

# 2019 ATEN International Co., Ltd.

## Corporate Social Responsibility Report



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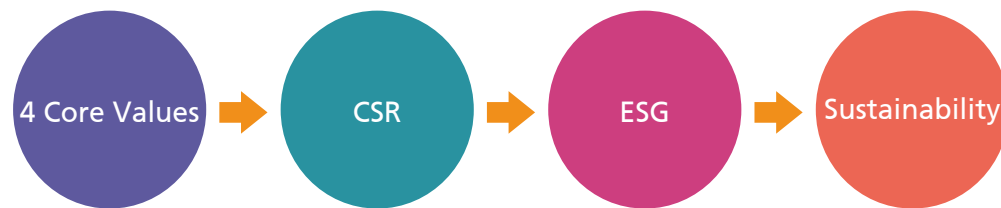
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# About the “ATEN Corporate Social Responsibility Report”

Since the release of the first issue of “2011 ATEN International Co. Ltd. Corporate Social Responsibility Report” in 2012, this year is the ninth year for our voluntary release of such non-financial annual report. We welcome your review and download of our CSR report; we look forward to conveying information on different aspects of non-operating activities of ATEN through the CSR report released annually and to establishing interactive communication channel with all interested parties. We also look forward to your feedback and comments providing support and guidance to our implementation of sustainable development and corporate social responsibility in order to head in the right direction, thereby allowing us to achieve greater corporate value.

## Integration of “Corporate Social Responsibility”, and “Corporate Core Value”

ATEN’s four enterprise core values are: “Integrity”, “Caring”, “Ambition”, and “Novelty” (ICAN). The four core values refer to the corporate culture consistently complied by the Company for operational decision making and all employees for daily jobs. We also uphold ICAN to promote the ATEN CSR in a consistent manner and look forward to generating positive impact on all interested parties through care and promotion of “Environment”, “Social”, and “Governance” (ESG), thereby achieving “Corporate Sustainability”. In addition, with the corporate’s collective power in the environmental care and protection, we also look forward to achieving the goal of “Earth Sustainability”.



2011



2012



2013



2014



2015



2016



2017



2018

## Report Period and Scope

The information disclosed in this Report includes the concept and actions related to the aspects of the "corporate governance", "environmental protection", and "social participation", etc., of ATEN International Co., Ltd. during the period from January 1, 2019 to December 31, 2019, and major events are disclosed to the date of March 31, 2020. The content of this Report is mainly for the corporate headquarters in Taiwan: "ATEN International Co., Ltd.", and the Financial Statements according to the scope of the Consolidated Statements, and social welfare information include the contents for some of the overseas subsidiaries of the Group.

## Report Drafting Principle

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

## Verification

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

- In order to protect the environment and cherish natural resources, this report will only be published electronically on ATEN's Chinese and English website.
- We welcome any opinions or inquiries for information related to this Report.

## Publishing the Report

Previous Version: Issued in June 2019

Current Version: Issued in June 2020

Next Version: Scheduled to be issued in June 2021.

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# Manager's Preface

Since the establishment in 1979, ATEN has been operating for more than 40 years. From OEM to own brand, from automatic control products to the present stable combination of three main project lines "KVM switches", "Pro AV", and "Energy intelligence PDUs", we encourage the management team to continue to exert effort in fulfilling the commitment to shareholders and in the pursuit of sustainability. In 2019, despite the impacts of the trade war between the U.S. and China and the international political and economic status, the whole-year consolidated revenue of the Company still reached above NT\$5 billion, and the consolidated gross margin also indicated stable growth, reaching the high standard of 60.4%, and the net profit after tax was NT\$727 million, and the EPS was NT\$6.05. With such result, the Company has been able to meet the expectations of all shareholders and interested parties.

In terms of the aspects of product development, design and products sales strategy, we adopt the Customer to Business (C2B) model with the customer-value approach, in order to establish the customer-oriented management philosophy. In addition, with objectives of satisfying customers' demands in target industries and application market, we establish an outstanding team, integrate sales resource with greater synergy, strengthen local operation and regional development, construct a symbiotic relationship with system integrators, thereby achieving value sales and developing comprehensive market competitive advantages in order to gain greater market share in the high-end market. ATEN has also achieved remarkable outcome in R&D and brand management. In 2019, the Company received the awards of: Good Design Award, Taiwan Excellence Award, Interbrand "Best Taiwan Global Brands" top 35 brands, etc. Furthermore, the Company has also received the COMPUTEX Best Choice Award for three consecutive years. All of these awards recognize the effort of ATEN in the long-term focus on user experience and dedication in the development of innovative people-oriented products, which also demonstrates the ATEN's continuous effort and passion in the pursuit of excellence over the past forty years.

In addition to the demonstration of ATEN's solid strength in the management outcome of brand, R&D and profitability, over the past years, we have also actively improved our strength through the "corporate core value", and "corporate social responsibility" with best effort in order to integrate such strength into the corporate culture. Through ATEN's through implementation of CSR, we also look forward to achieving greater positive impacts on all interested parties of employees, shareholders, customers, suppliers, disadvantaged groups and social welfare organizations, etc., thereby making contribution to the environment, society and even the entire global village. Over the past year, the Company continued to improve in four aspects of "corporate governance", "corporate commitment", "social participation", and "environmental protection". In August 2019, ATEN received the honor of "Excellence in Corporate Social Responsibility" Third Place in Medium-Size Enterprise Category for the second time. With respect to this award, the Company has also twice received the highest honor of First Place in 2014 and 2018, and the award received 2019 was also the 11th time for the Company to receive such honor. All of these achievements demonstrate the recognition and support of ATEN's long-term effort in various aspects of CSR externally. Moreover, we have also received the honor of "2019 Best Companies to Work for in Asia", demonstrating the recognition of ATEN's commitment in viewing employees as the most important factor for corporate sustainable development and also serving as a driving force pushing us to move forward and improve further.

In the future, in addition to business development and profit seeking, the Company will continue to uphold the principle of "corporate sustainable development", and "intergrowth and co-prosperity of enterprise and stakeholders" in response to the 17 sustainable development goals (SDGs) proposed by the United Nations, thereby treating the improvement for a better world as part of the Company's responsibility, in order to contribute efforts in creating a harmonious coexisting environment for all mankind.



# 1

## Implementation of CSR

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

As the public attention on CSR increases, in this new era filled with numerous CSR sustainability issues and creative approaches, ATEN, with its long history of cultivation in the CSR field, has established firm connection with its employees, society, environment and all interested parties. In addition, the Company has also implemented its responsibilities in various aspects of “corporate governance”, “environmental protection”, “corporate commitment”, and “social participation”, etc. Through annual internal review and discussion, ATEN is able implement corporate social responsibility thoroughly and also looks forward to gradually expand the sustainable energy via innovative approach in order to attract greater interested parties to contribute efforts in the pursuit of sustainable and better living.

In 2016, the United Nations officially launched the 17 sustainability development goals (SDGs), and in 2017, the Company immediately reviewed the internal factors on the sustainable development, corporate capability, and level of concern of the stakeholders on CSR issues, etc., and decided to actively respond to the 10 goals of the “elimination of hunger”, “health and welfare”, “education quality”, “gender equality”, “employment and economic growth”, “climate action”, “marine ecology”, “terrestrial ecology”, “peace and justice system”, and “global partner”. Furthermore, the Company continues to examine ATEN’s correlation and executability for the other 7 goals, demonstrating ATEN’s continuous effort in achieving the SDGs goals by 2030 and pursuit of links to the world swiftly.



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

## 1.1 CSR Institutionalized Operation

After 2012, ATEN has consecutively approved six internal regulations (as described below) related to corporate social responsibility in the board of directors' meetings. In addition to satisfying the basic requirements of securities exchange on publicly listed companies, we also understand that through proper

04/24/2012	Corporate Social Responsibility "Policy Statement", and "Institution and Management System"
04/24/2012	ATEN International Co., Ltd. Code of Ethical Conduct
04/24/2012	ATEN International Co., Ltd. Code of Integrity
11/11/2014	Corporate Governance Best-Practice Principles
11/09/2016	Corporate Social Responsibility Code of Practice
01/20/2017	Procedure for Ethical Management and Guideline for Conduct

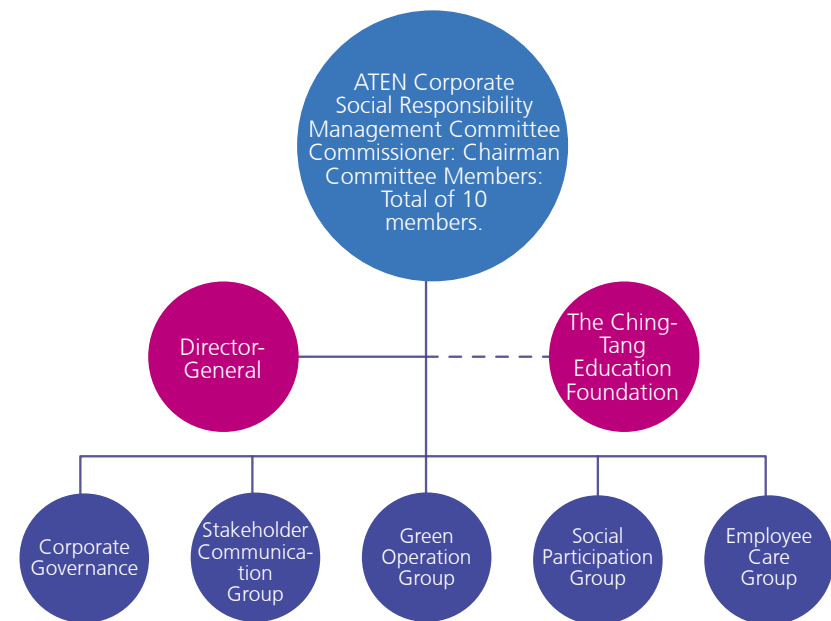
organization design and institutionalized operation, CSR can be promoted more effectively in order to incorporate CSR into the corporate culture.

In addition to the institution and regulations, the Company also integrates the CSR with ATEN's corporate core values (ICAN: "Integrity", "Caring", "Ambition", and "Novelty") in order to establish reward regulations, such as: "Sun Metal", and "Volunteer Points", to encourage the staff to also respond to various CSR concepts and activities promoted by the Company at work, as well as to treat it as employees' individual social responsibility. Furthermore, the annual CSR report is also reported to the Chairman for review and approval before release, and it is also reported to the board of directors for review and approval.

## 1.2 Corporate Social Responsibility Management Committee

Under the supervision of the board of directors, we organize the "ATEN Corporate Social Responsibility Management Committee" as the highest internal corporate social responsibility organization at ATEN. The Committee consists of 10 members, with the Chairman acting as the Commissioner, and for the remaining 9 members, the highest supervisors of the R&D, Manufacturing, Procurement, Planning, Office of General Manager, General Administration, Human Resources, Customer Service, and Quality Assurance Divisions, etc., take the roles of the Committee Members.

ATEN CSR Committee Group Structure



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

## Committee Organization and Mission Description

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



### 1.3 Identification of Stakeholders

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



### 1.4 Communication with Stakeholders

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

#### ▸ Stakeholders' Section

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

## ▸ Issues of Concern of Stakeholders and Company Communication Method List

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

Stakeholder	Issues	Communication channels	Frequency of communication
Suppliers	<ul style="list-style-type: none"> <li>Purchasing price</li> <li>Regular provisions</li> <li>Green product management</li> <li>Raw Material Use and Recycled Materials</li> </ul>	Regular quality inspection	Monthly
		International list	Irregularly
Social organizations	<ul style="list-style-type: none"> <li>Heated room gas management</li> <li>Water and resource management</li> <li>Environmental safety</li> <li>Social benefit and returns</li> </ul>	Company website	Constantly
		CSR Report	Annually
		The Ching-Tang Education Foundation	Constantly
		Employee Benefit Committee	Constantly
		csr@aten.com	Constantly
The media	<ul style="list-style-type: none"> <li>Operational effectiveness</li> <li>Recruitment</li> <li>Investment planning</li> <li>Corporate Governance</li> <li>Social Welfare</li> </ul>	Press releases	Constantly
		Press conferences	Irregularly
		Interviews	Irregularly
Government agencies	<ul style="list-style-type: none"> <li>Directive adherence</li> <li>Environmental safety</li> <li>Payment of taxes and duties</li> <li>Political compliance</li> </ul>	Explanatory meetings held by supervisory agencies	Irregularly
		Corporate governance appraisal	Annually
		Publishing directives	Constantly
		Government agency websites	Constantly

## ▸ Supervisor's E-mail

According to the "Corporate Governance Best-Practice Principles", and relevant regulations of the Company, to facilitate the supervisors to discover possible flaws in the Company in a timely manner, and to establish communication channels for the employees, shareholders, and other stakeholders and supervisors, the Company has established the "Supervisor's E-mail" on the Company's website. In the event that any stakeholder that is an employee or shareholder has any recommendations or complaints for the Company, he or she may submit relevant content to the e-mail at: [supervisor@aten.com](mailto:supervisor@aten.com). All e-mails are received by three supervisors of the Company in order to process such matter in a timely manner. For all information provided by the complainant, the Company also bears the custody and non-disclosure obligation properly with due care. To cope with the regulations and the Company's policies, since June 2020, the Company has revised the supervisor system to Audit Committee, and this mailbox has also been changed to "Complaint Mailbox", and the recipient of the mailbox is changed to independent directors.



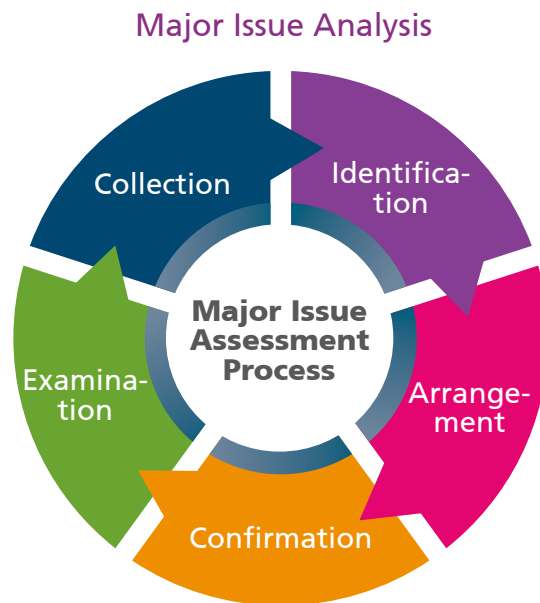
## ▸ Sharing of CSR Promotion Experience Internally and Externally

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

## 1.5 Major Topic Management

### ▸ Major Issue Analysis

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

















Collection	According to the interaction status between the routine of the members of the CSR Group and each stakeholder, along with the considerations of the major issues in the domestic/foreign same industry sector as well as international sustainable development trends (such as the 17 SDGs of the United Nations), in order to collect issues concerned by all stakeholders.
Identification	<ul style="list-style-type: none"> <li>The CSR Group performs the sorting and preparation of a list for the collected issues of concern.</li> <li>According to the discussion content of the CSR Group monthly meeting, and the consideration of industrial characteristics, international trends, and development status in the same industry sector, 20 "CSR Critical Issues" are summarized.</li> </ul>
Confirmation	<ul style="list-style-type: none"> <li>Complete the "Stakeholder CSR Questionnaire Survey" according to each type of stakeholder and statistically analyze the results, perform examination again and arrangement accordingly.</li> <li>The CSR Group Members perform discussion on the two aspects of the economy, environment, and social impact level internally and externally of the organization for each issue as well as the level of concern of stakeholders, and a major issue matrix diagram is summarized for recommendation.</li> </ul>
Confirmation	The initial result is submitted to the CSR Management Committee to perform examination, and after adjustment with the senior management's opinions, 10 issues are sorted from the 20 CSR critical issues to be listed as the 2019 "CSR Major Topics" in order to be used as the disclosure focus of this Report. The countermeasure strategies and outcome performance of the issues will be explained in detail.
Examination	The rationality of the major issue matrix diagram will be examined at any time and the communication method with the stakeholders is strengthened to collect more stakeholder opinions in order to be used as a basis for future adjustments.

**Major Issue Matrix Diagram**



## ▸ Major Topics, Corresponding GRI Standards, and Impact Boundary


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

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

- “Ethical Management”, and “Legal Compliance” are integrated into major topic.
- “Service Quality”, and “Customer Partnership” are integrated into one major topic.
- Classification symbols for level of Involvement: of stakeholders of “Value Chain Impact Boundary”:

Stakeholder	Direct relationship	Indirect relationship
Clients	■	□
Shareholders	◆	◇
Employees	♥	♡
Suppliers	●	○
Social organizations	▲	△
The media	▼	▽
Government agencies	★	☆





# 2 Enterprise Operations

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

## 2.1 About ATEN

#1

Global KVM Market  
Share Percentage40<sub>years</sub>  
of Industrial Experience4  
Main Product Lines

19

Global Sales Locations

28

Global Display Centers

610+

Granted and  
Valid PatentsNT\$ 5 billion+  
2019 Annual Revenue1.6k  
Worldwide Number  
of Employees60%+  
2019 Gross Profit Margin

### ▸ Corporate Vision

Maintain consistent business philosophy. We value “Simply Better Connections” as the core philosophy of ATEN, and we look forward to understanding user needs in order to provide innovative solutions capable of establishing more effective and seamless connections between people and message transmission. With ATEN’s products and services, we aim to assist you to closely connect to the world at any time and any place via sharing and caring innovative technologies, thereby making works and personal living simpler and easier.



ATEN International Co., Ltd.

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

### ▸ Key Milestones

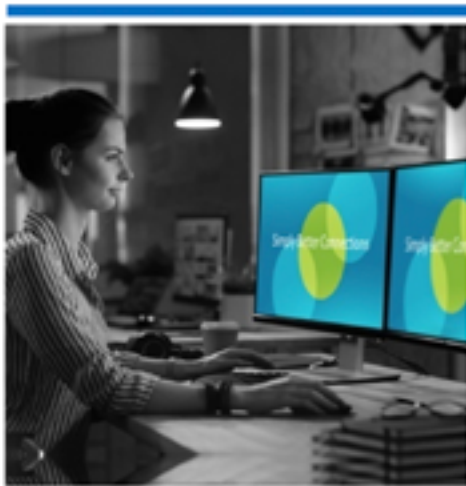


### ▸ Diverse Product Combination

Presently, ATEN operates three main product lines: "KVM switches", "Pro AV", and "Energy intelligence PDUs".

Since the establishment in 1979, ATEN has been committed to developing and launching various types of connection, control and management related products in order to achieve the goal of "Simply Better Connections", thereby creating greater value to the industry and society. After years of effort, presently, the Company is able to provide comprehensive solutions for lateral IT architecture management, Pro AV management and smart energy management.

KVM Switches



Pro AV



Energy Intelligence PDUs

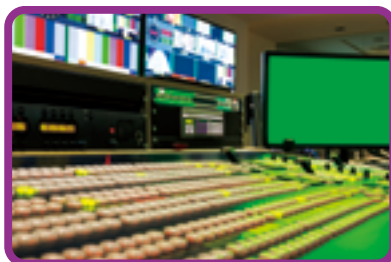




Despite the product lines of “KVM switches”, “Pro AV”, “Energy intelligence PDUs”, and “USB and Thunderbolt devices” having different development histories and industry positions and their corresponding sales channels and target customers also being different from each other, nevertheless, these are the uniqueness of ATEN. The question on how to integrate these product lines into a characteristic solution and to develop a unique business model are important opportunities for the short-term increase of revenue, and the Company is heading in this direction with its best effort.

