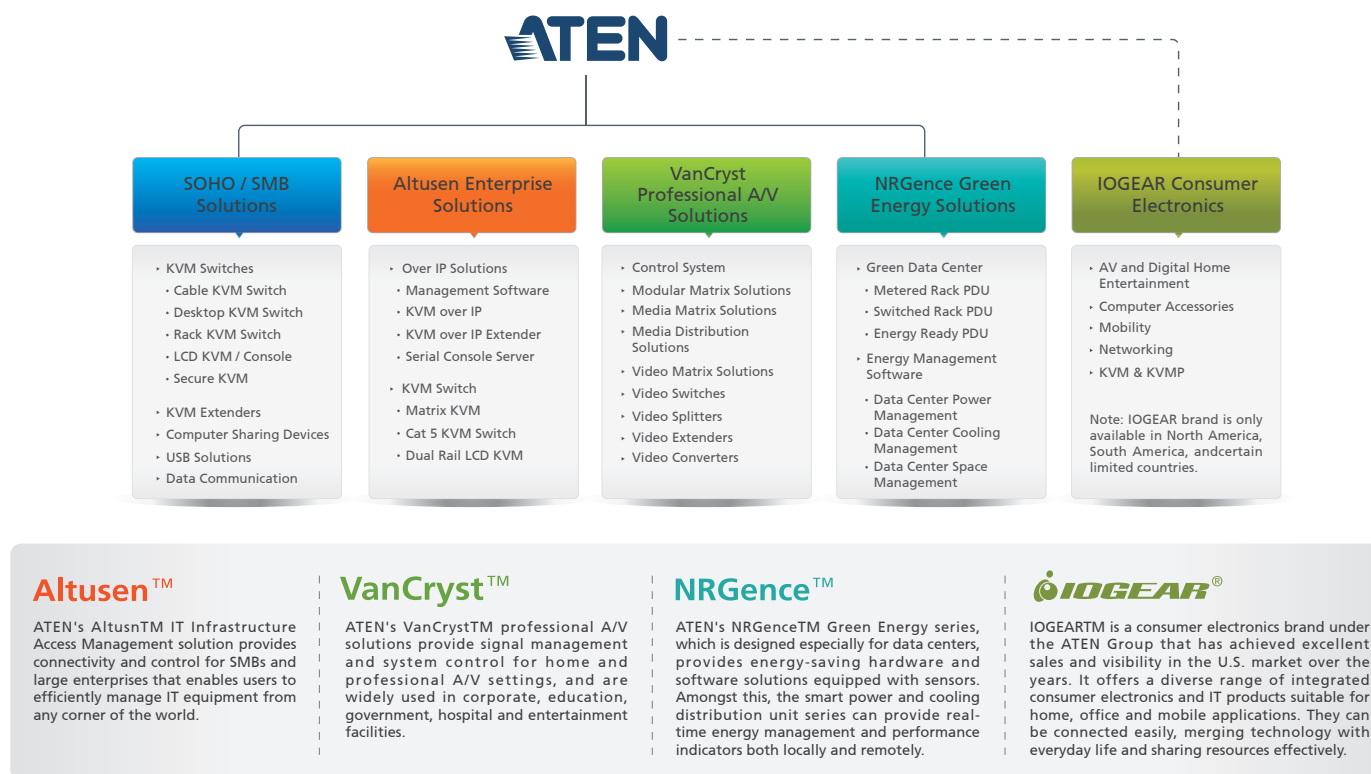
After years of hard work, we have successfully promoted the Taiwanese brand of ATEN to the international market. ATEN was listed as "Taiwan Top 35 Global Brands" on December 2017 by the global brand value research agency Interbrand.





2> Business Operations

ATEN consolidates all of its product lines under one brand – ATEN – in order to provide an efficient and consistent standard.



In order to improve service quality and brand value, we also provide full support to our distributors, system integrators, and value-added resellers. For example, we provide professional solution guides for main target market applications, build strong pre-sales support systems, provide clear and attractive loyalty programs, provide comprehensive and convenient online training programs, hold effective product seminars and road shows, and so forth, which make our customers happy to cooperate with us and promote our brand products that in turn enhances ATEN's brand power. Commitment to the own-brand strategy is undoubtedly another important key to success.



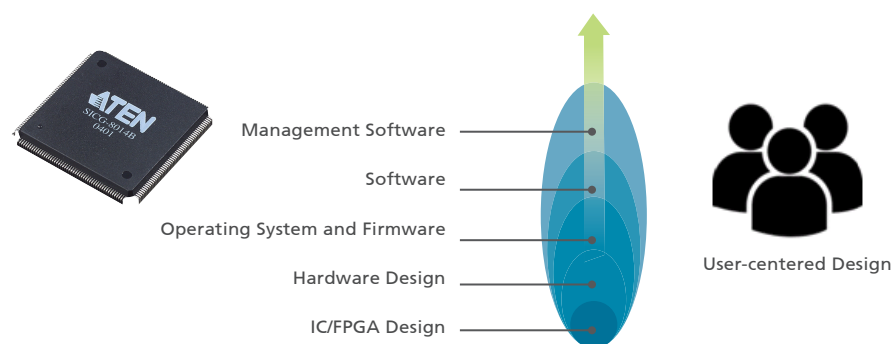
2> Business Operations

Competitive Advantages

1. Excellent R&D teams with continuous technological breakthroughs and innovations that enable us to possess relative advantages and be a market leader.
2. A comprehensive remote management solution with high-end, mid-level, and entry-level product lines to meet requirements of different customers and markets.
3. Professional international marketing talents and excellent distribution channels allows the establishment of a worldwide sales and marketing network and a quick market response mechanism.
4. Own-brand products of high quality and stability are recognized widely by the market.
5. Patent applications to protect intellectual property rights.
6. Market leader for entry- and mid-level KVM products.
7. The integrated AV meets IT solution fulfills the requirements of IT management and professional AV related markets worldwide.

【The Advantages of Vertical R&D Integration】

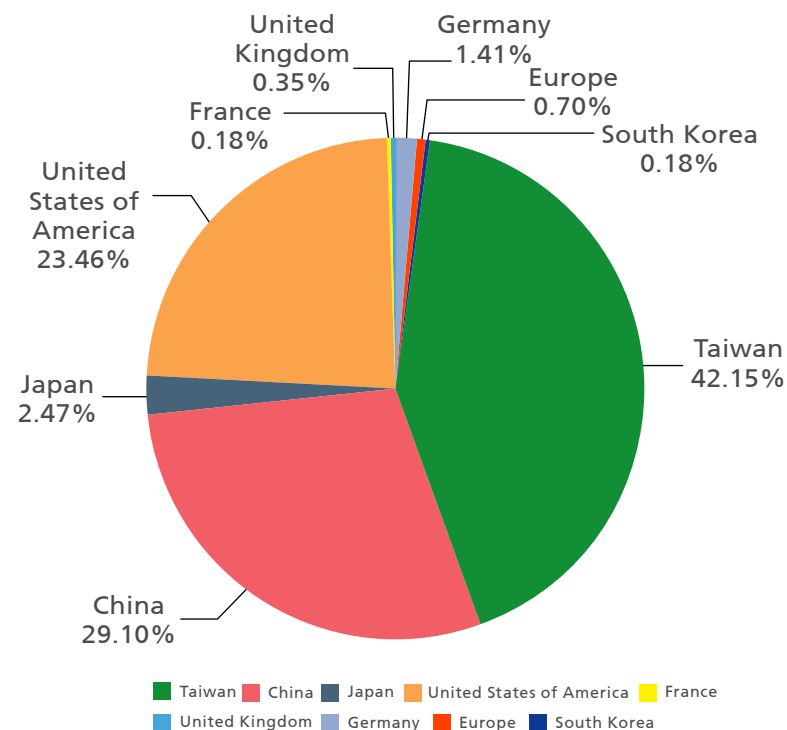
Through the synergy of vertical R&D integration, and design that emphasizes user experience, we thoroughly explore the implicit needs of users to create a world-class brand.



【Global Patent Deployment】

According to statistics, as of the end of March 2018, ATEN had filed for 692 patent placements globally, amongst which 567 cases were approved. Among these 567 patents within the term of protection, there are 516 inventions, 32 designs, and 19 new models. We invest and maintain important technology R&D results aggressively which effectively guarantees continuous growth in the future.

Distribution of Approved Patents:





2> Business Operations

✧ Positive Factors for Long-term Development:

1. The KVM product line has been developed for more than ten years and has established ATEN's brand reputation in the global market.
2. ATEN has won numerous awards, laying the foundation for an international brand status and strong brand recognition.
3. The strategy of establishing sales systems in major regions around the world lays the foundation for future revenue growth.
4. Focus on niche markets and continuous expansion of products' application scope, along with the gradual transition from KVM to A/V and green energy management product lines, helps the growth momentum of revenue income and profit.
5. Outstanding and experienced independent R&D and production teams.
6. Core technologies, including high-end technologies such as chip design, hardware, monitoring hardware or firmware, and A/V network communication, have applied for patents to protect intellectual property rights.
7. A business philosophy of integrity.
8. Continuous execution of CSR (Corporate Social Responsibility) strengthens the company's positive image.
9. Good relations and cooperation with partner vendors and manufacturers.
10. Continuous recruitment and nurturing of outstanding talents.
11. Good financial health.

✧ Negative Factors for Long-term Development:

1. The strength of economic growth varies across regions.
2. Exchange rate fluctuations poses potential risks.
3. Entry of new competitors.
4. Consumer's lack of product knowledge.
5. Counterfeit and infringing products that disrupt the market.

✧ Response Strategies and Opportunities

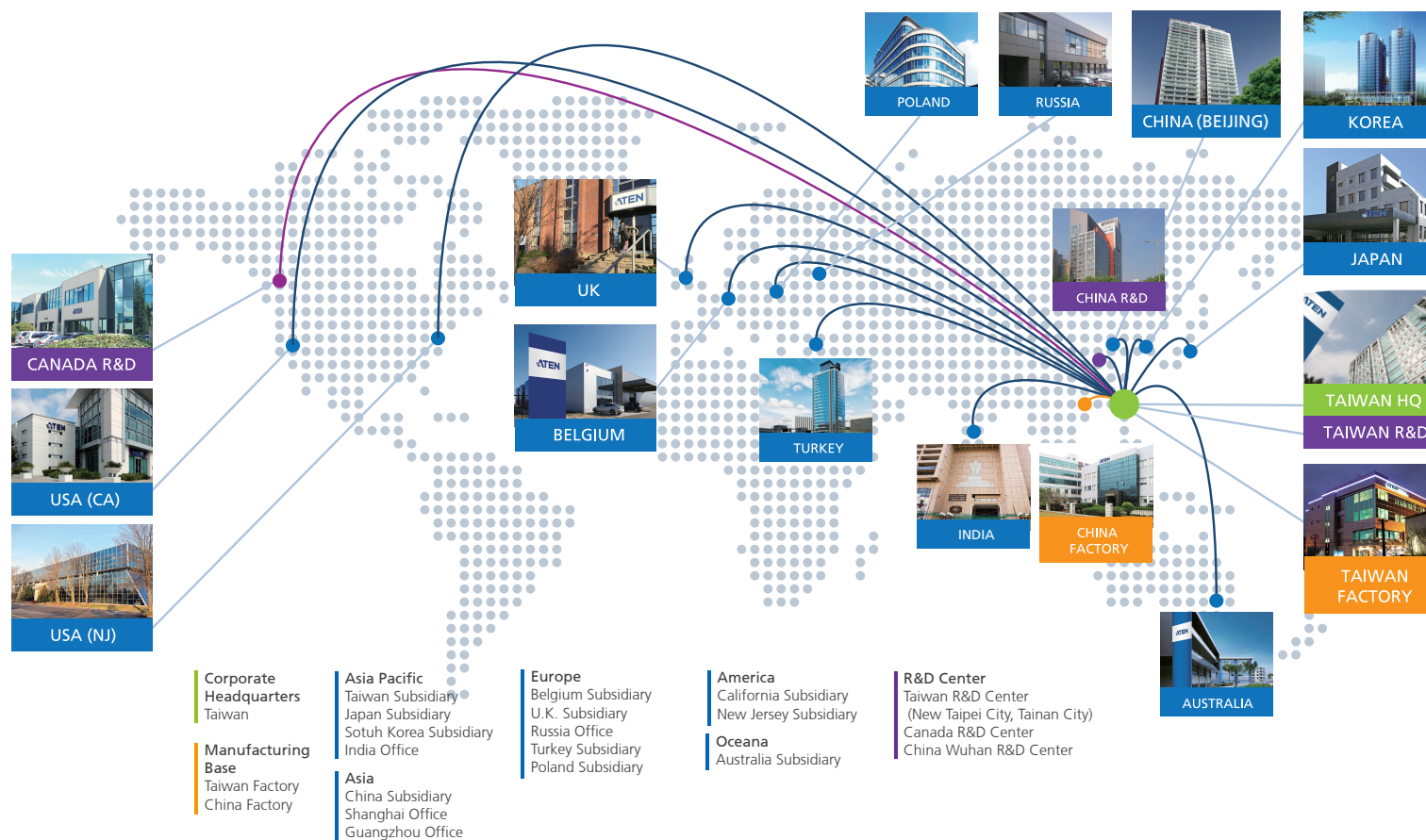
1. ATEN's global network strategy is not subject to fluctuations in a single market, which can reduce its risks. On the other hand, the introduction of products into diverse markets and application fields spreads the systematic risks caused by different individual industry cycles and optimizes production and sales management while reducing chances of sluggish inventory at the same time.
2. The Financial Department closely monitors fluctuations in currency exchange rates to judge the market price trend and adjust product prices efficiently. With the help of financial tools, risks of foreign exchange rate loss can be effectively avoided.
3. In response to the increasing number of competitors in the mid and entry-level KVM markets, we leverage our product development and R&D strength to increase product differentiation and enhance product quality to avoid price wars with similar competitor products. With our advantages of efficient product repair and maintenance services, as well as customer service quality, we clearly differentiate ourselves from price-cutting competitors. In addition, legal actions are taken against third parties that infringe on the company's trademarks and patents to protect our rights.
4. By utilizing a solution-oriented product introduction method and other marketing promotion strategies, potential customers such as system integrators, general enterprises, government agencies and general consumers, can better understand our KVM products. At the same time, we promote the various benefits of our KVM products such as being energy saving, environmentally friendly, space-saving, and improving the efficiency of data centers.
5. We strictly search for counterfeit products and take strong actions to protect the sales rights of our patented products.



2> Business Operations

2.2 Worldwide Presence

ATEN achieves close to 60% gross margin performance through sophisticated management methods and the presence of a global network. In 2017, two new sales bases were established in Poland and India, making ATEN's number of sales subsidiaries and offices globally reach 16. The company will continue to establish sales-oriented subsidiaries or offices to explore local markets and provide timely shipment and technical support. We believe that this strategy will bring big momentum to future revenue growth.





2> Business Operations

Furthermore, in order to enhance brand awareness and increase market share, we have recently been aggressively setting up showrooms in key cities of our major markets. We establish multifunctional showrooms near customer locations that combine exhibition, experience, demonstration, and training purposes, and provide various services from our well-trained local sales personnel and sales support engineers stationed there. Currently, we have established showrooms in 19 cities. We will continue this policy to create a more comprehensive pre-sales and after sales service system.

Showroom Establishment



Asia



Taiwan

China

Japan

Korea

Singapore



Thailand



India



Indonesia



Australia

Europe



UK



Turkey



Egypt



South



Hungary



Romania

America



USA

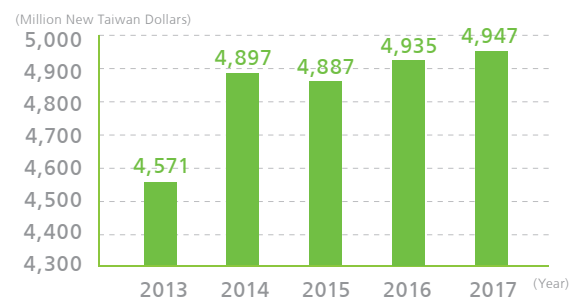


2> Business Operations

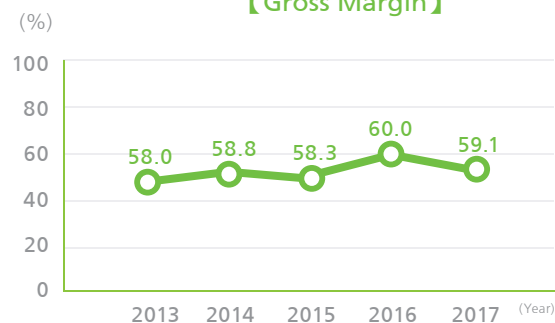
2.3 Operation Performance

In terms of operating figures, good results were achieved in 2017. According to the operating data from the past five years, the average after-tax earnings per share (EPS) was NT\$ 6.23, the average shareholder's return on equity was 21.7% and the gross margin remained at a high level of 59%. This shows that the management team can meet shareholders' expectations in terms of business development, cost control and efficiency improvement, and continues to create profits for investors, worthy of shareholders' trust and investment.

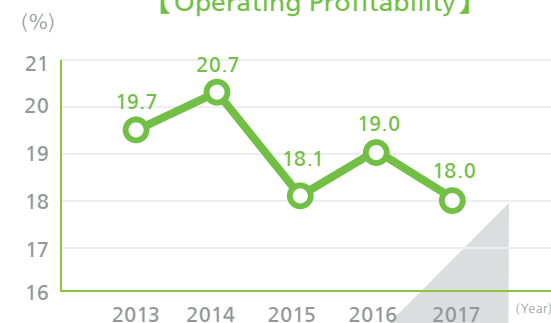
【Revenue】



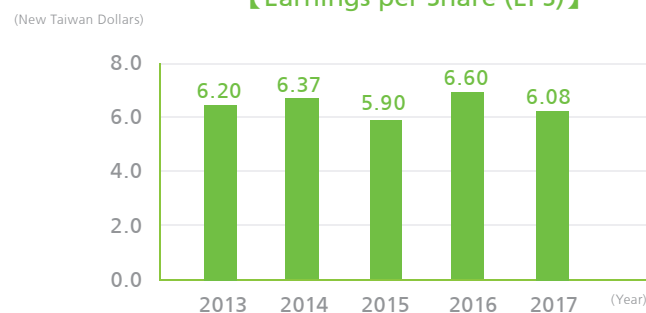
【Gross Margin】



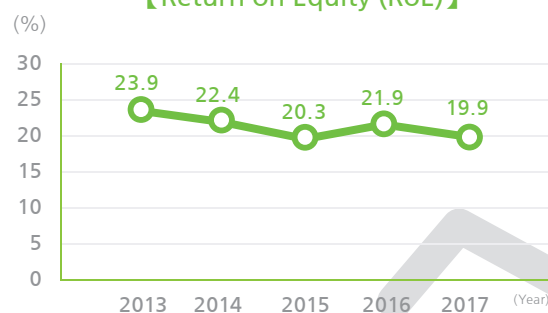
【Operating Profitability】



【Earnings per Share (EPS)】



【Return on Equity (RoE)】





2> Business Operations

2.4 Honors and Recognition (2010-2017)

ATEN has won awards and recognition globally throughout the years in terms of product, design, company management, corporate social responsibility, and so forth.



red dot award 2015
winner interface design





2> Business Operations

2017



2017 Taiwan Excellence Award



2017 Computex Best Choice Award



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



INTEROP Best of Show Award 2017 Special Prize



INTEROP Best of Show Award 2017 Grand Prize



IBC 2017 Best of Show Awards



Produkt Roku 2017



IT PRO Corporate Choice 2017



Government Video Product Innovation Award 2017



2017 Best Taiwan Global Brands

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"



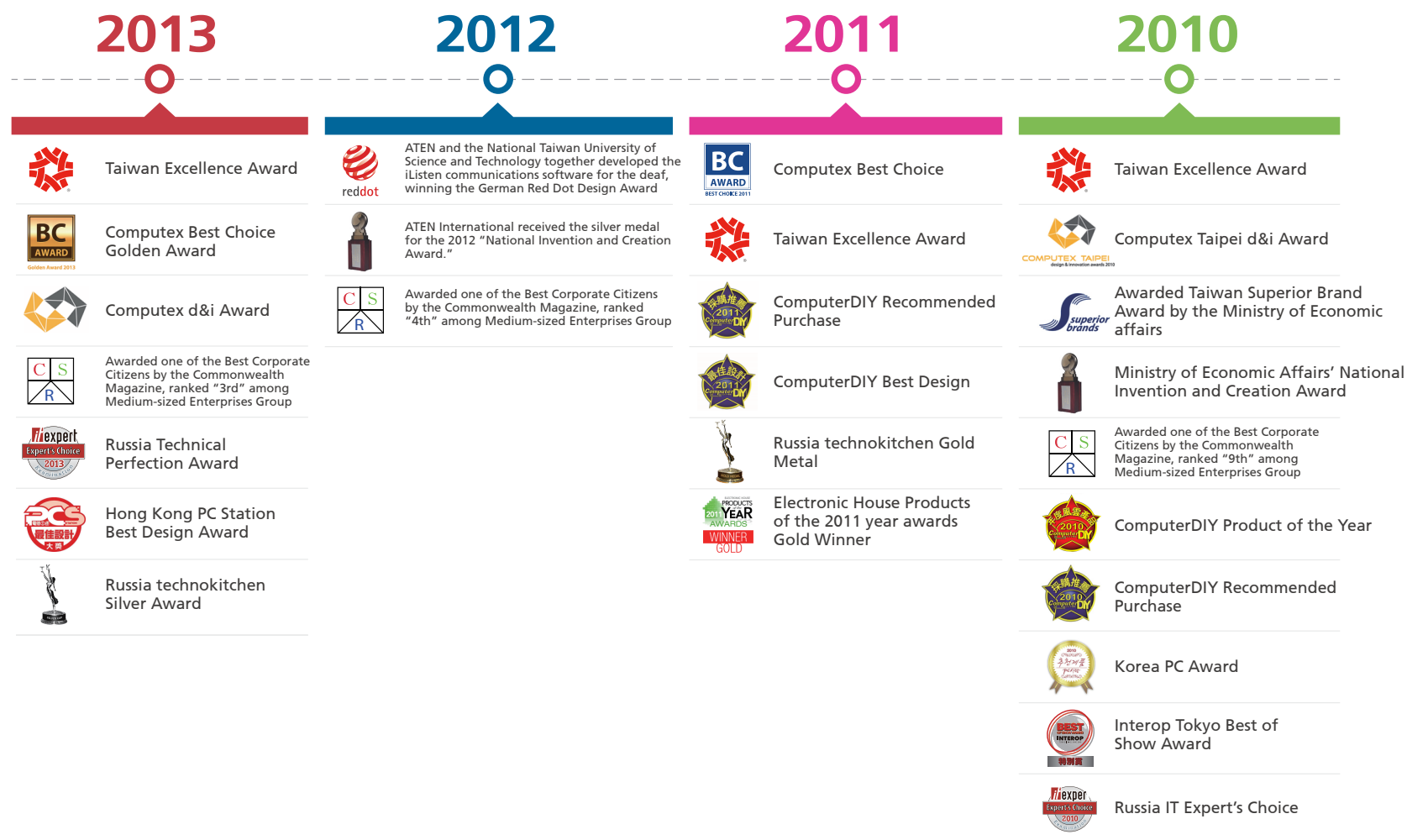
Best Features Award



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



2> Business Operations





2> Business Operations

2.5 Participation in External Organizations

By participating in various domestic and international public associations related to industrial development, ATEN has strengthened its links with the industry and latest technologies. In addition to enhancing product competitiveness and influencing the industry, it can also increase opportunities for strategic alliances and create operational growth.

Association Name	
Apple Developer Program	RTI-RCI
Audinate	UL
Bluetooth SIG	USB Implementers Forum
Digital Content Protection LLC(HDCP)	VCCI
GS1 Taiwan	VDE
HDBaseT Alliance	Veri Sign
HDMI Licensing, LLC	VESA
KNX	Taiwan Electrical and Electronic Manufacturers' Association
Microsoft WHQL	Taipei Computer Association
MSDN	The Institute of Internal Auditors - Chinese Taiwan
PCI-SIG	Industrial Safety and Health Association of The R.O.C.

➤ An example of the cooperation with HDBaseT Alliance:

In 2017, ATEN held a two-week internal "Pre-sales Workshop" and invited outstanding sales support engineers from various sales offices around the world for training in Taiwan to enhance their promotion skills for high-end A/V products. The company took this opportunity and implemented the "Train the Trainer Program" by the HDBaseT Alliance. After the training, more than 20 engineers passed the certification and became HDBaseT-qualified charter lecturers. This means that they can promote HDBaseT technology on behalf of the HDBaseT Alliance. Since then, ATEN has upgraded to a HDBaseT Contributor membership and is the only company that has obtained the most HDBaseT chartered instructor licenses worldwide.

ATEN has contributed more than 39 years of IT experience to the HDBaseT Alliance to accelerate the realization of the AV and IT convergence trend. Meanwhile, we will continue to hold free HDBaseT Training Programs around the world to help our customers and partners understand and apply this advanced AV transmission technology and continue to be at the forefront of the trend.



What is HDBaseT?

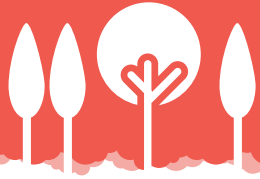
HDBaseT is a data transmission technology developed by Japanese and South Korean home appliance manufacturers Sony, LG, and Samsung, and the Israeli semiconductor company Valens Semiconductor. In 2009, it passed the HDCP certification by Intel, and HDBaseT 1.0 was officially defined by the end of June 2010. The new transmission technology promoted by HDBaseT Alliance can deliver uncompressed high-definition video (HD), audio, power, home networking, Ethernet, USB and some control signals over a network cable (Cat5e or higher). Compared to transmission technologies such as HDMI, it offers a much faster, more remote, and cost-efficient option.



Ch3

Corporate Governance

- 3.1 Corporate Governance Framework
- 3.2 Board of Directors
- 3.3 Performance Evaluation of the Governing Team
- 3.4 Shareholders' Interests
- 3.5 Ethics and Integrity
- 3.6 Response and Management of Major Negative Events Organizations






3> Corporate Governance

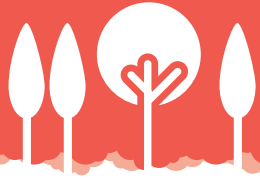
> Material Topic

Corporate Governance, Ethical Management and Adherence to the Law

> The significance of this material topic to ATEN and the company's main contributions to SDGs

The corporate governance index released by governmental authorities recently outperformed the market index in the stock market. Corporate governance is an extremely important part of the company's sustainable operation, and it aims to ensure healthy operations for the best interests of the company. If corporate governance is done well, the company's profitability will naturally follow. Companies with good corporate governance can plan business strategies appropriately, supervise strategy execution effectively, ensure that stakeholders' rights are protected, and disclose relevant information in a timely manner. This is especially important for winning investors' trust, strengthening their confidence, and attracting long-term funding as well as the interest of international investors.

	A business philosophy of integrity is one of ATEN's core values. Each year, we hold related lectures and courses on integrity, and list it as one of the compulsory courses for new employees to ensure that all employees understand and follow this code of conduct. In addition, internal or external courses related to corporate governance are arranged every year for departments such as auditing, accounting, investor relations and capital market, as well as directors and supervisors, to convey the company's determination towards honest operations and the consequences of breaching it.
	ATEN's Board of Directors consists of professionals with various professional knowledge and skills. The representative director, Shu-Shan Lin, is a woman, which is also in line with Goal 5, Gender Equality, of the 17 UN Sustainable Development Goals. The diversified policy also shows that ATEN continues to pursue the long-term goal of sustainable development.
	Among the four core values of ATEN, the first is "integrity". Regardless of which stakeholder group the company faces, it always pursues the principle of integrity and honesty and strives for transparent corporate governance. ATEN has established the "Honest Business Operating Principles", "Ethical Code of Conduct", "Honest Business Operation Procedures and Behavioral Guidelines" and so forth, for its Board of Directors, supervisors and employees to follow. In addition, a number of e-mail accounts are set up to serve as means of communication with different stakeholders shall accusations arise. This constructs a fair and justifiable interactive relationship between the company and its stakeholders.



3> Corporate Governance

➤ Responsible Unit

Corporate Social Responsibility Management Committee - Corporate Governance Group

➤ Management Mechanism

ATEN established the "Corporate Social Responsibility Management Committee", with the CEO as the committee head and nine other senior executives as committee members. Among them, the chief executive of the General Management Unit is the Chief Financial Officer and spokesperson. The Department of Investor Relations and Capital Market under this organization is the unit responsible for the daily Board of Directors meeting, shareholders' meeting, investor relations, and other corporate governance matters. The Corporate Governance Group under the Corporate Social Responsibility Management Committee consists of members from the Department of Investor Relations and Capital Market. Through monthly CSR group meetings, changes in corporate governance regulations are discussed and the gap between each indicator requirement and current execution status are reviewed to point out areas of improvement and suggestions. Reports are made to the CSR Management Committee on a regular basis to ensure that policies and directions decided in committee meetings are being executed. Major decisions related to corporate governance made by the committee are reported to the Board of Directors on a regular basis when necessary. Under the supervision of the Board of Directors, this operational mechanism ensures that the company's direction of governance is continuously improved, in pace with the times, and responds to the requirement of governmental authorities and global corporate governance trends, effectively protecting shareholders' interests while achieving a fair and justifiable corporate value.

➤ Commitments, Actions and Goals

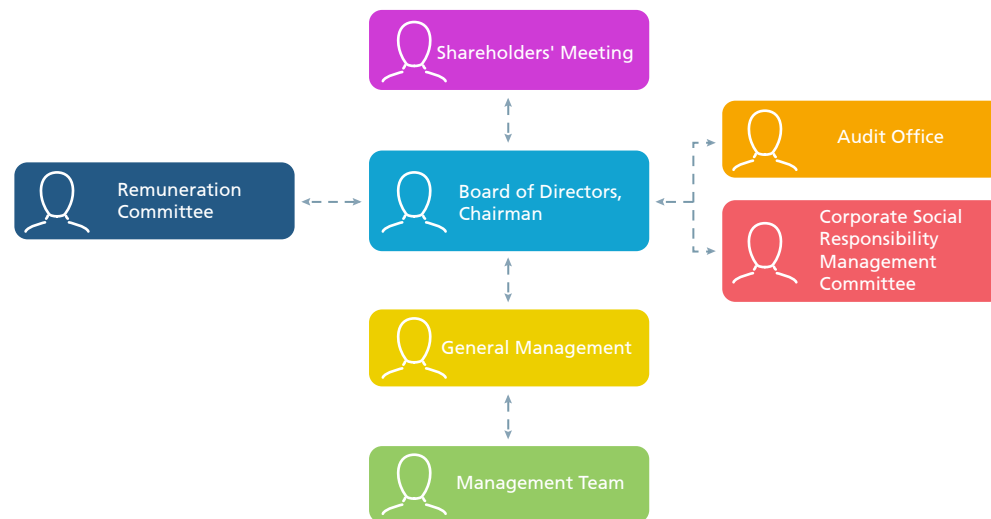
ATEN was listed in the top 6%-20% companies in the 4th Corporate Governance Evaluation results of 2017, indicating that the company has made significant progress in all aspects of corporate governance. Important events in 2017 include: electronic voting, introduction of a candidate nomination system for the Board of Directors, establishment of a third independent director, set up of the Supervisor Email, establishment of the "Honest Operating Procedure and Behavioral Guidelines", and the assessment of accountant independence by the Board of Directors and published in annual reports. In the future, the Board performance self-assessment and auditing committee will be the first priority for strengthening measures, to implement the company's core values. ATEN's executive team believes that the execution of corporate governance guarantees the rights of investors and stakeholders as well as a necessary means to practice corporate social responsibility.

ATEN will continue to establish communication channels with stakeholders, implement information disclosure, enhance the Board's function, set up a functional committee, implement CSR management committee functions, establish corporate self-regulation and maintain a healthy internal control system to strengthen its corporate governance.



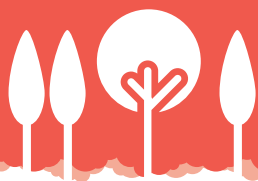
3> Corporate Governance

3.1 Corporate Governance Framework



ATEN ensures compliance with regulations through strict internal audit and control systems, whereby the highest standards are required of the management team, overseas subsidiaries and employees. The degree of regulation compliance and internal control execution is repeatedly reviewed through regular internal control self-assessments and irregular internal audits. If problems are noticed in the internal control system, it is reported immediately, and relevant departments will review and address the matter until it is corrected and meets the requirements of all regulations and laws. After the Audit Department collects and completes a review report on each department, the manager will feedback to all supervisors on a regular basis and report it during board meetings.

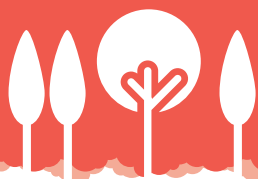




3> Corporate Governance

Corporate governance promoted by ATEN recently are summarized as below :

Category	Achievements
Protect Shareholders' Rights and Treatment with Equality	<ul style="list-style-type: none"> The 2017 Annual Shareholders' Meeting adopted electronic voting. The 2017 Annual Shareholders' Meeting approved the company's change in policy whereby the election of directors is through candidate nomination. Proposals in shareholders' meeting are voted on by case whereby shareholder's approval, rejection, and waiver results on each proposal are recorded and entered onto the Market Observation Post System. The company's website lists contact windows for investor relations that are dedicated to answering and dealing with suggestions and problems pointed out by investors http://www.aten.com/tw/zh/aten-info/investor-relations/person-to-contact/ English versions of shareholders' meeting notices, discussion manuals, proceedings, annual reports are prepared voluntarily and uploaded onto the Market Observation Post System and the company website to provide reference for investors.
Strengthen the Board's Structure and Operation	<ul style="list-style-type: none"> The annual regular assessment of accountant independence was carried out to ensure that the certified public accountant has no financial interest or business relations with the company that affects independence and reported to the Board of Directors for approval. Directors and supervisors completed hours of training specified in the "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"> Emphasis on stakeholders' right to knowledge has resulted in the listing of ATEN among the top 6%-20% companies in the 4th Corporate Governance Review in 2017. Establishment of an English website that provides foreign investors with reference to all kinds of company information. Please refer to the following link:http://www.aten.com/global/en/aten-info/investor-relations/corporate-governance/company-structure-and-responsibilities/ Two online investor conferences were held in 2017. Related information and both Chinese and English briefings were uploaded onto the Market Observation Post System for investors' reference.
Implement Corporate Social Responsibility	<ul style="list-style-type: none"> Since the 2015 Corporate Social Responsibility Report, the company's report has been reviewed by a third-party notarization agency that utilizes the AA1000 AS_2008 standard to evaluate its significance, responsiveness, and comprehensiveness, and provides an independent assurance statement. The 2017 Corporate Social Responsibility Report follows the latest GRI standards, adopts current verification standards and is evaluated by a third-party notarization agency. The Corporate Social Responsibility Best Practice Principles has been finalized upon approval by the Board of Directors and uploaded onto the Market Observation Post System and the company's website for investors' reference. Please refer to the Investors Zone on the company's website:http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Procedures for Ethical Management and Guidelines for Conduct was formulated to regulate the reporting system for illegal or unethical behaviors for internal and external personnel and made effective upon approval by the Board of Directors. This is uploaded onto the Market Observation Post System and the company's website for investors' reference. Please visit the Investors Zone on the company's website:http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/ Contact windows for various stakeholders are listed on the company' official website to provide a communication platform. Please refer to the following link:http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/ E-mail accounts set up on the company's website to provide stakeholders with a means of reporting, and includes the Supervisors Email and atencorp@aten.com.



3> Corporate Governance

3.2 Board of Directors

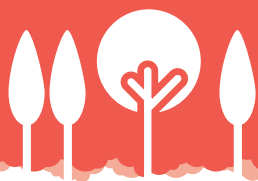
ATEN's Board of Directors consists of 7 directors, amongst which 3 are independent directors, with a term of three years. The Board is responsible for assessing the company's management strategies and important financial operation affairs to ensure the legitimacy and appropriateness of financial reports and to maximize shareholder' rights. In order to enhance the Board's function, director and supervisor seats were re-elected to incorporate a third independent supervisor during the 2017 Annual Board Meeting, and the director and supervisor election plan was revised to a candidate nomination system which was approved by the Board of Directors.

The board meeting is held at least once every quarter. In 2017, a total of seven meetings were held. Should conflicting interests arise during meeting proceedings that directors wish to evade, ATEN follows Article 16 stated in the Rules and Procedures of Board of Directors Meetings - The director shall explain in detail important areas of interest to the self or represented legal person in the meeting. If it is harmful to the company's interests, the director is forbidden to participate in discussions and votes as well as from representing other directors exercising their voting rights.

Article 20 of the company's Corporate Governance Best Practice Principles sets a policy of diversified board members. Directors should have different professional backgrounds, genders, or areas of work, and all members must have financial, accounting, or industry knowledge and different professional backgrounds. In other words, the composition of board members should consider diversity. Appropriate diversified policies are formulated based on business operations, business model, and development requirements which include gender, age, and professional knowledge and skills. The company also implements this policy in the composition of its Board of Directors. ATEN's board members possess different professional knowledge and skills, and the representative director, Shu-Shan Lin, is a woman, which is in line with the fifth topic of gender equality in the 17 UN Sustainable Development Goals. The diversified policies aforementioned also show ATEN's persistence to pursuing the long-term goal of sustainable business operations.

Board of Directors' Age and Gender Ratio				
Age			Gender	
30 years old and below	30-50 years old	Above 50 years old	Male	Female
-	1	6	6	1





3> Corporate Governance

Professional Qualifications of Board Members:

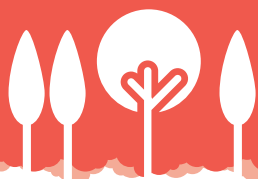
All board members have the relevant business judgment, accounting and financial analysis, operation and management, and leadership abilities necessary to perform their duties. All have at least five years of work experience in business, law, finance, accounting, or other fields required by the company. Please refer to the table below for more information.

Name	At least 5 years of work experience with the following professional qualifications		
	Business, law, finance, accounting, or other discipline required by the company at the level of a college lecturer or above	Judge, prosecutor, lawyer, accountant, or other specialist or technical personnel possessing a national exam qualification and certification in a field required by the company	Business, law, finance, accounting, or other work experiences in a field required by the company
Kevin Chen			●
Shang-Jen Chen			●
CDIB Capital Management Corporation Representative: Shu-Shan Lin			●
Yung-Ta Lin			●
Wei-Jen Chu (Independent Directors)		●	●
Chung-Jen Chen (Independent Directors)	●		●
Jiun-Jung Chen (Independent Directors)	●		●

Diverse Policies Implemented by Board Members

Name	Operation & Management	Leadership & Decision Making	Industry Knowledge	Risk Management	Accounting & Finance
Kevin Chen	●	●	●	●	●
Shang-Jen Chen	●	●	●	●	●
CDIB Capital Management Corporation Representative: Shu-Shan Lin	●	●	●	●	●
Yung-Ta Lin	●	●	●	●	●
Wei-Jen Chu (Independent Directors)	●	●	●	●	●
Chung-Jen Chen (Independent Directors)	●	●	●	●	●
Jiun-Jung Chen (Independent Directors)	●	●	●	●	●

To enable board members to perform their functions well, ATEN encourages them to pursue continuous education to ensure they are always aware of the latest knowledge and trends that can enhance their ability to cope with the evolving business landscape. Board members have achieved the minimum hours of continuing education required by the law every year. This information as well as the attendance of board directors and supervisors at board meetings are disclosed on the Market Post Observation System as reference for all stakeholders.



3> Corporate Governance

3.3 Performance Evaluation of the Governing Team

According to the company's Articles of Incorporation, the year's earnings before tax is retained to cover accumulated losses, prior deduction of employees and board member's remuneration remuneration. Should there be a positive balance afterwards, the company will appropriate it as employee's remuneration at 10% to 16% and board member's remuneration remuneration at a maximum of 2%. The decision of employee and board member's remuneration remuneration ratio and whether it is distributed in stock or cash should be made by the approving votes of over half of the Board of Directors, with the attendance rate of over two-thirds present, and then reported in the stockholder's meeting.

Upon approval from the Board of Directors, ATEN established a remuneration committee on December 20, 2011 that consisted of a total of three members, including one independent director. It is responsible for the formulation and regular review of the policy, standard, and structure of annual and long-term performance goals and compensations as well as the company's board directors, supervisor, and managers. In addition, the committee is also responsible for the routine performance evaluation 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 travel expenses and reward in the form of distribution of earnings. Travel expenses are based on common business standards. The distribution of earnings is suggested to the Board of Directors by the Remuneration Committee according to the company's Articles of Incorporation. It is then agreed on by vote and submitted to the shareholders' meeting for final approval and distribution. The remuneration of managers includes salary, rewards and bonus dividends, and the payment standards follow the company's Employee Salary Management Guidelines.

The current Remuneration Committee members are to serve the term from June 15, 2017 to June 14, 2020. Two meetings have been held in the past year, and the attendance is as follows:

Title	Name	Number of Actual Attendance	Number of Represented Attendance	Percentage of Actual Attendance (%)
Convener	Wei-Jen Chu	2	0	100%
Member	Chen-En Ko	2	0	100%
Member	Yen-Jung Li	2	0	100%

3.4 Shareholders' Interests

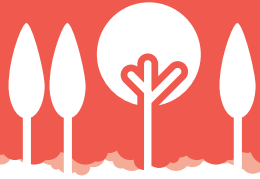
ATEN has two types of Shareholders' Meetings - Annual General Meeting and Extraordinary General Meeting. The Annual General Meeting is held once a year and is convened by the Board of Directors within six months after the end of each fiscal year. The Extraordinary General Meeting is convened in accordance with relevant laws and regulations when necessary. ATEN regularly holds Shareholders' Annual General Meeting every year to report its operation and financial situation. Shareholders can submit written proposals for the meeting. Before notifying shareholders of the meeting date, ATEN will notify the submitting shareholder of the result of their proposal and include those that comply with the company's regulations into the meeting notice. For those that are not included into the agenda, an explanation will be provided by the Board of Directors during the meeting.

ATEN expresses its concern to all stakeholders, including employees, customers, suppliers, and community groups with the corporate values of "Integrity", "Caring", "Ambition", "Novelty", and pays considerable attention to shareholders' rights. According to the company's recent dividend distribution policy, all stock dividends are distributed to shareholders except for those that are retained due to provisions of the law and other factors, allowing shareholders to share its profits. The dividend payout ratio in 2017 was 90%, reaching its highest in recent years.

	2013	2014	2015	2016	2017
Earnings per Share (NT\$)*	6.2	6.37	5.9	6.6	6.08
Shareholders Dividend (NT\$)	5	5.7	5.2	5.8	5.5
Cash Dividend (NT\$)	5	5.7	5.2	5.8	5.5
Stock Dividend (NT\$)	0	0	0	0	0

Note: 2017 annual earnings still need to be decided in the 2018 Shareholders' Annual General Meeting.

In accordance with the principle that listed companies must fully disclose their operation information, ATEN has placed its business and financial situation reports on annual business reports and the official website as well as the Market Observation Post System for investors to understand the company's status. In addition, a spokesperson system and an investor relations department were set up to manage shareholders' proposals. Shareholders may offer suggestions to the company through the investor's email account (ir@aten.com.tw) and relevant contact information is also disclosed on the official website for interested parties.



3> Corporate Governance

3.5 Ethics and Integrity

In order to achieve corporate social responsibility goals and contribute to economic, environmental, and social progress, ATEN's Board of Directors approved and set the Corporate Social Responsibility Best Practice Principles on November 2016, which strengthens the implementation of corporate social responsibility and incorporates it into the company's management and operations.

In accordance with the Honest Business Operation Procedures and Behavioral Guidelines, the General Manager's Office is appointed as the unit responsible for conducting related honest business operation propagandas and their implementation, and reporting to the Board of Directors on a regular basis. In accordance with the Corporate Governance Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, ATEN has set up several e-mail accounts on the company's official website which can be used by different stakeholders as a means for reporting. For example, the "Supervisor Email" facilitates supervisors to discover possible drawbacks for the company in a timely manner. Emails are received by three supervisors, and in this way, a communication channel is established between the company's employees, shareholders, and other stakeholders and supervisors. In addition, in order to provide a means of communication with different stakeholders, the company has set up the atencorp@aten.com email account whereby the General Manager's Office can receive various opinions from the public. The company also commissions external third-party institutions (such as EAP Employee Assistance Program Institution) to provide internal employees and their families with a different means of communication with the company. Related matters are handled by the General Manager's Office and the Global Human Resources Center.





3> Corporate Governance

3.6 Response and Management of Major Negative Events

Event Sharing

At the end of October 2017, the media reported that ATEN's former Legal Director, You-Min Wu, and his subordinate, Chi-Chen Huang, were suspected of violating the company's internal control system and abusing their authority for illegal gains. The two were arrested on October 27, 2017. After media reports, the company immediately made a major announcement on the Market Observation Post System to clarify members involved and the affected amount of capital in this event, and to ensure that the affected amount of capital will not increase and that it does not impact the company's operation. The company's operations are all normal and the financial and business situations have not been affected by the occurrence of this event.

Actions Taken

Both You-Min Wu and Chi-Chen Huang have legal expertise, with profound knowledge of public offering of the company's internal control and auditing system as well as money laundering prevention laws and business operation models. The two abused their authority and, by outsourcing the conduction of legal proceedings, consulting services, patent purchases and infringement analysis, they swindled huge sums of money and gained illegal income from the company. ATEN learned a lesson from this event and strengthened its internal control system by making the following improvements:

Item	Improvement
Legal Department's Budgeting and Management	The "Global Legal and Intellectual Property Center Budgeting and Reimbursement Management Measures" has been set up to ensure the rationality behind budgeting, the appropriateness of appointed law firms, and the accuracy payment towards services.
Payment Review	The "Payment Application and Change Procedure" was amended to enhance the mechanism for supplier setup and their regular assessment in the company's system.
Additional Budget and Adjustment	Control points were added to budget control, budget increase, and adjustment as well as payment procedures, whereby payments are strictly checked beforehand and cost review is done every quarter after the payment is made to review its necessity.
Payment Request Monitoring	Strengthen the provision of supporting documents and input of payment detail codes (WBS) to facilitate the management of special funds.
Expense Utilization Analysis and Review	The WBS usage status is listed in the monthly expense report and the Accounting Department will interview and analyze the budget implementation status and review it during the management meeting every quarter.
Strengthening Crime Identification and Prevention	Have legal and auditing staffs participate in the "Internal Control Procedures Conference for Listed Companies" held by the TWSE every six months and invite investigation units to conduct speeches and training on topics such as "Financial Laundering Crime Prevention and White Collar Crime". In addition, regular visits by judicial units are planned to provide training on legal topics and improve ATEN's employees' awareness, professional ethics, and morals.

ATEN regrets to inform the public of Wu and Huang's offense and is taking legal actions for recovering their illegal gains and bring justice in order to protect the rights and interests of all investors. Internally, ATEN will continue to enhance employees' awareness of abiding to the law and workplace ethics, as well as construct a more complete internal control system.

Ch4

Employee Care

- 4.1 Equal Employee-Employer Relations
- 4.2 Strategic Focus, Practical Experiences
- 4.3 Occupational Safety and Health



4> Employee Care

> Material Topic

Employee Benefits

> The significance of this material topic to ATEN and the company's main contributions to SDGs

We hope that the company's growth and employee development can move forward together and complement each other, and at the same time, create a friendly workplace where employees enjoy a healthy and balanced work life.

	<p>We provide market-competitive salaries and benefits and understand that only stable operation and profitability can ensure long-term success. Under the performance system of merit-based rewards, we expect our employees to grow together with the company and jointly encourage employment and economic growth.</p>
	<p>We welcome fresh graduates and sincerely invite experienced talents to contribute value to the company. Systematic and well-planned training courses are provided to new employees as well as employees that are already in service to ensure inclusive and equal quality education that encourages lifelong learning opportunities for all employees.</p>
	<p>We place great importance on the physical and mental health of our employees. Physicians are stationed in the company every week, and employee health examinations are performed every year. In addition, we also cooperate with third-party organizations to provide Employee Assistance Programs (EAPs) whose purpose is to help employees put their minds at ease during stressful situations and focus on work and life with a peace of mind.</p>



4> Employee Care

Responsible Unit

Corporate Social Responsibility Management Committee - Employee Care Group

Management Mechanism

- 1.Appropriate personal development plans and a performance management system designed with competitive rewards.
- 2.A training mechanism with strategic focus, learning and on-the-job training, that can be rolled out using a global e-learning platform.
- 3.Creating a friendly workplace for new employees, providing better benefits than required by the Labor Standards Act, and holding employee relationship development activities.

Commitments, Actions and Goals

Commitment	Items Executed in 2017	Execution Results in 2017	Future Goals and Actions
The company and its employees grow and develop together, complementing each other	ATEN Private School	9 courses were offered, with a total of 235 visits, 630 hours and an average satisfaction of 93.06.	Continuously invite talents in the company to provide lectures in the ATEN Private School.
	Human Resources e-College	Through the ATEN Certified Specialist (ACS) professional product training courses, the company's services can be extended to global subsidiaries.	Together with the ATEN Private School, in-house lectures are to be recorded and converted into online courses in order to spread information and knowledge more efficiently.
	Mentor System	Held the first Mentor certification course and a total of 36 employees completed training.	Continue to promote the Mentor system and conduct a second training course.
A friendly workplace where employees can have a healthy and balanced work life	ATENer new employees' game of monopoly	Completed the Monopoly Treasure Map and defined corresponding windows at each checkpoint and supporting resources required.	Execute ATENer new employees' game of monopoly together with the Mentor system.
	Better benefits and welfare systems than those set by government laws	We offer 2 days volunteer leave and 2 days pregnancy inspection leave for men, which is better than what is required by the Labor Standards Act and the industry in general.	Follow-up on the childbirth allowance of 60,000 New Taiwan Dollars per child, maternal protection and other related measures.
	EAPs, Employee Assistance Program	A total of 19 telephone consultations were provided, amongst which 10 were legal issues and 9 were psychological issues. Face-to-face counseling were provided 3 times.	Extend service programs to cover employees' parents, spouses and children.



4> Employee Care

4.1 Equal Employee-Employer Relations

Talents are the foundation of a company's competitiveness. ATEN regards its four core values of "Integrity", "Caring", "Ambition", and "Novelty" as the most important guidelines to developing a global human resource management mindset, an appropriate work environment and culture, better work rules and regulations to the Labor Standards Act, learning and on-the-job training, project development, as well as a performance-oriented salary and promotion system. Through these efforts, we wish to establish good and fair relationships with our employees and expect talents to grow together and coexist with the company.