### [Main Industrial Application]

Broadcast and Media



Government



Corporate



Transportation



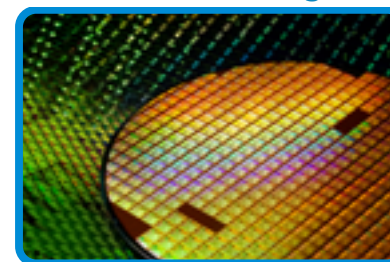
Education



Hospitality & Entertainment



Manufacturing



## ▸ Company's New Products and Services Planned for Development

1	Research and development of high performance KVM matrix systems. These products are for KVM equipment management integration of control room application.
2	Research and development of new generation of Prosumer KVM series. These products are for office applications with 4K high resolution, composite signal and multi-screens.
3	Technical integration and application for computer desktop application and game console peripheral products of consumer electronics.
4	Audio & Video signal connection management product integration and application
5	Smart environment control system
6	PE series of electrical power and green energy integration and application
7	EC series of electrical power and green energy integration and application

For relevant details, please refer to page 63 of 2019 Annual Report of the Company.

## ➤ New Product Introduction: UC9020 StreamLIVE™ HD All-in-one Multi-channel AV Mixer

In May 2019, ATEN announced that the UC9020 portable, all-in-one, multi-channel audio/video mixer device under the SOHO product line received the honor of COMPUTEX 2019 Best Choice Award.

The UC9020 portable AV mixer features an integrated compact design. In addition, the reason for this product to win the Best Choice Award is mainly due to its characteristics of convenience, portability and support of different live broadcast platforms. COMPUTEX further stated at the event that: "This product simplifies the complicated setting process for live broadcast equipment, facilitating the use of all types of users. In addition, it has a compact size and is equipped with portability. With its built-in iPad user interface, users are able to perform live broadcast at any time and place".

With the emerging live broadcast industry, the number of live broadcast host and media workers worldwide is increasing rapidly; however, the barrier of entering the professional live broadcast field still exists. Since most of the media processors available in the market focus on the primary market of television and broadcast industry, and their common functions merely include media switch and monitoring, such that prior to the live broadcast, it is necessary to set up relevant devices of monitor, computer and media converter, etc., for these media processors. The launch of ATEN's portable live stream box in the market is able to change all of such complicated processes.

ATEN All-in-one Multi-channel AV Mixer is applicable to the applications of commercial propaganda promotion, conference, small exhibition event, course teaching recording and playing, academic seminar or personal live broadcast, etc. This device integrates ID video signal switcher, distributor, image capturing card and sound mixer into one single unit, and it is also equipped with three HDMI sockets for 1080p live broadcast. In addition, it also supports video editing App and live broadcast platform quality management. Through App installed in mobile devices, the connection between software and hardware is simplified, and computer is no longer a required device necessary for live broadcast. Accordingly, regardless of whether users are corporate users or new users, ATEN portable multi-function live broadcast switch is able to facilitate the use of users, and users are able to even set up synchronous live broadcast on any two stream platforms selected, such as YouTube and Facebook, in order to broadcast to viewers around the globe synchronously.



UC9020 StreamLIVE™ HD All-in-one Multi-channel AV Mixer is able to provide professional live broadcast experience to users



## ▸ Brand Management

The world's leading brand consultancy Interbrand has announced the winner of "2019 Best Taiwan Global Brands" in October 2019, and ATEN is recognized as one of the top 35 brands, also known as the "Taiwan International Brand Potential Star", and it is the third consecutive time for the ATEN to receive the award. Interbrand believes that ATEN's brand strategy is clear and overall financial performance is excellent; therefore, for the present stage, it is able to maintain its advantages in brand establishment, and the Company is expected to create prosperous development outlook with the current advantages.

Since the development, ATEN continues to integrate all products and services and has used one single brand "ATEN" for global sales and marketing. Presently, the channel partners of the Company have expanded worldwide to reach more than 100 countries. The key factors for the success of ATEN's brand management include our "commitment in own brand strategy", and to improve service quality and brand value, we also provide full support of the original manufacturer to our cooperating distributors, system integrators (SI), and value-added resellers (VAR), such as providing professional solution guides for main targeted application markets, establishing strong pre-sales support, providing a clear and incentive loyalty program, providing complete and convenient online product training programs, organizing effective product seminars and road shows, in order to allow customers to enjoy their cooperation with ATEN in promoting branded products, thereby enhancing ATEN's brand power.



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

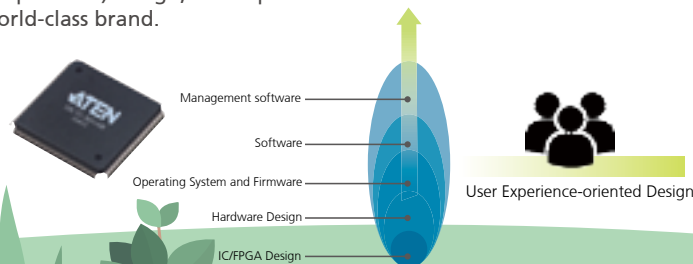
### ▸ Competitive Advantages

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



### [R&D Vertical Integration Advantages]

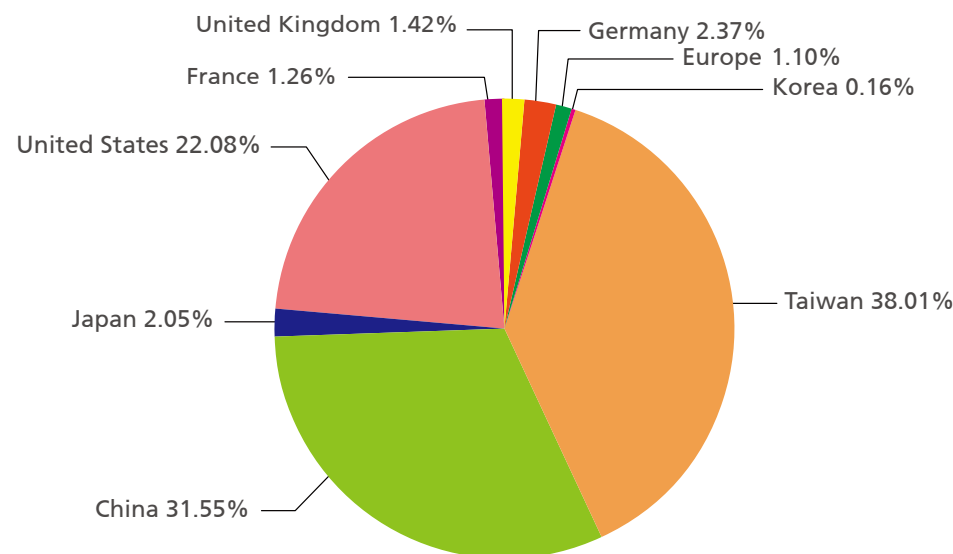
ATEN has staffed approximately 300 R&D engineers in Taiwan, China, and Canada, etc. Through high vertical integration R&D energy along with the emphasis on user experience (UX: User Experience) design, the implicit demands of customers are discovered in order to create a world-class brand.



### [Global Patent Planning]

Up to the end of March 2020, statistically, the global patent planning of ATEN has reached 760 patent applications, and the number of granted patents has reached 610 patents.

Among the 610 patents already granted and under their protection period, there are 571 invention patents, 19 design patents, and 20 utility model patents. The Company actively invests in and maintains important technology research and development outcomes, which is also an effective guarantee for the continuous growth of future business.



Granted Patent Global Distribution Chart



### ► Factors Conducive to Long-Term Development:

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

### ► Negative Factors for Long-term Business Prospects:

1. Different economic growth in different regions, and there are also geopolitical risks.
2. Exchange rates of various countries fluctuate violently, affecting the revenue and profit.
3. Market entrance of new competitors.
4. Consumers with limited product knowledge.
5. Counterfeit and illegal products disturbing the market.

### ► Response Strategies and Opportunities:

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

## 2.2 Worldwide Presence and Management

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

### ▶ Sales

ATEN develops global new sites in a stable manner. Through the establishment of sales type branch companies or offices, the Company is able to develop the overseas market in depth, to provide completely local support services and to establish direct communication channels, thereby winning customers’ trust. The Company also actively expands into potential new emerging markets by establishing localized sales sites, including the establishment of branch companies and product application showrooms. ATEN has established 28 showrooms worldwide, among which 4 showrooms have been established completely in 2019. In addition to the sales planning, ATEN is also actively expanding its market in the tender project market along with the implementation of the “From Distribution to System Integration” marketing strategy. The supporting management will also expand the regional supply chain network, and increase inventory turnover and adjustment flexibility in order to enhance the Company’s competitiveness. In addition, the Company gradually introduces a consistent electronic management signing approval platform of the Group in all sales locations, in order to optimize processes, achieve information transparency, and improve decision-making quality and efficiency as well as to ensure rigorous and complete internal control.

#### From Distribution to System Integration:

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

### ▶ Research and Development (R&D)

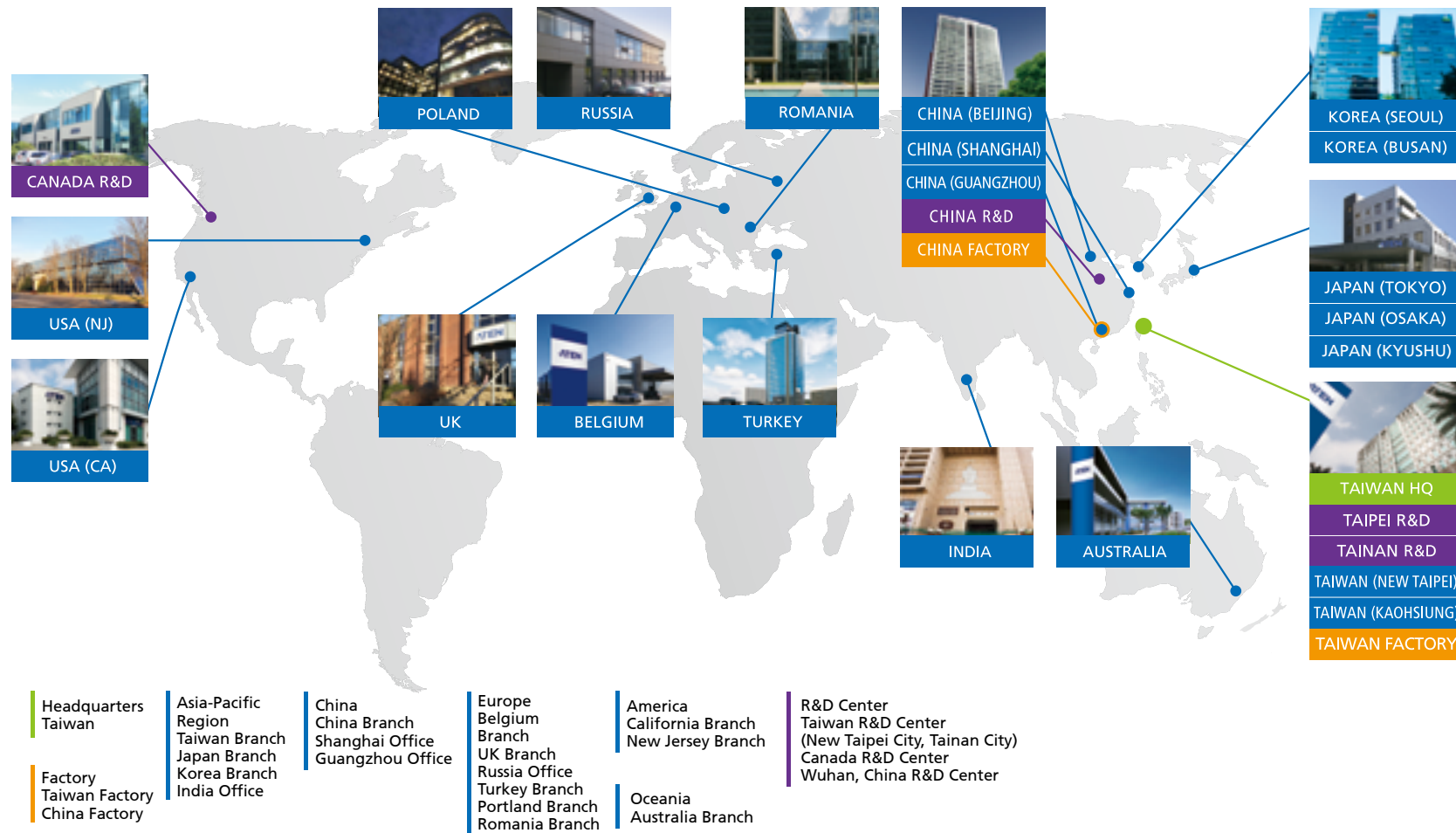
In terms of R&D, in addition to the Taipei headquarters and Tainan R&D center in Taiwan, the Company also establishes two overseas R&D offices in Canada and Wuhan, China. With the expertise of R&D talents of different countries, the Company with a total of approximately 300 R&D engineers is able to provide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

### ▶ Manufacturing

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

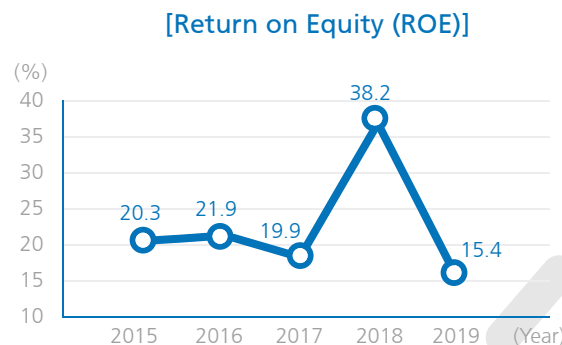
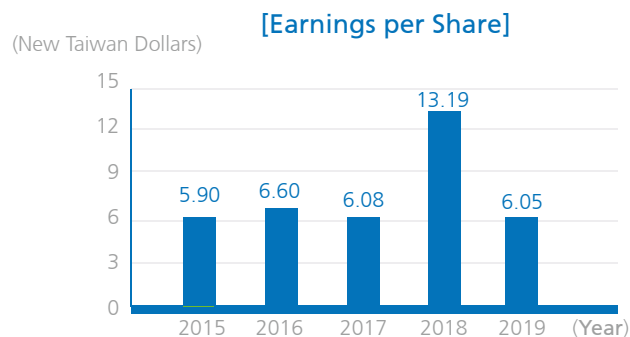
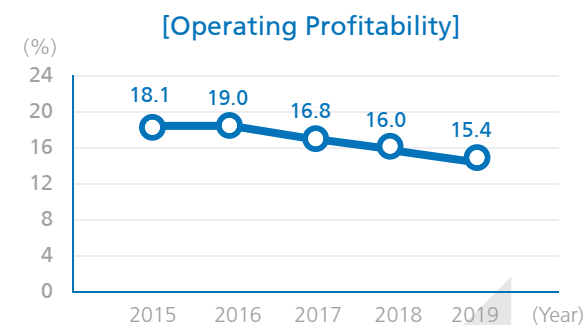
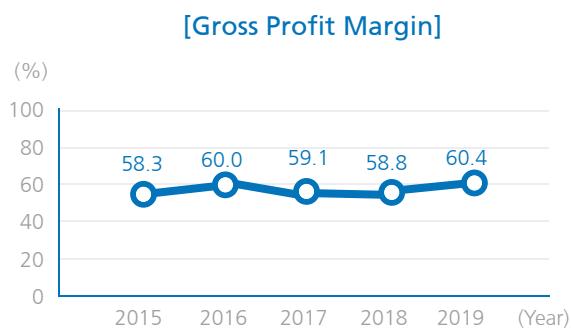
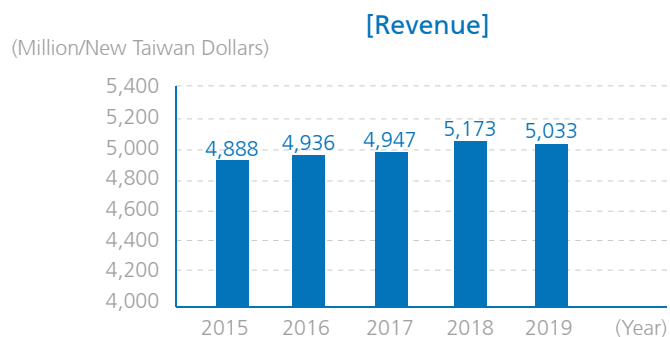
ATEN’s active global planning strategy has not only established the foundation for high profit, the Company also believes that it is able to bring a driving force for future revenue growth.