Human Capital and Structure

As of December 31, 2016, there were a total of 653 staffsstaff working in Taiwan, all of whom are full-time employees (male staff: 55.3%, female staff: 44.7%). Among them, 95 are middle to senior level supervisors (male supervisors: 77.9%, female supervisors: 22.1%), 444 are indirect professional staffsstaff and 114 are direct technical staffsstaff. The average age was 38.88, the average years of service was 8.03, and 82% were college graduates. In addition, ATEN has hired 8 handicapped staffsstaff, which is 1.33 times higher than required by the law (the law requires 6).

Equal Employment Opportunity and Care

The company adheres to the three principles of legal employment, fight against discrimination, equal opportunities, and actively utilizes external channels such as LinkedIn, Facebook, campus recruiting, multinational symposiums held by National Taiwan University, and internal staff recommendations, for recruitment. In 2017, there were a total of 168 new employees, amongst which 66 were female (accounting for 39.3%) and 102 were male (accounting for 60.7%); 32 were direct staff (accounting for 19%) and 136 were indirect staff (accounting for 81%). In the same year, 142 staff resigned, amongst which 53 were female (accounting for 37.3%) and 89 were male (accounting for 62.6%). The annual employee turnover rate was 21.7% which is a monthly rate of 1.8%. In terms of age groups, the rate was 2.7% for those below 30 years old, 15.2% for those between 30 to 50 years old, and 3.8% for those above 50 years old. According to data from the past three years, the average employee turnover per month is between one to two percent.

Type	Age	Male	Female	Total
New Employees	≤ 30	31	40	71
	31-50	70	26	96
	≥ 51	1	0	1
New Recruit Rate: (Annual New Employees / Number of Employees still in Service on December 31, 2017) = 25.73%				
Resigned Employees	≤ 30	9	9	18
	31-50	71	28	99
	≥ 51	9	16	25
Employee Turnover Rate: (Annual Number of Resigned Employees / Number of Employees still in Service on December 31, 2017) = 21.5%				
Monthly Employee Turnover Rate = Annual Employee Turnover Rate / 12 = 1.81%				



4> Employee Care

With regards to employee care, we offer flexible leave (5 days), volunteer leave (2 days), paternity leave (6 days), pregnancy inspection leave (female: 6 days, male: 2 days), that are better than required by the Labor Standards Act. To encourage childbirth, the company provides an allowance of NT\$60,000 per newborn child, and families with new born babies will receive a 5-item gold set and a NT\$1,200 red envelop from the welfare committee.

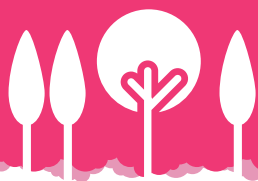
Item Description	Male	Female	Total
Number of employees with unpaid leave of absence due to parental care in 2017	54	35	89
Number of employees who applied for unpaid leave of absence due to parental care in 2017	1	2	3
Number of employees that should be reinstated after unpaid leave of absence due to parental care in 2017 (A)	0	3	3
Number of employees that were reinstated after unpaid leave of absence due to parental care in 2017 (B)	0	3	3
Return Rate (B/A)	0%	100%	100%
Number of employees with unpaid leave of absence due to parental care in 2016 (C)	0	4	4
Number of employees that were reinstated after unpaid leave of absence due to parental care in 2016 and still in service after one year (D)	0	2	2
Retention Rate (D/C)	0%	50%	50%

✦ Diverse Communication Channels

ATEN conducts performance assessments twice a year to review work performed in the past six months, and staff can have one-on-one discussions with their managers on work expectations and future development goals. Assessment results will also be used as reference for changes in job assignments, salary adjustments and bonus distribution. In addition, we encourage our employees to participate in CSR activities and especially included CSR as one of the performance assessment indicators in order to strengthen the promotion of CSR throughout the company. The gender distribution and number of direct and indirect staff that participated in the performance assessment in 2017 is as below. Excluding factors such as staff on probation, unpaid leave of absence and foreign labor, the general performance assessment adoption rate was 86.7%.

2017	Gender	Direct Staff	Indirect Staff	Total
First Half	Male	13	307	320
	Female	51	186	237
Second Half	Male	16	321	337
	Female	51	186	237

In addition, to encourage workplace harmony, ATEN prohibits its management executives and staff to engage in workplace bullying and specifically made the "Statement of Prohibiting Workplace Bullying" announcement and set up an Employee complaint line, 3333, and appeal email account, emap@aten.com.tw for appeals. According to regulations, the company holds regular labor management meetings where employees can voice their suggestions through labor representatives to management representatives. Meeting minutes are recorded and published on the company's internal website. For matters that fail to be concluded in the meeting, responsible units will discuss and formulate relevant actions, and continue to follow-up in order to encourage good labor and capital relations. Currently, there are no records of major labor and capital disputes.



4> Employee Care

4.2 Strategic Focus, Practical Experiences

In 2017, the total hours of education and training held by ATEN in Taiwan was 14,691, and the average training hours is 22.5 per staff. Amongst this, a total of 8,383 hours was on professional competencies, which stands around 57% of the total hours of training; and the number of courses offered was 329, which stood 72% of the total number of courses offered throughout the year. It is clear that the company places a considerable amount of importance to the development of professional skills internally and often holds internal trainings where experience and knowledge can be shared and passed on.

Training Category	Number of Courses	Total Hours of Training	Total Number of Staff that Received Training
Management Competency	11	1000	265
Professional Competency	329	8383	2528
Core Competency	70	2612	1396
Personal Growth	14	1271	630
New Employee Training	3	347	132
Digital Course	29	1078	466
Total	456	14691	5417

Type	Total Hours of Training	Number of People	Average Training Hours
Managerial Level	5475	160	34.2
Non-managerial Level	9216	493	18.7
Total	14691	653	22.5

Type	Total Hours of Training	Number of People	Average Training Hours
Male Staff	10101	361	28.0
Female Staff	4590	292	15.7
Total	14691	653	22.5

We have also recorded human rights related policies and procedures courses and are compulsory for newcomers take. In addition, course completion is set as a reference indicator for probation period assessment. Excluding new employees that resigned during their probation period, the ratio of newcomers that have taken human rights policies related courses was 100% in 2017.



4> Employee Care

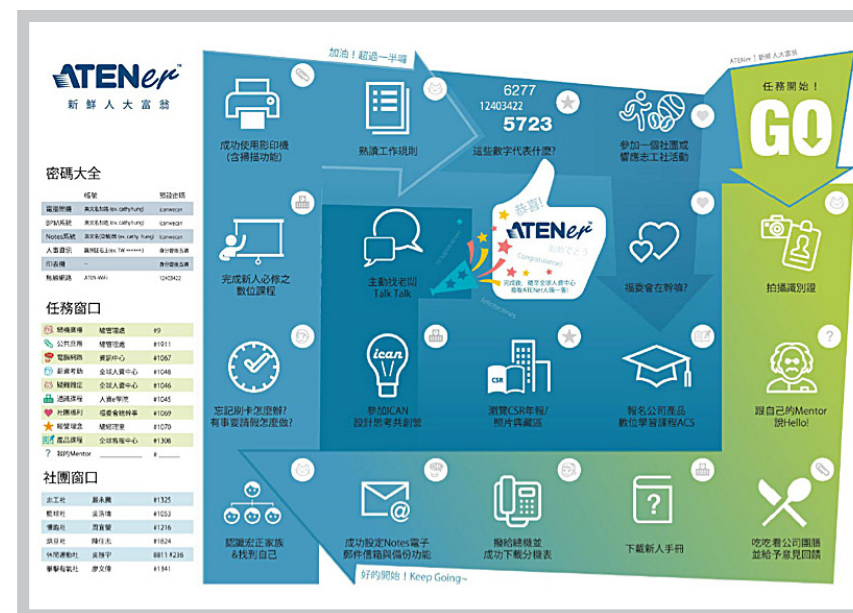
➤ Creating a Friendly Workplace for New Employees

We have specially planned the "ATENer Freshman Monopoly" to help speed up new employees' adaptation to ATEN. On the first day of joining the company, new employees will receive an ATENer Kit which contains a "Newcomer Must Know Monopoly Obstacle Map" to help them familiarize themselves with the company's internal processes, systems, forms, and corresponding service windows. In addition, we also pair an exclusive mentor for each new employee that can serve as a means to seek advice if problems arise. At the same time, we also ask mentors to provide two to four weeks of systematic learning for newcomers, and to have regular chats with them on a weekly basis. Mentors have the right and obligation to participate in the new employees' probation period assessment.

Once new employees complete the various obstacles on the "ATENer Freshman Monopoly", they will be awarded with a customized ATENer doll. We hope that this system can help newcomers feel at home, let them understand what matters they should familiarize themselves with during the first day of work, and the company's work plan for them as well as the organization's vision. Through this, a win-win situation can be accomplished not only for newcomers but for the organization as well.

In addition, we have included the "New Employees' Adaptation Questionnaire" into new employees' compulsory digital courses. If we discover excess levels of stress in physical and mental health, we

will refer the information to Employee Assistance Programs (EAPs), provided by a third-party psychological counseling company, who will contact and care about the employees' adaptation situation or other areas that may require professional assistance.





4> Employee Care

❖ Improve Management Awareness and Responsibility

Since 2017, we have nurtured potential talents in various departments through the mentor system. In addition to good professional performance, they must demonstrate ATEN's core values of "Caring" and "Ambition" as well. Becoming a mentor can be regarded as a warm-up exercise for becoming a supervisor. Assisting new employees to adapt to their work environment and organizational culture, providing necessary resources or assistance, and sharing knowledge and skills are all necessary conditions for becoming a supervisor.

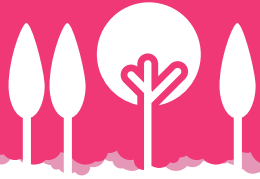
As for department heads, we have also set compulsory key management courses each year, including inspirational courses like "Creating High Performance Momentum" and self-management courses like "Insight into Mindfulness and Stress Relief". Based on the challenges that are currently faced by organizations and their desires to upgrade skills, we also provide a wide range of professional and trend insight lectures. We continued last year's "Battle Map" project and filled out the demand tree and battle arms for our key KVM product line and analyzed the market dynamics and competitors to welcome the next mission's challenge.

❖ Personal Growth and Inspiration

"ATEN Private School" was officially established in 2016. It is an exclusive platform for ATEN's internal lecturers and aims for three principles - internal circulation and spreading of knowledge, creating an atmosphere of a learning organization, and developing a team of internal lecturers. These principles remain uncompromised from the beginning until now. A total of 9 courses were held in 2017, with 235 attendances, 630 total hours and an average satisfaction of 93.06. These are all results created together. In the future, we will continue to develop valuable internal lecturers and courses to encourage the passing on and sharing of knowledge and experiences inside the organization.

Whether it is internal or external training, physical or online courses, all the digital learning footprints of ATEN's employees are recorded on the internal e-learning platform, "Human Resource e-College". Since its introduction in 2014, it has been managed with care and undergone stability tests for three years. We have decided to extend this service to subsidiaries worldwide, and together with the ACS (ATEN Certified Specialist) professional product training course led by the Global Customer Service Department, ATEN's unique product knowledge and solutions can be successfully communicated to staff who must be familiar with it, through a digital method that is not limited by time and distance.





4> Employee Care

4.3 Occupational Safety and Health

We hope that our employees can work with a peace of mind and be dedicated to their job. In addition to the benefit programs stipulated by the law, ATEN has also added a number of tangible and intangible items and services to encourage employees' physical and mental health that can help balance work and life.

✧ A Safe and Secure Work Environment

Employees working at ATEN have access to daily group meals provided by catering services that are controlled by nutritionists, doctor health counseling every week, birthday gifts given by the Chairman personally every month, as well as annual employee health examinations conducted in cooperation with high quality medical institutions. A comfortable and clean office environment is the most basic condition. The company's office environment is regularly disinfected, and air quality is often checked to ensure that carbon dioxide levels are kept below 1000ppm. In addition, we also provide spacious and convenient parking spaces, a compact and comprehensive gym, and comfortable breastfeeding rooms, that can meet any possible needs of all employees.

We extended the group meal catering service to our factory location in 2017 and strictly controlled food nutrition, safety and hygiene.

- Catering service providers are required to comply with HACCP and GHP.
- Two qualified vendors are rotated every quarter to provide different tastes and dishes.
- Regular meetings are held every week to discuss the menu with nutritionists and are announced to employees.
- The staff can book a limited Friday "fruit meal" online for the coming seven weeks.
- Employees can immediately feedback their suggestions towards the catering service through the group meal system.
- Season-limited meals are offered from time-to-time to increase the novelty of meals.

Food Safety and Hygiene Guarantee Mechanism	
A	Traceability mechanism
B	Meals within 48 hours in the factory and company serve as a basis for tracking
C	Chefs and staffs must submit their license and health check certificates respectively for review
D	Provide product liability insurance and public liability insurance

We followed the Occupational Safety and Health Management Measures to formulate the Organizational Safety and Health Committee Constitution. The Organizational Safety and Health Committee is convened regularly on a quarterly basis and has a total of 14 members, which includes 5 labor representatives, accounting for 35% of the makeup. During the meeting, the Occupational Safety Department reports each occupational safety and hygiene indicator to the committee as well as discusses and plans potential or possible safety issues to ensure that employees can work in a healthy and safe environment.

Occupational Injury	Counts	Days Lost	Number of Work Days (D)	Total Work Hours (H)
Commuting Accidents	2	2	161,335	1,290,680
Getting hit * 1 + Falling * 1	2	4		
Occupational Injury Rate per thousand people	((Total Days Lost)/(Total Work Hours))* 1000=3.06			
Disabling Injury Frequency Rate (FR)	((Total Number of Casualties)/(Total Work Hours)) 10 ^6(Millions of Hours)= 1.37			
Disabling Injury Severity Rate (SR)	((Total Days Lost)/(Total Work Hours)) (Millions of Hours)=3.10			

2017 Annual Absence Rate (AR) = Total Days of Absence / Total Work Days * 100% = 0.37%



4> Employee Care

LOHAS Healthy Employee Relations

In 2017, we specifically set up a full-time Director-General in the Welfare Committee to serve our employees. Regular meetings are held on a monthly and quarterly basis to carefully plan various welfare activities, and the annual budget execution rate is close to 100%. In addition to holding regular domestic group travels, monthly birthday meals, Christmas parties and related activities, wedding, funeral, birth, birthday cash gifts, Mid-Autumn Festival and Dragon Boat Festival cash gifts and movie tickets or gift vouchers as well as club activity allowances are also provided. The company's welfare is maximized under the independent operation by staff.

Each year, the Global Human Resource Center also plans a variety of activities related to healthy LOHAS, finance and tax management as well as parenting lectures and book fairs, so that employees can enjoy a short time to re-charge or expand their insight and knowledge while at work. Topics include for example, smart and tax saving tactics, avoiding high blood pressure, cholesterol and blood sugar for men and women, recovering children's concentration, understanding and preventing dementia, what dentists do to you, and so forth. In addition, the company expresses gratitude towards its employees through awarding Employee of the Year for outstanding performances, farewell parties for retiring staff, and the three Chinese festival gift boxes for resident staff every year.

Professional EAPs Service

The Employee Assistance Programs (EAPs) is going for its fourth year of implementation in the company. We fully understand that problems encountered in life can be unpredictable, so in order to provide employees with a means of assistance that offers active listening, professional and attentive, objective and comfort services, we have continued cooperation with a professional consultant firm and extended services to immediate first-degree relatives and spouses of the ATEN staff.

EAPs Employee Assistance Program, Your Best Support



Legal Advice

Sales Dispute
Car Accident Settlement
Fortune Inheritance



Management Consulting

Team Leadership
Personnel Management
Colleague Care



Psychological Counseling

Family and Marriage
Parenting
Interpersonal Relationship

Toll Free Line: 0800-299-988 (Monday to Friday, 10:00~20:00, excluding national holidays)
Email: tiphappy@tip.org.tw (reply within 24 hours except on weekends)

Global Human Resource
Center Employee Relations
Program



4> Employee Care

Good employee relations are not solely the result of setting up projects, spending money, or holding activities. We organize events of different sizes each year, from board game team competitions, beard charity activities, badminton team competitions, to sponsoring the Red Bull Soap Box Race and the Unlucky King activity which uses advantages of the company's War Room. The spirit behind these activities is to bring employees together and nurture mutual help, because the company is willing to provide a platform for mutual support, positive competition, and learning and growth through play. We believe and expect that value can be realized through work, value can be created through cooperation, and that value can be shared through collaboration. Each day at ATEN, every employee can feel respected, valuable and moved.

親子天下 小叮嚀 ATEN

幫助每個孩子成功
親職講座・陪伴書展

總是不吝惜給孩子最好的玩具，
卻沒有好好陪他念完一本書？
費心找課外才藝、夏令營，
下班後總是沒時間親子對話？
從今天開始，邀請您每天花 20 分鐘
與孩子共讀、談心、一起玩
因為陪伴，是給孩子最好的禮物！

親職講座
4/7 (五) 14:00 ~ 16:00
親職講題：找回孩子的專注力
特邀專家：敦南兒童專注力中心技術長 廖堉光老師

陪伴書展
書展時間：4/6 (四) ~ 4/7 (五) 11:00 ~ 17:30
書展地點：4F 博物館

廖堉光老師

94 狂新聞

ATEN 宏正自動科技

就是明天!!

ATEN's JGB 即將登場

你說你會來看我

我喜歡你

我愛你

總之我在10號棚

10/1(日) 下午見!

我等你

大概是2-3點 往下衝吧!!!

出發 GO GO !!!

全球人資中心 / 學習發展部 友情贊助&熱情支持

【年後動起來大作戰】

歡迎大家到場觀戰
加油打氣、搗亂點火
捕捉帥氣飛揚的羽球魂

召喚你的
羽球魂

2/8 (三) 18:00 ~ 20:30 創新羽球館 → 新北市汐止區新台五路一段96號1樓(遠雄U-town對面)

最弱手氣王與最強觀戰者

3 BRONZE

2 SILVER

1 GOLD

弱

強

Ch5

Active Social Participation

- 5.1 Caring about Education and Cultural Heritage Promotion
- 5.2 Caring for the Elderly and Minority Groups
- 5.3 Community Environment Maintenance
- 5.4 Overseas Records



5> Active Social Participation

Material Topic

Social Benefits and Returns, Environmental Friendliness

The significance of this material topic to ATEN and the company's main contributions to SDGs

ATEN's Corporate Social Responsibility Best Practice Principles states: "The company shall assess the impact of its operations on the community and adequately hire labor from regions surrounding its operations to enhance community identity. In addition, by making use of its business model, the company shall invest resources through equity investment, business activities, donations, volunteer service or other professional public services to solve social and environmental problems or participate in community organizations for community development and education as well as charity organizations and government agencies to encourage community development." After years of practice, ATEN's actions and direction in social participation have gradually become more systematic and organized. We expect to have more influence in society, and to bring more attention to the environment as well as warmth to the people we care about.



ATEN directly or indirectly achieves the two goals of "Zero Hunger" and "Quality Education" by caring for education and community relations, supporting impoverished students, caring for the elderly and underprivileged families, and supporting disaster relief.



Participation in environment maintenance activities such as beach cleaning, mountain cleaning and butterfly garden restoration demonstrates our vision and practice towards the improvement of "Life below Water" and "Life on Land".



5> Active Social Participation

➤ Responsible Unit

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

➤ Management Mechanism

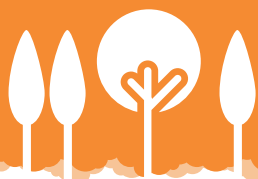
"Caring" is one of ATEN's core values. Through support from the management team and practice by our fellow staffs, the volunteering culture has become deeply rooted in the hearts of all employees throughout the company.

The Social Participation Group, that is formed by representatives from various functional departments, under the CSR Management Committee, plans and discusses topics related to social participation, and carries out donation and charity events through the two important organizations - the Ching-Tang Education Foundation and ATEN Volunteer Club. With the combination of these three forces, ATEN pays attention and provides support to different social aspects and joins forces from businesses and the government between Taiwan and global communities.

The ChingTang Educational Foundation was established in 2001 with the purpose of nurturing talents and providing educational support. The foundation has been active in related public welfare activities that rewards cultural and physical education, which has greatly benefited regional schools.

The ATEN Volunteer Club was established in 2012. Under the company's promotion of CSR concepts and support of tangible resources, the club integrates man power and organizes activities systematically that aim for "Juvenile Care", "Environmental Restoration", "Care for the Disabled", and "Care for Women and Children"



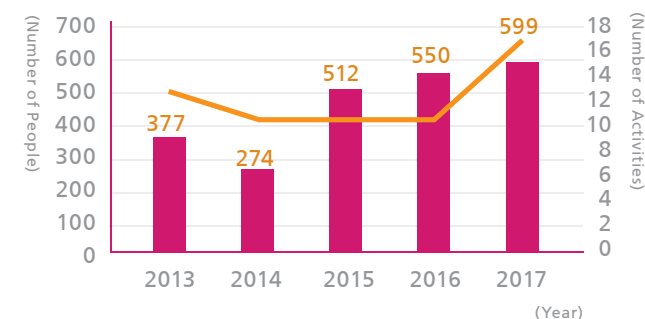


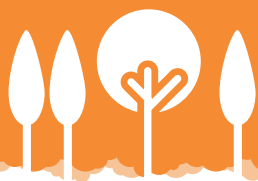
5> Active Social Participation

Commitments, Actions and Goals

Commitment	Execution Results in 2017	2018-2020 Goals
Caring for education and promotion of intangible cultural heritage	<p>In 2107, a total of NT\$2.47 million funds were put into this topic through the ChingTang Educational Foundation and the company. The execution status and resulting benefits are summarized as follow.</p> <p>Caring for Education:</p> <ul style="list-style-type: none"> Paper Windmill's Anti-Drug Abuse Show sponsorship, with around 1,450 beneficiaries "Global Kids Junior Monthly" Magazine donation, with around 10,500 beneficiaries "Firefly Class Program" after-school activity sponsorship in Gukeng Elementary and Junior High School, with around 1,197 activity hours recorded in the second semester of the 2016 academic year Equipment donation for Sijhih Elementary School's auditorium, with around 960 beneficiaries Scholarships for low-income students, emergency funds and Diligence Awards for Sijhih communities, with 576 beneficiaries <p>Promotion of Intangible Cultural Heritage:</p> <ul style="list-style-type: none"> Co-organization of the 2017 Taiwan Yueqin Folk Music Festival, with around 5,000 participants Fund donation to The Talta that specializes in Taiwanese traditional Shuochang music for educational and cultural promotion Sponsorship towards the 22nd Taiwanese Writer's Oxford Award and Qing-Chu Yang Literature Academic Seminar held by Aletheia University 	<ol style="list-style-type: none"> We will continue investing more than 2 million New Taiwan Dollars towards caring for education and promoting intangible cultural assets each year. From close to far locations, we will help children in Sijhih and other regions to have more equal access to education and learning resources. We will continue supporting activities related to Taiwanese literature and arts to preserve the country's intangible cultural heritage.
Caring for the elderly and underprivileged families	<p>In 2017, ATEN contributed NT\$1.32 million towards caring for the elderly and underprivileged, and community environment maintenance. 17 activities were held through the ATEN Volunteer Club, and a total of 599 participants took part. After adding external stakeholders, a record high of 770 participants was recorded. The execution status of related activities are summarized as below.</p> <p>Caring for the Elderly and Underprivileged:</p> <ul style="list-style-type: none"> Participation in elderly care activities at the Asia Best Healthcare Nursing Home - providing visits and activities inside the home. (20 volunteers, around 100 beneficiaries) Walks with elderlies who live alone in Sijhih. (16 volunteers, 30 beneficiaries) Participation in "Go Grandriders" elderly activities. (25 volunteers, 26 grand riders, and Go Grandriders lectures with 61 participants) Lunar New Year's warming, Mid-Autumn Festival warming, and winter warming activities. (347 participants, 1,042 beneficiaries) Year-end dinner party red envelopes for elderlies who live alone. (100 beneficiaries) Volunteer service at Children Are Us Foundation outlets. (22 volunteers) Other donations: Polar Lights Percussion Group sponsorship, wheelchair donation, blood donation activities. 	<ol style="list-style-type: none"> We will continue providing more than 1 million New Taiwan Dollars funds and man power towards activities with the elderly, underprivileged, and community environment maintenance. Hold at least 15 volunteer activities and increase the number of volunteers from 2017. We will continue inviting external stakeholders to participate in related volunteer activities held by ATEN. Expand participation to overseas subsidiaries and implement CSR in different corners of the world.
Community Environment Maintenance	<p>Community Environment Maintenance:</p> <ul style="list-style-type: none"> 2 butterfly habitat maintenance activities (52 volunteers) and updating the website for the Butterfly Conservation Society of Taiwan. My Own Acre of Paddy land adoption and rice growing activities (110 participants). 4 Fulong Beach clean ups (178 volunteers), amongst which one was held together with our supplier and a community welfare group. 	

【Statistics on Volunteer Club Activities】





5> Active Social Participation

5.1 Caring about Education and Cultural Heritage Promotion

We hope to help children avoid feelings of abandonment produced by different family backgrounds or environmental factors during their process of learning and growing up, that can further lead to social and family problems caused by moral and behavioral deviations. Timely care and support provided by businesses and public welfare organizations can definitely help children develop a correct outlook on life and find their value of existence when they reach adulthood, whereby they will emulate the experience of being encouraged and helped in the past and contribute back to the society. In addition, ATEN also echoes UNESCO's preservation of intangible cultural heritage and is a long-time supporter of Taiwan's unique traditional folklore, culture, and literature activities promoting the country's intangible cultural heritage.

ATEN lists the fourth goal - Quality Education - of the UN's Sustainable Development Goals (SDGs) as a long-term strategy for CSR, and strives to "ensure nondiscriminatory, fair and high-quality education, and promote lifelong learning".

✧ Paper Windmill's Anti-Drug Abuse Show Sponsorship

On May 25, 2017, the Ching-Tang Education Foundation invited the Paper Windmill Theater to perform an anti-drug abuse stage show called "Saving Faust" for the third time at the gymnasium of New Taipei Municipal Xiufeng Senior High School for local high school graduates from the eight schools of Xiufeng, Qingshan, Sijhih, and Jhangshu, Jin-Shan, Trung Yi and the China Commercial Maritime Vocational Senior High School. This show was specifically developed for teenagers and uses slangs and current affairs they are familiar with to remind them of the dangers of drug abuse in a serious and sometimes humorous manner.

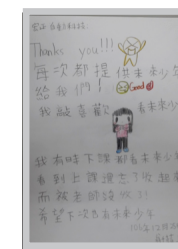
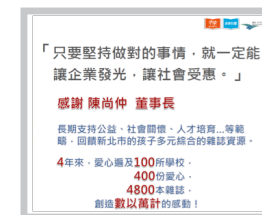
【Number of Beneficiaries: 1450】

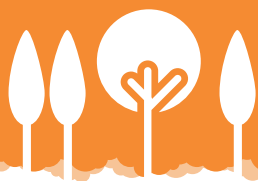


✧ "Global Kids Junior Monthly" Magazine Donation to 100 Elementary Schools in New Taipei City

For the fourth year, ATEN has participated in the Commonwealth Publishing Group's "charitable contribution of the Global Kids Junior Monthly Magazine to build a nationwide knowledge sharing platform for 2,678 elementary schools" initiative. Through this sharing platform, children can enjoy the fun of learning without any gap between urban and rural areas. ATEN donated a year's subscription to the Global Kids Junior Monthly Magazine to 100 elementary schools in New Taipei City with less than 26 classes in hope to help students from smaller schools with relatively fewer resources. The magazine contents include English, mathematics, history, geography, science, humanities, arts, and various subjects presented with phonetic and lively illustrations that help children to develop a love for reading. According to a survey done by the Commonwealth Publishing Group, more than 97% of teachers agree that the Global Kid's Junior Monthly Magazine is helpful for developing student's reading habit and increasing their knowledge, as well as being a suitable teaching tool.

【No of Beneficiaries: Around 10,500 students from Grades 1 to 3】





5> Active Social Participation

✧ Donation of Funds for After-school 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. In the absence of a stable home environment, the academic and character development of these students are often worrisome. In order to provide a warm place to learn for students in need of academic and life counseling after school, the school's principle initiated the "Firefly Class Program" in hope that the integration of resources and the children's own efforts can change their futures and let them glow and shine just like fireflies. Today, the "Firefly Class Program" is running for its fifth year, and the Chairman's wife, who is also the president of the Volunteer Club, continues to make personal donations to support expenses needed for dinners, after-school classes, and teaching materials, letting students receive the warmth and care that they need. Principle Yu-Lin Chen mentioned that participation in the Firefly Class Program has a positive effect on students' academic activities, behaviors, and interpersonal relationships. Some students have even won the National Award for Excellent Performance, finding their own way in life.

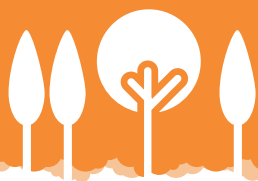
【Number of Beneficiaries: 31 students. Around 2,400 hours of after-school counseling was provided.】



✧ Equipment Donation for Sijhih Elementary School's Auditorium

Some of the equipment, including stage curtains, PCs, computer screens and stage projection lights, in the Sijhih Elementary School's auditorium were old and could not work properly. With ATEN's donation of related equipment, teachers and students of the school can make use of the auditorium more effectively, closing the gap of educational resource shortage, and reflecting the company's philosophy towards education support.





5> Active Social Participation

✧ 2017 Scholarships for Low-income Families and Emergency Funds

Every year, the Ching-Tang Education Foundation provides scholarships and emergency funding for students of elementary and high schools in Sijhih who come from low-income families and families in emergency situations, to offer some financial support and encourage low-income students to study hard and contribute to the society in the future. In the 2017 Award Ceremony, Dr. Chen-Zhi Dai was specially invited to give a speech to encourage students to study harder and develop themselves into people with confidence.

【Number of Beneficiaries: 465】



✧ Presenting Diligence Awards to Public School Graduates in Sijhih

To encourage graduates to move onto the next stage of their journey with a hard-working attitude and to strive for outstanding academic performance, the Ching-Tang Educational Foundation presents "Diligent Awards" before the graduation season each year. The award, in the form of book coupons, are given to outstanding students selected at all levels from public schools in Sijhih.

【Number of Beneficiaries: 111】

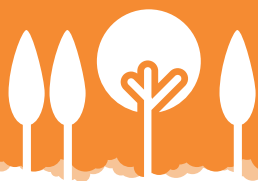


✧ Volunteer Thanksgiving Ceremony for Public Schools in Sijhih

The Ching-Tang Educational Foundation holds a Thanksgiving Ceremony to pay tribute to volunteers who have served in schools all these years and given their own time and effort to help the promotion of education and ensuring the safety of students. Volunteers, Principles and teachers from each school in Sijhih are invited to come together to provide encouragement for each other and thanks to the volunteers in hope that energy to care for education continues. The Talta was invited to give a live performance, using Taiwan's unique instruments such as the daguangxian, yueqin and four blocks, to promote the country's traditional culture.

【Number of Beneficiaries: 249】





5> Active Social Participation

✧ Co-organization of the 2017 Taiwan Yueqin Folk Music Festival

2017 was the seventh year the Taiwan Yueqin Folk Music Festival was held and it was also the seventh time that the Ching-Tang Educational Foundation sponsored this event. The festival consists of a series of events held during July and August in Beitou Hot Spring Museum. Through the teaching, performance, exhibition, and exchange of the yueqin, more people can get to know about this unique Taiwanese instrument's appearance, sound, and artistic beauty, and let its precious intangible cultural heritage be preserved.

【Number of Beneficiaries: 5000】



✧ Donations to The Talta

The Talta is an art group that promotes the Taiwanese traditional Shuochang music, performs with yueqin and daguangxian instruments, and offers seminars and trainings on these arts. The Ching-Tang Educational Foundation donates funds for educational and cultural promotions by The Talta in hope that the group can make this beautiful traditional Taiwanese culture be known by the public and school children.

✧ Sponsorship towards the 22nd Taiwanese Writer's Oxford Award and Qing-Chu Yang Literature Academic Seminar held by Aletheia University

The Taiwanese Writer's Oxford Award aims to establish a lineage of Taiwanese literary writers and promote their historical contribution and status in order to strengthen the subject matter and the Taiwanese spirit. The Ching-Tang Education Foundation has sponsored the Taiwanese Writer's Oxford Award for many years in hope that this honor will help more people acknowledge Taiwanese literature as well as expand its foundation and vision.



5> Active Social Participation

5.2 Caring for the Elderly and Minority Groups

For people and matters that require help in the society, ATEN always provides the necessary assistance where needed in the spirit of the company's core value of "caring". In response to the "Elderly Care Depository Program" initiated by the New Taipei City government, our company planned a series of activities in hope that through the power of corporate volunteers, necessary human resources can be put towards helping the gradually aging society, provide companionship and assistance to the elderly in the community and help them feel young, and at the same time, give care to those elderly that are helpless and living alone. For handicapped groups or poor families, we try to feel and observe their needs with empathy, in hope to provide warmth and care to those in need. We gradually implemented the three SDGs of "No Poverty", "Zero Hunger" and "Good Health and Well-being" in our series of activities to care for the elderly and minority groups.

✧ Elderly Care Volunteer Service

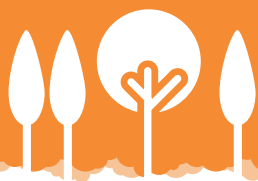
✧ Asia Best Healthcare Nursing Home (visits to the home)

In 2017, ATEN once again cooperated with Asia Best Healthcare Nursing Home in Sijhih. With the support of the company's half-day "paid leave for volunteer work", 10 ATEN volunteers visited Asia Best Healthcare Nursing Home to show their care and help with rehabilitation work. We took care of the elderly that needed rehabilitation and day-time care, and helped elders located on all floors walk down the stairs for rehabilitation as well as guided them to do fall-prevention exercises, accompanied them, and played group games. During these service activities, ATEN volunteers wore blue vests which made them look energetic. At the beginning, the elderlies felt unfamiliar with interacting with our volunteers; but soon they got along very well. With the smiles, caring words, support and encouragements, the elderlies gradually opened their hearts to the volunteers. It was clear from their expressions that our companionship helped a lot in elevating their moods that resulted from long-term loneliness and frustration. Our staff also got a sense of achievement from the smiles and excitement shown by the elderly.

At the end of the activity, all the volunteers and social workers shared their service experience of the day. In these four hours of service, the 10 volunteers who participated had a rich experience. Asia Best Healthcare Nursing Home and ATEN will continue cooperation in the future to regularly provide services to those elderlies in need. We hope that through this, our CEO's vision of "combining ATEN's R&D technical expertise with the needs of the elderly can create assistive devices or technological products that can help the elderly" can be achieved.

【Number of Volunteers: 10, Number of Beneficiaries: 50】





5> Active Social Participation

❖ Elderly Care Volunteer Service - Asia Best Healthcare Nursing Home (Taipei Expo Park activity)

With the support of the company's half-day "paid leave for volunteer work", ATEN cooperated with Asia Best Healthcare Nursing Home to promote interpersonal social interaction between the elderly and increase more memories in their daily lives through outdoor walking activities. Most of the elderly living at the home do not go out often, and there were even those that stepped out of the home for first time in 10 years. From their conversations they expressed great excitement and expectations for the activity, and they kept sharing and listening to each other's life experiences during the trip. After arriving at the Taipei Expo Park, the sugar painting activity was carried out to evoke memories of the elderly through traditional folk arts. Following, the volunteers led the elderly to visit the park and market one-on-one. Due to the high temperature, our volunteers reminded the elderly to keep hydrated and kept a close eye on their physical condition along the way. At noon, we asked the elderly what foods they preferred and bought lunch at the market and accompanied and helped them while they were eating. The elderly chatted a lot during the activity and our volunteers also felt accomplished from the smiles shown by the elderly. At the end of the activity, a group photo was taken of the elderly with all the volunteers and the home's social workers, which drew a perfect ending. Asia Best Healthcare Nursing Home and ATEN will continue to cooperate in the future to regularly provide support to those elderly in need.

【Number of Volunteers: 10, Number of Beneficiaries: 50】



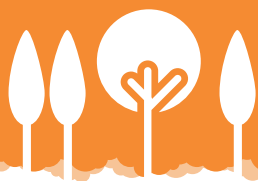
❖ Elderly Care Volunteer Service - Walks with elderlies who live alone in Sijhih

With the advent of an aging population and the transformation of family or household patterns, many elderlies live alone without the care of others due to having no children, or their children are developing overseas in foreign countries. With the support of the company's one day "paid leave for volunteer work", 16 volunteers offered one-on-one companionship to elders that live alone and took them out into the nature so that they can feel the warmth and care of the society.

The trip was made to Yilan where natural attractions such as the Mei Hua Lake and Wang Long Pi were visited. The activity encouraged elders to be more active and we accompanied them to purchase Yilan specialties as well. Many elderlies said, "I haven't had this much fun in a long time!" and thanked our volunteers for accompanying them on the trip. From their smiles, the volunteers also felt a sense of achievement. ATEN will continue to cooperate with the Sijhih District Office and regularly provide service to elderlies living in this area.

【Number of Volunteers: 16, Number of Beneficiaries: 30】





5> Active Social Participation

➤ Go Grandriders Series Activities

❖ Volunteer Service for Go Grandriders Tour around the Island

ATEN responded to the "8th Go Grandriders Challenge" activity organized by Hondao Senior Citizen's Welfare Foundation. A total of 28 elderlies participated in this year's event, with an average of 75 years old. From November 1st to November 11th, 2017, the motorcycle journey of 1,250km around the island was completed. In addition to sponsoring funds, ATEN also recruited 25 corporate volunteers on November 8th, and with the support of the company's half-day "paid leave for volunteer work" they cheered the elderly on while a brief stop was made at the Fulong Dongxing Temple in Gongliao District. The volunteers accompanied the elderly for stretches and meals as well as helped them replenish their energy for completing the journey. In addition to helping 26 elderlies achieve their dreams, we also hope that our staff can use this encouragement to help elderlies around them accomplish their dreams and further improve their health and vitality, which reflects upon the 3rd Goal of UN's 17 Sustainable Development Goals (SDGs) - Good Health and Well-being.

【Number of Volunteers: 25, Number of Beneficiaries: 26】

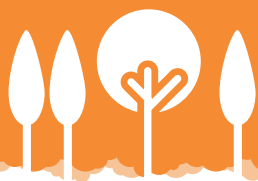


❖ Lectures from Grandriders

In the fall of 2007, a group of 80-year-old grandparents with passion and young spirit embarked on a journey around Taiwan. In the fall of 2017, ATEN invited grandriders from this activity, grandma Ying-Mei and grandpa Hong-Dao, to make an appearance and share about their experience and feelings in that year. The two grandriders shared that during the process of chasing their dreams, they felt their bodies and mind become younger, and inspired ATEN employees to encourage elderlies at home to go after their dreams in addition to going after their own. According to 31 questionnaire surveys filled out by ATEN employees, everyone was deeply touched by the genuine feelings of grandma Ying-Mei and grandpa Hong-Dao, and the overall satisfaction towards the course was 9.77 points (out of a total of 10 points).

【Number of Participants: 61】





5> Active Social Participation

✧ Sending Warmth during Lunar New Year

ATEN continues the practice of the past several years in hope to provide warmth during the major Lunar New Year festival to aid underprivileged groups in the society. With the careful arrangements by the company and employees, we provided elderlies living alone and underprivileged families substantial support and spiritual comfort during this celebration meant for reunions.

✧ Sending Lunar New Year Meals to Elderlies Living Alone

ATEN cooperated with Old Five Old Foundation and organized the "Embracing Elderlies Living Alone, Love Never Rests, Meals Prepared for Lunar New Year" activity and donated 50 meal sets which were distributed in the morning of New Year's Eve by 6 volunteers. We hope that elderlies living alone can feel cared for by the society and enjoy a warm Lunar New Year celebration.

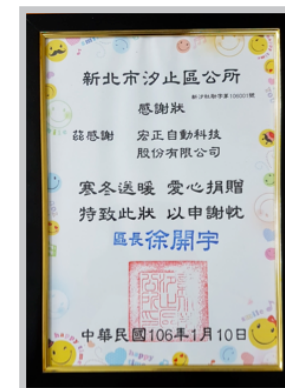
【Number of Volunteers: 6, Number of Beneficiaries: 50】

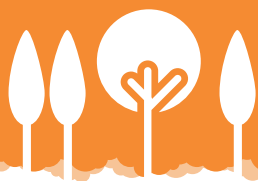


✧ Emergency Rescue Box

ATEN cooperated with the Sijhih District Office and provided a total of 100 gift boxes consisting of meal subsidies, blankets, white rice and noodles, packaged meals, and canned foods to poor and underprivileged families in hope to free them from hunger and improve their well-being.

【Number of Volunteers: 8, Number of Beneficiaries: 200】





5> Active Social Participation

✧ Mid-Autumn Festival Warming

During the Mid-Autumn Festival, ATEN's volunteer club invited colleagues to express their care for underprivileged families and elderlies living alone by purchasing mooncakes through New Taipei City Government Seven Stars Welfare Center, Xizhi District Office and Taiwan Fund for Children and Families. With the enthusiastic participation of ATEN's colleagues, a total of 590 boxes of mooncakes were donated, which added more warmth to the Mid-Autumn festivity atmosphere.

【Number of Participants: 220 (including 10 family members), Number of Beneficiaries: 590】



✧ Sending Warmth during Winter

At the end of the year when cold air masses hit and continue to spread, temperatures in the south of the country can drop as low as 11 degrees Celsius with a huge temperature difference between the day and night. Elderlies living in the countryside that are accustomed to the warm climate must strengthen protection against the cold. In response to this, ATEN's employees and families purchased a total of 202 blankets and sent them out through the Hengchun Tourism Hospital and Hengchun Christian Hospital social welfare system to care for elderlies living alone and underprivileged families in the countryside, spreading warmth to every corner in need.

【Number of Participants: 111 (including 5 family members), Number of Beneficiaries: 202】



✧ Year-end Dinner Party Red Envelops for Elderlies Living Alone

In hope to provide elderlies living alone a chance to reunite with each other and increase their interpersonal interactions, ATEN cooperated with Sihjhih District Office and made a special donation of 50 red envelopes worth NT\$1,000 each at the end of 2017 as a surprise for elderlies that participated, allowing them to enjoy a happy winter and welcome a new year.

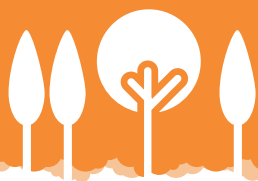
【Number of Beneficiaries: 50】

✧ Volunteer Service at Children Are Us Foundation Outlets

In 2016, ATEN participated in the "Mentally Handicapped Children's Family Relief Care Program" organized by Children Are Us Foundation and donated NT\$ 200,000. In 2017, we continued to arrange corporate volunteer services to assist children in Children Are Us Foundation outlets in Zhonghe wrap Mid-Autumn Festival gift boxes and further increase their confidence towards interactions with the outside world.

【Number of Volunteers: 22 (including 8 family members)】

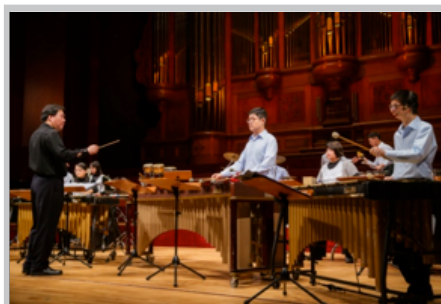




5> Active Social Participation

✧ Polar Lights Percussion Group Sponsorship

The Polar Lights Percussion Group was established by the Associate Director of Ju Percussion Group, Hong-Chi Ho (Teacher A-Chi), and consists of members that are visually impaired, hearing impaired, physically disabled, mentally handicapped, and sick with autism. With continuous practice and cooperation between members, the group's purpose is to help people with different disabilities to become more open to the world and increase their self-confidence through their own efforts of winning applause on the stage.



When ATEN first encountered Polar Lights, it was moved by teacher A-Chi's passion and persistence. He rented a small apartment in Zhonghe and used it as a training studio. After filling up the small place with various percussion instruments, he guided a group of active or passive and socially alienated members. With tight funding and members that were more difficult to teach than the average child, teacher A-Chi continued with persistence. After years of hard work, the Polar Lights Percussion Group finally made it onto the stage of the country's highest-level concert hall - the National Concert Hall, at the end of 2015, and received sincere and enthusiastic applause from the audience.

Teacher A-Chi's selfless dedication towards the Polar Lights Percussion Group for more than a decade has brought transitions to the lives of almost 80 families and has played a positive educational significance in the society. ATEN admires the contribution made by Polar Lights to underprivileged groups and has therefore been making regular donations towards monthly its rents since 2016. The company hopes that by doing this, it can relief some economic strains and allow this group to expand such that more handicapped people can find a place for themselves and let their families and the outside world see the power of rebirth.

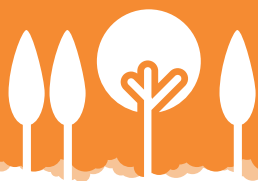
✧ Wheelchair Donation to Remote Areas

In 2016, ATEN started an assistive devices donation program known as "Care for those in trouble, passing on the love" program. Its main purpose is to donate wheelchairs and crutches to remote areas with insufficient resources and provide support to patients with walking difficulties. This year, ATEN donated a total of 20 wheelchairs to New Taipei City's Ren-ai Senior Citizen's Home, to help people in the area to receive help more quickly.

✧ Blood Donation

Donate a bag of blood to save a life! ATEN employees located at the Sihlih factory took part twice in the blood donation activity organized by Taipei Blood Donation Center in 2017. A total of 88 people participated in the blood donation, in hope that the increased blood stock will help those lives that are threatened by blood shortages.





5> Active Social Participation

5.3 Community Environment Maintenance

✧ Fulong Beach Clean-up

The 14th Goal of UN's 17 Sustainable Development Goals (SDGs) is Life Below Water. Since 2012, ATEN has adopted a beach that stretches for 360 meters in front of Fulong Dongxing Temple in Gongliao District from the Taiwan Tourism Bureau of Northeast and Yilan Coast National Scenic Area Administration, and has continued to implement its commitment towards environment protection for the sixth year.

Marine ecological catastrophes caused by overfishing, habitat destruction, sewage disposal, garbage pollution or global warming, often need a tremendous amount of time to restore the environment, and in some cases, they cannot be restored at all. The effect of beach clean-up on improving marine environment is limited because the area covered is not big enough. However, it is the most direct and effective method to establish a concept of marine conservation in the society. From the various kind of man-made waste picked up by volunteers on the beach, it is evident that part of the garbage randomly discarded by people on land will flow into the ocean and some will float onto the beach. If we cannot control it from the source, no matter how many beach clean-ups there are or how often they are done, we still cannot keep the beach or ocean clean. In addition, most garbage sinks to the bottom of the sea or floats like plastic objects on the sea. Although they are small in size, they will return to our human bodies and cause damage through the ecological cycle of the food chain. Such an important concept of marine conservation can be rooted deeply in the minds of people through the actual experience of beach clean-ups together with education and promotion. Therefore, while organizing a beach clean-up activity, we also try to contact different social groups such as Sijhih District Office, Bureau Veritas Certification (Taiwan) Co., Ltd., and Good Shepherd Social Welfare Foundation to give more people the opportunity to join. The goal is not only to bring a group of people to remove garbage on the beach, but to spread the concept of marine conservation to more people and have a greater impact.

In 2017, ATEN organized 4 beach clean-ups with a total of 178 participants (including 48 external stakeholders), and the total amount of garbage and waste cleaned was about 308Kg.





5> Active Social Participation

Tree Planting and Weeding - Sustainable Butterfly Garden

The 17th Goal of UN's 17 Sustainable Development Goals (SDGs) is Life on Land. ATEN's volunteer club is now in its fifth year of cooperation with the Butterfly Conservation Society of Taiwan and has held 2 butterfly habitat maintenance activities in 2017 with a total of 52 participants (including 20 family members).

Jiannan Butterfly Garden and Jiannan Butterfly Trail, located in Taipei Neihu District, are hard-to-find butterfly conservation areas in Taipei City.

Their rich butterfly ecological resources make them excellent places to conduct ecological education for schools located in the greater Taipei area. ATEN's corporate volunteers and their families planted nectar plants, removed alien species, and put up plant introductory signs during the weekend. Moreover, with the guidance and explanation from instructors of the Butterfly Conservation Society of Taiwan, participants came to understand different butterfly species, the ecological environment needed for their growth, and witnessed the damage brought about alien species such as Mikania Micrantha. At the same time of engaging in physical labor, rich butterfly ecology and environment conservation knowledge can also be provided to volunteers and their families.

In addition, ATEN also helped the Butterfly Conservation Society of Taiwan revise its website by understanding the association's needs and leveraging the expertise of our e-commerce and digital marketing department, giving the website a whole new look and feel

(<http://www.butterfly.org.tw/>).

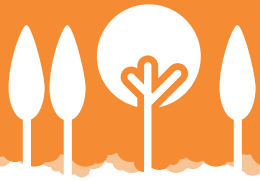


My Own Acre of Paddy Land Adoption

Taiwan is currently facing shrinkage in paddy land areas annually and loss of rice cultivation techniques. Nowadays, we often consume rice that is not only grown in Taiwan, but also imported rice as well. To support local rice farmers put into effect efforts towards groundwater recharge conservation, land subsidence prevention, climate change mitigation and other environment protection actions as well as maintain the beauty of green and shiny rice crops in our rural landscapes, the company adopted 0.4 hectares of paddy land from farmer De-Li Wang in Yilan County, Yuanshan Township, Shengou Village, by the means of contracting, for the first time in 2017. Non-toxic farming and natural water were used to cultivate the Kaohsiung 145 rice variety and harvested rice were distributed to all employees during the summer.

In addition, in order to let employees and their relatives have the opportunity to experience nature, farming, and put effort towards paddy fields, we held two activities in March and July for planting and harvesting. Farmer De-Li Wang personally guided our employees and their relatives to experience planting during the spring. The process combined parent-child activities, local cuisine, which allowed adults and children get close to nature and experience its beauty. A total of 110 participants took part in this activity (including 78 family members)





5> Active Social Participation

5.4 Overseas Records

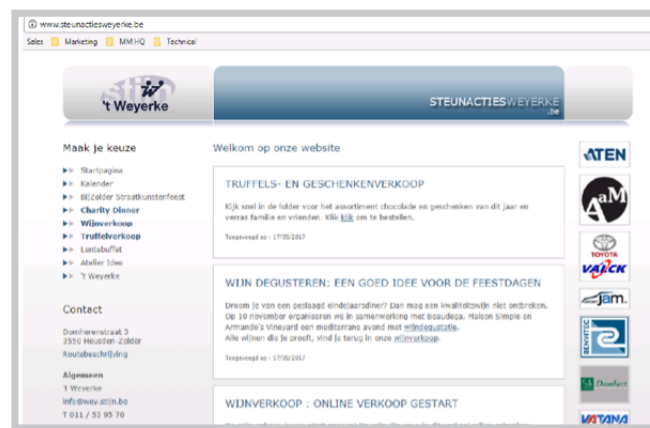
ATEN's overseas sales branches responded to headquarters' CSR policy by carrying out CSR in different corners of the world on their own accord.