### Global Planning Local Development



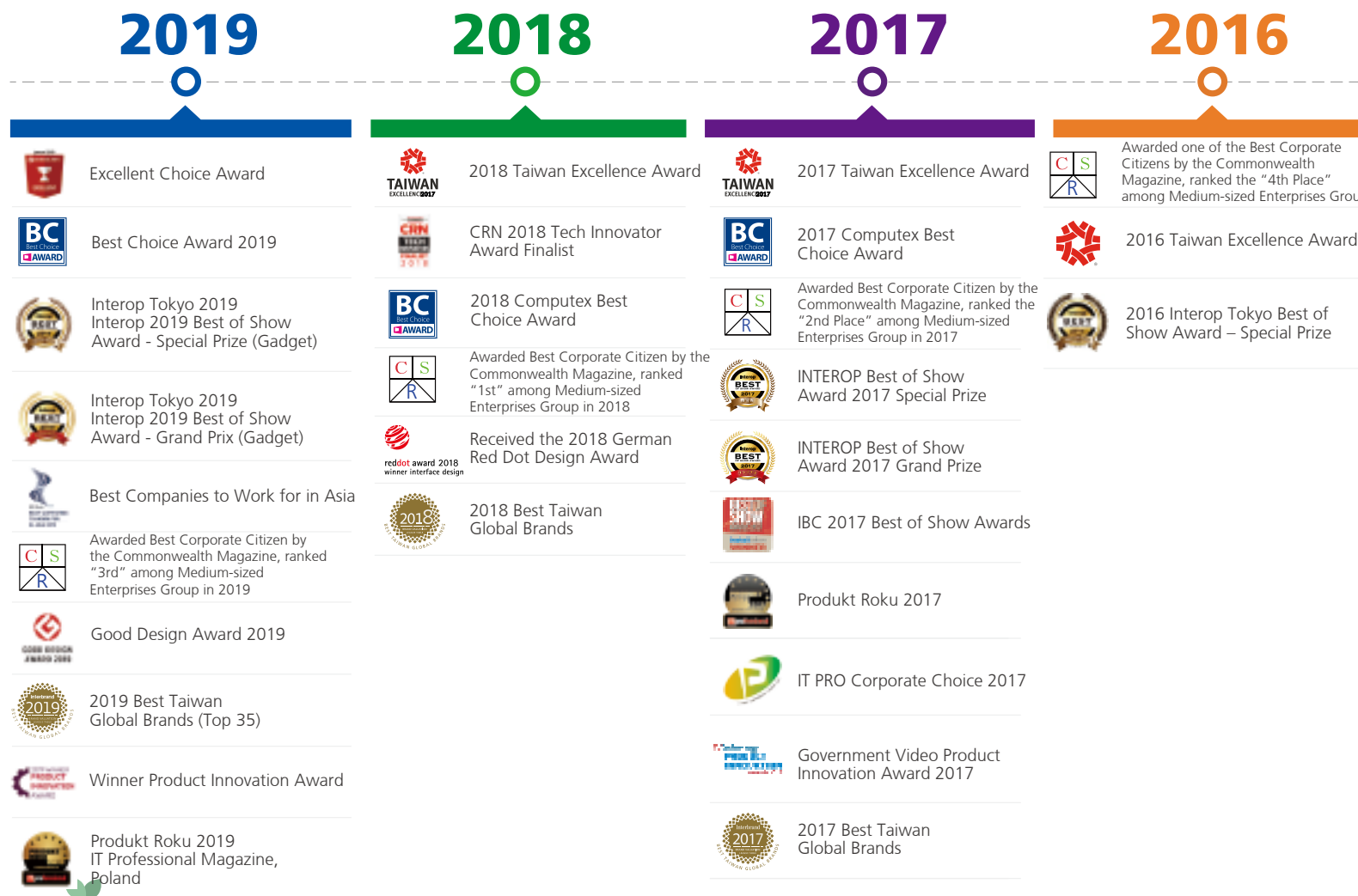
## 2.3 Operational Achievements

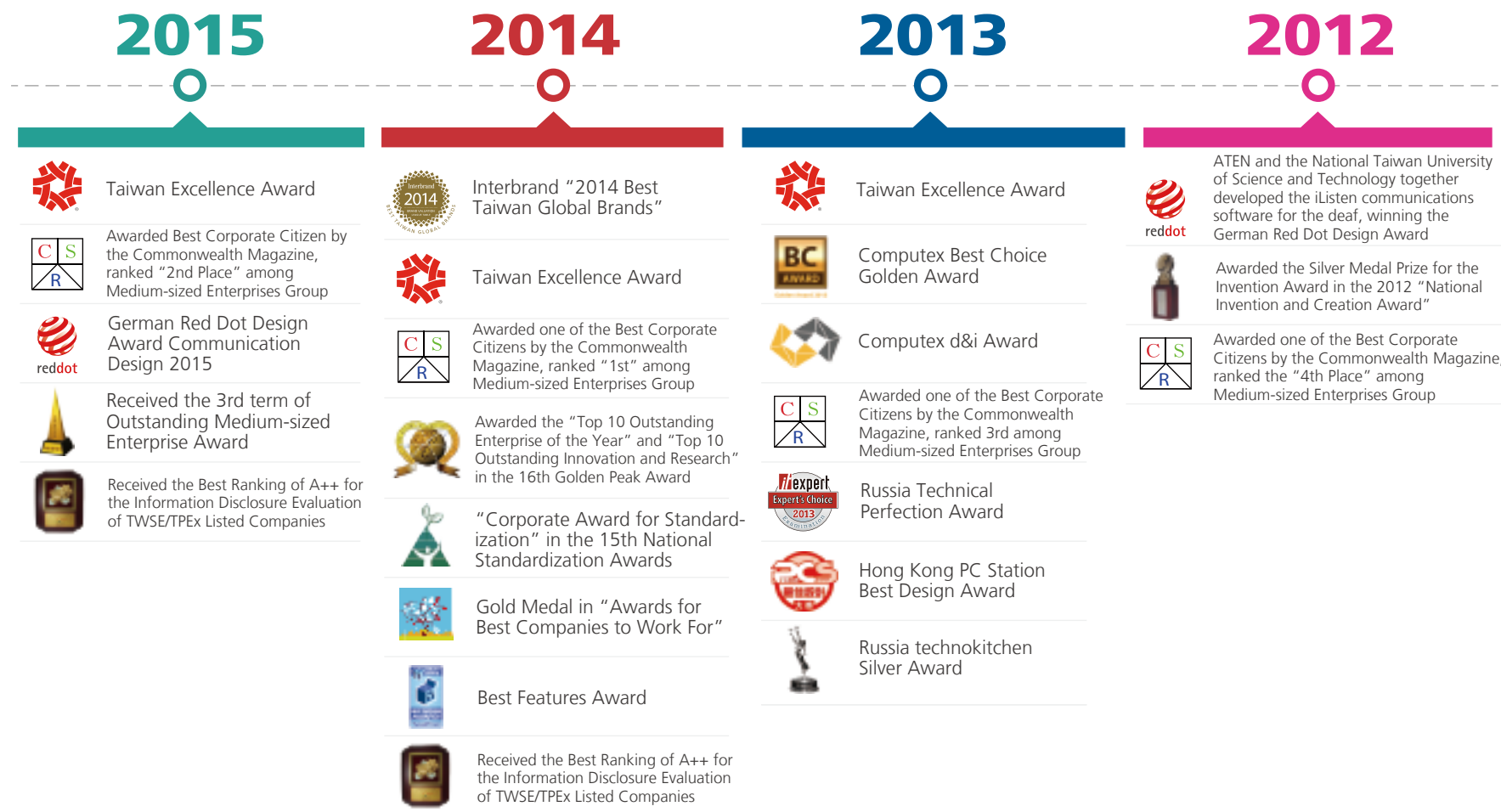
The year of 2019 was a prosperous year for ATEN, and the whole-year revenue of the Company reached NT\$5.032 billion. The gross profit was NT\$3.034 billion, and the gross margin reached the record high of 60.4%. The net profit after tax was NT\$727 million, and the earnings per share (EPS) was NT\$6.05. The management team has been able to achieve the expectations of the shareholders in terms of the business expansion, cost control, investment strategy, and efficiency improvement, etc. The Company will continue to create investment profits for shareholders and is worthy of the investors' trust and reliance.



## 2.4 Honors and Recognition (2012–2019)

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





## 2.5 External Organization Participation

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

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








# 3 Corporate Governance

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

## Major Topics

Corporate Governance, Ethical Management, and Legal Compliance

### ▸ Meaning of Corporate Governance to ATEN and Key Contributions of ATEN to SDGs

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

## ▶ Responsible Units

ATEN Corporate Social Responsibility Management Committee – Corporate Governance Group

## ▶ Management Mechanism

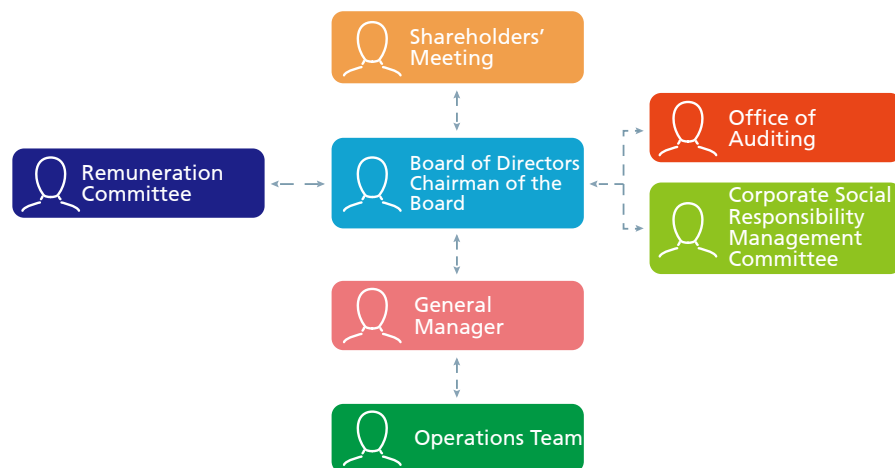
In the board of directors' meeting held in April 2012, the Company has approved the "Corporate Social Responsibility (CSR) Policy Declaration", and "System and Management System", and has also established the "Corporate Social Responsibility Management Committee", and the Chairman acts as the commissioner, among which the highest supervisor of the "General Administration Division" acts as the Spokesman and Senior Assistant Vice President, and its "Investor Relationship and Capital Market Department" is the responsible unit for handling the routine affairs of the Board of Directors, Shareholders' Meetings, investor relationships, and other corporate governance affairs. The "Corporate Governance Group" under the "Corporate Social Responsibility Management Committee" is formed by members of the "Investor Relationship and Capital Market Department". Through the monthly CSR Group meeting, changes to corporate governance related regulations are discussed and various indicator requirements for corporate governance assessment, as well as the differences to the current execution status are reviewed, in order to propose correction and improvement recommendations. In addition, reports are presented in the CSR Management Committee meetings periodically, and resolutions on policies and directions, etc. made in the Committee Meetings are executed accordingly. When it is considered necessary, the resolutions made in the Committee Meetings and major issues related to corporate governance are periodically reported to the Board of Directors. Under the supervision of the Board of Directors, such operation mechanism is able to ensure that the Company is able to continuously improve and excel in the right direction for the corporate governance aspect, in order to satisfy the requirements of the competent authority and the global trend of corporate governance, thereby effectively protecting the interests of shareholders and realizing the corporate values of fairness and justice. In addition, the Company also reviews the implementation result and future outlook plan annually. On October 18, 2019 and November 7, 2019, such result and future outlook plan have been reported to the Corporate Social Responsibility Management Committee and the board of directors.

## ▶ Commitment, Actions, and Goals

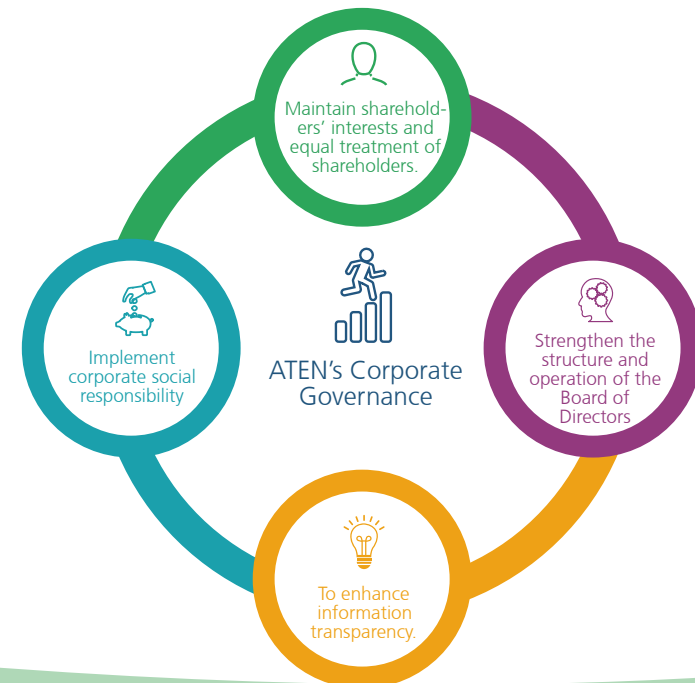
Commitment	2019 Execution item	2019 Execution Outcome	Future Goals and Actions
Maintain shareholders' interests and equal treatment of shareholders.	Provide both Chinese and English version of Shareholders' Meeting information to shareholders in order to understand the financial and non-financial information of the Company	<ol style="list-style-type: none"> <li>1. Publish the Chinese version of information of the Shareholders' Meeting earlier than the time-limit specified by the laws, including meeting handbook (regulations specify for 21 days before the Shareholders' Meeting, and the Company voluntarily provides information 30 days before the Shareholders' Meeting), Annual Report (regulations specify for 7 days before the Shareholders' Meeting, and the Company voluntarily provides information 14 days before the Shareholders' Meeting).</li> <li>2. Voluntarily produce an English version of Shareholders' Meeting information, including an English version of the Meeting Notice, Meeting Handbook, Meeting Minutes, and Annual Report.</li> </ol>	<ol style="list-style-type: none"> <li>1. Move the Chinese annual report upload schedule forward from fourteen days in advance to sixteen days in advance.</li> <li>2. Provide an English version of Annual Report with information in greater depth to allow foreign investors to have a greater understanding of the financial and non-financial information of the Company</li> </ol>
Strengthen the structure and operation of the Board of Directors	<ol style="list-style-type: none"> <li>1. Diversity Policy for Board of Directors</li> <li>2. Strengthen Operation of the Board of Directors</li> </ol>	<ol style="list-style-type: none"> <li>1. Periodically assess the independence of certified public accounts once annually, and disclose the assessment procedure in the Annual Report.</li> <li>2. Number of Training Hours Completed by Directors and Supervisors</li> </ol>	<ol style="list-style-type: none"> <li>1. Establish the Corporate Governance Officer (establishment has been approved by the board of directors' meeting on May 5, 2020)</li> <li>2. Establish the Regulations for Self-Evaluation and Peer Evaluation of Board of Directors (these regulations have been approved by the board of directors' meeting on January 16, 2020)</li> <li>3. Elect directors and supervisors with their term of office matured in the 2020 shareholders' meeting, and establish Audit Committee</li> <li>4. Increase number of seats of independent directors from three seats to four seats</li> </ol>
Improve Information Transparency	<ol style="list-style-type: none"> <li>1. Disclose English information.</li> <li>2. Organize investor conference</li> <li>3. Publish 2019 revenue announcement calendar.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company self-organizes investor conference. In 2019, the Company self-organized four online investor conference sessions, participated in two sessions of invited securities broker conferences, and participated in one session of overseas invited roadshow.</li> <li>2. Release 2019 revenue announcement calendar on the Company's website.</li> <li>3. Synchronous material information in both Chinese and English.</li> <li>4. Disclose English version of the Annual Consolidated Financial Statements</li> </ol>	<ol style="list-style-type: none"> <li>1. Disclose English version of the Annual Unconsolidated Financial Statements</li> <li>2. Disclose financial statements to investors for review early, and announce the approval or proposal of financial statements at board of directors' meeting seven days before the public announcement time-limit</li> </ol>

### 3.1 Corporate Governance Structure

ATEN ensures the Company's compliance with all regulations through its rigorous internal audit and internal control systems, and requires its management, overseas subsidiaries, and all employees to review and repeatedly examine the Company's compliance with regulations and the execution of the internal control system. Once any setback or irregularity of the internal control system is detected, the problem will soon be reported and to be addressed and closely monitored by relevant departments until the problem is completely corrected and improved to meet all regulations and laws. After the Auditing Department collects the review reports for all departments, the executives from the Department will report to all supervisors regarding these reviews and attend board meetings to present the reports. Regarding risk assessment, various goals are determined in advance and connections to different levels of divisions of the Company are also established. In addition, it is also necessary to consider the appropriateness of the Company's goals. The Company adopts appropriate actions of policies and procedures according to the risk assessment result in order to control the risk within the acceptable range.



According to the 2019 6th term corporate governance evaluation result, ATEN was ranked in the top 6%–20% among publicly listed companies. The Company has established stable development in various aspects of corporate governance, and the items already completed include “electronic voting”, implementation of the “candidate nomination system” for all directors and supervisors, setup of the “supervisor’s e-mail”, and establishment of the “Ethical Management and Guidelines for Conduct”, “Board of Directors Assessment on CPA’s Independence and Disclosure in the Annual Report”. In 2020, the Company has established the corporate governance officer, Audit Committee and has also stipulated the “Regulations for Self-Evaluation or Peer Evaluation of Board of Directors”. In the future, the Company will increase the number of seats of independent directors and will disclose financial statements early as the enhanced measures in priority, in order to achieve the core values of the Company. The management level of ATEN also believes that the implementation of corporate governance is not only for protection of the interests of the investors and other stakeholders, but also a necessary method to fulfill corporate social responsibility.



### ► Recent Actions Taken to Promote Corporate Governance are as follow:

Category	Specific Achievements
Maintain shareholders' interests and equal treatment of shareholders.	<ul style="list-style-type: none"> <li>Voluntarily prepared an English version of the Shareholders' Meeting Notice, Meeting Handbook, Meeting Minutes, Annual Report, and uploaded them onto the Market Observation Post System (MOPS) and the Company's website for investors' reference.</li> <li>In the 2017 Ordinary Shareholders' Meeting, adopted the electronic voting.</li> <li>In the 2017 Shareholders' Meeting, approved the amendment to the Articles of Incorporation of the Company, and fully adopted the candidate nomination system for director and supervisor elections.</li> <li>Proposals of Shareholders' Meeting adopted the voting for each resolution one by one, and the result of assent, dissent, and abandonment from shareholders in each proposal were input in the MOPS and recorded in the Meeting Minutes.</li> <li>The Company's website discloses the investor relationship contact window to provide responses and handle various investors' recommendations and questions. Please refer to the Investor Relations of the Company's website. <a href="http://www.aten.com/tw/zh/aten-info/investor-relations/person-to-contact/">http://www.aten.com/tw/zh/aten-info/investor-relations/person-to-contact/</a></li> </ul>
Strengthen the structure and operation of the Board of Directors	<ul style="list-style-type: none"> <li>Periodically assessed the independence of the CPA once annually to confirm that there is no situation where the CPA has financial interest with the Company or the independence is affected by the business relationship. The relevant 2019 CPA's Independence Assessment Report already approved in the Board of Directors' Meeting on March 10, 2020.</li> <li>Directors and supervisors completed the number of hours of training specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</li> </ul>
To enhance information transparency.	<ul style="list-style-type: none"> <li>In 2019, the Company self-organized four online investor conference sessions and participated in two invited securities broker conferences as well as one invited overseas roadshow. Relevant information and Chinese/English versions of presentation documents already uploaded onto MOPS and the Company's website. Please refer to the Investor Relations on the Company's website. <a href="https://www.aten.com/tw/zh/aten-info/investor-relations/investor-event/">https://www.aten.com/tw/zh/aten-info/investor-relations/investor-event/</a></li> <li>Published the revenue announcement calendar on the Company's website to allow investors to understand the monthly revenue announcement schedule. Please refer to the Investor Relations of the Company's website. <a href="https://www.aten.com/tw/zh/aten-info/investor-relations/financial-information/">https://www.aten.com/tw/zh/aten-info/investor-relations/financial-information/</a></li> <li>Established an English version of the Company's website to provide various information of the Company to foreign investors. Please refer to the following link. <a href="http://www.aten.com/global/en/aten-info/investor-relations/corporate-governance/company-structure-and-responsibilities">http://www.aten.com/global/en/aten-info/investor-relations/corporate-governance/company-structure-and-responsibilities</a></li> </ul>
Implement corporate social responsibility	<ul style="list-style-type: none"> <li>Starting from the Corporate Social Responsibility Report in 2015, the Company has appointed a third party authentication institution to perform review and to issue opinions on the "materiality", "responsiveness", and "inclusiveness" of the Report according to the AA1000AS Standard, and to issue an independent guarantee opinion statement. For the 2019 Corporate Social Responsibility Report, the Company adopted the latest GRI Standards for the preparation of the Report, and also adopted the latest guarantee standard as well as appointed a third party verification institution to perform inspection.</li> <li>In 2016, the Company established the "Corporate Social Responsibility Best-Practice Principles" which became officially effective after the approval of the Board of Directors, and they were also uploaded onto MOPS and the Company's website to provide reference to the stakeholders. Please refer to the Investor Relations on the Company's website. <a href="http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/">http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/</a></li> <li>In 2017, the Company established "Procedures for Ethical Management and Guidelines for Conduct" to regulate the complaint system for illegal and unethical actions of internal and external personnel of the Company, which became officially effective after the approval of the Board of Directors, and was also uploaded onto MOPS and the Company's website to provide reference to the stakeholders. Please refer to the Investor Relations on the Company's website. <a href="http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/">http://www.aten.com/tw/zh/aten-info/investor-relations/corporate-governance/company-rules/</a></li> <li>Established the contact window for various stakeholders on the Company's website in order to provide a communication platform. Please refer to the following link. <a href="http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/">http://www.aten.com/tw/zh/aten-info/csr/page-stakeholders/</a></li> <li>Established various e-mail addresses on the Company's website in order to provide complaint channels for different stakeholders, including: "Supervisor's E-mail", and atencorp@aten.com etc.</li> </ul>

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

## 3.2 Board of Directors

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

The Board of Directors' Meeting is convened at least once quarterly. In 2019, a total of 6 Board of Directors' Meetings were convened. During the operation of the Board of Directors' Meeting, in the case of conflict of interest, the director is required to recuse himself or herself. According to Article 16 of the "Rules of Procedures for Board of Directors Meetings" of the Company: "If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director". Please refer to page 26 of 2019 annual report for relevant recusal status.

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

Director, Chung-Jen Chen is a distinguished professor at the Department of Business Administration, National Taiwan University and Director of the Technology Policy and Industrial Development Research Center, National Taiwan University; Independent Director, Chun-Chung Chen is the associate professor at the Department of International Business, National Taiwan University. All of the directors are equipped with professional backgrounds in business and finance. The Board Members of ATEN consist of professionals equipped with various professional knowledge and skills, and the corporate director representative Shu-Shan Lin is a female, which is also in response to the issue of gender equality described in Item 5 of the 17 goals for sustainable development proposed by the United Nations. The aforementioned diversity policy also demonstrates ATEN's search for professionals equipped with continuous effort in seeking the long-term goal of sustainable operation. In 2020, the Company has established the Audit Committee. In addition, to strengthen the corporate governance, it is planned that the future board of directors will increase the number of seats of independent directors with one more independent director such that the number of independent directors is increased from three to four.

### ▶ Board Member Age and Gender Distribution

Age Range			Gender	
Under 30 years old (inclusive)	Above 30 years old – Under 50 years old (inclusive)	Above 50 Years Old	Male	Female
-	1	6	6	1

### ▶ Professional Qualifications of the Board of Directors:

All Directors have the operating judgment, accounting and finance analysis ability, operational and management ability, and leadership required to fulfill their duties. All have at least five years of experience in business, law, finance, accounting, or other fields required by the Company. For relevant descriptions, please refer to Chapter 3 of the Annual Report.

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

### 3.3 Governance-level Performance Evaluation

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

ATEN established a Remuneration Committee with 3 members, including 1 Independent Director, according to the resolution of the Board of Directors' Meeting on December 20, 2011. The duties include the establishment and periodical review of the annual and long-term performance goals of directors, supervisors, and managerial officers as well as the policy, system, standards, and structure of the salary and remuneration. Periodically evaluate the performance goal achievement status of the directors, supervisors, and managerial officers of the Company, and specify the individual salary and remuneration content and value. On May 3, 2019, the board of directors appointed independent director Chung-Jen Chen and independent director Chun-Chung Chen as the members of the Remuneration Committee. The committee consists of five members, among which three members are independent directors.

The remuneration of directors and supervisors include the travel allowance and the remuneration of earnings distribution. The travel allowance is based on the general industrial standard, and the earnings distribution amount is based on the Articles of Incorporation of the Company, which are proposed by the Remuneration Committee and approved by the Board of Director's Meeting resolution, followed by reporting to the Shareholders' Meeting for approval on the payment thereof. The remuneration of managerial officers includes the salary, bonus, and employee bonus from earnings distribution, and the payment standard is handled according to the Employee Salary Management Regulations of the Company. Term of Office of the Current Session of Remuneration Committee Members: June 15, 2017 to June 14, 2020. For the two Meetings held in the most recent year, the attendance details of the Committee Members are as follows:

Title	Name	Number of Actual Attendances	Number of proxy attendance	Ratio of Actual Attendance (%)	Remarks
Convener	Wei-Jen Chu	2	0	100%	
Member	Chen-En Ko	2	0	100%	
Member	Yen-Jung Li	2	0	100%	
Member	Chung-Jen Chen	1	0	100%	Newly appointed on 2019/05/03
Member	Chun-Chung Chen	1	0	100%	Newly appointed on 2019/05/03





## 3.4 Shareholder Rights

Shareholders' meetings are divided into Ordinary and Extraordinary Shareholders' Meetings. The Ordinary Shareholder's Meeting is held once annually and is convened by the Board of Directors within 6 months after the end of each fiscal year in accordance with the law. The Extraordinary Shareholders' Meeting is convened whenever necessary according to relevant laws. Shareholders' Meetings are held regularly every year, in order to report on the Company's operational and financial situation. Shareholders can also submit a written request to ATEN for a Shareholders' Meeting. Before notifying shareholders of the date of the Meeting, ATEN will notify the submitting shareholder of the result of their request and convene the Meeting as required by Company regulations. In the case of a proposal not being added to the Shareholders' Meeting agenda, the Board should explain the reason for this to the submitting shareholder.

The Company upholds the corporate core values of "Integrity", "Caring", "Ambition", and "Novelty" to care for all stakeholders. In addition to employees, customers, suppliers, and community organizations, the Company also emphasizes the interests of shareholders. Regarding the recent dividend issuance policy of ATEN, except for factors of regulatory requirements such that a portion is reserved without issuance, the rest of the amount is distributed to the shareholders in order to allow shareholders to enjoy the profit outcome of the Company together.

	2015	2016	2017	2018	2019
Earnings per Share (NT\$)*	5.9	6.6	6.08	13.19	6.05
Shareholders' Dividends (NT\$)	5.2	5.8	5.5	8.0	5.3
Cash Dividends (NT\$)	5.2	5.8	5.5	8.0	5.3
Stock Dividends (NT\$)	0	0	0	0	0
Dividend payout ratio	88%	88%	90%	61%	88%

Note: For the 2019 earnings distribution proposal, the proposal for cash dividend distribution has been approved by the board of directors' meeting on March 10, 2020.

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

## 3.5 Ethics and Integrity

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

In addition, the Company also designates the Office of General Manager as the dedicated unit to perform corporate ethical management related promotion and execution operation according to the "Procedures for Ethical Management and Guidelines for Conduct", and to report the execution status to the Board of Directors periodically on a yearly basis. According to the "Corporate Governance Best-Practice Principles", and "Procedures for Ethical Management and Guidelines for Conduct", etc., the Company establishes various e-mail addresses on the Company's website as the complaint channels for different stakeholders, such as: "Supervisor's E-mail" to allow supervisors to discover any possible flaws in the Company in a timely manner, and to establish communication channels for employees, shareholders, and other stakeholders with the supervisors, and three supervisors are able to receive e-mails. In addition, to provide communication channel to different stakeholders to communicate with the Company, the Company has set up the e-mail box of [atencorp@aten.com](mailto:atencorp@aten.com), and the General Manager's Office is in charge of receiving various comments on the Company from different sectors.

# 4

## Employee Care




- 4.1 View Employees as Important Assets
- 4.2 Comprehensive Occupational Competency Training
- 4.3 Friendly Workplace and Healthy Lohas

## Major Topics

### Employee Welfare

#### › Meaning of Employee Care to ATEN and Key Contributions of ATEN to SDGs

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

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

#### › Responsible Units

ATEN Corporate Social Responsibility Management Committee – Employee Care Group

#### › Management Mechanism

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

## ▶ Commitment, Actions, and Goals

Commitment	2019 Execution item	2019 Execution Outcome	Future Goals and Actions
Company's Growth Together With Employees' Development	[Mentor-New Employee Mentor Program] The concept of "Right Central Thinking, Right Interaction" is conveyed to ATENer/Mentors and supervisors. In addition, though the systematic platform, the 30/60/90-day learning program is implemented in order to assist new employees to be ready for job duties promptly and to understand department works, thereby allowing new employees to communicate job missions with and obtain necessary assistances from supervisors periodically.	In 2019, a total of 133 new employees were recruited, and the number of resignations in the same year was 25 employees, with a total of 108 freshmen successfully retaining their jobs. The freshman retention rate was 81.2% (25/133).	The Company will continue to enhance the mentor program execution quality, including the design of new employee 90-day training program content and Mentor guiding techniques. The goal is to maintain the freshmen retention rate above 80%.
	[Bullpen Project] MY ATEN, MY TYPE	After completion of the 12-week training and at the end of the project, there were a total of 6 partners successfully assigned to the divisions of Planning (PM), Sales (Pre-sale) and Customer Service (FAE), etc. Through questionnaire survey and interview, employees indicated their recognition and support of the knowledge and skills learned during the training period being helpful to them in understanding the Company's products and department operations, and the trainees' satisfaction rate reached 96%.	The Company will continue to organize the bullpen project for different talents depending upon the needs and expansion of overseas locations, in order to cultivate more outstanding social freshmen in order to become bright stars demanded by corporates.
	[ATEN Private Learning School & Human Resource e-School] "Physical Courses" benefit spread through Digital Courses"	In 2019, with the priority goal of improving the internal instructors' teaching skills of the ATEN Private Learning School, external instructors were invited to provide internal instructor training courses and to cultivate seed instructors' teaching skills in order to establish the basis for passing on of internal knowledge. In 2019, the Company consecutively organized 10 internal instructor lecture courses, with an average satisfaction score of 92.4, and a total of 578 trainees participated in the course, and the accumulated total training hours reached 1194.5 hours.	The Company will continue to select outstanding internal instructors for internal knowledge and experience sharing as well as to pass on knowledge and experience via the digital method. 10 courses are used as the goal for the digital learning. In 2020, the Company will continue to enhance the teaching skills of internal instructors in order to improve the passing on of internal professional knowledge.
	Comprehensive Occupational Competency Training	According to different job function demands, the Company organized courses for different aspects of management functions, professional functions, core functions and self-growth, etc., and a total of 589 courses were opened. The total number of participants was 8700 people and the accumulated total number of training hours was 17351.25 hours.	Enhance self-learning: The Company provides rich digital learning resources (e-learning) and encourages staff to perform adaptive learning according to job duties.
A friendly workplace for physical and mental health as well as a balance between work and life.	[Health and Lohas UP2.0 Plan]	Cooperated with the Occupational Safety and Health Office. Nutritionists and physicians of various major medical centers were invited to the Company to provide lectures on health and lohas related topics. A total of 12 seminars were held, a total of 1187 people attended, with an average satisfaction score of 93.9.	The Company will continue to promote and encourage employees' routine exercise, and it is expected that in 2019, the Company will organize the event of the weight reduction contest, in order to improve the health of employees.
	[ISports Enterprise Certification] Apply for events jointed organized by the Sports Administration, Ministry of Education and Global Views Magazine.	In 2019, according to the plan, one session of sports seminar was jointly organized with the Global Views Magazine, and a total of 108 people participated in the event. The Company will continue to encourage employees to exercise routinely through organization of internal club activities.	The Company will also encourage internal club sports activities and will also organize at least one sports related seminar.
	Received the Honor of 【Asia's Best Enterprise Employer】	The Company participated in the evaluation of "2019 Asia's Best Enterprise Employer", and among 186 competing enterprises, ATEN was able to win the award. From the anonymous questionnaire survey provided to employees, for the "Employee inclusion", "Employee self-emotion, motivation and support", "Employee team awareness and teamwork spirit" at workplace, ATEN received scores higher than the average scores in the industry.	The Company will continue to implement corporate commitment for employees and will plan to participate in the 2021 Asia's Best Enterprise Employer consecutively.

## 4.1 View Employees as Important Assets

ATEN has always viewed employees as important assets, and also believes that high quality products and services come from employees with the greatest joy. With the corporate spirit of "Respect and Care", the Company provides equal treatment to employment opportunities. We also adopt the corporate concept of "novelty" to provide equal performance remuneration treatment; with the corporate principle of "integrity", we establish stable business operation; finally, we adopt the corporate culture of "ambition" to achieve strong resilience and passion.

### ► Human Resource and Structure

According to the calculation conducted on December 31, 2019, the number of employees in the region of Taiwan is 730 employees, and all of the employees are full-time employees without part-time or temporary employees (male employees account for 54.5%; female employees account for 45.5%). Among which, there are 104 senior management supervisors (male supervisors account for 77.9%; female supervisors account for 22.1%), 595 independent professional personnel, 135 direct technical personnel, with the average age of 39.12 years old, average years of services of 8.00 years, and employees with an educational background above college and university account for 83.2%. In addition, the number of physically and mentally disabled is nine employees, which is 1.29 times higher than the regulatory requirements (seven employees with disability according to the regulatory requirements).

Employee Type	Age	Number of male employees	Number of female employees	Total	Ratio
Direct Employees	<30 years old	3	41	44	6.03%
	31-50 years old	7	65	72	9.85%
	>51 years old	3	16	19	2.60%
Direct Employees Total		13	122	135	18.49%
Indirect Employees	<30 years old	45	33	78	10.68%
	31-50 years old	314	151	465	63.70%
	>51 years old	26	26	52	7.12%
Indirect Employees Total		385	210	595	81.51%
Overall Total		398	332	730	100.00%

(Direct personnel: employees participating in manufacturing related works; Indirect personnel: employees participating in relevant works assisting production)

### ► Equal Employment and Care

The talent recruit channel of the Company includes online recruiting, newspapers, magazines and media, school recruiting, manpower agents, job fair, internal employee referrals, and employee internal transfer methods. With the three main principles of "Fair Recruitment, Discrimination Prohibition, and Equal Opportunity", in 2019, the Company recruited a total of 133 new employees, among which there were 71 female employees accounting for 53.4%, and 62 male employees accounting for 46.6%; 23 direct personnel accounted for 17.3%, 110 indirect employees accounted for 82.7%. In the same year, there were 94 employees that resigned from the Company, among which there were 36 female employees accounting for 38.3% and 58 male employees accounting for 61.7%. The annual resignation rate was 12.9%, and the monthly average resignation rate was 1.1%. From the data over the past three years, the monthly average resignation rate was between 1-2%.

Employee Type	Age	Number of male employees	Number of female employees	Total
New Employees	<30 years old	11	35	46
	31-50 years old	48	36	84
	>51 years old	3	0	3
Ratio of New Employees	(Number of New Employees of the Year/Current Employee Number on December 31, 2019) =18.2%			
Resigned Employees	<30 years old	10	10	20
	31-50 years old	42	23	65
	>51 years old	6	3	9
Ratio of Re-signed Employees	(Number of Resigned Employees of the Year/Current Employee Number on December 31, 2019) =12.9%			
	Monthly Resignation Rate = Annual Resignation Rate/12=1.1%			

We encourage employee maternity and offer the maternity subsidy of NT\$100 thousand (distributed in 12 monthly installments) for each birth of an infant to employees. The subsidy amount is the highest among the operators in the same industry, and the total subsidy amount in 2019 was NT\$935 thousand. For parents with newborns, the Company also provides the infant golden accessories at a market value of NT\$3,000 as a gift to the parents along with red envelope cash of NT\$1,200 from the Welfare Committee. Inside the Company, it provides a warm and comfortable specialized breastfeeding (milk collection) room, and also signs a contract with a well-known chain kindergarten in order to allow employees to work with security and to arrange child care conveniently. We further provide paternity leave (6 days) for male employees, employee birth examination leave (female: 6 days, male: 2 days) superior to the requirements specified in the Labor Standards Act. In addition, the Company also appropriates retirement pension, and also provides a complete insurance plan to cover relatives and parents in the group insurance, in order to provide a comprehensive guarantee and care to employees and their relatives.

Project Description	Number of male employees	Number of female employees	Total
2019 Number of Employees Entitled to Maternity Leave Without Pay	53	20	73
2019 Number of Employees Applying for Maternity Leave Without Pay	0	0	0
2019 Number of Employees Expected to Return to Work After Maternity Leave (A)	1	4	5
2019 Number of Employees Actually Returning to Work After Maternity Leave (B)	1	3	4
Job Resuming Rate (B/A)	100%	75%	80%
2018 Number of Employees Returned to Work After Maternity Leave (C)	0	2	2
2018 Number of Employees Returned to Work After Maternity Leave and Continuing to be Employed After One Year (D)	0	2	2
Retention Rate (D/C)	0%	100%	100%

(Calculation standard: Number of Employees Applying for Maternity Leave Without Pay up to December 31, 2019)

In 2019, ATEN cooperated with the New Taipei City government in the cooperation of the "Gender Equality, Job Equality" gender quality promotion seminar, and further updated the "Workplace Sexual Harassment Prevention and Disciplinary Regulations" in order to strengthen the implementation of such concepts.

## ▶ Periodic Evaluation and Communication

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

In 2019, the number of male/female and direct/indirect employees actually performing the performance evaluation, deducting the number of freshmen not completing the probation period, employees on leave without pay and foreign workers, the rest of employees participated in the mid-term and annual performance evaluations completely. The completion rate for the first half of the year was 85.6% and the completion rate for the second half of the year was 87.2% (calculation of the completion rate refers to actual number of employees under evaluation/total number of employees).

2019	Gender	Direct employees	Indirect employees	Total	Percentage over total number of employees
First Half of the Year	Male	11	368	379	52.2%
	Female	50	193	243	33.4%
Percentage over total number of employees (Total number of employees of first half of the year: 726 people)		8.4%	77.2%	85.6%	-
Second Half of the Year	Male	11	374	385	52.7%
	Female	49	204	253	34.7%
Percentage over total number of employees (Total number of employees of second half of the year: 730 people)		8.2%	79.1%	87.3%	-

In addition, to promote workplace harmony, the Company also periodically convenes labor-management meetings in order to perform discussion on issues related to workers' interests, and the meeting minutes of each meeting are updated in the Human Resources e-School. The Company also additionally set up a paid position of Welfare Committee Director-General to be responsible for the handling of employee welfare related matters full time. Since 2017, the Company has established the workplace sexual harassment complaint direct line#3333 and dedicated e-mail at [emap@aten.com.tw](mailto:emap@aten.com.tw). In the case of any illegal workplace bullying actions, employees can file complaints via the direct line or e-mail.

## 4.2 Comprehensive Occupational Competency Training

In 2019, the total number of training hours of educational training courses organized by ATEN in Taiwan reached 22,727.3 hours, and the average training hours per person was 31 hours, among which the total number of training hours for professional skills was 18,130 hours, accounting for 80% of the entire year, and the number of courses further reached 613 courses (including 65 digital courses), accounting for 93% of the total number of courses throughout the year. It can be seen that the Company emphasizes greatly the cultivation of professional skills, and the Company also achieves the sharing and passing on of experience and knowledge via internal trainings.

For recruiting supervisors, we also establish the annual "required" key management courses, including "Recruiting supervisor required course – Labor Incident Act as depth bomb". We also invite labor attorney to provide lectures on amended clauses of the labor law. Furthermore, we open the "Job analysis and job description course" in order to improve supervisors' ability in recruiting talents. In addition, to cope with the future challenge of the organization and employee comprehensive development principle, the Company provides diverse professional trend and self-growth course and seminars, etc., including "Innovative commercial service model under new AI era and digital data analysis", "internal instructor training", "Summer Jazz music party – hipster cafe", etc., in order to cultivate employees' professional skills and humanistic quality.

Training Type	Training Time	Total hours of training	Total number of people receiving training
Management Skills	11	563.5	260
Professional Skills	548	13276.3	6153
Core Skills	21	2592	1757
Personal Growth	9	919.5	530
New Employee Training	5	521.5	228
Digital Course	65	4854.5	1886
Total	659	22727.3	10814

Employee Type	Total hours of training	No.	Average training hours
Direct Employees	1202.8	135	8.9
Indirect Employees	21524.5	595	36.2
Total	22727.3	730	31.1

Employee Type	Total hours of training	No.	Average training hours
Male Employees	15326.4	398	38.5
Female Employees	7400.8	332	22.3
Total	22727.3	730	31.1



## ▸ Mentor-New Employee Mentor Program for Freshmen and New Skills

In 2018, “ATENer, Freshmen Monopoly” emphasized that freshmen were able to explore current internal processes/systems/forms of the Company and all corresponding service windows according to the map provided. In 2019, ATEN aimed to enhance the leadership of Mentor and supervisors, such that through the training courses of four main steps of “Listening, Speaking, Reading and Writing”, the concept of “Right Central Thinking, Right Interaction” was conveyed to Mentors and supervisors. From the perspective of freshmen with “heart”, mentors and supervisors are encouraged to image their time when they were once freshmen in order to understand the current freshmen’s difficulties, thereby enhancing the communication and management skills of Mentors and supervisors during their leadership.