✧ Belgium Sales Subsidiary - Charity Record

ATEN Infotech, our sales subsidiary based in Belgium fully supports headquarters' CSR policy and implements different CSR activities from donations to volunteer activities.

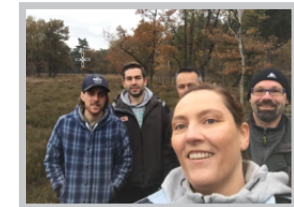
• 't Weyerke Charitable Organization

This is the fourth year for ATEN's subsidiary in Belgium to support this program by donating 950 Euros to 't Weyerke, a local charitable organization that raises funds for helping disabled people. The donation is used for expenses such as training and education for disabled people, permanent housing planning, and the organization's administrative expenses.



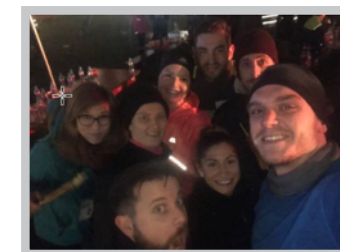
• Natuurpunt, Limburg - Natural Ecological Maintenance

Natuurpunt is a non-profit organization in Belgium dedicated to maintaining local flora and fauna ecosystem. Employees in our Belgium sales subsidiary used 3 hours to participate in an environment maintenance activity held by the organization.



• Warmathon

The Belgium subsidiary responded to the Warmathon road running fundraising event organized by Studio Brussels. 9 employees participated and ran a total of 120 kilometers and donated 135 Euros to the charity to support the achievement of more than 1,000 good and heartwarming deeds.

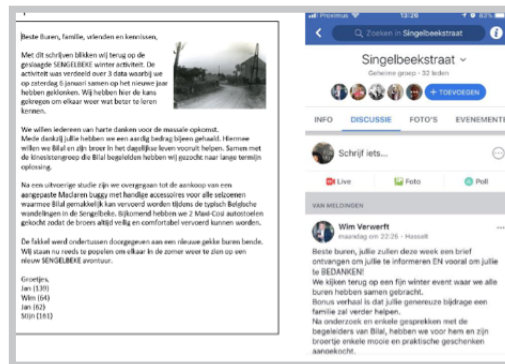




5> Active Social Participation

• Hasselt Refugee Care

Employees in our Belgium subsidiary visited a refugee family located in Hasselt and initiated fundraising activities with residential neighbors to support sick children in the family.



• Canada Sales Subsidiary - Charity Record

• Food Donations

Our R&D Center in Canada donated more than 30 kinds of food to the Richmond Food Bank to help people in need to avoid hunger.



• Ling Yen Mountain Temple

Employees from our R&D Center in Canada assisted at charity events often held by the Ling Yen Mountain Temple for supporting neighborhoods in the community through providing pre-event venue clean-up and parking guidance during the event.



• UK Sales Subsidiary - Charity Record

The UK subsidiary donated Xbox, PS4 and two TV sets to The Autism Group, a charitable organization dedicated to caring for autistic people.





Ch6

Environment Protection

- 6.1 Climate Change Response and Risk Management Assessment
- 6.2 Environmental Sustainability Management to Mitigate Environmental Impact
- 6.3 Environmentally Friendly Management Performance
- 6.4 Greenhouse Gas Inventory and Management



6> Environment Protection

Material Topic

Environmentally friendly and green products

The significance of this material topic to ATEN and the company's main contributions to SDGs

Climate change impacts the global ecological environment as well as human life, people's health and the economy. It is one of the most important environment protection issues for the UN, governments, society, and organizations around the world. In the constant pursuit for balance between maintaining the ecological environment and sustainable development by abiding to the government's regulations, paying attention to the development and responses to environment issues, and actively adopting environmentally friendly actions, we believe that in addition to improving our technology and techniques, we should expand our influence as well and encourage suppliers to work with us in building a green supply chain.



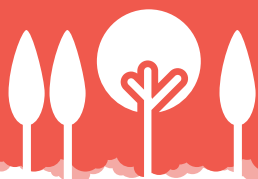
Facing the rapid climate change caused by global warming, we believe that fighting against it through the organization's greenhouse gas inventory investigation and reduction is the most direct and efficient method. By reviewing this information, we can identify sources of emission and formulate reduction plans. With respect to climate change mitigation, adaptation, impact reduction, and early warning, ATEN's actions reflect upon the 13th Goal of UN's 17 Sustainable Development Goals (SDGs) - Climate Action.

Responsible Unit

Corporate Social Responsibility Management Committee – Green Operation Group

Management Mechanism

1. Conduct ISO 14001:2015 version of the Environmental Management System Certification
2. Greenhouse gas external verification and tracking greenhouse gas emissions according to ISO 14064-1 °
3. Spread environmental knowledge through lectures and activities



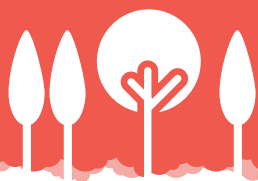
6> Environment Protection

Commitments, Actions and Goals

ATEN is committed to environment protection by promoting sustainable carbon emission reduction, continuous monitoring of energy use, implementing energy conservation and carbon reduction, and spreading environmental knowledge through lectures and activities every year.

ATEN actively promotes environmental management and related activities by engaging in actions compliant with related government environment regulations, preventing pollution, enhancing environmental performance and employees' concept of environment protection and achieves the goals of environment protection and sustainable development through corporate participation and commitment. In 2010, we started to promote greenhouse gas emissions investigation and established an internal investigation mechanism based on ISO 14064-1 standards to actively engage in voluntary greenhouse gas emission investigation tasks. Continuous investment in energy conservation programs and increased energy usage efficiency to reduce impact on the whole environment contributed to our passing of a third-party ISO greenhouse gas verification in 2016. Through participation of all our employees and corporate commitment, we have achieved the goals of environment protection and sustainable development.

Commitment	Items Executed in 2017	Execution Results in 2017	2018-2020 Goals
Reduce greenhouse gas emissions by 0.5% compared to 2016	Conduct a third-party ISO 14064-1 greenhouse gas verification	<ul style="list-style-type: none"> Passed the third-party ISO 14064-1 verification The newly purchased equipment emits HFCs and increased greenhouse gas emissions in this category, hence we failed to achieve the 0.5% carbon emission reduction target 	<p>After reviewing, we will set the carbon reduction and energy conservation targets as below:</p> <ol style="list-style-type: none"> Greenhouse gas emission intensity less than 0.52 in year 2020 (greenhouse gas emissions / individual earnings (million New Taiwan Dollars)) Electricity consumption intensity less than 5.0 in year 2020 (electricity consumption measured in kilowatt-hours / number of employees in Taiwan)
Monitor energy usage, carry out energy and carbon conservation	Monitor energy risks and promote the implementation of energy and carbon conservation projects	<ul style="list-style-type: none"> The increase in electricity consumption was mainly caused by the 5.12% expansion of headquarter office area on the sixth floor, a 9.5% growth in newly developed products compared to 2016, and a 16.75% increase in production compared to 2016. 	
Environmental management system enhancement	<ul style="list-style-type: none"> Develop environmental management plans and management reviews Internal audit Conduct ISO 14001:2015 version of Environmental Management System certification 	<ul style="list-style-type: none"> Obtained ISO 14001:2015 version of the Environmental Management System certification 	
Green supply chain management	<ul style="list-style-type: none"> Pay attention to RoHS & REACH regulation updates Management of hazardous substances, and promotion and investigation of suppliers 	<ul style="list-style-type: none"> Investigation on suppliers' REACH SVHC 174 items conformity received 100% response rate from suppliers 	
Environmental knowledge and awareness transfer	<ul style="list-style-type: none"> Set up awareness lectures and volunteer environment protection activities Resource recycling 	<ul style="list-style-type: none"> Organize awareness lectures to convey environmental knowledge Waste recycling continues to increase 	



6> Environment Protection

6.1 Climate Change Response and Risk Management Assessment

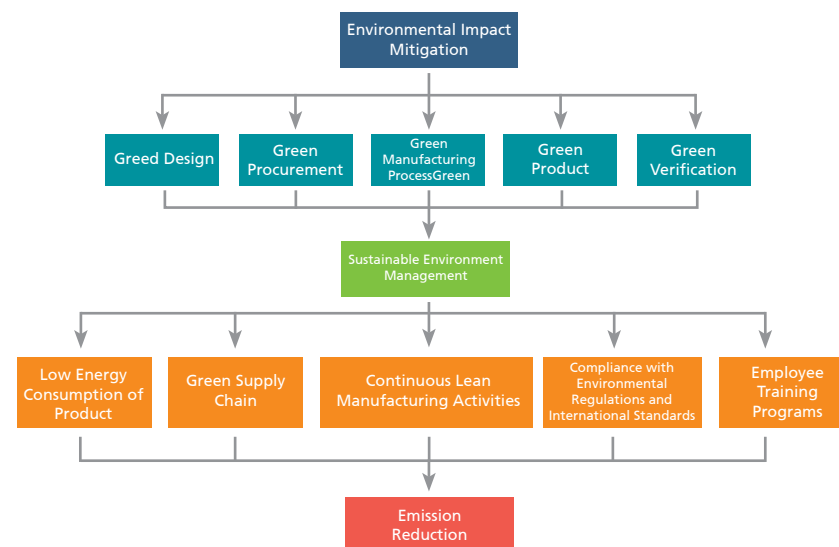
Climate change impacts the global ecological environment, human life, people's health and the economy. Since the Paris Agreement was put into effect in November 2016, United Nations, governments, societies and corporations worldwide have put climate change response as top priority. ATEN believes that corporations will inevitably be affected by climate change and should actively be responsible for its mitigation. The Environmental Sustainability, Energy Sustainability and Green Sustainable Product Management Policy approved by Chairman Chen declared climate change as the responsibility for ATEN's sustainable operation. By actively participating in various environmental sustainability activities in the country and understanding related environment issues that the government, investors, customers and the public care about, various risks and opportunities of environment protection issues are identified. In the future, we will continue to pay attention to trends in climate change and our government's response direction, and regularly report to the Board of Directors through our Corporate Social Responsibility Management Committee.

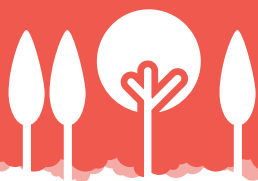


6.2 Environmental Sustainability Management to Mitigate Environmental Impact

To effectively mitigate environmental impact, ATEN is actively adopting energy conservation and carbon reduction measures. In addition, related climate change risks are identified every year and the energy conservation and carbon reduction measures to mitigate climate change and environmental impact is operated through the cooperation of responsible environmental units. We also pay attention to environment issues and global climate change trends and environmental impacts as well. By continuous monitoring and analysis, policies and various standard procedures are implemented. Regular environment evaluations and audit activities are carried out according to the annual plan for avoiding environmental impacts caused by climate disasters.

Environmental Impact Mitigation Framework





6> Environment Protection

❖ Environment Sustainability Commitment

ATEN continuously pays attention to global climate change trends and contingency measures around the world. We follow reduction plans of developed countries and continuously conduct environment analysis and management programs to control climate change response, energy management, water resource management, supplier's environmental performance, green product, chemical substances management, environment regulation compliance and external environmental impact assessment and control. This is reviewed regularly by top management every year, and we actively formulate and implement effective mitigation and adaptation strategies while observing their subsequent impacts. By utilizing management by objectives of the highest standards, ATEN is committed to continuous improvement and pollution prevention through systematic management of each energy resource as well as continuous monitoring and development.

❖ Environmental Sustainability Management Policy

The environmental policy of ATEN refers to its mission and conviction on social responsibility and environment protection. In the process of pursuing maintenance of the overall ecological environment and sustainable development, not only do we work hard towards technological enhancement and breakthroughs, we also actively promote environmental management systems and related activities with a prudent attitude in order to prevent pollution and create an excellent work environment, protect our employees' physical and mental health, fulfill our legal responsibilities, obey social obligations and protect the environment. In addition, we adhere to the following commitments as key guiding principles for making environmental management decisions :

1.Enacting environmental laws:

Auditing the implementation of related environment protection regulations, and abiding by environmental protection regulations and requirements of governing authorities.

2.Encouraging creative use of resources :

Making good use of available resources, reducing wasteful behavior, lowering environment pollution and reducing energy consumption.

3.Continuous support for green production:

Regularly carry out audits to ensure the effectiveness of implementing environmental policies and improvements, as well as doing our part in protecting our green global village.

❖ Energy Sustainability Management Policy

To fulfill our responsibility towards the society as a member of the global village and as a corporation, ATEN is committed to energy conservation and carbon reduction and complies with relevant regulations for environmental pollution prevention, green product design and continuous improvement to achieve the goals and benefits of energy conservation. We adhere to environment protection and constantly carry out environment-friendly measures as below :

1.Regular review of targets :

Management inspection meetings are held regularly to review the energy usage situation.

2.Improving equipment efficiency:

Regular maintenance and search for more effective measures of saving energy and improving facilities.

3.Purchasing energy-efficient products :

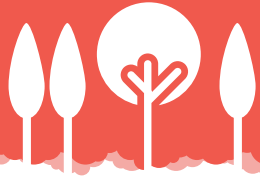
Giving priority to the purchase of equipment with the Energy Label, Water Efficiency Label and Energy Star Label.

4.Enhancing employees' concepts:

Communicate and promote energy conservation concepts among all employees.

❖ Green Sustainable Product Policy

Faced with the threat of harmful substances to the global environment and people's health, close attention is being paid to this issue by consumers and governments around the world. Respectively, ATEN actively promotes green supply chain management and provides customers with green products free of harmful substances. This is our goal and commitment to continuously carry out.



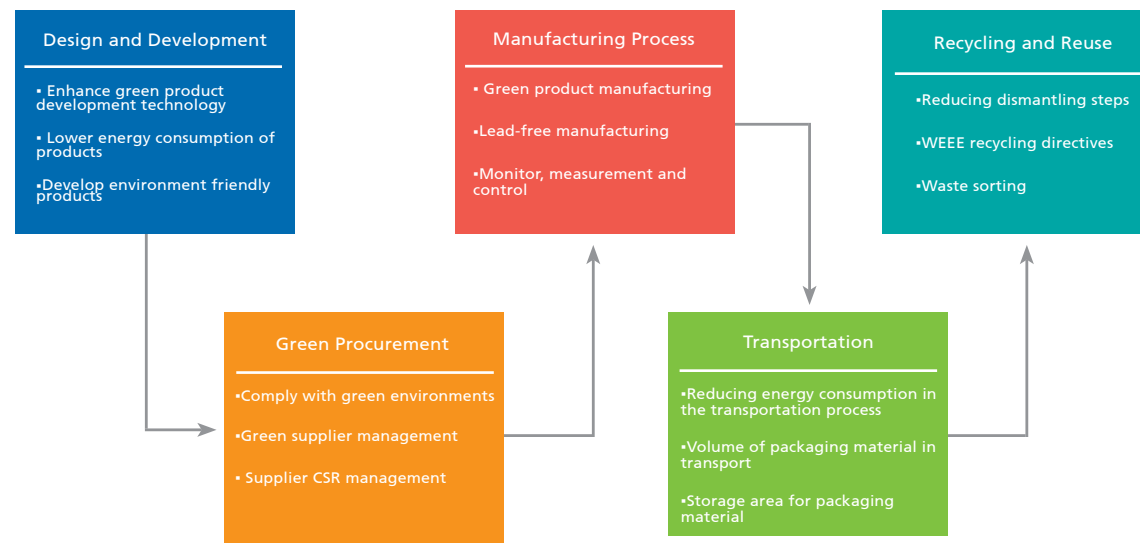
6> Environment Protection

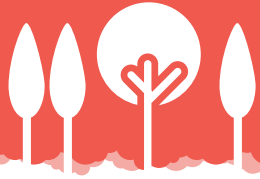
➤ Sustainable Green Product Responsibility

In order to strive for the maintenance of the ecological environment and carry out corporate green responsibility, ATEN actively promotes a green environmental management system. In addition to ensuring that all products and operations comply with environment regulations and international standards such as WEEE directives, we also uphold a green supply chain practice from the procurement of raw materials to the product's final disposal. All products sold in the EU adopt designs that are environment-friendly and easily recycled. As a manufacturer, we make ourselves responsible for recycling, and continue to implement preventive green management measures to reduce the negative environmental and ecological impacts caused by our products and manufacturing processes.

Furthermore, we convey concepts of ecology maintenance, protecting the Earth, environment friendly and green management through conferences, educational promotion and forums. With these initiatives, we hope to fulfill our commitment in the four aspects of green design, green procurement, green manufacturing process and green education, and gradually establish a green supply chain by working together with corporations, employees and suppliers.

The Green Product 3R (Reuse, Recycle and Recovery) Management System Model to Reduce Environmental Impact





6> Environment Protection

❖ Harmless Material Management Measures

To fulfill our responsibility as a global citizen, we integrate the company's core value with our management policies as follows :

- **Integrity** : Procurement of green raw materials and implement green manufacturing processes.
- **Caring** : Promote environment protection education, enhance employees and partner suppliers' environmental awareness and goals to achieve the company's business objectives.
- **Ambition** : Compliance with environment regulations and customer requirements, and become our customer's best green product partner.
- **Novelty** : Design green products and focus on products with harmless material.

❖ Compliance with International Product Environment Regulations

ATEN continues to ensure that its production processes and products comply with international regulations and customer's environment protection requirements. By regularly updating the control of hazardous substances usage regulations and initiating the "Hazardous Substance Restriction Management" program, we define the usage standards for hazardous substances and related control requirements to ensure that our products comply with the regulations. This reflects upon ATEN's commitment towards Corporate Social Responsibility.

ATEN complies with the following regulations:

Environment Protection Regulation Classification	Restricted Substance Directives	Regulation Requirements (Restrictions)
RoHS 2.0 EU Restriction of Hazardous Substances Directive	2011/65/EU	Lead (<1,000ppm), Cadmium (<100ppm), Mercury (<1,000ppm), Hexavalent Chromium (<1,000ppm), Polybrominated Biphenyls (<1,000ppm), Polybrominated Diphenyl Ethers (<1,000ppm), Bis (2-ethylhexyl) Phthalate (<1,000ppm), Butyl benzyl Phthalate (<1,000ppm), Dibutyl Phthalate (<1,000ppm), Diisobutyl Phthalate (<1,000ppm)
REACH EU Registration, Evaluation, Authorization and Restriction of Chemicals	EC Regulation No.1907/2006, concerning Registration, Evaluation, Authorization and Restriction of Chemicals, REACH)	Substance of Very High Concern, SVHC
WEEE EU Waste Electrical and Electronic Equipment Directive	2002/96/EC	The directive is for the recycling rate of waste electrical and electronic equipment end products. It requires all manufacturers of products sold in the EU to take into consideration the environmental pollution caused by disposal of waste products and adopt an environment-friendly product design that is easy to recycle as well as assume the responsibility for recycling them, such that the end product holders and distributors are responsible for recycling.





6> Environment Protection

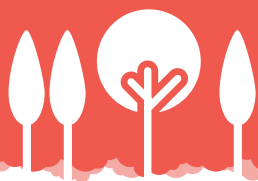
❖ Prohibition on the Use of Conflict Minerals

The American Securities and Exchange Commission (SEC) passed the "Dodd-Frank Wall Street Reform and Consumer Protection Act" on August 22, 2012. Section 1502 of the final draft is related to the procurement of "conflict minerals". Based on the practice of CSR and international justice, metals commonly used in ATEN's electronic products such as gold, tantalum, tungsten and tin undertake a standardized self-management method and provided to customers as a statement according to the GeSI Conflict Minerals Reporting Template initiated by the Responsible Business Alliance (RBA). This is done to avoid using materials which come from regions of conflict such as the Democratic Republic of Congo and neighboring areas that damage the environment and human rights.

ATEN's Conflict Minerals Statement :

- ATEN's suppliers must be responsible for social and environment protection.
- ATEN's "Three Don't" Policy that includes don't support, don't accept, don't use metals mined from illegal mines and poor work environments in the Democratic Republic of Congo (hereinafter referred to as Congo) and neighboring countries. These are so-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 that they are not from "conflict mining areas".
- Implement green supply chain management to meet customer requirements and the practice of international justice. Gain in-depth understanding of suppliers' management of conflict minerals and conduct investigations according to the GeSI Conflict Minerals Reporting Template by the Responsible Business Alliance (RBA).





6> Environment Protection

6.3 Environmentally Friendly Management Performance

Along with population growth and technological advancement, pollution caused by human activities on the environment is constantly accelerating and expanding its scope of influence. Global climate change has impacted the ecological environment worldwide as well as human life, and it has become an environment issue receiving the most concern nowadays. ATEN pays attention to global climate change trends and contingency measures adopted by the industry, abides by emission reduction plans of developed countries, and adopts a target management method of the highest standards. In addition to systematic management of energy resources, constantly monitoring and making improvements, we have also set corresponding strategies and action plans whereby each department utilizes the "Plan → Do → Check → Act" (P-D-C-A) cycle to conduct regular management and strive to achieve our energy conservation and carbon reduction targets. At the same time, we also educate our employees on environment protection and encourage them to develop energy-saving concepts in their daily lives.

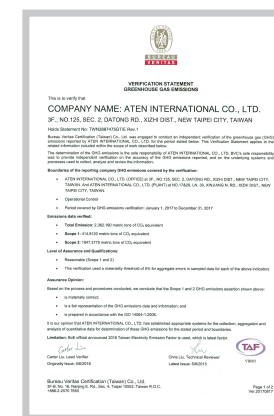


Environmental Management System Results

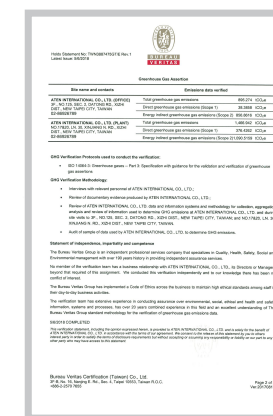
ATEN promotes environmental management and related actions to improve the environment with an aggressive and prudent attitude. In 2006, we introduced the ISO 14001 Environmental Management System. Through actions compliant with related government environment regulations, pollution prevention has been implemented which has in turn improved our environmental performance and employees' environmental awareness. In November 2017, we obtained the ISO 15001 : 2005 Environmental Management System Certification (renewal). We have been implementing greenhouse gas inventory investigations since 2010, and have set up an internal investigation mechanism based on ISO 14064-1 Greenhouse Gases Verification standards. Our continuous investment in energy conservation programs and increase in energy usage to reduce our impact on the overall environment has contributed to our passing third-party ISO greenhouse gas certifications in two consecutive years. Through our employees' participation and corporate commitment, we are able to achieve the goals of environment protection and corporate sustainable development.

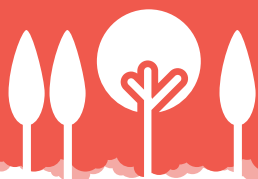


ISO 14001 Environmental Management System Certificate



ISO 14641-1 Greenhouse Gases Verification Certificate





6> Environment Protection

Energy Resource Reduction Management Results

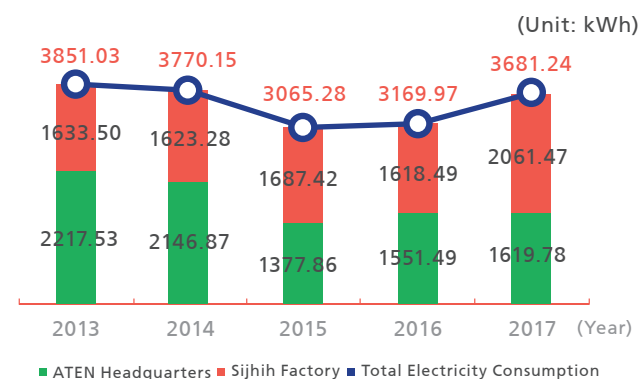
Global warming has caused drastic climate changes in recent years. We believe that greenhouse gas inventory investigation and reduction are the most effective and direct methods for fighting against climate change and global warming. By reviewing this information, we can identify sources of emission and formulate reduction targets for climate change mitigation, adaptation, impact reduction, and early warning.

Energy Management Results

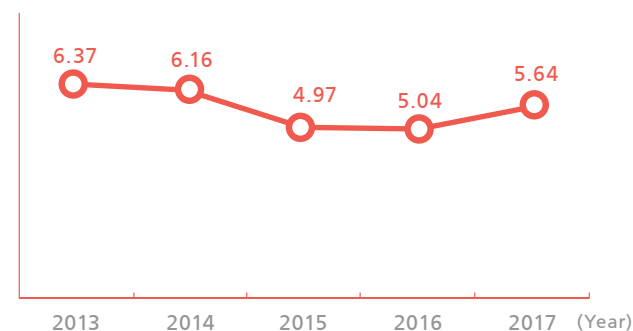
According to our energy inventory investigation results, ATEN mainly uses electricity in its operations. Hence, we have started promoting various energy conservation measures and management programs to reduce energy consumption and its impact on the environment. In the past, we mainly controlled manufacturing processes to reduce energy consumption incurred while manufacturing equipment are on hold. In recent years, we have increased energy-saving equipment and air conditioning systems to increase efficiency as well as manufacturing process optimization programs. However, our electricity usage in 2017 increased due to office expansion on the sixth floor of our headquarters building (increase of 5.12% usage area), the introduction of new developed products (9.5% growth compared to that of 2016), and production increase (16.75% growth compared to that of 2016). We will continue to pay close attention and enhance monitoring of our energy management programs.