To assist the freshmen to quickly adapt to the organization, Mentors and supervisors are required establish 30/60/90-day professional skill training course exclusively for freshmen, including environment introduction, product structure, professional and technical courses, etc. In addition, Mentors also conduct interview with freshmen once per month in order to understand freshmen’s learning progress and their condition of adaption to the new job, in order to promptly resolve difficulties faced by freshmen during their learning. Throughout the process, Mentors assist freshmen to clarify their job focus and issues and also seek optimal solution together. Division supervisors also show their care for freshmen irregularly and also conduct face-to-face interview during the 90 days of probation period in order to determine the learning condition of freshmen and to confirm the job direction and job functions of freshmen together.

In 2019, we implemented the systematic platform to perform the freshmen 30/60/90-day learning program in order to improve the freshman mentor program execution quality and efficiency, thereby enhancing the interaction among the three parties of ATENer, Mentor and supervisor. This system allows us to inspect the training process at any time in order to continue to improve and excel further, thereby maintaining the ATEN’s culture of I CAN, WE CAN.

For all on-boarding new employees, they are required to complete the digital online required courses (e-learning), including Company introduction and core values, personnel regulations and welfare system, internal control system, quality and environmental system, legal and patents, information security, labor safety and health, asset management, purchase requisition system, and welfare committee introduction. From the survey of “New Employee Adaptability Ques-

tionnaire”, in the case of discovering that the physical and mental stress index of an employee exceeds the standard level, they are transferred to a third party cooperating professional psychological consultation company for the EAP (Employee Assistance Program).

In 2019, a total of 133 new employees were recruited, and the number of resignations in the same year was 25 employees, with a total of 108 freshmen successfully retaining their jobs. The freshman retention rate was 81.2% (108/133).

## ▸ MY ATEN/ MY TYPE Bullpen Project

At the end of 2018, for the job positions of key technical talents of PM, Pre-Sales and FAE, etc. ATEN established a 3-month “Bullpen Project”, and at the beginning of 2019, six partners were successfully matched and assigned to divisions of PM, Pre-Sale and FAE. For ATEN, cultivation of talents with ATEN DNA has always been an important aspect for the Company’s promotion of business growth.

After division assignment for works, in addition to HR’s periodically tracking of the learning environment of trainees on a monthly basis, online anonymous questionnaire survey was also conducted after one year of the establishment of the bullpen project, in order to understand the effect of the bullpen project. The questionnaire aspects include the three stages of reason of joining ATEN, training period and post-division assignment, such that from 30 multiple choice questions and 3 open questions in the survey, the comment, feedback and growth review of trainees of bullpen project can be understood. From the question survey result, we have received a great number of positive feedback, such as: receiving 96% of satisfaction from trainees of product courses (four main product lines of the Company, Hands-On course), and trainees have indicated: Hands-On course assists them to understand the product structure and composition rather than mere paper knowledge; trainees of bullpen project have also indicated that if there are further opportunities, they look forward to further opportunities of “practice and job transfer” arranged by the Company in order to increase the opportunities of career development within the Company. In addition, after interview with supervisors, a lot of supervisors have also indicated: trainees of bullpen project are different from previous freshmen, and the physical training courses actually increase the freshmen’s skills in product market analysis, competitor analysis and application scenarios, etc.

Presently, the bullpen project has achieved the initial goals predefined; however, we are not content with such achievement and will continue to monitor the work condition of trainees of bullpen project. We will also evaluate the opening of other bullpen projects, and ATEN looks forward to cultivating new generation with competitiveness in Taiwan by providing career opportunities and long-term cultivation to freshmen.

### ▶ Dual Platform for Passing On of Knowledge

The “ATEN Private Learning School” is an exclusive platform for ATEN’s internal instructors and is based on three objectives in principle: internal knowledge circulation and spreading, creating a learning type of organization atmosphere, and creating ATEN’s internal instructor team. In 2019, the priority goal was to improve the internal instructors’ teaching skills of the instructors, and internal instructor training courses were organized in priority in order to cultivate seed instructors’ teaching skills and to establish the basis for passing on of internal knowledge. Subsequently, 12 internal instructor lecture courses were opened, with an average satisfaction score of 92.4, and a total of 578 trainees participated in the course. In addition, the accumulated total training hours reached 1194.5 hours.



“Human Resource e-School” online learning platform records the learning and development of each employee at ATEN, including all types of internal and external trainings, physical courses, digital courses, learning resources and records, are all recorded on this platform, thereby providing complete learning history and human resource development record. In addition, through the broad transmission method of network platform, we also integrate the ACS (ATEN Certified Specialist) professional product training course lead by the Global Customer Service Division in order to assist employees in the headquarter and overseas subsidiaries to learn the knowledge of four main product lines of (KVM/Pro AV/PDU/Control System). Since the start of the course in 2018, up to the present day, the number of trainees of the course has reached 3,294 people, and the overall satisfaction score of the course is 87 points.

## 4.3 Friendly Workplace and Healthy Lohas

In 2018, ATEN received the Sports Enterprise Certification – in response to “Enterprise i SPORTS, Employee’s Energy NON STOP”. The Company has always emphasized the employees’ health, and the Company has established a comprehensive fitness center, including a pool table area, reading area, weight training area, fitness training area, aerobics classroom, and sauna, as well as a changing room for men and women. In addition, through diverse clubs, such as volunteer club, yoga club, aerobic boxing club, jogging club, after-work recreation sports club, basketball club and fitness club, in order to achieve balance between work and living for employees. In the future, the Company will continue to encourage employee’s regular exercise and implement the corporate social responsibility (CSR) of employee care.



### ▶ Safety Care-free Workplace

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

Occupational Disaster Type	Gender (Male)	Gender (Female)	Number of Times	Number of Days Lost	Total Number of Working Days (D)	Total Number of Working Hours (H)
Commute Traffic Accidents	1	1	2	1 (male)	178948	1431584
Occupational Disaster Thousand-People Rate	Number of people receiving occupational disaster insurance compensation throughout the year/Number of people of annual average labor insurance enrollment × 1,000 = 7.25					
Disabling Injury Frequency Rate (FR)	(Total number of injuries and deaths/Total number of working hours of all employees) 10 <sup>6</sup> (calculated based on million working hours) = 1.39					
Disabling Injury Severity Rate (SR)	(Total number of days lost/Total number of working hours of all employees) 10 <sup>6</sup> (calculated based on million working hours) = 0.69					

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

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

Gender	No.	Annual Total Working Hours	Occupational sickness leave	Menstrual leave	Sick leave	Sick Leave (hospitalization)	Total number of hours of absences	Absence rate
Female	332	656032	219.85	1233.3	5430.633	0	6883.783333	1.05%
Male	398	786448	16	0	4022.833	1092	5130.833333	0.65%
Total	730	1442480	235.85	1233.3	9453.467	1092	12014.61667	0.83%

## ▶ Employee Activities

In 2019, the Company continued to plan the “Health and Lohas UP2.0 Plan”, and collaborated with the Occupational Safety and Health Office to invite nutritionists and physicians of various major medical centers to provide lectures on health and lohas knowledge at the Company. Relevant seminars included “Overseas travel health management package”, “Diet after new year – calculation of calorie”, “Control of three heights, worry-free for kidneys”, “Understand sicca syndrome”, and “Flu season is coming – be aware of pneumonia”, in order to establish health knowledge network and protection events, thereby protecting the health of all employees. There were 1187 people participating in the seminars, and the average satisfaction level was 93.9.

In addition, we are also devoted to internal education on matters related to CSR. We also invite certified instructors from the “Society of Wilderness” to organize the “Energy saving and green living workshop”, and “You are in dream lake, environmental habitat protection seminar” in order for each employee to understand areas with power consumption at home, and to learn how to save energy and save the Earth. With the local scene/special species ecology, the environmental protection education and ecological protection approaches are promoted, thereby implementing ATEN’s core value of “Respect and Care (Environment)”.

In addition, the full-time Welfare Committee Director-General has utilized the theme of “Energy, Passion, Enthusiasm” is adopted to organize various welfare activities, including the monthly birthday meals, domestic employee tourism, Christmas party/Chinese New Year’s party, marriage and funeral events/child-birth/birthday/three holiday bonuses. The annual budget execution rate is nearly 100%. In addition of various welfare benefits from the Welfare Committee, different from other companies, for the period of 40 years of ATEN’s establishment, the Chairman has always presented birthday gifts in person along with greeting card with own signature to each employee on his/her birthday. All of these hearty actions have provided a sense of warmth to all employees. In addition, it also makes great impression and surprise memory to new employees receiving their birthday gifts for the first time.

## ▶ EAPs /Employee Assistance Program

We not only take care of employees but also care their families. It has been seven years since the initial implementation of the EAP (Employee Assistance Program) in the Company. Starting from 2018, the service subject has been expanded to relative of first degree of kinship of employees and their spouses. The purpose is to assist employees and their relatives to obtain professional and expert counseling through the “Employee Assistance Program”, in order to provide counseling service to overcome problems encountered at work or living, thereby allowing employees to have secured living and to focus on their jobs. If the problems encountered cannot be overcome through telephone counseling, employees can also use the face-to-face counseling service provided by the “Employee Assistance Program”. In 2019, there were 19 telephone consultations, 1 mail consultation and 4 face-to-face consultations provided.




## ATEN's 40th Anniversary Family Date

The Company organizes "Family Day" annually, and the purpose is to provide appropriate and stable salary and welfare benefits to employees as well as to provide a safe and comfortable working environment to employees; in addition, the Company also cares the employees' growth and development, etc., such that the Company is able to realize the corporate commitment to employees via substantial method. Furthermore, through the annual family day gathering, relatives of employees also have the opportunity to understand their work and company in order to provide support to employees.

2019 was the year for ATEN's 40th anniversary. Different from the past dynamic garden party and group competition methods, we planned the event based on the theme of "Music Concert" at Butterfly Hall of Yuanshan Taipei Export Park. On the event day, we arranged series of music performance for employees as compensation to their hard work for the Company, and we also prepared company introduction film to allow employees and their relatives to understand the current status, vision and future development direction of the Company. The "Aurora Orchestra" sponsored by the Company for a long period time also provided outstanding national class of performance. Through the introduction of the host, we also allowed employees to understand the CSR cultivated by the Company over the past years as well as the Company's care for disadvantaged group, and all of such achievements were presented in a musical way and produced remarkable sparkling effects.





# 5

## Active Social Participation

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





## Major Topics

Social Welfare Feedback, Friendly Environment

### ▸ Meaning of Active Social Participation to ATEN and Key Contributions of ATEN to SDGs

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

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

 	<p>During the implementation of education care and community relationship establishment, for the care and emergency support of students in poverty, the elderly, and disadvantaged families, ATEN is able to directly and indirectly achieve the two goals of "eliminating hunger", and "education quality". [Corresponding to SDGs Sections: 2.1, 4.5]</p>
 	<p>The community environment maintenance actions of beach cleaning, mountain cleaning, recovery of gardens, support of farms, etc. have demonstrated our concept and implementation of the improvement of the two issues of "marine ecology", and "terrestrial ecology". [Corresponding to SDGs Sections: 14.1, 14.2, 15.1, 15.5, 15.8]</p>

### ▸ Responsible Units

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

### ▸ Management Mechanism

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

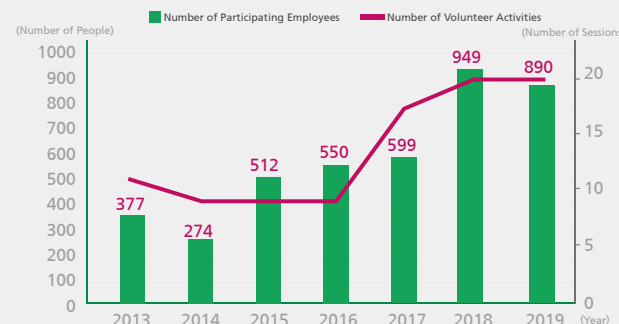
In addition, with the social participation and policy integration of the two organizations of the "Ching-Tang Education Foundation", and "ATEN Volunteer Club" with ATEN, various donations and public welfare activity participation are jointly executed. With the integration of the efforts and resources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



## ▸ Commitment, Actions, and Goals

Commitment	2019 Execution Outcome	2020-2022 Goals
Education Care and Cultural Asset Promotion	<p>In 2019, the budget invested in this issue jointly by "ATEN", "Ching-Tang Education Foundation", and the operator was NT\$ 3.21 million. The execution status and benefits are summarized in the following:</p> <p><b>Education Care:</b></p> <ul style="list-style-type: none"> <li>Sponsored the paper windmill counter-drug theater, number of benefited people of approximately 1,500 people.</li> <li>Donation of Commonwealth Future Kids Magazine, number of benefited people of approximately 20,000 people.</li> <li>Sponsored Gukeng Junior High School after-school firefly class, number of benefited people of approximately 43 people.</li> <li>Sponsored Qingshan Junior and Elementary School badminton training budget, number of benefited people of approximately 72 people.</li> <li>Sponsored National Chiao Tung University, ARRC prospective rocket project research budget.</li> <li>Xizhi district scholarship for poverty/emergency subsidy/academic awards, number of benefited people of approximately 543 people.</li> <li>Xizhi district public school volunteer thanksgiving ceremony, number of benefited people of approximately 250 people.</li> </ul> <p><b>Intangible Cultural Asset Promotion:</b></p> <ul style="list-style-type: none"> <li>Continued to sponsor the "Aletheia University Taiwan Writer Oxford Award".</li> <li>Continued to sponsor "Beitou Moon Lute Festival" event.</li> </ul>	<ol style="list-style-type: none"> <li>Continued to invest a budget above NT\$ 2 million in education care and intangible cultural assets annually.</li> <li>Assisted children in Xizhi and other areas to a great extent to have fairer education and learning resources.</li> <li>Continued to support Taiwanese cultural and arts related activities in order to facilitate the preservation of intangible cultural assets.</li> </ol>
Elderly Activities, Care for the Disadvantaged, and Community Environment Maintenance	<p>In 2019, the donation amount of the Company for "Elderly Activities and Care for the Disadvantaged", and Community Environment Maintenance" was NT\$1.26 million. In addition, the volunteer club also instated the employee physical donation during the three main holidays and the donation amount for the disadvantaged group was approximately NT\$390 thousand. In 2019, the Company organized 20 volunteer activities through the "ATEN Volunteer Club" with a total of 890 employees participating in the activities. With the addition of the external stakeholders, the number of participants reached 1080 people. Relevant activity execution status summary is as follows.</p> <p><b>Elderly Activities and Care for the Disadvantaged:</b></p> <ul style="list-style-type: none"> <li>Volunteers for Senior Bocca Sports Federation(11 volunteers)</li> <li>Three volunteer activities at the Asia Best Healthcare Nursing House – campus care visit and outdoor activities. (36 volunteers, number of benefited people of approximately 90 people)</li> <li>Xizhi elderly living alone sustainable lohas summer outdoor activities.(18 volunteers, number of benefited people of 26 people)</li> <li>Elderly living alone year-end dinner gathering and winter warmth materials donation.(Number of benefited people: 100 people)</li> <li>Shin-Lu– Hiking Together.(44 volunteers)</li> <li>Embracing elderly living alone, worry free for elderly.(Participated by 194 employees)</li> <li>World Peace Organization charity food box.</li> <li>Dragon Boat Festival Charity Gift Box Activity(194 people participated, number of benefited people of 264 people)</li> <li>Moon Festival moon cake donation.(245 people participated, number of benefited people of 809 people)</li> <li>Other Donations: Sponsored the Aurora percussion group.</li> </ul> <p><b>Community Environment Maintenance:</b></p> <ul style="list-style-type: none"> <li>Two sessions of butterfly habitat maintenance. (55 volunteers)</li> <li>Four sessions of Fulong beach cleaning event, and one session with invitation of other companies to participate in the event.(142 volunteers)</li> <li>May one acre of farm adoption and farming experience activity. [Number of participants: 131 people]</li> <li>Shinshan Dream Lake Mountain Cleaning Activity.(47 volunteers)</li> <li>"2019 Earth hour response action".</li> </ul>	<ol style="list-style-type: none"> <li>Continued to invest a budget above NT\$1 million and manpower for issues related to elderly activities, care for the disadvantaged, and community environment maintenance.</li> <li>Organized more than 15 sessions of volunteer activities.</li> <li>Continued to invite all external stakeholders to participate in relevant volunteer activities organized by ATEN.</li> <li>Expanded the participation of overseas branches in order to allow ATEN to implement CSR in different areas of the world.</li> </ol>

[ATEN Volunteer Club Previous Years Activity Statistics]



(The number of participants in 2019 was 6.2% less than the number in 2018; however, the number of participants was higher than the average number of participants of 460 people over the past five years)

## 5.1 Education Care and Cultural Asset Promotion

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

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

### ▶ Xizhi Doangshan Elementary School School House Painting Volunteers

The "Dongshan Elementary School" located at Xizhi mountain area in New Taipei City is a relatively remote small elementary school at Xizhi and is adjacent to the Xiping express way connecting Xizhi and Pingxi river. The school has only approximately 70–80 students. Despite of its small scale, since its establishment in 1927, the history of the school is nearly century old. In recent years, the school actively develop ecology, arts and culture, reading and living characteristic courses. Before the Chinese New Year in 2019, the school planned to sort and organize the idle spaces (storage room) of the school house into a space exclusive for music classroom; however, there was insufficient manpower and budget. After discussion with the school management, ATEN's volunteers used their weekends

and holidays to assist the school to perform painting and teaching material sorting works in order to allow students to have a brand school house and new music classroom that was neat and clean after the Chinese New Year holiday.

[Number of Volunteers: 24 people, Number of Benefited People: approximately 80 people]



### ▶ Xiguang Children Study Center Painting Volunteers

Through the referral by the Social and Humanity Division of the Xizhi District Office, we learned that the "Xiguang Children Study Center" next to the Xizhi Jinlong Elementary provided after-school guidance and study accompanying place for more than 30 children of disadvantaged families at free of charge, in order to prevent children without proper family care from wondering around after school that could affect their learning and integrity development. The couple of Chih-Jen Lin and Hsiu-Fen Chou established the "Xiguang Children Study Center" after their retirement in 2016. With love and care, the center provides study guidance to disadvantaged children at free of charge and also provides teaching in various aspects of music and drama in order to allow children to demonstrate confidence in arts and related skills, thereby promoting their confidence in academic learning. In addition, the center also provides integrity education and individual guidance in order to teach students to be grateful and to become a person understanding the importance of contribution. Xiguang Children Study Center has exerted effort in caring disadvantaged children for a long period of time. Under the condition of limited resources, they seek support from the external. After ATEN inquired their needs, we understood that presently the study center had the need for classroom renovation for space painting, wall and ceiling painting and sorting. Accordingly, during the weekend of 12/8 when the students were absent, the Company purchased the materials of paint and tools and called 18 employees and relatives/friends as volunteers to assist the study center to complete the renovation, thereby allowing students to have a neat, clean and renovated proper learning environment.

[Number of Volunteers: 18 people, Number of Benefited People: approximately 30 people]



### ▶ Sponsored Paper Windmill Counter-drug Theater Play

On May 21, 2019, "ATEN", and the "Ching-Tang Education Foundation" jointly invited the "Paper Windmill Theatre" for a counter-drug stage performance play: "Saving Fu Shi De" at Xizhi Xiufeng High School stadium for grade three students of five junior high schools (Hsiufeng/Qingshan/Changshu/Jinshan) of Xizhi and Jinshan, Districts. This was a counter-drug stage play made exclusively for teenagers, and the roles of teenagers were played with the user of their language in order to increase teenagers' counter-drug awareness, to understand the harm of drugs and to also achieve eco effect among teenage peers on the counter-drug issue. During the performance of the play, the laughter of students not only woke up everyone but also allowed the concept of counter-drug to be deep rooted in the minds of students. From the survey questionnaires collected after the performance, we also received numerous positive and inspiring feedbacks from a lot of students. To allow junior high school students at Xizhi district to have the opportunity to watch the play with the correct counter-drug concept, we will continue to organize such event annually and list it as an item for long-term sponsorship.