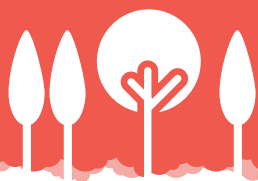
Strategy and Goals	
Climate Change Mitigation	Promote various energy conservation measures and management programs to reduce energy consumption and its impact on the environment.
Climate Change Adaptation	1. Establish manufacturing process control methods to reduce energy consumption caused by equipment on hold. 2. Promote energy-saving manufacturing equipment and introduce power-saving equipment (T5 and LED lamps). 3. Improve energy efficiency management solutions (energy-saving air conditioning).
External Resources	Participate in consultation programs offered by Taiwan Industrial Greenhouse and Energy Reduction Services Corps.
2020 Goals	1. Greenhouse gas emission intensity less than 0.52 (greenhouse gas emissions / individual earnings (million New Taiwan Dollars)). 2. Electricity consumption intensity less than 5.0 (electricity consumption measured in kilowatt-hours / number of employees in Taiwan).

ATEN International Co., Ltd. Annual Electricity Consumption (including headquarters and the Sijhih factory)



Energy Intensity (Electricity Consumption / Number of Employees in Taiwan)





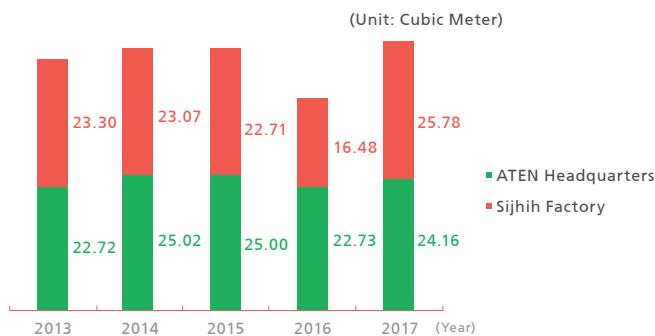
6> Environment Protection

❖ Water Resource Management Results

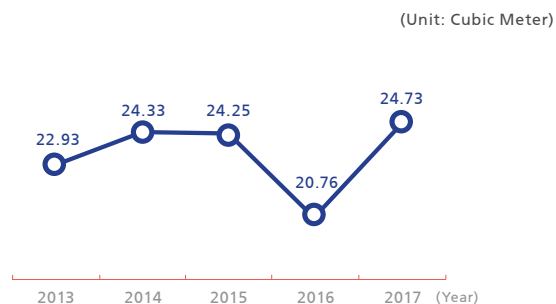
Climate change and global warming have led to increased water shortages, which is another environmental impact that humanity will have to face apart from the present energy conservation and carbon reduction actions. Due to the large population and intensive development of business and industry in the country, the water sources used by ATEN are all provided by Taiwan Water Corporation. In addition to water-saving measures within the company, we have also installed taps bearing the Water Label in all our hand-washing facilities. We will continue to roll out water-saving measures, search for opportunities to recycle rainwater, reduce water usage and promote the concept of water conservation among our employees.

Since 2011, ATEN has been calculating the total water consumption of the entire company. Compared to the previous 3 years, the total carbon emissions due to water usage in 2017 was 3.81KgCO₂e.

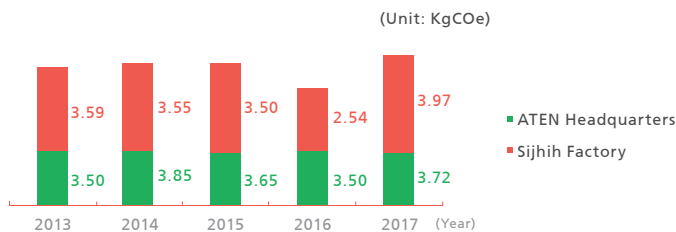
【Average Total Water Consumption per Person】



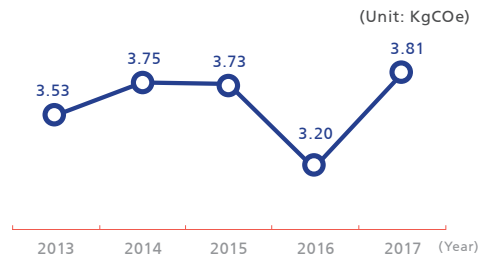
【Average Total Water Consumption per Person】



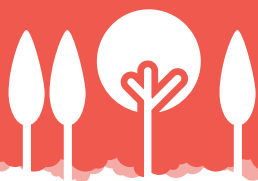
【Average Carbon Emissions due to Water Usage per Person】



【Average Carbon Emissions due to Water Usage per Person】



Note: The carbon emissions benchmark is calculated using the equivalent amount of CO₂ emitted from the usage of every cubic meter of water by Taiwan Water Company. The latest statistic is 0.152kgCO₂/cubic meter. The annual water consumption statistics showed a significant decrease in 2016 due to a malfunctioning water meter in Sijhih factory.



6> Environment Protection

Green Product Design Results

ATEN has been developing all kinds of innovative digital information sharing products since its establishment and has become a global leader in this market. By adopting our R&D capabilities and green product design concepts, we strive to take environment-friendly actions and continuously enhance resource consumption to achieve green product goals like producing energy-saving products, increased product quality, lower manufacturing costs, and shorter manufacturing process time.

Our R&D team focuses on utilizing environment-friendly designs to produce products that are lighter in weight and greater in efficiency.

R&D Benefits	Application	Result
Energy-saving Products	Switched-mode power supply design and the design measurement and selection of product parts.	Products achieved more than 80% efficiency
Light-weight Products R&D Benefits	Introduction of cooling modules Improved product cooling efficiency according to the product's operating temperature (Original weight of 1.24Kg was reduced to 0.76Kg) Product Models: VM3200/1600/1600A	38.7% reduction in weight (Original weight of 1.24Kg was reduced to 0.76Kg)
	Utilize AL materials to reduce product weight and energy consumption from transporting products (Original weight of 12.28Kg was reduced to 9.0Kg)	26.7% reduction in weight
	Saving packaging material Product Models: PE5324/PE5224/PE8121/CN1000N/CL1008/CL1016/CL300N/CL5708/CL5716/CL6700/CL6708/CL6716/CL1308N/CL316N/KL1108VN/KL1116VN	$2.82-2.14 = 0.68 \text{ kg}$ $2.79-2.06 = 0.73 \text{ kg}$ $2.93-1.71 = 1.22 \text{ kg}$ $3.32-1.92 = 1.40 \text{ kg}$
Energy-saving Products	Products with latch mechanical designs Introduce latch design guidelines, followed by mechanical design guidelines for user-detachable designs (General Cable KVM models)	50% decrease in areas that require screws Compliant with WEEE and Green Design

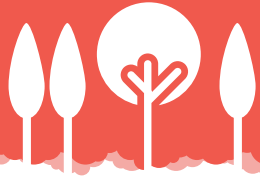
Products that Contribute to the Mitigation of Environmental Impact

ATEN is committed to producing environment-friendly products and complies with the European Union's Waste Electrical and Electronic Equipment (WEEE) Directive 2002/96/EC (or WEEE in short) issued on February 13, 2003. The directive requires manufacturers to be responsible for product recycling, treatment, and reuse. ATEN products that are distributed in the market are marked with corresponding labels which allows us to fulfill the regulations of reuse, recycling and recovery.



Models manufactured in the 2017 WEEE 3R Report:

Item	Model Name	Item	Model Name	Item	Model Name	Item	Model Name
1	SN9108	21	CN8000A	41	VK236	61	GUC211V
2	SN9116	22	CS1912	42	VK248	62	GUC3CMST
3	SN0132D	23	CS1914	43	VM0202H	63	GUS432
4	SN0148D	24	CS1922	44	VM3200	64	GUS434
5	KN2116VA	25	CS1924	45	VM7404	65	GVE330
6	KN2132VA	26	CS261	46	VS182B		
7	KN4116VA	27	CV211	47	VS184B		
8	KN4132VA	28	KL1108V(M/N)	48	VS192		
9	KN4140VA	29	KL1116V(M/N)	49	VS194		
10	UC3410	30	KN1000A	50	KA7575-AF		
11	VK224	31	KN1132V	51	KA7570-AF		
12	CE750A	32	PE5316	52	KA7540-AF		
13	VM0404HA	33	PE5342TG	53	KH1508A-AF		
14	VM0808HA	34	UH3231	54	KH1516A-AF		
15	CL6708MW	35	US7220	55	KN1116VA-AF		
16	PE5324TA	36	VE807	56	GCS1902		
17	PE6208AV	37	VE607	57	GCS1904		
18	CE610A	38	VE157	58	GCS1932		
19	CE620	39	VE813A	59	GCS1934		
20	CE624	40	VE901	60	GTD732		



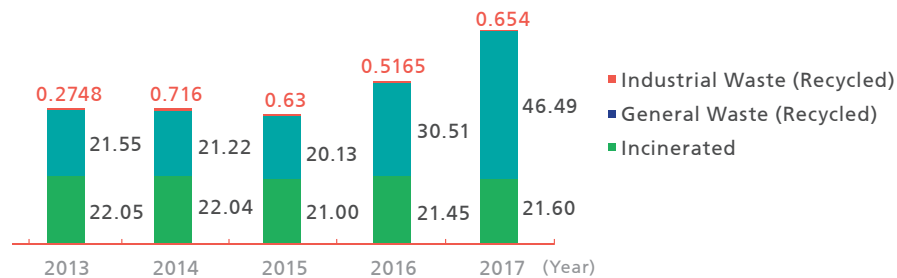
6> Environment Protection

Waste Management and Reduction Results

Our production operations are mainly the assembling of electronic products. In order to effectively recycle resources, raw materials left over from manufacturing processes are firstly considered for reuse in the factory to ensure they have been used effectively and to reduce the disposal of waste. Following, recycling methods are used for material and energy recovery of non-hazardous industrial waste such as tin slag, waste plastics, mixed metal scrap and waste paper. Amongst this, tin slag, waste plastics, waste paper and mixed metal scrap are recycled and reused by professional and qualified companies, while other general waste such as daily garbage is also recycled and disposed of by qualified companies. Our waste recycling rate has been increasing in recent years.

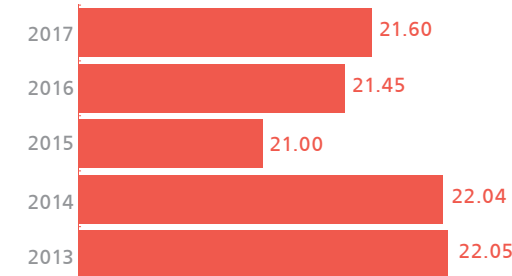
【Waste Recycling Management Statistics】

(Unit: Tons)



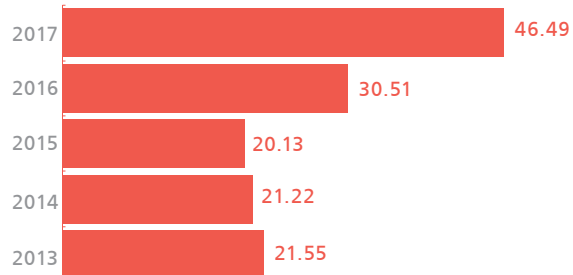
【Incinerated Waste】

(Unit: Tons)



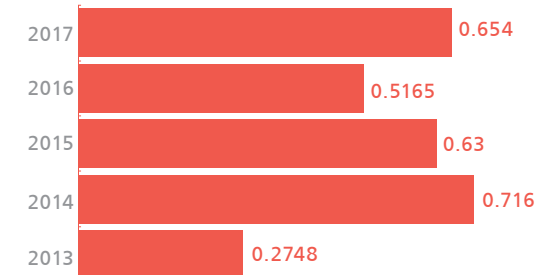
【General Waste】

(Unit: Tons)

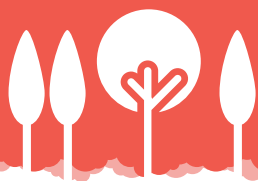


【Industrial Waste】

(Unit: Tons)



For a long time, ATEN has dedicated itself to waste reduction activities. Apart from promoting waste reduction concepts to all employees, we also strengthen management of daily-produced waste by putting up garbage classification notices in our factories to promote garbage sorting activities. This is also the way we implement it daily in terms of management.



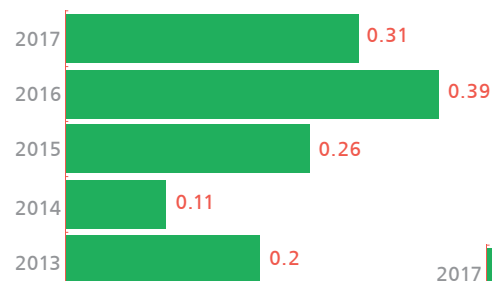
6> Environment Protection

➤ Beach Cleaning and Sustainable Tree Planting Results

The oceans account for 71% of the Earth's surface area, include diverse ecosystems, and are one of the major sources of food for humans. They also provide indispensable living environments for maintaining life on Earth. In the face of the fact that most pollutants in the ocean are from human activities on land and that these pollutants pose great threats to human health and marine ecology, ATEN has been actively participating in marine ecological conservation. We have been adopting a 360-meter-long beach in front of the Dongxing Temple in Fulong, Gongliao, from the Northeast and Yilan Coast National Scenic Area Administration since 2012 to conduct marine education and beach cleaning activities and to encourage our employees and their families to engage in environmental volunteer activities. Apart from making corporate social responsibility into employees' social responsibility, this also echoes Goal 14 of the 17 United Nations Sustainable Development Goals - Life Below Water - to conserve and use ocean and marine resources in a sustainable manner to ensure sustainable development.

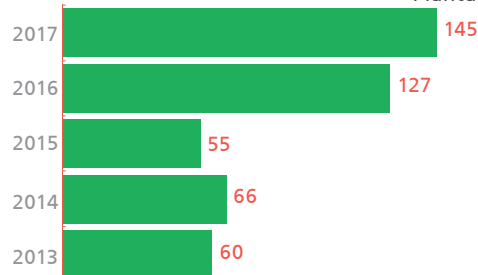
【Amount of Garbage Picked-up from Beach Cleaning】

(Unit: Tons)



【Total Number of Plantations】

(Unit: Number of Plantations)



(According to the Forestry Bureau of the Council of Agriculture website, the average amount of carbon dioxide absorbed by each plant is 5~10Kg per year.)

Ecological Sustainability from Tree Planting Activities (Plantations in 2017)

Indigenous Plant	Species	Number of Plantations	Accumulated Number of Plantations
Formosan Snow-bell	Endemic Species in Taiwan	145	453
Yellowmouth Duchmanspipe			
Chinese Hack-berry			
Formosan Buck-thorn			
Ovate-leaf Tylophora			

With respect to ecological protection on land, we started to work with the Butterfly Conservation Society of Taiwan on butterfly habitat restoration in the Jiannan Butterfly Garden in Taipei since 2012. By removing alien species such as mikania micrantha and chromolaena odorata, growing spaces are given back to the trees. We promote the planting of indigenous nectar and host plants to recreate a living habitat for butterflies as well. This is also in response to Goal 15 of the 17 United Nations Sustainable Development Goals (SDGs) - Life On Land - which is to protect, maintain and promote sustainable use of territorial ecosystems, sustainably manage forests, fight against desertification, stop and reverse land degradation as well as stop the loss of biodiversity.





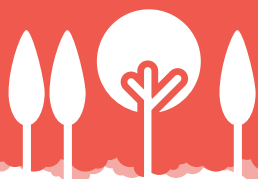
6> Environment Protection

6.4 Greenhouse Gas Inventory and Management

ATEN actively promotes environment management and related activities with a prudent attitude. In 2006, we introduced the ISO 14001 Environment Management System, and through actions that are in line with relevant government environment protection regulations, we are able to implement pollution prevention, increase environment performance and enhance these concepts amongst our employees. We started to implement greenhouse gas inventory investigations in 2010 and had set up an internal investigation mechanism based on ISO 14064-1 international standards to actively and voluntarily carry out greenhouse gas emission inventory investigations. Our continuous investment in energy conservation programs and increase in energy usage to reduce our impact on the overall environmental has contributed to our passing third-party ISO greenhouse gas certification in 2017. Through our employees' participation and corporate commitment, we are able to achieve the goals of environment protection and corporate sustainable development.

Risk Considerations	
Regulation Requirements	Other Requirements
<ul style="list-style-type: none"> Greenhouse gas reduction and management regulations Greenhouse gas inventory investigation 	<ul style="list-style-type: none"> Stakeholder requirements (including the government, investors, customers, employees and the public) Green supply chains in response to climate change
<p>2017 Response Management Measures:</p> <ol style="list-style-type: none"> Greenhouse gas risk monitoring team: Monitors the use of energy resources, and reduce carbon emissions and risks of environmental impact Energy and carbon conservation program implementation: Improve energy efficiency and reduce energy consumption Promote statistical investigation Obtain ISO 14064-1 greenhouse gas inventory investigation certification (by third-party) Promotion and disclose to the public : Collect greenhouse gas data related to carbon and emission reduction and share with suppliers as well as disclose greenhouse gas results to the public. 	





6> Environment Protection

Greenhouse Gas Inventory Investigation

ATEN is committed to becoming a benchmark corporation for digital information sharing products by following the requirements of international standards and promoting voluntary greenhouse gas inventory investigation since 2010. We have formulated an internal investigation mechanism according to ISO 14064-1 to continue our investments in energy conservation programs and improvement of energy use. Our greenhouse gas inventory investigation has passed a third-party investigation by BV (Bureau Veritas Group) in two consecutive years, which indicates the effectiveness of measures carried out by the company.

ATEN International Co., Ltd (Corporate Headquarters + Sijhih Factory) Greenhouse Gas Inventory Investigation Boundaries

The company defines the organizational boundaries according to ISO 14064-1 international standards and GHG Protocol principles for boundary setting, and adopts the operational control method to collect greenhouse gas emissions and removals at the facility level. From January 1, 2017 to December 31, 2017, the organizational boundaries were the premises under actual operation and control of ATEN International Co., Ltd.

Address:

City	District	Road	Number	Floor
New Taipei City	Sijhih District	Datong Road, Section 2	125,127,129,131,133,135,137,139,141,143,145,147,149	3, 4, 5
New Taipei City	Sijhih District	Datong Road, Section 2	137,139,141,143,145	6
New Taipei City	Sijhih District	Xinjiang N. Rd, Lane 30	17, 20	-

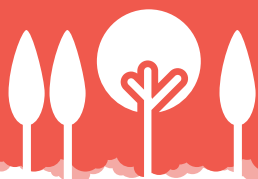
Greenhouse gas inventory investigation can be classified as Scope 1 and Scope 2.

- **Scope 1 Definition:** Direct greenhouse gas emissions (such as from vehicles, air conditioning equipment, water drinking facilities, power generators).
- **Scope 2 Definition:** Indirect greenhouse gas emissions from energy usage (such as outsourcing electricity)

The quantification of greenhouse gas is calculated by the quantity of emission from each source. The emission factor method is adopted whereby each emission from various greenhouse gas sources are converted into weight and volume units in metric tons or kiloliters. Each emission source is calculated according to the calculation method of the "Greenhouse Gas Inventory Investigation Registration Form 3.0.0 (Revision)" and with reference to its emission coefficients. After selecting the emission coefficient, calculation results are converted into CO₂e (CO₂ equivalent) according to the fourth announcement of each greenhouse gas's Global Warming Potential (GWP) identified in 2007, and is measured in metric tons per year.

Sources of Greenhouse Gas Emissions

Scope 1 (Direct Greenhouse Gas Emissions)	Scope 2 (Indirect Greenhouse Gas Emissions from Energy Use)
<ul style="list-style-type: none"> · Transportation of raw materials, products and employees. · Carbon dioxide, methane, nitric oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride such as gasoline and diesel. · Sources of fugitive greenhouse gases such as septic tanks and refrigerants. 	Outsourced electricity



6> Environment Protection

According to ISO 14064-1 requirements, ATEN's operational boundaries include direct greenhouse gas emission sources (Scope 1) and indirect greenhouse gas emission from energy use sources (Scope 2). The total greenhouse gas emission in 2017 was 1690.6509 tons of CO₂e/year. The total emissions of each scope and the seven greenhouse gases are summarized in the following table:

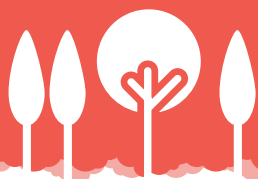
Scope 1 and Scope 2 Greenhouse Gas Emissions in 2017

Emission percentage of Each Scope		2017 (Scope 1) (tons of CO ₂ e/year)	2017 (Scope 2) (tons of CO ₂ e/year)
Greenhouse Gas	CO ₂	7.9113	1947.3775
	CH ₄	51.5125	0.0000
	N ₂ O	0.2086	0.0000
	HFCs	355.1796	0.0000
	PFCs	0.0000	0.0000
	SF ₆	0.0000	0.0000
	NF ₃	0.0000	0.0000
Greenhouse Gas emissions		414.812	1947.3775
percentage of Total Emissions (%)		14.974%	85.0259%

Total Greenhouse Gas Emissions in 2017

- Investigation period of greenhouse gas emissions: 2017/1/1 ~ 2017/12/31
- Base year for company's greenhouse gas emissions: 2015
- Total greenhouse gas emissions: 2,363,190 tons of CO₂e/year
- Direct greenhouse gas emissions (Scope 1): 414.8120 CO₂e/year
- Indirect greenhouse gas emissions from energy use (Scope 2): 1947.3775 CO₂e/year
- Other indirect greenhouse gas emissions (Scope 3) are qualitative descriptions





6> Environment Protection

2017 Greenhouse Gas Emission Investigation Ratio

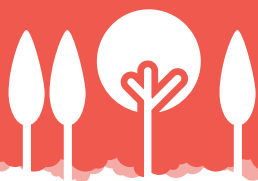
Type of Emission Source	Emission Source	Scope	Quantity of Greenhouse Gas Emissions (CO2e/year)								percentage of Total Emissions
				CH4	N2O	HFCs	PFCs	SF6	NF3	Total	
Stationary Combustion (Outsourced)	Electricity	2	1947.3775	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1947.3775	82.44%
Mobile Combustion	Gasoline	1	6.4902	0.0575	0.2086	0.0000	0.0000	0.0000	0.0000	6.7563	0.29%
Stationary Combustion	Diesel	1	1.4211	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.4211	0.06%
Non-standard Fuel Combustion and Dissipation	Refrigerants	1	0.0000	9.3079	0.0000	56.6100	0.0000	0.0000	0.0000	65.9179	2.79%
Non-standard Fuel Combustion and Dissipation	Septic Tanks	1	0.0000	42.1471	0.0000	298.5696	0.0000	0.0000	0.0000	340.7167	14.42%
Total			1955.2888	51.5125	0.2086	355.1796	0.0000	0.0000	0.0000	2362.1895	100.00%
percentage of Total Emissions (%)			82.77%	2.18%	0.01%	15.04%	0.00%	0.00%	0.00%	100.00%	

Disclosure of Greenhouse Gas Data

ATEN has an open attitude and discloses relevant greenhouse gas emission and environmental information on the company's website platform. Since having a voluntary greenhouse gas inventory investigation system in place in 2010, we have disclosed greenhouse gas inventory investigation information every year. Our continued investment in energy conservation programs and improved energy use has contributed to our passing a third-party investigation by BV in 2017, and we also set 2015 as the base year of greenhouse gas inventory inspections.

(Unit: CO2e/year)

Type of Emission Source	2015 (Base Year)
Stationary Combustion (Outsourced)	1730.5751
Mobile Combustion	9.2633
Stationary Combustion	0.466
Non-standard Fuel Combustion and Dissipation	22.44
Non-standard Fuel Combustion and Dissipation	41.3658
Total	1804.1102



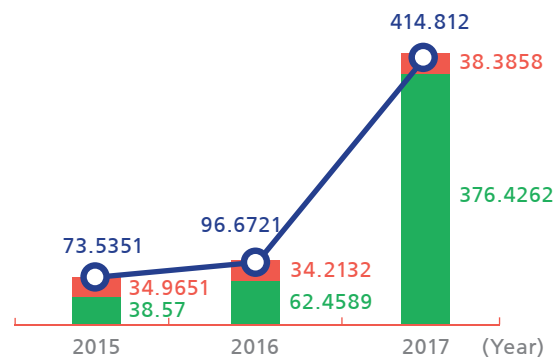
6> Environment Protection

Greenhouse Gas Reduction Results

Due to the purchase of equipment that emit HFCs in 2017, our Scope 1 greenhouse gas emissions increased and did not reach the 0.5% reduction of carbon emissions. In 2018, ATEN will continue to monitor its carbon emissions and set the target of greenhouse gas emission intensity to less than 0.52 in year 2020 (greenhouse gas emissions / individual earnings (million New Taiwan Dollars)).