[Number of benefited people: 1500 people]



### ▸ “Global Kids Junior Monthly” to Donation of 100 elementary schools in New Taipei City

Since 2014, to promote reading habits, ATEN supports and responds to Commonwealth Publishing Group's initiative, “Charitable Delivery of the ‘Global Kids Junior Monthly’ for Creating a Shared Knowledge Platform for 2,678 elementary schools nationwide. The Company donated the monthly journal of “Global Kids Junior Monthly” for a period of one year to 100 elementary schools with relatively small scale of classes, in the hope to provide assistances for small-sized schools that have relatively few resources. We also hope that this excellent magazine, with its rich contents that cover different subjects including English, math, history, geography, science, humanities, and art, as well as with its use of mandarin phonetic symbols and illustrations to aid learning, will be accompanying these children in growing up happily and helping them develop the habit of reading. For the past six years, our care and love have spread to 25 townships and districts, 100 schools in New Taipei City, and have donated 7,200 magazines and arose tenths of thousands sincere responses.

[Number of Benefited People: A total of 20,000 grade 1-2 students from 100 elementary schools in New Taipei City]



Source of Data: CommonWealth Publishing Business Group

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

In 2019, the Chairman's wife (also the club chief of volunteer club) and the Company jointly donated the after-school guidance fund for the “Firefly Class” of Gukeng elementary and junior high schools in Yunlin County, in order to support disadvantaged schools to receive greater care and assistance in their learning path. The Gukeng elementary and junior high schools are located at remote area of Yunlin County, and the families of students are mostly single-parent, foreign parent, grandparenting and economically strained families. Under various harsh growing environment, the after-school time of children is important to prevent external lure and improper behaviors of students. To provide places with warmth for students requiring after-class courses and living guidance after school for learning, the Principle, Yu-Lin Chen initiated the “Firefly Class” in 2014, in order to integrate resources and to contribute effort in assisting children to change their own future. The “Firefly Class” has been organized for six years, and we will continue to donate funds for the dinner, after-school care, transportation and teaching materials required by the Gukeng elementary and junior high schools, in order to provide three types of learning resources to students during the academic learning period at school for five days per week and three classes daily after school, and such resources include: (1) Based on the consideration of the individual difference of students, the teacher provides guidance to assist each student to complete their homework; (2) Provide course guidance through supplementary course and catchup course in order to reduce the gap among students; (3) Provide social skill course to assist students to establish excellent interpersonal relationship and confidence. To allow students to have greater faith on the after-school guidance, the school also arranges various interesting courses of baking class, planting class, coffee brewing class, jam making class and sports activities, in order to allow students to learn during play and hands-on practice, such that students requiring care are able to receive warmth and proper care, thereby making positive changes in their academic learning, concepts, behaviors and interpersonal relationship.

[Number of benefited people: 43 people]





### ▸ Sponsored Qingshan Junior and Elementary School Badminton Training Budget

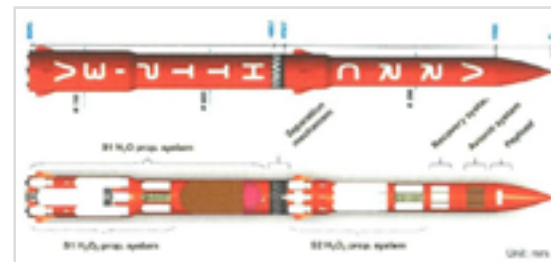
The New Taipei City Qingshan Junior and Elementary Badminton Team was established in 2014. It is one of the key sports development subjects of the school. In the two years of 2017 and 2019, it was also evaluated by the Education Department, New Taipei City to be a key development school for badminton. Presently, there are more than 70 team members, and the number of members doubled in the last four years. Under the effort of the Principal to seek a budget and coach's active training and arrangement for contests, in 2019, the team was able to achieve remarkable results in numerous types of contests. The school has been committed to the promotion of the sports of badminton. During the winter and summer holidays, the school also opens summary and winter camps. Since such camps are opened during the holiday period, the ratio of external students reaches 90%, demonstrating that the Qingshan badminton team has achieved outstanding outcome in the regional development. Sports are an important development for teenagers in addition to academic learning. To cope with the necessity of students' s adaptivity development, under the condition of budget difficulty in Qingshan Junior and Elementary School, ATEN sponsored a portion of the training expenses in order to provide assistance to the daily training of the team. We believe that under the effort of the school and support of the company, greater number of students will be able to join the sports team, thereby promoting the sports of badminton suitable to all citizens to a greater extent.

[Number of benefited people: 72 people]



### ▸ Sponsored ARRC Prospective Rocket Project Research Budget

The Company continues to sponsor the rocket project self-promoted by our citizens. The Advanced Rocket Research Center (ARRC) of National Chiao Tung University is a privately funded institution. In 2012, National Chiao Tung University established the ARRC, and its goal was to promote the aerospace technology development of Taiwan, with the research on hybrid rocket technologies, development of specialized components for rocket technologies, and cultivation of talents in the relevant field, in light of the self-development of rockets in Taiwan. In 2021, it is expected to launch a 4U cube satellite to perform quantum communication transmission experiment at an altitude of 100km above the earth. ATEN supports ARRC to allow the technology education in Taiwan to head toward the direction of system establishment capability. In addition, during the promotion process, the Company also hope to find ATEN's product and technical capabilities to contribute and to be integrated with such aerospace project. During the staged launch testing process of this project, the Company also donated four sets of its own products of VE875 Fiber Extenders to assist the transmission of the launch site surveillance screen back to the machine room.



### ▶ Issuance of 2019 “Scholarship for Students of Poverty”, and “Emergency Subsidy”

In view of the continuous expansion of the gap between the rich and poor in the society as well as the insufficient educational budget for children of academic learning ages from medium and low income families, along with the consideration of other unexpected accidents and incidents, that may affect the right to education of the next generation, the “Ching-Tang Education Foundation” provides a “scholarship”, and “emergency subsidy” to students in various public elementary schools, junior high schools, and senior high schools in Xizhi District in order to provide some economic support to the students, as well as to encourage students with a background of poverty that they are still able to strive for learning, thereby making contributions to society. During the process of award presentation of “scholarship”, the foundation also arranges or invites local school music bands in Xizhi for performance in order to enrich the process of ceremony. The foundation provided emergency subsidies to 193 students and scholarships for students of poverty to 244 students in Xizhi District in 2019.

[Number of Benefited People: 437 people]



### ▶ Donated “Diligent Study Awards” to select graduates from all public schools in Xizhi

To encourage graduate students to head toward another learning stage and to continue to uphold the excellent learning spirit with great performance, the “Ching-Tang Education Foundation” presents the “Diligent Study Award” before the graduation season of each year, and the library coupons and award certificates are provided to outstanding students selected from 15 public elementary schools, junior high schools and senior high schools in Xizhi district. In addition, during the graduation ceremony, schools also praise all students receiving awards publicly.

[Number of benefited people: 106 people]



### ▶ Xizhi District Public School Volunteer Thankgiving Ceremony

To demonstrate our appreciation to volunteers servicing 15 public schools in the Xizhi District for a long time with their own time and effort in order to allow school education to be developed successfully and students' safety to be protected, the "Ching-Tang Education Foundation" organizes a thanksgiving ceremony in order to invite volunteers from schools as well as teachers and principals to jointly encourage volunteers and express their appreciation, in light of allowing such education care effort to continue in the future. We also hope to encourage volunteers with passion to join us for the protection of our children. In the award presentation ceremony in 2019, we also invited the New Taipei City Volunteer Service Promotion Center to provide lecture on information helpful to volunteers in the provision of volunteer services.

[Number of benefited people: 250 people]



### ▶ Sponsored the "Aletheia University Taiwan Writer Oxford Award", and "Beitou Moon Lute Folk Music Festival"

Taiwanese local literatures and music need to be preserved and promoted systematically; therefore, the "Ching-Tang Education Foundation" continues to sponsor the "Taiwan Writer Oxford Award" organized by Aletheia University to promote the historical contribution and position of outstanding Taiwanese literature writers. In addition, the Company also sponsors the "Taiwan Moon Lute Folk Music Foundation" in the event of "Beitou Moon Lute Folk Music Festival" organized at Beitou Hot Spring Museum every summer, in order to allow more people to understand Taiwanese literature and the beauty of music, and to promote such precious intangible cultural assets.

[Number of benefited people: 5,000 people]





## 5.2 Elderly Activities and Care for the Disadvantaged

With the upcoming era of aging society with few new children, we can imagine that the number of elderly people living alone and requiring assistance and accompanying will continue to increase. As the economic growth slows down, and the under the environment of insufficient population benefit and low income, the number of disadvantaged groups requiring assistance will continue to exist in the society. "Respect and Care" is one of the corporate core values of ATEN. The Company's corporate social responsibility performance also follows such spirit, in light of providing assistance and care to groups requiring assistance and care in the society in a timely manner. ATEN's CSR team members constantly maintain contact with public departments, disadvantaged groups, social welfare groups and elderly care institutions, etc., in order to provide assistance of corporate volunteers and corporate financial supports and resources, such that assistance and care can be provided to disadvantaged groups of elderly, disabled or economically strained families. For the three sustainable goals of "elimination of poverty", "elimination of hunger", and "health and welfare" of SDGs, we also contribute effort to achieve such goals step by step properly.

### ▸ Volunteers for Senior Boccia Sports Federation

Boccia is an official contest of the Boccia Sports Federation, and the sports is suitable to disabled group, and in recent years, it has been promoted to the senior group. To implement CSR concept, in 2018, the Company participated in the preparation works for the Asia Open of Boccia International Sports Federation organized by the "Boccia Taiwan Sports Federation". In addition to budget sponsorship, the Company also integrated ATEN's professional technologies and equipment in order to assist the live broadcast of the game. Subsequently, we also invited professional coach of the Boccia Sports Federation to proceed to the "Medical Nursing Home" to participate in boccia sports experience with elderlies in order to integrate such sports with the elderly program. The Company also received positive feedbacks from the elderlies. In 2019, "Taiwan Sports Boccia Federation" organized the fifth term of "Senior Boccia Sports Game", and ATEN's volunteer club also called volunteers to provide assistance in the proceeding of such game in Taipei. The game was performed in groups of three, and the groups were classified into the following categories:

- **"Lohas team"**: all three team members above the age of 60 years old, and senior members are health and able to move without difficulties.
- **"Senior and Young Mixed Team"**: one team member with age above 60 years old, and accompanied by children or grandchildren.
- **"Skilled team"**: members equipped with boccia classification card or once participated in official games.
- **"Special elderly team"**: Elderlies with dementia participate in the game through amusement game play method.

For the two sessions in Taipei and Taichung held for this event, there were a total of 85 teams and 255 participants, a record high in the number of participants in comparison to the previous years. The preparation before contest and the competent ion on the day of contest provided special and precious opportunities and experience to all elderlies and their families. Through the event, participants were able to expand their social space, and from the winning of any contests, elderlies were also able to establish self-recognition and confidence.

[Volunteers Participated: 11 people]

"Boccia" is one of the official games of the Park Games (known as the Paralympic Games) and it is originated from the ancient Greeks as a throwing game. After modification, it then became a sport requiring strategy and skills with minimum body actions. This is a contest particularly designed for the physically and mentally disabled with difficulty in controlling extensive actions, and the main participants are groups with cerebral palsy, muscle atrophy, spinal cord injury, and rare diseases. Boccia is also a sports requiring brain works without extensive body movements; therefore, it is a recreation activity extremely suitable to elderlies.



## ▸ Volunteer for the Elderly – Asia Best Health Nursing Home

Over the last five years, ATEN has collaborated with “Asia Best Health Nursing Home (ABHNNH)” to promote elderly care events. Through discussion with the institution, we hope to achieve regular accompanying, care, visit, recovery and preventive fitness exercise, we also look forward to providing event arrangements that are meaningful, warm, fun and suitable to elderlies. With the “paid volunteer leave” provided by the Company, ATEN’s volunteers have accompanied elderlies in various events of Xizhi old street tour, shopping at supermarket, tour at Taipei Expo Park, and bocchia game, etc. We hope that through short accompanying period, we are able to leave great memories for elderlies and to enjoy their great day.

**Relevant activities cooperated on with ABHNNH in 2019 are described in the following:**

- **Dragon Boat Festival scented sachet making and proper fitness training**

Dragon Boat Festival is one of the three major traditional folk festivals and it is also a day for family gathering. During Dragon Boat Festival, humidity, according to the traditional culture and old sayings, heat and various harmful substances may emerge, and it is important to avoid and prevent such harms while maintaining health. Consequently, the tradition recommends people to place the plant of artemisia argyi at home, to wear scented sachet and to post up Zhong Kui images, etc., as part of the traditional culture. Since elderlies must be familiar with the scented sachets, we decided to arrange volunteers to visit the institution before the Dragon Boat Festival in order to arrange proper fitness and scented sachet making activity for elderlies during the celebration of the festival. On the event day, our fitness instructor led elderlies to make simple stretch exercise and then elastic belts were distributed in order to slightly increase the strength of the exercise. The instructor also arranged some small contests and allowed two people in a team to perform actions. Throughout the exercise, it was full of joy and excitement. The volunteers cheering the elderlies also paid attention to their safety and assisted them to complete the actions taught by the instructors. After a short period, we could see that a lot of elderlies were sweating and seemed to be slightly tired but we



could also see their joy on their faces. For the next DIY scented sachet making, a lot of female elderlies had the chance to pick up and use needles and strings again. Despite their slow pace, their skillful postures also allow the volunteers to understand the experience and wisdom of elderlies. After several minutes, scented sachets with Chinese medicine smell were made one after another. We saw elderlies wear the sachets on their necks happily and adorable. We believed that through such event after few hours, it would be able to bring great and pleasant memories to the elderlies.



- **Tourist Factory –Taro Cake Making**

Xizhi has a well-known souvenir -Taro cake and it is famous for its delicate and delicious taste enjoyed by consumers at all ages. Recently, to promote the local economy, the company established a tourist factory and Asia Best Health Nursing Home also arranged a DIY taro cake roll tour for elderlies in November 2019. The elderlies took the recovery bus and arrived at the “Siang Shuai Taro Cake Making Factory”, and ATEN’s 25 volunteers assisted the elderlies to enter the tourist factory one-on-one. Under the comfortable environment, a visiting tour was completed, followed by DIY making of taro cake roll. 6-8 circular cake molds were made, and taro stuffing was filled into the cakes. With the great odor of cake and taro, the elderlies enjoyed the process of cake making. Once the cakes were made, some were eager to try the cakes and could not wait to taste the cakes that were made by their own hands while some preferred to take home for taste after taking pictures of their own finished works. Under such warmth and pleasant atmosphere with the air filled with the scent of sweetness, the elderlies might even smile during the sleep on that night!



[Number of Volunteers in these two events: 36 people, Number of Benefited People: approximately 90 people]

### ➤ Elderly Care—Xizhi Elderly Living Alone Sustainable Lo-has Summer Outdoor Activity

Every year, the Company collaborated with the Social and Humanity Section of Xizhi District Office, and the arrangement of outdoor activity for elderlies living alone at Xizhi district has gradually become an important event they long for. With the transformation of family structure, a lot of elderly living alone have to live alone without having any children or due to children living in other places or abroad, such that their daily lives are not properly cared for by others. In addition to the public department's periodic visit and care, to provide opportunities to the elderly to go outdoors in order to slow down the aging process, the Company continues to cooperate with the Xizhi District Office and sponsors the budget necessary for activities. In addition, the Company volunteers use their one day of "paid volunteer holiday" along with the volunteers from the district office to accompany the elderly in a one-on-one manner, and to listen to the elderly to share their life experiences during the activity. In October 2019, we arranged the tours of Yilan Traditional Arts Center, Luodong Forestry Cultural Park, Jiaoxi Hot Spring Park for foot bath in order to allow elderlies living alone to walk in scenery parks and enjoy the great meal and view of Yilan during the event and to have a wonderful day. Under the accompanying and patient care of the volunteers, the elderlies that live alone during their regular days are able to receive warmth from the society, and the smiles of elderlies are the best reward for volunteers.

[Number of Volunteers: 18 people, Number of Benefited People: 26 people]



### ➤ Elderly living alone year-end dinner gathering and winter warmth materials donation

The Xizhi District Office arranged 60 elderlies living alone for dinner gathering before the Chinese New Year, such that despite that they had no family members to accompany them for the holiday, they were still able to receive some warmth during the Chinese New Year. ATEN sponsored a holiday red envelope gift money of NT\$1,000 per person to each elderly living alone attending the event. In addition, for the other 10 elderlies living alone but could not participate the dinner gathering and the other 30 people having living difficulties and requiring urgent assistance, the Company prepared the material supplies of rice, cans and foods, etc., as a way of distributing love and care to those needed help during the holiday.

[Number of Benefited People: 100 people]

### ➤ Shin-Lu- Hiking Together Event

To support mentally disabled to leave home and contact with the society, to learn mutual understanding, respect and create friendly and co-prosperous living environment, the Company continues to support the 7th term of "Hiking Together" event organized by "Shin Lu Foundation", and called the general public and disabled friends to participate in hiking event together. Over the past years, ATEN has supported this event for five times. In 2019, The Company also called 44 employees to participate in the hiking event at Sanchong Fortune Shuiang Park on 3/23, and also donated NT\$50 thousand to the event as contribution to the care and support of disadvantaged group. In addition, to assist Shin Lu Foundation to promote and educate students about the cause of disability and the correct concept on how to treat mentally disabled friendly, the Company also invited Shin Lu instructors to provide educational promotion at Xizhi Qingshan elementary and junior high schools, in the hope of creating a friendly environment of mentally disabled through education.

[Volunteers Participated: 44 people]



### ➤ Embracing Elderly Living alone, Worry Free for Elderly

ATEN continues to care elderlies living alone and disadvantaged elderlies at the southern part of Taiwan. We collaborated with the Heng Chun Christian Hospital again and also organized fund raising from ATEN employees for supplies of diapers and protective pads for elderlies. This year, after survey of the resource distribution and the needs of elderlies at Heng Chuan, we discovered that a lot of pillows used by elderlies were dirty and might even affect health, such that replacement of new pillows was needed. Accordingly, we provided a pair of pillows for 180 elderlies living alone and disadvantaged families at the Heng Chun Peninsula before the Chinese New Year, as timely contribution of resources, thereby allowing elderlies to enjoy a brand new year with new year atmosphere.

[Number of Employees Participated: 194 people]

### ➤ World Peace Organization charity food box

Since hunger and malnutrition due to poverty still occurs at some dark corners of the society in Taiwan, and this could be a great threat to the lives of children and their growth. As the family's economic condition is poorer, the children of such family may suffer greater malnutrition problem. The goal is to allow children of poor economic status to no longer suffer from hunger and have sufficient meals every day, and the Company aims to achieve such goal despite physical factors in the society. Accordingly, the Company continues to collaborate with the World Peace Organization. In January and August, the Company invited employees to donate food materials suitable for children and with an expiration period above 6 months in January, and the food materials included milk powder, cereal, high fiber cookies, noodles, cans, etc., to assist children in poverty, in order to protect them from hunger.





### ▶ Dragon Boat Festival Charity Gift Box Activity

Employees of ATEN continued to demonstrate their charity care before the Dragon Boat Festival, and provided 1.5kg of rice, cooking packs, beverages, meat powder and canned foods, etc. packaged into charity gift boxes for employee's subscription and purchase for donation to high risk families, single parent new inhabitant families in Xizhi District, and disadvantaged families in Qixin. The activity raised a total of 264 gift boxes with a total value of NT\$132 thousand, and provided them to the Xizhi District Office for forwarding to families with needs in order to share love and care during the Dragon Boat Festival.