Greenhouse gas emissions of ATEN International Co., Ltd (including corporate headquarters and Sijhih factory), according to Scope 1 and Scope 2, are disclosed in the following table:

【Scope 1 Greenhouse Gas Emissions】

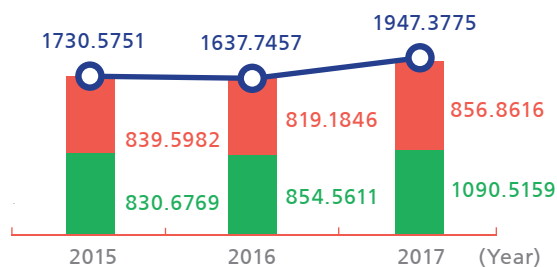


■ Sijhih Factory Carbon Dioxide Equivalent (Tons)

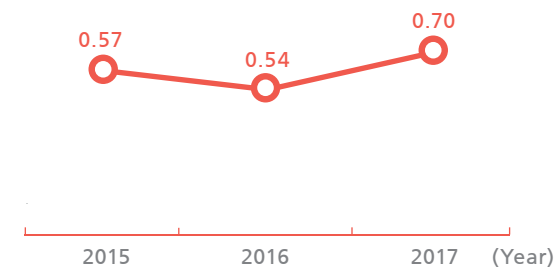
■ Corporate Headquarters Carbon Dioxide Equivalent (Tons)

■ Total Carbon Dioxide Equivalent (Tons)

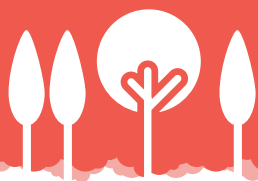
【Scope 2 Greenhouse Gas Emissions】



【Greenhouse Gas Emission Density】



Scope 1 and Scope 2 Emissions / Individual Earnings
(Million New Taiwan Dollars)



6> Environment Protection

Environment Friendly Training and Promotion

ATEN continues to promote energy conservation, carbon reduction and the concept of environment protection by educating all its employees and putting relevant environment protection and environment management as compulsory courses for new employees. Combined with our internal e-learning platform, we enhance our employees' awareness of environment protection and increase their actions towards environment issues. In addition, we post energy conservation and environment protection slogans and promotional posters on bulletin boards, in toilets, in elevators, and on internal websites to help employees get a better understanding of the company's environment protection actions as well as to deeply implant the concept of environment protection in the daily work and lives of employees.



Externally, we also actively promote green supply chain management and use our corporate influence to work with suppliers in formulating environmental and sanitation standards. These require our suppliers to implement waste recycling and reduction as well as manage and control sources of impact on the environment. Through sharing environment protection information, we are able to raise suppliers' environmental awareness and comply with restricted substance regulations.



Ch7

Supply Chain Management

- 7.1 ATEN Supply Chain Management
- 7.2 Supply Chain Management Guidelines
- 7.3 Supply Chain Management Strategy and Objectives
- 7.4 Supply Chain Management Performance
- 7.5 Growing Together with Suppliers



7> Supply Chain Management

Material Topic

Supply chain management is not a material topic; however, this chapter discloses additional information for our relevant stakeholders.

The significance of this material topic to ATEN and the company's main contributions to SDGs

ATEN upholds its corporate core values and builds partner supplier relationships with a sustainable attitude and continuously enhance suppliers' awareness of social responsibility in order to achieve the directions and goals of sustainable development. We will continue our influence to extend the concepts and practices of sustainability to our suppliers and distributors throughout the supply chain.

	To ensure gender equality and work rights, we implement the constitution to eliminate gender discrimination and promote equal social status between different genders. ATEN actively influences its supply chain. With regards to the supply chain management strategy, we formulate various sustainable terms and guidelines, aggressively communicate information with suppliers, and include relevant regulations into our evaluation processes. In addition, corresponding management and risk identification mechanisms are formulated for different types of suppliers together with our procurement department. Through sound and strict supply chain management, we aim to practice and achieve corporate social responsibility together with our suppliers.
	To reduce risks of raw material supply failure, our suppliers are required to provide a safe and healthy work environment as well as take actions for mitigating the impact of climate change. Through on-site evaluations, we are able to ensure whether the work environment, control of environmental impact sources, waste management, regulation compliance and greenhouse gas management are on track, which improves suppliers' ability for green sustainability as well.

In addition, to initiate sustainable corporate social responsibility and practice our belief of giving back to society what society gave us, we communicate our social participation achievements and experiences through our supplier evaluation platform and official website. In addition to providing their professional product quality, suppliers can also care about the issues concerning other stakeholders. We invite our suppliers to participate with us in promoting environment protection and corporate sustainability activities and discussions. We hope that together, we can create a win-win situation and become a sustainable force in making the society better.



7> Supply Chain Management

Responsible Unit

Corporate Social Responsibility Management Committee – Green Operation Group

Management Mechanism

Corporate Sustainability (Plan)	Include gender equality, work rights, social participation and environmental change issues as evaluation items on the supplier evaluation platform. In addition to following ISO 90001 standards, we also include ISO 14064 greenhouse gas investigation items to encourage suppliers to implement various supply chain management requirements gradually.
Risk Assessment and Control (Do)	Assess risks through on-site evaluations and set up a reporting mechanism for controlling their sources.
Audit (Check)	Regular and irregular audits on quality, delivery, cost and sustainability.
Take Action (Action)	Includes deadlines for improvement and termination of procurement contracts.

Commitment, Actions and Goals

Commitment	2017 Implementation Results	Future Goals and Actions
Strengthen suppliers' identity of corporate social responsibility	Supplier risk and assessment control mechanisms were established for strengthening contribution to social participation and gender equality policies as well as energy and carbon saving practices (Achievement: 100%).	Practice corporate social responsibility together with suppliers in year 2025 (Code of Conduct for Responsible Business Alliances).
Implement a green supplier evaluation system	Green risk management ensured that suppliers provide a safe work environment, respect their employees, and comply with environment friendly business operations and ethical practice (Achievement: 100%).	Increase on-site assessment and identification of suppliers' awareness of social responsibility to 100% by 2018.
Compliance with international environment protection regulations by suppliers	Compliance with international environment protection regulations by new suppliers, including RoHS 2.0 and REACH SVHC 181 items (56 new suppliers comply with these regulations).	Investigation on conflict minerals CMRT version 5.10 to reach 85% by 2018.

In terms of communicating our sustainable philosophy, we will continue to share corporate ethics and value through various formal and informal channels in the future. With respect to management, we will strengthen the implementation of supplier management procedures, increase supplier audits and continue to enhance the implementation of human rights provisions.



7> Supply Chain Management

7.2 Supply Chain Management Guidelines

ATEN's suppliers are manufacturers of various raw materials, materials and electronic components used in our products. These include integrated circuits, converters, connectors, PC boards, product casings (metals, plastics, etc.), cables, electronic components, packaging materials and other raw materials.

With an attitude of treating suppliers as our partners, we continuously enhance their awareness of social responsibility which includes environmental and ethical management issues. We invite suppliers to participate with us to respond to global sustainability regulations and gradually achieve the goals of sustainable development. ATEN includes corporate social responsibility and environment safety assessment items in its Supplier Evaluation Standards for encouraging suppliers to fulfill their corporate social responsibility obligations and comply with international environment regulations as well as customer requirements. Through our influence, we are able to extend relevant concepts and practices to suppliers and distributors throughout the supply chain.

7.3 Supply Chain Management Strategy and Objectives

In order to foster a strong identity of corporate social responsibility in our suppliers, we introduced the ISO 9001 and ISO 14001 management system as well as included the contribution to social participation, gender equality and anti-sexual harassment policies, and energy conservation and greenhouse gas inventory investigation into our supplier risk assessment and control mechanism. We hope that with our influence, procurement quality and costs can be effectively controlled as well as help suppliers upgrade themselves by putting greater value on issues such as human rights, labor conditions, health and safety, environment protection, regulation compliance and business ethics.





7> Supply Chain Management

7.3 Supply Chain Management Strategy and Objectives

We identify suppliers that meet our requirements of green sustainability through the risk assessment mechanism. Furthermore, on-site evaluations and guidance are carried out at suppliers' locations to investigate their degree of corporate social responsibility execution.

Type	Regular Audit	Irregular Audit
Frequency	Every Month, Every Half Year	Irregular (on-site audit)
Assessment Grade	Grade A: $90 \leq \text{Score} \leq 100$ Grade B: $75 \leq \text{Score} < 90$ Grade C: $60 \leq \text{Score} < 75$ Grade D: $\text{Score} < 60$	Grade A: $90 \leq \text{Score} \leq 100$ Grade B: $75 \leq \text{Score} < 90$ Grade C: $60 \leq \text{Score} < 75$ Grade D: $\text{Score} < 60$

Excellent suppliers are selected and rewarded based on (monthly & every half year) regular audit results.

Supply Chain Management Process

1. Compliance with international environment protection regulations: To ensure that products supplied comply with international environment protection regulations, we review relevant restricted substances and requirements thoroughly and demand signed statements on green and corporate social responsibility.
2. Risk assessment and control: Irregular audits are conducted in accordance with ISO 9001 and ISO 14001 for evaluations and guidance as well as cost and delivery management. In addition, compliance with international environment regulations enhances the execution of suppliers' corporate social responsibility.
3. Management mechanism: For suppliers that are identified as having violations of quality and environment and corporate social responsibility, they are required to make necessary improvements within a set period of time, submit written reports and accept regular audits and guidance.
4. Disqualification: For suppliers that have not made improvements within the set period of time, they are disqualified from being our supplier.

Supply Chain Management Strategy

To effectively enhance suppliers' concept of sustainability and ensure that their services and products comply with ATEN's Supply Chain Management Standards, we have formulated a process for supply chain management strategy as indicated below:



First, for new suppliers that are introduced in advance, key suppliers are identified in their respective industries. Then, we strengthen our management and continuously improve the reach and execution of our management through the supplier risk assessment and control mechanism. We hope to create a win-win situation that takes into account both business profitability and corporate social responsibility.

Supply Chain Management Strategy Progress

Supplier basic requirements	Introduction of the green supplier procurement policy	Enhance suppliers' awareness of corporate social responsibility	Sustainable supply chain management
Past	Past	Present	Future
2013+ Compliance with ISO 9001 quality management requirements	2015+ Compliance with international environment protection regulations 2016+ Additional corporate social responsibility assessment items	2017+ Launch of the supplier impact and risk investigation	2018+ Sustainable supplier impact and risk investigation Compliance with relevant green environment protection regulations

ATEN identifies and uses new suppliers that comply with its corporate sustainability standards based on the supplier management mechanism. The identification achievement rate is 100%.



7> Supply Chain Management

Supply Chain Management Objectives

2017 Objectives	Mid-term and Long-term Objectives
<ul style="list-style-type: none"> Improve on-site assessment and identification of suppliers' awareness towards social responsibility (achievement: 100%) Implement supplier evaluation system (achievement: 100%) Require new suppliers to comply with international environment protection regulations (achievement: 100%) Implement supplier operating procedures (achievement: 100%) 	<ul style="list-style-type: none"> Implement green products that comply with international environment protection regulations Continuously improve on-site assessments and identification of suppliers' awareness towards social responsibility Practice corporate social responsibility together with suppliers (Code of Conduct for Responsible Business Alliances)

7.4 Supply Chain Management Performance

In order to continue promoting our company's core values, we start from within the company itself and extend our reach throughout the supply chain. In addition to establishing ISO 9001 management standards for suppliers' quality, cost and delivery, and ISO 14001 to ensure suppliers' implementation of environment protection actions, we also hope to efficiently control procurement costs and quality through our excellent corporate culture and business philosophy. We invite our suppliers to join us in the maintenance and growth of environment and sustainable corporate social responsibility.

To achieve sustainable supply chain management policies and objectives, we implemented some action plans in 2017 and their results are as follows:

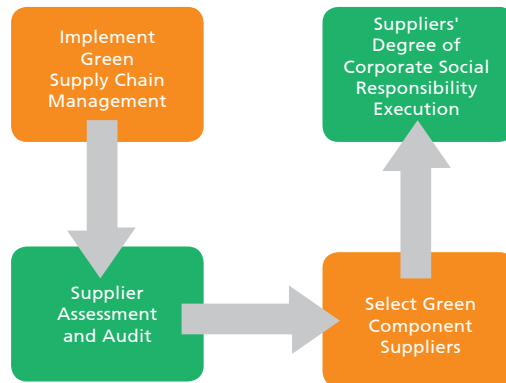
Supplier Management Performance	Execution Method	Achievement
Enhance on-site assessment and identify new suppliers' awareness towards social responsibility	Additional items included into the evaluation: - Contribution to social participation - Gender equality and anti-sexual harassment policy - Energy-saving and greenhouse gas inventory investigation	100%
Implement the supplier evaluation system	Green / sustainable supplier risk assessment: Conduct on-site and document assessments on the topic of green risk according to the ISO documents of Supplier Management Process (QP-024) and Supplier Evaluation Practice (QI-008), and ensure that suppliers provide a safe work environment, respect their employees, and comply with environment friendly business operations and ethical practices.	100%
Compliance with international environment protection regulations by new suppliers	Update of international environment protection regulations: - RoHS 2.0 - REACH SVHC, 181 items	100%
Implement the execution of suppliers' operating procedures	Suppliers that are identified as having violations of quality and environmental and corporate social responsibility issues are required to make improvements within a set period of time. They are required to submit written reports and accept regular audits and guidance from us.	100%



7> Supply Chain Management

7.5 Growing Together with Suppliers

ATEN actively promotes a green environment management system to implement corporate green responsibility. In addition to ensuring that products and operations comply with environment protection regulations and international standards such as the WEEE directives, we uphold a green supply chain practice from the procurement of raw materials to the product's final disposal. All products sold in the EU adopt designs that are environment friendly and easily recycled. As a manufacturer, we make ourselves responsible for recycling. It is necessary for us to implement a series of green management preventive practices for reducing the negative environmental and ecological impacts caused by our products and manufacturing processes.



Experience Sharing

Through means of the evaluation platform, conferences, educational promotions and forums, the green concepts of ecological maintenance, protecting the Earth and environment friendliness is communicated. We hope that through the cooperation of the company, our employees and partner suppliers, we can actively carry out our commitment towards green design, green procurement, green manufacturing processes, and green education, and gradually evolve into a green supply chain.

Communicating Corporate Core Values

To deliver the concept of a sustainable supplier code of conduct, ATEN requires suppliers to comply with managements systems and regulations related to labor, health and safety, the environment and ethics according to the Responsible Business Alliance (RBA; or formerly known as the Electronic Industry Citizenship Coalition, EICC).

Holding Public Volunteer Activities with Suppliers

In order to promote its corporate core values and CSR, we start from within the company itself and extend our influence on suppliers and distributors throughout our supply chain. By inviting suppliers to participate in discussions related to corporate social responsibility and volunteer works, we seek to enhance their degree of recognition and execution on environment and corporate sustainability topics.





Ch8

Customer Satisfaction and Service

- 8.1 Comprehensive Customer Service System
- 8.2 Global Customer After-Sales Service Satisfaction Survey
- 8.3 Online Product Training
- 8.4 Customer Health and Safety
- 8.5 Information Security and Customer Privacy Protection



8> Customer Satisfaction and Service

> Material Topic

Service Quality, Customer and Partner Relations

The promotion of our own brand has to be based on customer satisfaction and the achievement of the most efficient professional services. In a competitive environment with B2B as our major form of business, not only do we need to know where our customers are, we also need to understand their needs as well in order to know how these needs can be met. In 2016, the company selected a country each from Asia and Europe to carry out a series of customer interviews on our Pro AV professional audio and video product line. With the help of professional brand consultants, we set aside past burdens and stereotypes and simply listened to what our existing and potential customers thought of our products, services, marketing, and brand positioning. After statistical analysis, we summarized the things that customers cared most about into meaningful Moments of Truth (MOT). In 2017, the company expanded this practice to its KVM switch product line. Through understanding and discussions of MOTs, starting from customer's perspective and fully understanding their needs, we created customized product combinations and service platforms that are innovative and competitive in the market. We have successively completed online technical product training and systematically introduced our products' technological know-how, specifications and special features, and successful applications in the market. Providing higher quality customer service is the key to our success.

Global Customer Service Mission: Commitment to providing superior global service operations, best quality of service and customer experience.



8.1 Comprehensive Customer Service System

Under the established policy of a global presence, ATEN's customer service network covers all overseas locations. We have consolidated our customer service resources to establish a Global Customer Service Division at headquarters to ensure the promptness and professionalism of customer service as well as build sustainable customer relations and raise customer satisfaction.



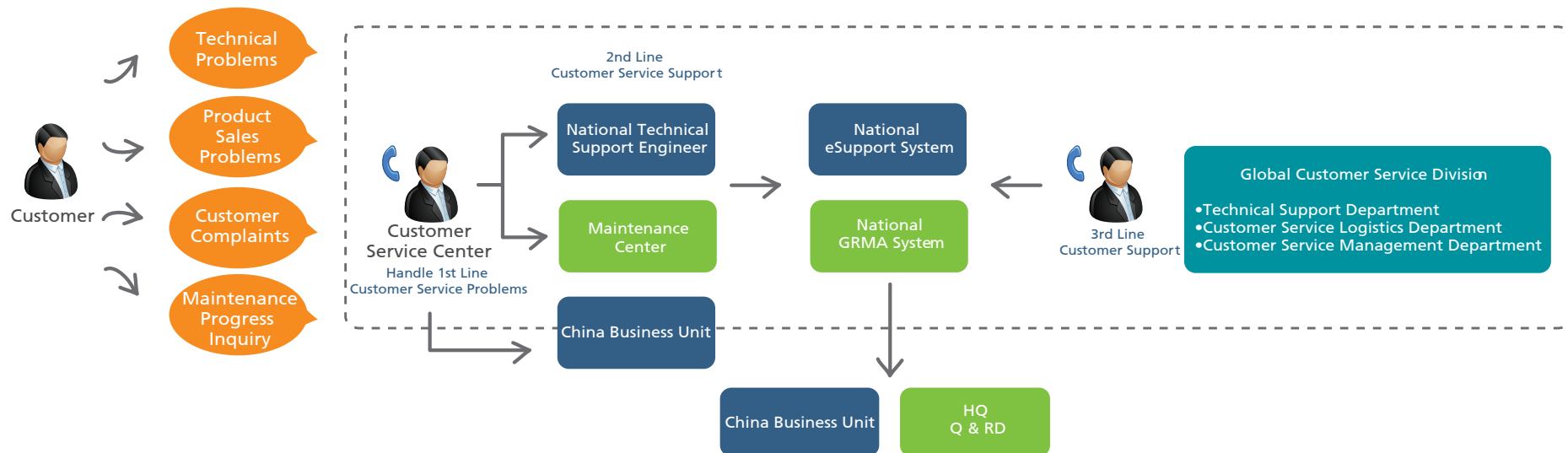


8> Customer Satisfaction and Service

Customer Service Hotline

A customer service hotline system has been established to provide customers with immediate support. This includes a 0800 dedicated hotline and technical support hotline for professional technicians to directly communicate with customers and help them solve problems. In order to provide better local services for the China market, we also established a China Customer Service Center in 2014 and provided a 400-080-0-810 hotline (400-ATEN-LOVE-ATEN). Since 2017, in addition to the after-sales service contact window, professional pre-sales product consultation services are provided as well. The China Customer Service Center is dedicated to providing technical services to end-users and serves as a platform for sales and marketing functions. We have formulated and strictly implemented the standards of "primary Q&A system" and "customer problem classification and escalation management" to ensure that customers get feedback and solutions to their problems within the shortest time.

Our service system is described in detail below:





8> Customer Satisfaction and Service

Online Service Platform - eService

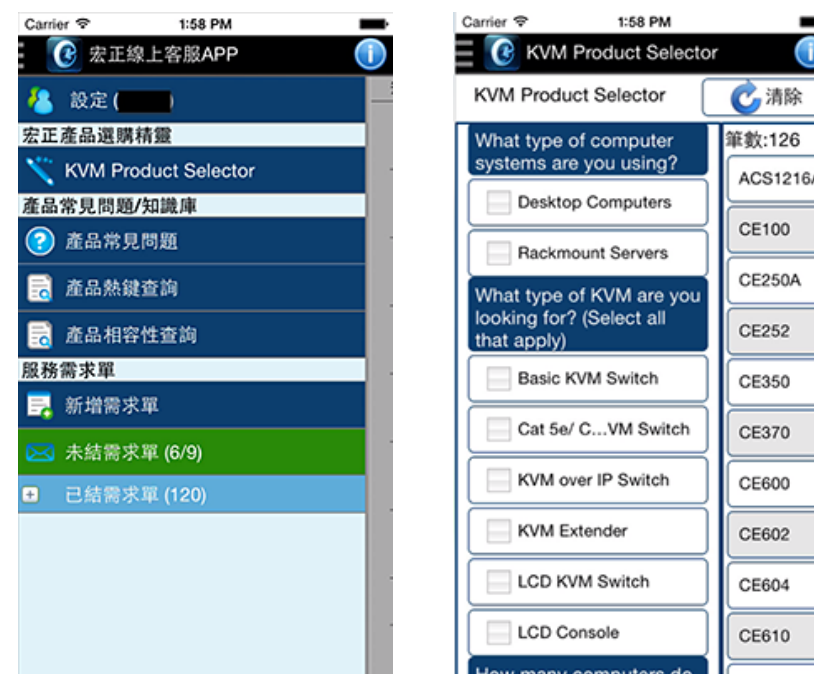
The single online service platform, eService (<http://eservice.aten.com>), provides convenient, real-time, and comprehensive after-sales service with zero time difference in different languages to customers around the world.

The eService platform includes the following services:

Online Technical Support Services (eSupport)

When our global customers encounter product-related problems, ATEN technical personnel can use the eSupport platform to directly communicate with them, which enables us to effectively assist customers worldwide to resolve technical issues, eliminate obstacles, and provide all the required information. Every inquiry is recorded on the eSupport platform to make it easier to track. Important issues will also be summarized into FAQs (Frequently Asked Questions) or put into the knowledge base section on the eService platform and shared with our customers.

In addition, we have also developed a mobile ATEN Online Customer Service app, a small and remarkable app that is fully integrated with our eService online customer service platform, which can help customers with problems related to product purchase, technical information and online customer service, providing a brand-new and convenient customer experience.



ATEN's online customer service app includes major functions such as: product selector / frequently asked questions about products (FAQ) / search for product hotkey and compatibility list / create new customer service request forms / upload pictures taken from mobile phones together with the customer service request form directly.



8> Customer Satisfaction and Service

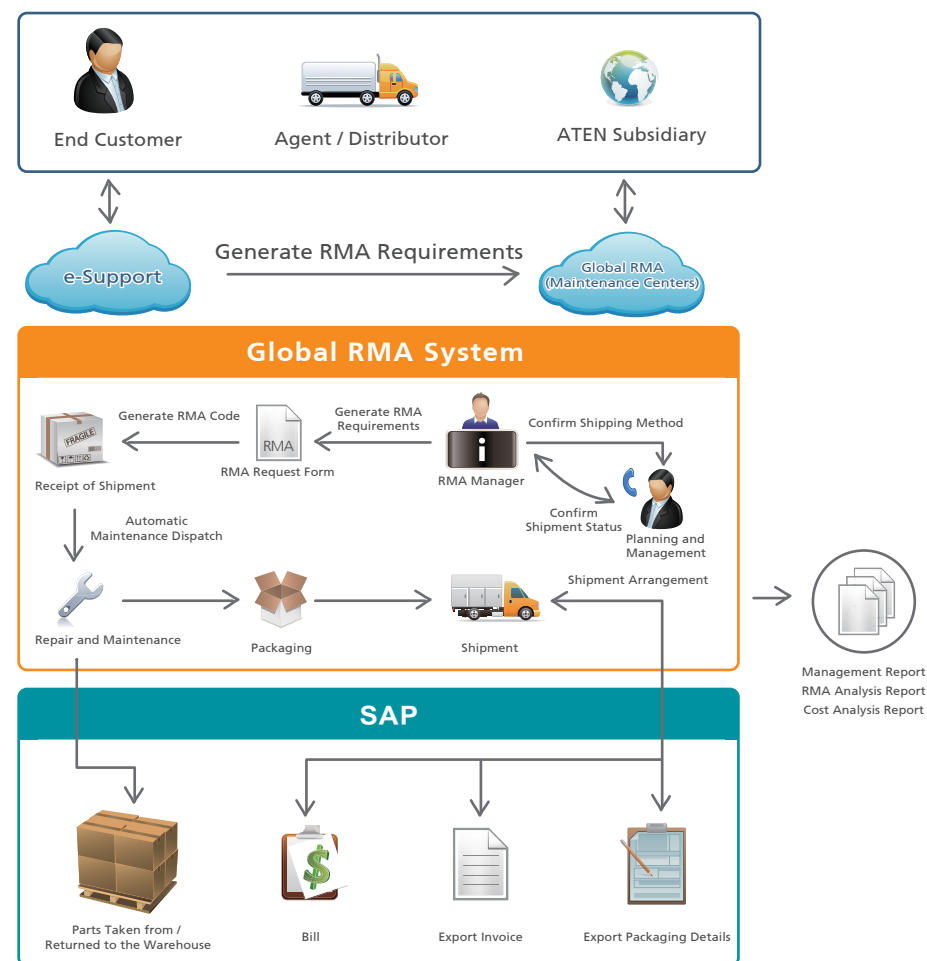
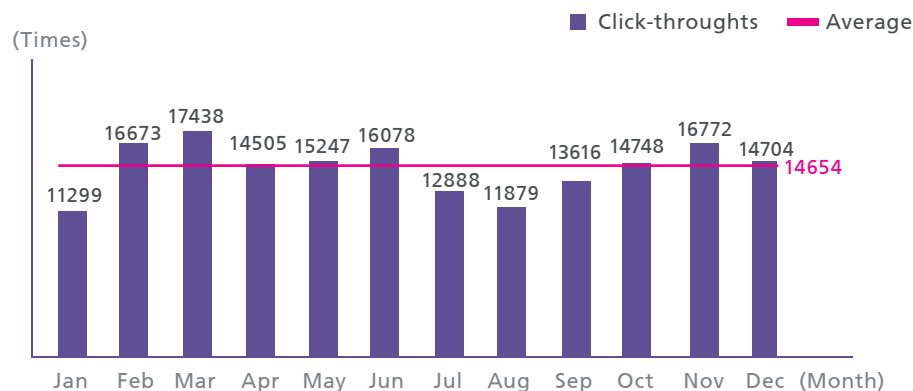
Online Maintenance Service System - Global-RMA

Customers can request for repair and maintenance services by filling out an online application form. Our professional RMA (Return Material Authorization) personnel will receive the form and provide a RMA code and delivery address. Through the online record, customers can obtain a product's warranty information, real-time maintenance progress information, as well as access to previous maintenance records. This comprehensive RMA process system can collect maintenance records of our various locations around the world. This data is used to generate a monthly RMA Rate report which is sent to relevant departments for further reference in monitoring product quality and proposing improvement strategies.

Customer Frequently Asked Questions (FAQ)

According to statistics, the average number of click views of our FAQ pages per month was 14,654 in 2017, which is 1.15% higher than the average of 14,487 per month in 2016. This indicates that this service is being widely used by our customers, and it also shows that many customers around the world are becoming more familiar with using our product, making it a cost-efficient way for both ATEN and the customers to answer questions. We will continue to provide a more comprehensive FAQ section to meet our customers' needs for solving problems on their own.

【2017 Statistics on FAQ Page Click-throughs】

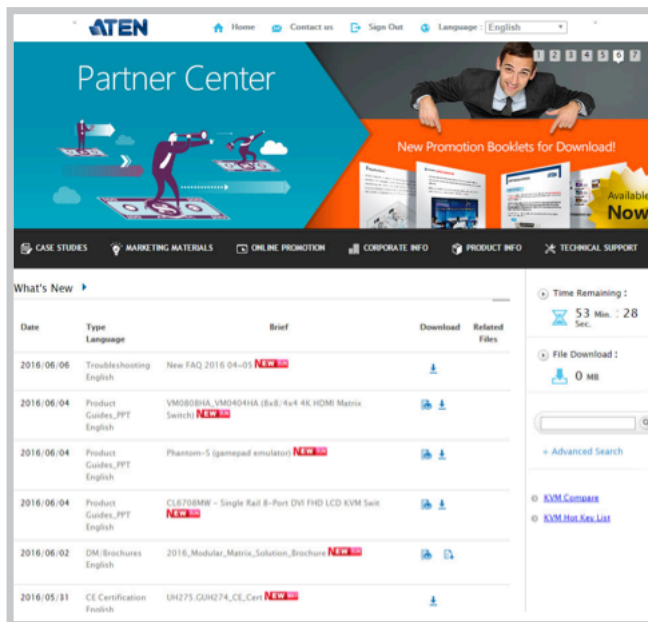




8> Customer Satisfaction and Service

Partner Center

ATEN provides sales partners with real-time market intelligence and product information through an information sharing platform specially set up for our sales partners. This allows our distributors worldwide to utilize resources on the sharing platform to provide the best service to end-customers.



Global RMA Repair and Replacement Service System Structure

Perfect After-Sales Service and Product Warranty

To provide the nearest and fastest after-sales services to regional customers around the world, ATEN has established customer service departments that are divided into Technical Support and RMA units in headquarters and all overseas subsidiaries. When customers encounter product related problems, they can seek assistance through our customer service system. Our technical support engineers provide prompt assistance for troubleshooting. If a customer's product requires maintenance after being diagnosed by our technical support engineer, they can immediately send it to one of our technical support centers where inspection and maintenance is carried out by RMA engineers.

ATEN provides a 2-year warranty for all its products. In addition, a 3-year warranty and Advanced Replacement (AR) Service (subject to adjustment in some countries) are provided for selected A+ models. We believe that strengthening local after-sales service is the most important direction for improving customer satisfaction and promoting the brand globally.



Fast Repair Service

Through the comprehensive service network consisting of ATEN headquarters and subsidiaries, we are able to provide fast repair service with a TAT (Turn-Around Time) of 3 working days in Asia Pacific regions and a TAT of 5 working days in Europe and Americas, which reduces wait time and provides a consistent satisfying recognition of our image to our customers.



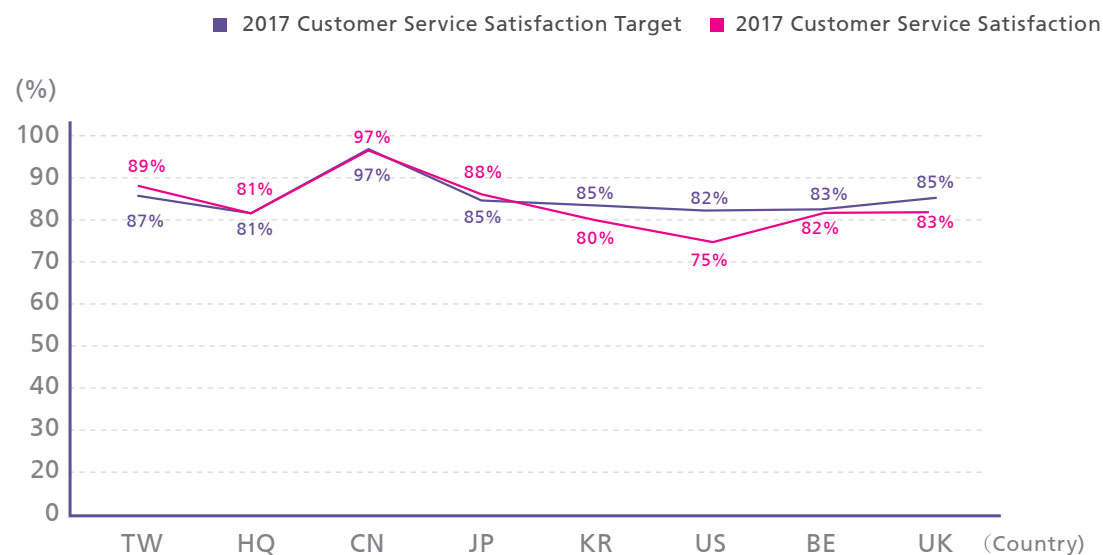
8> Customer Satisfaction and Service

8.2 Global Customer After-Sales Service Satisfaction Survey

ATEN's Global Customer Service Center conducts regular global customer after-sales service satisfaction surveys on topics such as product technical support and maintenance services. Through comprehensive, first-hand feedback from these surveys, we get to understand customer's experience and listen to their voice, and use these feedbacks as a basis for improving our services. For unfinished cases, we also conduct in-depth analysis and set up monitoring and tracking mechanisms to ensure that our customers' needs are fully addressed.

The average customer service satisfaction was 83% in the past two years, whereby the actual customer service satisfaction was 84% in 2017. We will continue to transform customer feedbacks into driving forces for making improvements. When we receive unfavorable responses, we will immediately try to understand the issue and seek areas of improvement. In addition, ATEN has established diverse, two-way communication channels including: opinion forms in product boxes, a customer feedback area on all regional websites, websites in more than 12 languages, and emails. This allows customer needs to be responded to and supported within the shortest amount of time, strengthening our mutual trust with customers and enhancing customer loyalty.

【2017 Global Customer After-Sales Service Satisfaction Survey Statistics】

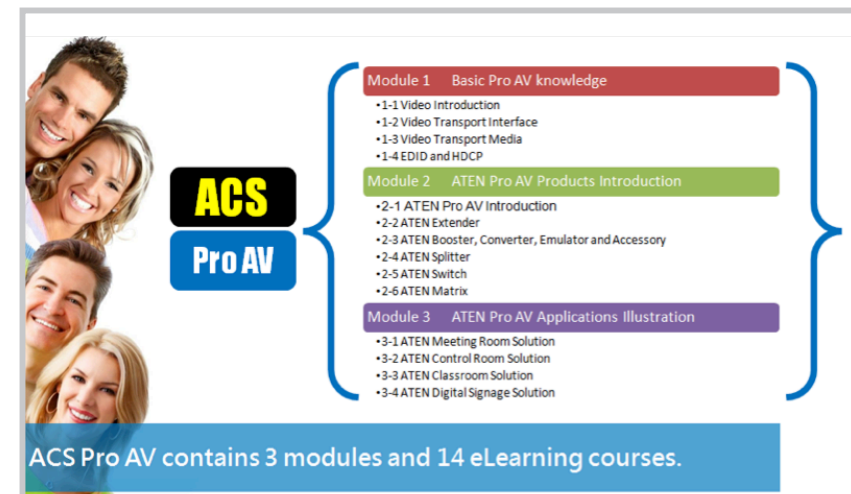




8> Customer Satisfaction and Service

8.3 Online Product Training

Since 2017, ATEN has been providing online training for each product line (Pro AV / Control System / KVM / PDU) in English for its employees and customers. The training courses are designed for sales, distributors and agents, FAE, and technical customer support personnel. Through this brand new interface, ATEN, our products, product technical knowledge, product specifications and characteristics, and market application examples are systematically introduced with visual and interactive courses. Online training courses in Chinese and other languages will also be completed and made available respectively.





8> Customer Satisfaction and Service

8.4 Customer Health and Safety

Adhering to the corporate value of "Integrity", ATEN makes customers' demands its priority. In addition to providing customers with high value-added innovative product combinations, we also provide the most flexible, fast, and professional customer service as a major index to continuously enhance our competitiveness. Furthermore, we ensure that material safety, the manufacturing environment and product life cycle are in line with customer requirements as well as international standards and regulations by actively promoting health and safety assessments, and self-assessment and monitoring mechanisms that guarantees safe use of our products.

Since 2005, ATEN has established a Restriction of Hazardous Substances Management program, which has successively met various international regulations including ErP, WEEE, REACH, RoHS 2.0, and so forth. In addition, by implementing international laws and regulations, we simultaneously follow new laws and regulations set by the European Parliament and Council of the European Union, and offer products and services that are safe and healthy.



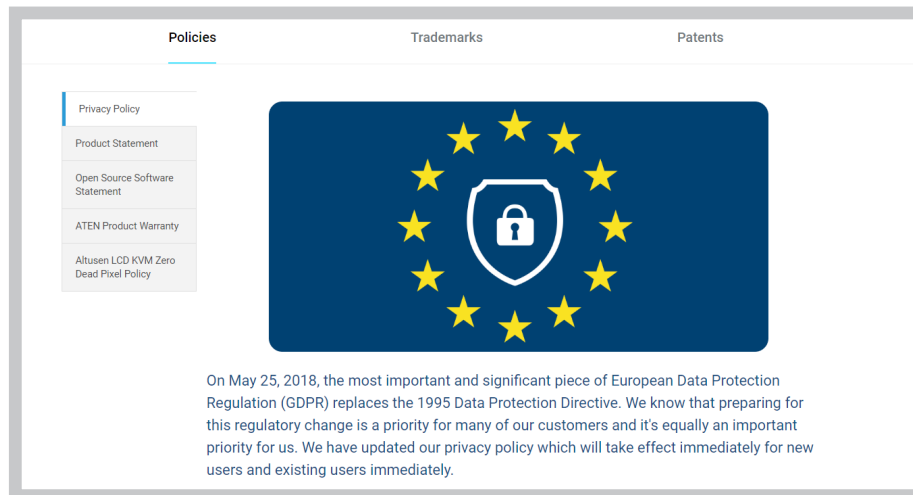


8> Customer Satisfaction and Service

8.5 Information Security and Customer Privacy Protection

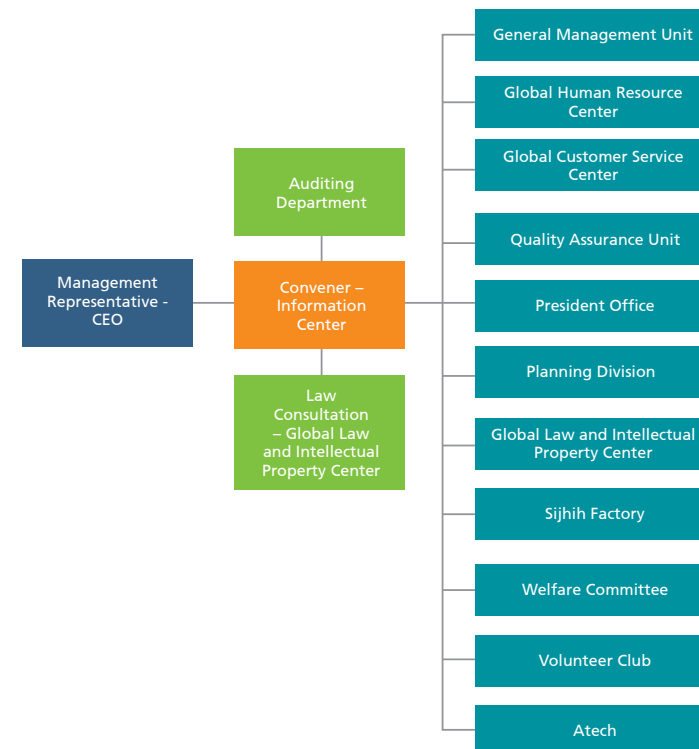
The EU General Data Protection Regulation (GDPR) came into effect on May 25, 2018, which influences many areas and involves huge penalty sums if forfeited. It is also the most important regulation affecting global data protection in recent years. As a global corporation with products sold all over the world, we pay special attention to the implementation of GDPR and conducted internal training and promotion after its first-hand announcement. ATEN was already fully prepared before this regulation was formally put into effect.

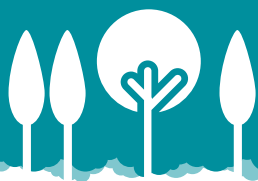
Whether it is internal system control, security policies, ATEN website privacy policy statement, the set up of a Data Protection Officer (DPO), and DPE@aten.com e-mail for external stakeholders to search about data protection related issues, ATEN has established diverse channels through the cooperation of various departments and made related preparations to be able to meet GDPR requirements for personal data protection, guaranteeing the highest level of security and privacy rights for our customers.



To ensure that customers and other stakeholders' personal data protection and accident response procedures are in order, ATEN established an internal control mechanism and a personal data management promotion team. In addition to promoting daily personal data protection, the personal data management promotion team also convenes a meeting every six months in which responsible windows from each department, the welfare committee and the volunteer club come together to review the implementation status of data protection as well as share and discuss the latest laws and regulations.

Personal Data Management Taskforce Team - Organizational Structure





Appendix I – GRI Indicator Index (GRI Standards)

The following indicators constitute the corresponding Sustainability Reporting Guidelines (GRI Standards) of the Global Reporting Initiative (GRI) used in this report.

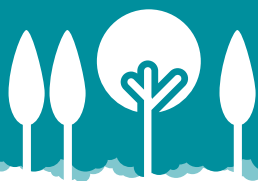
✧ GRI 102: 2016 General Disclosure

Topic	Disclosure	Disclosure Contents	Page	Note
Organizational Profile	102-1	Name of the organization	4 、 17	
	102-2	Activities, brands, products, and services	19-22	
	102-3	Location of headquarters	4 、 17	
	102-4	Location of operations	25-26	
	102-5	Ownership and legal form	4 、 17	
	102-6	Markets served	25-26	
	102-7	Scale of the organization	25 、 27 、 45	
	102-8	Information on employees and other workers	45	
	102-9	Supply chain	94	
	102-10	Significant changes to the organization and its supply chain	No significant changes	
	102-11	Precautionary Principle or approach	5	
	102-12	External initiatives	7	
	102-13	Membership of associations	31	
Strategy	102-14	Statement from senior decision-maker	5	
	102-15	Key impacts, risks, and opportunities	24	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	40	
	102-17	Mechanisms for advice and concerns about ethics	12 、 40	
Governance	102-18	Governance structure	35	
	102-19	Delegating authority	8-9	
	102-20	Executive-level responsibility for economic, environmental, and social topics	8-9	
	102-21	Consulting stakeholders on economic, environmental, and social topics	11	
	102-22	Composition of the highest governance body and its committees	37-38	
	102-23	Chair of the highest governance body	38	
	102-24	Nominating and selecting the highest governance body	37-38	



Appendix I – GRI Indicator Index (GRI Standards)

Topic	Disclosure	Disclosure Contents	Page	Note
Governance	102-25	Conflicts of interest	37	
	102-26	Role of highest governance body in setting purpose, values, and strategy	5 、 8	
	102-27	Collective knowledge of highest governance body	38	
	102-28	Evaluating the highest governance body's performance	39	
	102-29	Identifying and managing economic, environmental, and social impacts	Non-essential disclosure topic	
	102-30	Effectiveness of risk management processes	8-9	
	102-31	Review of economic, environmental, and social topics	8-9	
	102-32	Highest governance body's role in sustainability reporting	9	
	102-33	Communicating critical concerns	8-9	
	102-34	Nature and total number of critical concerns	41	
	102-35	Remuneration policies	39	
	102-36	Process for determining remuneration	39	
	102-37	Stakeholders' involvement in remuneration	Non-essential disclosure topic	
	102-38	Annual total compensation ratio	Non-essential disclosure topic	
	102-39	Percentage increase in annual total compensation ratio	Non-essential disclosure topic	
Stakeholder Engagement	102-40	List of stakeholder groups	10	
	102-41	Collective bargaining agreements	No unions	
	102-42	Identifying and selecting stakeholders	10	
	102-43	Approach to stakeholder engagement	10-12	
	102-44	Key topics and concerns raised	13-14	
Reporting Practice	102-45	Entities included in the consolidated financial statements	4	
	102-46	Defining report content and topic Boundaries	4 、 13 、 14	
	102-47	List of material topics	14	
	102-48	Restatements of information	No restatements of information	
	102-49	Changes in reporting	No changes in reporting	
	102-50	Reporting period	4	



Appendix I – GRI Indicator Index (GRI Standards)

Topic	Disclosure	Disclosure Contents	Page	Note
Reporting Practice	102-51	Date of most recent report	4	
	102-52	Reporting cycle	4	
	102-53	Contact point for questions regarding the report	4	
	102-54	Claims of reporting in accordance with the GRI Standards	4	
	102-55	GRI content index	108-113	
	102-56	External assurance	4	

✧ GRI103: 2016 Management Approach Disclosure

Topic	Disclosure	Disclosure Contents	Page	Note
Management Approach	103-1	Explanation of the material topic and its Boundary	14	
	103-2	The management approach and its components	Details of corresponding major issues table on pg. 14	
	103-3	Evaluation of the management approach	Details of corresponding major issues table on pg. 14	

✧ GRI Topic-Specific Disclosure

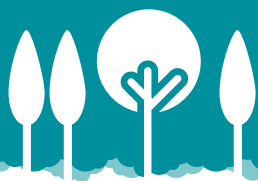
Topic	Disclosure	Disclosure Contents	Page	Note
Economic Performance ☆	201-1	Direct economic value generated and distributed	27 、 39	
	201-2	Financial implications and other risks and opportunities due to climate change	74	
	201-3	Defined benefit plan obligations and other retirement plans	46	
	201-4	Financial assistance received from government	N/A	Industry Development Bureau of the Ministry of Economic Affairs: Taiwan Brand Development Plan Phase 2, NT\$600,000
Market Presence	202-1	Ratios of standard, entry-level wage by gender compared to local minimum wage	Not applicable (Not a material topic)	
	202-2	Proportion of senior management hired from the local community	Not applicable (Not a material topic)	
Indirect Economic Impacts ☆	203-1	Infrastructure investments and services supported	56	
	203-2	Significant indirect economic impacts	56	
Procurement Practices	204-1	Proportion of spending on local suppliers	Not applicable (Not a material topic)	
Anti-corruption ☆	205-1	Operations assessed for risks related to corruption	33	
	205-2	Communication and training about anti-corruption policies and procedures	33	
	205-3	Confirmed incidents of corruption and actions taken	41	

☆ material topic



Appendix I – GRI Indicator Index (GRI Standards)

Topic	Disclosure	Disclosure Contents	Page	Note
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	No issues in 2017
Materials	301-1	Materials used by weight or volume	Not applicable (Not a material topic)	
	301-2	Recycled input materials used		
	301-3	Reclaimed products and their packaging materials		
Energy	302-1	Energy consumption within the organization	80	
	302-2	Energy consumption outside of the organization	N/A	No investigation was carried out on energy consumption outside the organization in 2017
	302-3	Energy intensity	80	
	302-4	Reduction of energy consumption	80	
	302-5	Reductions in energy requirements of products and services	82	
Water	303-1	Water withdrawal by source	Not applicable (Not a material topic)	Tap water is used, which has no significant effect on water source
	303-2	Water sources significantly affected by withdrawal of water		
	303-3	Water recycled and reused		
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Not applicable (Not a material topic)	Factory and operation bases are not located in protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity		
	304-3	Habitats protected or restored		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
Emissions	305-1	Direct (Scope 1) GHG emissions	87	
	305-2	Energy indirect (Scope 2) GHG emissions	87	
	305-3	Other indirect (Scope 3) GHG emissions	N/A	Scope 3 emissions were not investigated in 2017
	305-4	GHG emissions intensity	89	
	305-5	Reduction of GHG emissions	89	
	305-6	Emissions of ozone-depleting substances (ODS)	N/A	Ozone-depleting substances (ODS) are not used in manufacturing processes and products
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and Other significant air emissions	N/A	No significant emissions of air Pollutants



Appendix I – GRI Indicator Index (GRI Standards)

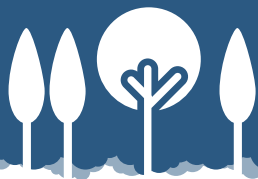
Topic	Disclosure	Disclosure Contents	Page	Note
Effluents and Waste ☆ Major Issue	306-1	Water discharge by quality and destination	Not applicable (Not a material topic)	The company has set up various wastewater treatment facilities and wastewater from each plant area is discharged into government sewage systems after proper treatment
	306-2	Waste by type and disposal method	83	
	306-3	Significant spills	Not applicable (Not a material topic)	No issues in 2017
	306-4	Transport of hazardous waste		Hazardous waste cleaning is compliant with relevant environment regulations
	306-5	Water bodies affected by water discharges and/or runoff		Except for rainwater, all drainage is discharged into the sewage system so there is no direct impact
Environmental Compliance ☆	307-1	Non-compliance with environmental laws and regulations	N/A	There are no penalties for violation of environment regulations in 2017
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	96	
	308-2	Negative environmental impacts in the supply chain and actions taken	95	
Employment ☆	401-1	New employee hires and employee turnover	45	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46	
	401-3	Parental leave	46	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	According to relevant labor laws and regulations	
Occupational Health and Safety	403-1	Workers representation in formal join management – worker health and safety committees	50	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	50	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	N/A	Because the company uses volatile organic solvents containing n-hexane, it is subject to cause Guillain-Barre syndrome. We regularly track the health status of employees in frequent contact with these substances, and no cases of this syndrome have been found.
	403-4	Health and safety topics covered in formal agreements with trade unions	Not applicable (No unions)	
Training and Education ☆	404-1	Average hours of training per year per employee	47	
	404-2	Programs for upgrading employee skills and transition assistance programs	49	
	404-3	Percentage of employees receiving regular performance and career development reviews	46	



Appendix I – GRI Indicator Index (GRI Standards)

Topic	Disclosure	Disclosure Contents	Page	Note
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	37	
	405-2	Ratio of basic salary and remuneration of women and men	Not applicable (Not a material topic)	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	N/A	No issues in 2017
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	No issues in 2017
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	N/A	No issues in 2017
Force or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	No issues in 2017
Security Practices	410-1	Security personnel trained in human rights policies or procedures	Not applicable (Not a material topic)	
Rights of Indigenous People	411-1	Incidents of violations involving rights of indigenous peoples	N/A	No issues in 2017
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Not applicable (Not a material topic)	No issues in 2017
	412-2	Employee training on human rights policies or procedures		Stated under Work Regulations
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		No issues in 2017
Local Communities ☆	413-1	Operations with local community engagement, impact assessments, and development programs	N/A	No issues in 2017
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A	No issues in 2017
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	96	
	414-2	Negative social impacts in the supply chain and actions taken	N/A	No issues in 2017
Public Policy	415-1	Political contributions	N/A	No issues in 2017
Customer Health and Safety ☆	416-1	Assessment of the health and safety impacts of product and service categories	77 · 106	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	No issues in 2017
Marketing and Labeling ☆	417-1	Requirements for product and service information and labeling	77 · 106	All ATEN's products are compliant with relevant information and labeling regulations.
	417-2	Incidents of non-compliance concerning product and service information and labeling	N/A	No issues in 2017
	417-3	Incidents of non-compliance concerning marketing communications	N/A	No issues in 2017
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No issues in 2017
Socioeconomic Compliance ☆	419-1	Non-compliance with laws and regulations in the social and economic area	N/A	No issues in 2017

☆ material topic



Appendix II - Independent Third-Party Assurance Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

ATEN International Co., Ltd. 2017 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. 2017 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 International Co., Ltd. 2017 Corporate Social Responsibility Report provides a fair view of the ATEN CSR programmes and performances during 2017. The sustainability 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 2017 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate ATEN's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the 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 in accordance with GRI Standards(2016): 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 and staffs on ATEN's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- ☒ 8 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 company'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 Standards (2016) is set out below:

Inclusivity

This report has reflected a fact that ATEN has continually sought the engagement of its stakeholders. The participation of stakeholders has been initiated 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 publishes sustainability information that enables its stakeholders to make informed judgements about the company'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.

GRI Sustainability Reporting Standards (GRI Standards)

ATEN provided us with their self declaration of 'in accordance' with the GRI Standards (2016): the Core option (For each material topic covered by a topic-specific GRI Standard, comply with at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to the GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the ATEN's social responsibility and sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with 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 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 Pu
Managing Director BSI Taiwan
2018-06-07

bsi.

AA1000
Licensed Assurance Provider
000-4

Taiwan Headquarters: 5th Floor, No. 39, JINHU-1st Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution



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