[Number of Employees Participated: 194 people, Number of Benefited People: 264 people]



### ▶ Moon Festival Moon Cake Donation

Before the Moon Festival of each year, the ATEN's volunteer club invites employees to care for the disadvantaged and to subscribe for moon cakes. This year, with the enthusiastic participation of ATEN's employees, a total of 809 moon cakes were raised. Through the four district offices at Xizhi, Wanli, Jinshan and Shimen in New Taipei City, the love and care of ATEN's employees were distributed to elderlies living alone, low-income families and disadvantaged families, families requiring urgent assistance, elderly centers, high risk families and reconstruction centers, etc. In addition, we also shared our care and love with disadvantaged families and children cared by the Xizhi Kaorong Christian Church, Presbyterian Church in Taiwan – Xiwanlu Christian Church, and Xizhi Heart Xizhi Care Association, thereby promoting the warm atmosphere during the Moon Festival!

[Number of Employees Participated: 245 people, Number of Benefited People: 809 people]



### ▶ Sponsored the Aurora Percussion Group

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

Under the passionate leadership of Ah-chi instructor and hard work of team members, Aurora successfully made its way to the domestic highest musical stage of "National Concert Hall" at the end of 205. Its outstanding performance has also led the team to receive numerous invitations from different charity organizations and companies. Therefore, not only the team members are able to join the crowd and can further spread such positive energy of persistent effort to the society. Over the past years, ATEN has sponsored the rental expense for the team practice of the Aurora Orchestra in order to provide solid support to the Aurora such that they are able to practice without worries. We will continue to expand further from this foundation based on such concept in order to allow more disabled friends to find their position in the musical field and to recognize themselves again, as well as to allow their families and the world to see the power of a new beginning of their lives.

In October 2019, ATEN organized the family day for the Company's 40th anniversary at Yuanshan Taipei Export Park Butterfly Hall through the music concert type of event. During the event, Aurora Orchestra was also invited to provide musical performance for more than 1,200 ATEN's employees and their relatives. With great music performance one after another, all audience at the scene gave their greatest applause to the performers.



## 5.3 Community Environment Maintenance

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

The Jiannan Butterfly Garden and Jiannan Butterfly Trail in Neihsu, Taipei City is one of the few butterfly conservation zones in the area of Taipei City, and its rich butterfly ecological resources have made it become the best place to conduct ecological education in the region of Yangmingshan Mountain of Greater Taipei. ATEN's volunteer club cooperated with the "Butterfly Conservation Society of Taiwan" for the seventh year. In addition to the sponsorship of parts of the budget, two sessions of butterfly habitat protection activities are arranged annually. Under the leadership of the society volunteers, during their weekend time, ATEN's volunteers and their families use performed the cleaning of aggressive and hazardous foreign plants, planting of nectariferous plants, insertion of plant description signboards, etc. in the area on weekends. Under the leadership and explanation of the Butterfly Conservation Society, participants were able to understand different butterfly species and the ecological environment necessary for the growth of butterflies. In addition, participants were able to experience the types of aggressive foreign plants: how mile-a-minute weed can cause severe damage to the nectariferous plants in the habitat, etc. Ecological environmental protection is a sustainable work, and a lot of employees bring their children to participate in the society volunteer activities such that they are able to not only enhance the parent-children relationship but also gain rich butterfly ecology and environmental protection knowledge. Consequently, we are able to cultivate next generation of pioneers in environmental protection in order to continue to exert greater efforts in the environmental sustainability.

[Volunteers participated :55 people, including 14 relatives]



### ▶ Fulong Beach Cleaning Activity

Since 2012, ATEN has adopted a length of 360m of the beach in front of the Fulong Dongxing Temple at Gongliao District, New Taipei City, with the "Northeast and Yilan Coast National Scenic Area Administrative Office, Tourism Bureau, MOEA", and it is the eighth year for the Company to continue its commitment to earth environmental protection. During the at least four times of beach cleaning events annually, we also exert our influence and invite instructors from the Society of Wilderness to lead the volunteers to perform beach cleaning via proper methods during the process. We further hope to manage the sources of waste. To reduce waste from the sources and to promote the environmental protection concept on how to reduce impacts of people's living on the ecology. Furthermore, we also invite enterprises or stakeholders sharing the same vision to participate in the beach cleaning activities with us. In addition, ATEN also looks forward to share and communicate the concepts of CSR promotion method, volunteer club operation details with the external. During the event in December 2019, we invited the owner of an enterprise in the same science park to participate in our beach cleaning volunteer event. During the beach cleaning process, we share the systematic promotion of CSR and providing "paid volunteer leave" to employees in order to encourage employees to participate in volunteer events organized by the Company during the working hours, and the inclusion of the volunteer activity participation into the performance evaluation as well as other systems and actions. After the end of the event, we learned an exciting news that the enterprise joining the event also recognized the method of "paid volunteer leave" after their internal discussion with the senior management, and they would also start to offer "paid volunteer leave" to their employees. We are very pleased to be able to call greater number of friends to participate in the promotion of CSR and to have positive impacts on each other through sharing and learning process. We look forward to continuing to expand such positive influence in order to promote greater number of enterprises to contribute greater care and resource in sustainable operation.

[Volunteers Participated: 142 people, including 13 relatives and external stakeholders]





### ▶ My One Acre of Farm Adoption and Farming Experience Activity

Paddy fields have multiple values to the society in Taiwan, and such fields provide not only food but also conserve groundwater due to the planting of paddy, thereby preventing land subsidence, regulating climate and beautifying village landscape. Paddy fields with the use of “non-toxic cultivation” agricultural methods can become temporary protective places for waterfowl and aquatic animals in order to increase the richness of the ecology. Since 2017, the Company has adopted the paddy fields in Yilan farms through the “contract” method for three years. In addition, to allow employees and their relatives to have the opportunity to touch the earth and experience farming cultivation as well as to contribute efforts in the paddy fields adopted by us.



In March and June, we further invited farmers to lead employees and their relatives to perform spring seeding and summer harvesting in person, in order to allow everyone to have the opportunity to ride on the seeding machine and harvester as well as to experience the efficiency of mechanized cultivation. Through the seeding and harvesting experience activities, we look forward to achieving the CSR multiple purposes of environmental knowledge education, care of land and promotion of employee relationship. During the activity process, in conjunction with explanation, parent-children activities, and local cuisine, everyone is able to get close to the land and to enjoy the beauty of the earth. The Company also arranged the gifts of rice harvested from the event as holiday gifts to employees. The Company also received great response and feedback from the participating employees and relatives. [Volunteers participating: 131 people, including 87 relatives]

### ▶ Shinshan Dream Lake Habitat Protection Activity

At a mountain area of Xizhi District, New Taipei City, there is a beautiful lake named “Dream Lake”, at an altitude of 325m with great scenery, a quiet environment, and pure water, but it is in a remote area with limited transportation access. The lake’s area is not large, but a fish species *rasborinus formosae* under protection lives in the lake,



and the lake also includes a species of carnivorous plant named *utricularia aurea* capable of catching wigglers as well as more than 40 species of dragonflies and damselflies in the area. Despite the lake’s size, it contains a rich ecological environment that needs to be protected properly. In the past, ATEN has organized mountain cleaning volunteer events numerous times, and a great number of garbage and waste disposed by people were cleaned and removed. From the discussion and interaction with the Society of Wilderness, we found a relatively serious problem, and the mud scorned down from the new mountain had caused the area of the Dream Lake to become smaller year after year. If such problem was not overcome, the lake would disappear and become a land field that could jeopardize the existence of species in that area. To fulfill the corporate responsibility for environmental protection continuously, we collaborated with the professional instructors of the “Society of Wilderness”, and volunteers to perform two sessions of environmental protection works of dredging, sediment



pond repair and hand-made walkway construction, etc., in May and August 2019 respectively. With the effort of 47 ATEN’s volunteers, we successfully allow the newly constructed sediment pond to function properly. During the process, despite the hard work, we believe that under the routine care and maintenance, it will be able to effectively control the mud sediment speed, thereby providing opportunity of adjustment and care to the special species and ecological environment at the Dream Lake.

### ▶ Shinshan Dream Lake Habitat Protection Activity“2019 Earth Hour Response Action”

In response to the “Earth Hour (60+)” series of event initiated by the “Society of Wilderness”, and to promote the concept of energy saving, environmental protection and care of earth, the Company donated NT\$50 thousand to support to promotion related expenses and also arranged the internal of the Company to participate in the following activities:

- 2019/3/30 (Saturday) 20:30–21:30, the Company’s Xiwan Plant Blue ATEN LED signboard lamps were closed for one hour in order to demonstrate the Company’s commitment and response to energy saving and environmental protection.
- Invite all overseas sales offices to participate in the event of turning off lamps for one hour.
- Invite ATEN’s honorary Chairman to photograph a promotional video clip and upload onto YouTube in order to support this event.
- Organize the “Energy Saving Green Living Workshop” in the Company to promote the concept of energy saving.



#### Earth Hour

In 2007, the World Wide Fund for Nature (WWF) initiated the global energy saving event in Australia. Presently there are 188 countries worldwide response to the event, and it is also the largest public environmental event. We hope that through such event, we are able to promote power management, to reduce energy consumption and to encourage people to exert effort in real action in response to the awareness of the climate change.

According to the statistics of the Taiwan Power Company, on March 30, 2019, a total of 110 thousand degrees of power were saved throughout the entire region of Taiwan on that day, a record high in comparison to the previous years, and equivalent to the reduction of 60,940kg of carbon dioxide emission, and also equivalent to the planting of 5,540 units of trees.



## 5.4 Overseas Record

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

### ▸ Belgium Sales Branch Company

Over the past years, “ATEN Infotech” of the sales branch company in Belgium supports the CSR policy of the Group’s headquarters and also adopts different methods including donation or volunteer activities to implement CSR.

- ‘t Weyerke – Charity Institution



it is the sixth year for the Belgium branch company to support this project, and an amount of EUR 1,000 has been donated to the local charity institution ‘t Weyerke for support of local handicapped people in order to be a joint sponsor. The amount raised by the institution will be used for the training and education

of handicapped people, permanent residence planning, and administrative expenses of the institution. ATEN’s Belgium branch also assists in the fund-raising activities of the year through advertisement listing or participation of volunteers in the local magazine.



- Red Cross Blood Donation Activity

The Belgium branch has participated in the local red cross blood donation promotion activities since 2016, and employees actually participate in the blood donation in person. In addition, a lot of employees have also supported such event numerous times.



- Natuurpunt, Limburg –Natural Ecology Protection

Natuurpunt is a non-profit organization dedicated to the protection of local animal and plant ecosystems. Employees of the Belgium branch also participated in two sessions of ecological protection volunteer activities in 2019 in order to assist the organization to protect the valuable ecological environment in Belgium.



### • Voedselbank -Food Bank

De Voedselbank (food bank) is charity institution for food donation and providing foods to disadvantaged groups. Volunteers in the Belgium branch collected foods that were close to their expiration dates from supermarkets and stores and also distributed such foods to those with needs.



### • Cancer Research Support

Kom op tegen Kanker is an organization providing assistance to cancer patients and their family members. The organization often organizes various activities and fund raising as a fund for cancer research. Employees of the Belgium branch also participate in the donation activity or through volunteer method in order to support the concept thereof. In 2019, volunteers of the Belgium branch assisted the institution to raise funds at an amount of EURO 700 in one time of weekend flower charity sale event.



### ▶ Canada R&D Center

#### • Richmond Olympic OvalStadium Volunteer Participation

The Richmond Olympic Oval was the contest arena for speed skating of the Winter Olympics game, located in Richmond, on the west coast of Canada and established in 2010. Currently, it has been redefined to be a multi-function arena with various facilities for ice hockey, rock climbing, athletics track, rowing tank, etc. To service the community, the ATEN Canada R&D Center calls on employees to use their spare time to act as volunteers for visitor service, site tours, etc. in the stadium in order to implement ATEN CSR with actual actions.



#### • Ling Yen Mountain Temple

The Canadian Ling Yen Mountain Temple has more than 10,000 followers in Vancouver locally, and it is not only a religious place, but also a place for various services and charity activities, such as: snow shoveling, community cleaning, disaster rescue, etc. in order to assist communities and neighborhoods. In 2019, employees of the Canada R&D Center not only participated in charity donation but also acted as volunteers before the praying events at the temple, including assistance in cleaning of the site and handling traffic guidance in the parking lot to maintain safety.



### ▶ U.S. Sales Branch Company

In 2019, the U.S. Branch carried out a series of volunteer events quarterly in response to the CSR policy of the headquarter.

- **Q1–Paracord Bracelets**

The name of “Paracord” comes from the two words of “Parachute”, and “Cord”, and it refers to a survival tool for outdoor and military activities. Volunteers of the U.S. Branch played the teaching video on paracord in the ATEN’s showroom and also made a certain quantity of bracelets for U.S. Army’s out-



door use.

- **Q2–Dana Point Beach Cleaning Event**

In June 2019, the branch called a team of volunteers to participate in the beach cleaning event at Dana Point beach, and more than 26 tons of wastes were collected on that day.

- **Q3–Feeding Senior Citizens Volunteer Event**

In August 2019, volunteers of the U.S. Branch responded to the Senior Lunch Day event organized by the local well-known non-profit senior welfare institution of SeniorSev in order to prepare food for Costa Mesa Senior Center and accompanied them during their meal.



- **Q4 – Salvation Army Toy and Clothing Distribution Program**

Volunteers of the U.S. Branch assisted The Salvation Army to distribute toys and clothing to disadvantaged families at Anaheim Stadium in order to bring joy and warm to families of economic difficulties.



# 6

## Environmental Protection



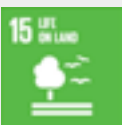
- 6.1 Environmental Sustainability Commitment
- 6.2 Green Sustainable Product Commitment
- 6.3 Climate Change Responsive Actions and Risk Management Assessment
- 6.4 Environmental Sustainability Management
- 6.5 Greenhouse Gas Inventory Checking Management

## Major Topics

Environmental Friendliness, Green Product Design

### ▶ Meaning of Environmental Protection to ATEN and Key Contribution of ATEN to SDGs

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

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

## ➤ Responsible Units

ATEN Corporate Social Responsibility Management Committee - Green Operation Group

## ➤ Management Mechanism

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

## ➤ Commitment, Actions, and Goals

Commitment	2019 Execution item	2019 Execution Outcome	2020-2023 Goals
Greenhouse Gas Inspection	Conducted ISO 14064-1 greenhouse gas external inspection.	Qualified ISO 14064-1 external inspection.	<p>Through review, we established the carbon reduction goal and energy saving goal to be as follows:</p> <ol style="list-style-type: none"> <li>1. Electric current density reduced by 1.5% from the previous year.</li> <li>2. Personal water usage carbon emission reduced by 2% from the previous year.</li> <li>3. Simplify structure and facilitate disassembly design to reduce fixation points by 50%.</li> <li>4. Continue to use lightweight material for 10%.</li> <li>5. Product energy saving with reduction of power consumption by 5%.</li> </ol>
Monitor energy use, implement energy saving and carbon reduction	Monitor energy risk and promote as well as implement energy saving and carbon reduction projects.	<ol style="list-style-type: none"> <li>1. In 2019, the power consumption intensity was 5.45, a decrease of 3% from 2018 (power consumption in thousand degrees/number of employees).</li> <li>2. In 2019, the water usage carbon emission per person was 4.75, a decrease of 7.8% from 2019 (total average water usage degree per person * water usage carbon emission per person (KgCO<sub>2</sub>e)).</li> </ol>	
Implement Environmental Protection Laws	Paid attention to RoHS and REACH regulation updates and conflict material investigation	<ol style="list-style-type: none"> <li>1. Continue to update the supplier REACH SVHC 205 items compliance with regulations.</li> <li>2. Continue to update RMI, CMRT 5.12 "No Conflict Material Report Public Survey".</li> </ol>	
Green Product Design	Design for Lightweight Products with Maximized Performance	<ol style="list-style-type: none"> <li>1. PE0118 and PE0116 series of models use sliding slot structure to replace the fixation structure, and 70% of fixation points are reduced from the original setting.</li> <li>2. PE0118 and PE0116 series of models use lightweight materials in order to reduce the overall weight by 35%.</li> <li>3. UC9020 with fan reduction cooling design in order to reduce the product output power by 6%.</li> </ol>	



## 6.1 Environmental Sustainability Commitment

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

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





### › Environmental Sustainability Management Policy

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

#### 1. Implement environmental protection laws:

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

#### 2. Exploit resource creativity:

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

#### 3. Continue green production:

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



### › Energy Sustainability Management Policy

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

#### 1. Periodic review of goals:

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

#### 2. Improve equipment efficiency:

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

#### 3. Purchase energy saving products:

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

#### 4. Improve employee concepts:

Promote and educate energy saving concepts to all employees.



### › Green sustainable product policy

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

## 6.2 Green Sustainable Product Commitment

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

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



### ▶ Product Free Hazardous Substance Control Management Measures

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

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

### ▶ Comply with International Product Environmental Regulations

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

## 6.3 Climate Change Responsive Actions and Risk Management Assessment

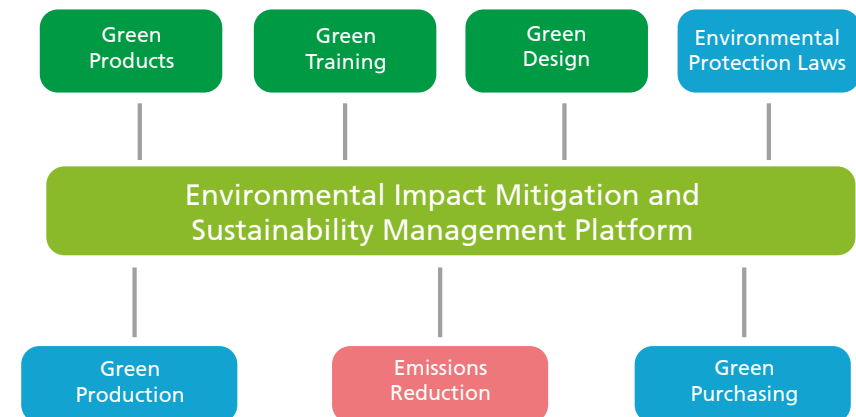
Climate change impacts the life of mankind and the global ecological environment, which is an important issue considered seriously by societies worldwide. ATEN believes that the Company is certainly affected by climate change, and shall also actively bear responsibility for mitigation of the impact.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

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



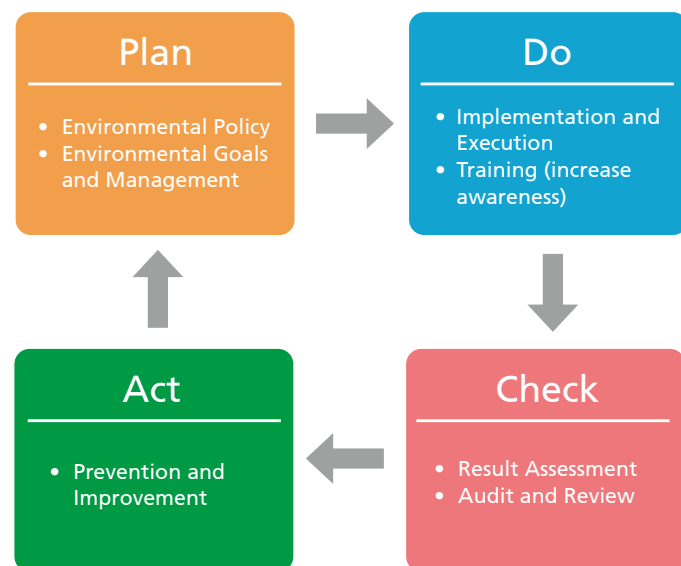
### ▸ Reduce Environmental Impacts

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



## 6.4 Environmental Sustainability Management

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



### ➤ Environmental Management System Achievement

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



ISO 14001 Environmental Management System Certificate



ISO 1464-1 Greenhouse Gas Inspection Certificate



## Resource Management Achievement

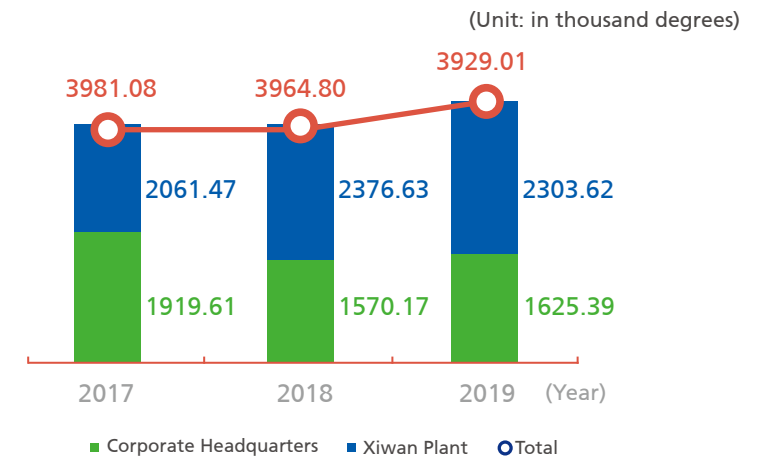
According to the energy monitoring and inventory taking result, the energy used by ATEN is mainly supplied by Taiwan Power. In the past years, the Company has adopted the method of process control to reduce the energy consumption of the manufacturing process for a long time. In recent years, we have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

Strategies and Goals	
Slowing Climate Change	Promote various energy saving measures and management solutions with best efforts, reduce energy consumption and impact on the environment.
Cope With Climate Change	<ol style="list-style-type: none"> <li>1. Establish process control methods, reduce power consumption generated due to process waiting and pending.</li> <li>2. Promote process equipment energy saving, introduce power saving equipment (T5 and LED lighting fixtures).</li> <li>3. Improve efficiency management solutions (air conditioning energy saving). <ul style="list-style-type: none"> <li>-Increase cold water temperature, reduce energy consumption for cold water production.</li> <li>-Reset host machine start and stop time, turn on at a later time and turn off at an earlier time.</li> </ul> </li> </ol>
2019 Achievements	<ol style="list-style-type: none"> <li>1. The overall power consumption amount in 2019 was reduced by 0.45% from 2018, and the overall power usage was 3929.1 thousand degrees (equivalent to 14144.4 million joules). The Company will continue to monitor the enhancement of management solution.</li> <li>2. The overall power consumption amount in 2019 was 5.43, a decrease of 3% from 2018. (power consumption in thousand degrees/number of employees)</li> <li>3. The water usage carbon emission per person in 2019 was 4.75, a decrease of 7.8% from 2018. (total average water usage degree per person * water usage carbon emission per person (KgCO<sub>2</sub>e))</li> </ol>

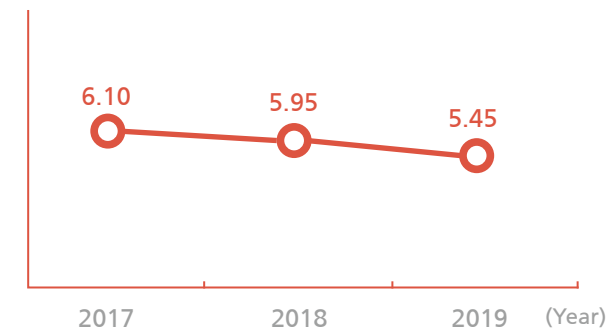
Note 1: Energy consumption was calculated based on the electric bill standard of Taiwan Power Company

Notes 2: 1 degree of electrical energy = 1kWx1hr = 1000Wx3600sec = 3.6x10<sup>6</sup> Joule

## Headquarters and Xiwan Plant Power Consumption



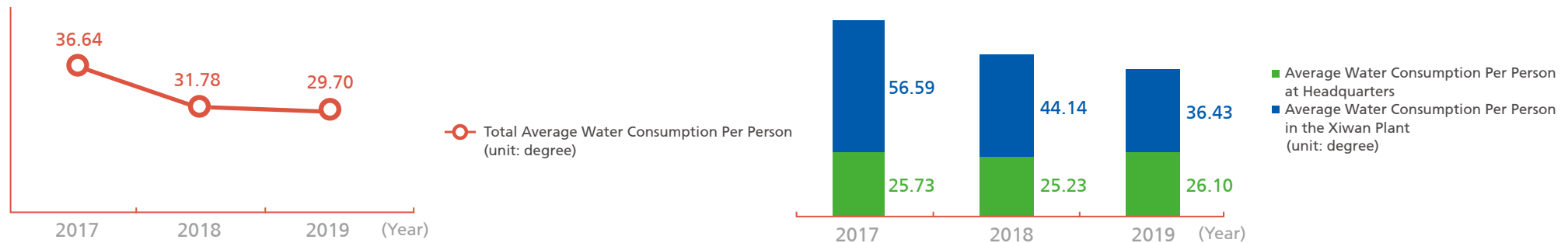
## Energy intensity (power consumption in thousand degrees/number of employees)



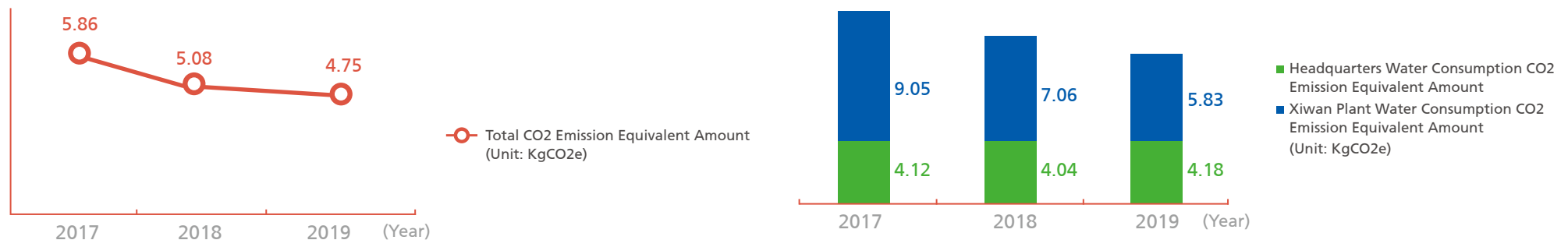
Note: Energy intensity refers to the ratio between the power consumed internally and the number of employees

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

### Statistics of Average Water Consumption Per Person in Each Plant Site



### Carbon Emission Quantity at Each Plant Site (KgCO<sub>2</sub>e)



The carbon emission standard uses the CO<sub>2</sub> emission equivalent amount for each degree of water consumption provided by the Taiwan Water Corporation, and the latest value is 0.160kgCO<sub>2</sub>/degree.




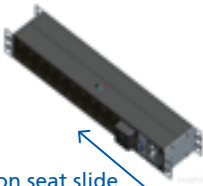

## ➤ Green Product Design Achievement

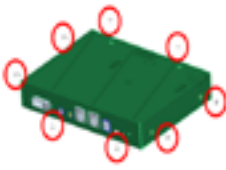
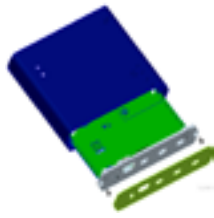
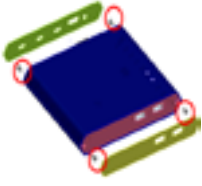
ATEN is a global leader in the field of digital information sharing. For a long time, the Company has developed various new and novel electronic information products. With core technologies as the foundation, the Company implements technology research capabilities and the concept of green product design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

Green design “Design for Lightweight Products with Maximized Performance”, and perform the R&D design adopting the fur major aspects of the product, including product with simplified structure and facilitated disassembly design, material selection, product power consumption and environmental impact level, as ATEN's commitment in environmental protection.

### \* Simplify structure and facilitate disassembly design to reduce fixation points

PE0118 and PE0116 included series of models use sliding slot structure to replace the fixation structure, and 70% of fixation points are reduced from the original setting. GUS4C2\_GUD3C04 use sliding slot structure to replace the PCB fixation structure, and 50% of fixation points are reduced from the original setting.

General Design	Simplify structure & facilitate disassembly design	
Outer casing iron parts and removal parts with screw fixation	Insertion seat slide into aluminum extruded inner side sliding slot design to reduce the screw usage amount	Front and rear panel secured with main body, screws x 8 Internal fixation, screws x 16
		
Total of screws of 82 PCS	Insertion seat slide into aluminum extruded inner side Total of screws of 24 PCS Reduced fixation points by 70%	

General Design	Simplify structure & facilitate disassembly design	
Outer casing fixation, screws x 8 PCS PCB fixation, screws x 4 PCS	PCB sliding design: Use sliding track to retain PCB, with reduction of screw usage amount	Front panel secured with PCB, screws x 2 Front and rear panels secured with main body, screws x 4
		
Total of screws of 12 PCS	Total of screws of 6 PCS Reduced by 50%	



### \* Use light weight material

Use light weight material: PE0118 and PE0116 series of models use light material (AL) such that the overall weight is reduced by 35%.

#### General Design

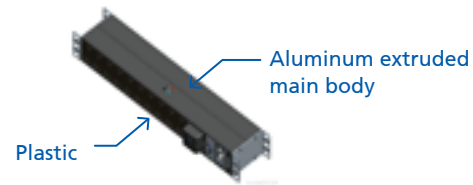
Outer casing with all iron parts and removal parts design



Iron Overall weight: 1149g

#### Lightweight design

Main body adopts the aluminum extrusion method, insertion seat adopts the design of plastic member for fixation, and ports at the front and rear, in order to reduce weight



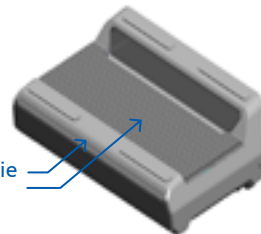
Overall weight: 744g  
Reduced by 35%

### \* Product energy saving

UC9020 with fan reduction cooling design in order to reduce the product output power by 6% (original total power consumption of 29.9W, a decrease of 1.75W of output power consumption).



Aluminum die casting heat sink design



Fanless cooling design, capable of reducing product output power by 6% (original total power consumption of 29.9W, a decrease of 1.75W of output power consumption)

### \* Reduce environmental pollution

CS692-RW/CS22D-RW use plain material for production, and no coating process for the outer appearance, in order to reduce environmental pollution.



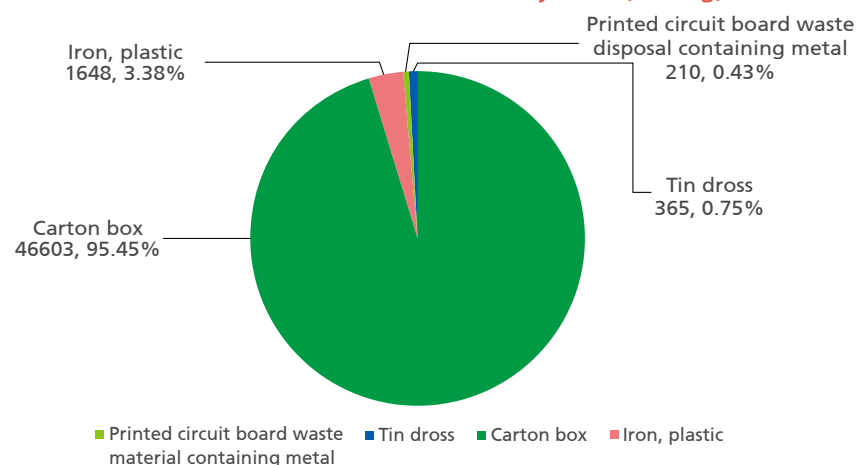
## ➤ Waste Reduction Management Achievement

Waste recycle management is the first priority process for ATEN's green production with respect to the electronic product assembly-oriented production.

Model ensures the resource sustainable use and waste proper treatment, continue to promote source reduction and internal waste recycle and reuse. The internal reuse is considered in priority in order to be sufficiently re-collected and used the raw materials, and prolong the disposal of wastes. Next, the recycle method is utilized to perform "material recycle", and "energy recycle"

Recovery of harmless industrial wastes, and the wastes of tin dross, waste plastics, waste papers and mixed hardware, etc. of the process wastes are handled by professional and qualified treatment vendor to perform recycle and reuse, followed by manufacturing into various recycled products for further recycled used in other industries.

General Industrial Waste Recovery Rate (Unitkg)



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

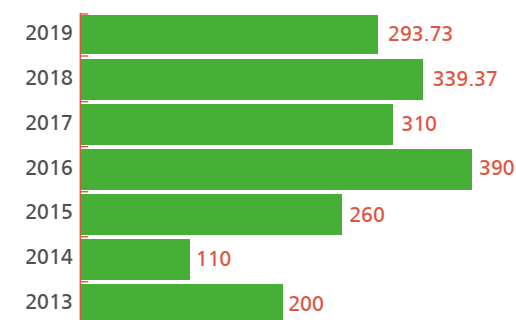
## ➤ Achievement in Protect Environmental Sustainability and Expand Green Influence

### • Beach Cleaning

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



[Beach Cleaning Activity Waste Collection Weight Statistics]



(Unit: kg)

### • Butterfly Habitat Protection & Planting

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



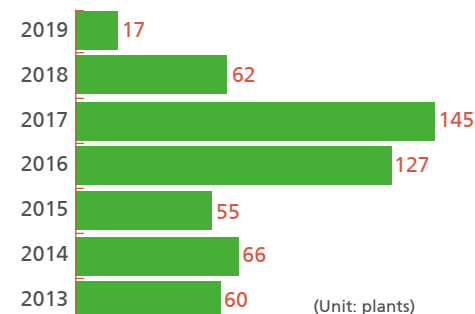
### [Ecology Sustainable Planting and Afforestation Activity]

(2019 Planting List)

Name of Plant	Specification	Planting Quantity	Accumulated Planting Quantity
Strengthvine	Lianas	1	532 plants
Taiwanese Tylophora	Vine	8	
Japanese Evodia	Height of 1m	1	
Pongamia Pinnata	Height of 1.5m	3	
Dimocarpus Longan	Height of 1m	1	
Wax-apple	Height of 1m	1	
Chinese Soap Berry	Height of 2.5m	2	

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

### [Accumulated Planting Quantity]



### ➤ Achievement in Conveying Knowledge on Environmental Friendliness

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



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

## 6.5 Greenhouse Gas Inventory Checking Management

ATEN adopts a rigorous attitude to fully and actively promote environmental management and relevant activities. In 2006, ATEN introduced the ISO 14001 environmental management system, and through actual action and compliance with the government's relevant environmental protection laws and regulations, we also implement pollution prevention and improve the environmental performance and environmental protection concepts of employees. In addition, since 2010, we have started the implementation of greenhouse gas inventory checking operations. Furthermore, we also establish internal inventory checking mechanisms according to the ISO 14064-1 greenhouse gas inventory checking standard, in order to actively perform voluntary greenhouse emission inventory checking operations. We continue to implement energy saving plans and increase of energy use efficiency in order to reduce the overall impact on the environment. Moreover, in 2019, we have also qualified the ISO greenhouse gas third party inspection. Through the participation of all employees and corporate commitment, we expect to achieve the goals of environmental protection and corporate sustainable development.

Risk Considerations	
Regulatory Requirements	Other Requirements
<ul style="list-style-type: none"> <li>Greenhouse Gas Reduction and Management Act</li> <li>Greenhouse Gas Inventory Checking</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Requirements (including government, investors, customers, employees, and general public)</li> <li>Green Supply Chain Response to Climate Change</li> </ul>
<b>2019 Response Management Measures</b> 1. Greenhouse Gas Risk Monitoring Group: Monitor the use condition of each energy and resource, and reduce the carbon emission and environmental impact risk. 2. Energy Saving and Carbon Reduction Project Implementation: Increase energy efficiency, reduce energy consumption. 3. Promote data inventory checking. 4. Obtain ISO 14064-1 greenhouse gas inventory checking (qualifying third party verification). 5. External advocacy and disclosure. 6. Transmit greenhouse gas information of carbon reduction, emission reduction, and share greenhouse gas result disclosure with suppliers.	



### ▶ Greenhouse Gas Inventory Checking

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

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

According to the setting principle of the organization boundary specified in ISO 14064-1:2006 international standard and the Greenhouse Gas Protocol (GHG Protocol), the organization boundary is defined, and the correct operation control method is adopted to summarize the facility level greenhouse gas emission amount and removal amount, and the actual operation control range of ATEN International Co., Ltd. for the period from January 1, 2019 to December 31, 2019, is used as the boundary.

Address:

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

Greenhouse Gas Emission Source Identification Summary Table

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

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

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

Greenhouse gas quantification principle, use the emission quantity of each greenhouse gas emission source for calculation, and the "discharge coefficient method" is adopted. According to different sources of various greenhouse gas emission, the unit is converted into the weight and volume unit of ton or kiloliter. For each emission generation source, according to the calculation of the "Greenhouse Gas Inventory Checking Resignation Form 3.0.0 (revised)", and greenhouse gas emission quantity calculation is preformed according to the discharge coefficient. After selecting the discharge coefficient, according to the global warming potential (GWP) for each type of greenhouse gas in the fourth announcement in 2007, all of the calculation results are converted into CO<sub>2</sub>e (carbon dioxide equivalent value), and the unit is in ton/year.

According to the requirements of ISO 14064-1 Standard, the operation boundary of the Company is covered by the direct greenhouse gas emission source (Scope 1), and the energy indirect greenhouse gas emission source (Scope 2). In 2019, the greenhouse total emission quantity was 1960.6509 tons CO<sub>2</sub>e. Each scope and the seven main greenhouse gases emission total quantity are as shown in the following table:

#### 2019 Greenhouse Gas Emission Total Quantity:

- Greenhouse Gas Emission Inventory Checking Period: January 1, 2019 – December 31, 2019
- Greenhouse Gas Emission Total Quantity: 2,161.627 tons CO<sub>2</sub>e, including:
  - Direct Greenhouse Gas Emission Quantity (Scope 1): 67.4646 tons CO<sub>2</sub>e
  - Energy Indirect Greenhouse Gas Emission Quantity (Scope 2): 2,094.1624 tons CO<sub>2</sub>e
- Other Indirect Greenhouse Gas Emission Quantity (Scope 3): 0.0000 tons CO<sub>2</sub>e

#### ▶ Disclosing Greenhouse Gas Data

ATEN has an open attitude, disclosing information on greenhouse gas emissions related to ATEN and environmental information on the platform of the Company website. We have also established the greenhouse gas (voluntary) inspection operation system since 2010. In addition, we have also qualified the ISO1406-1 verification in 2015 for the first time. Each year, we disclose the Company's greenhouse gas inventory checking information and continue to implement energy saving plans and energy use efficiency improvement. In 2019, we have qualified the international third-party inspection.

Emission Source	2015 (Base Year)
Externally Purchased Power	1730.5751
Movable Combustion	9.2633
Stationary Combustion	0.466
Non-standard fuel combination and dissipation (refrigerant)	22.44
Non-standard fuel combination and dissipation (septic tank)	41.3658
Total	1804.1102

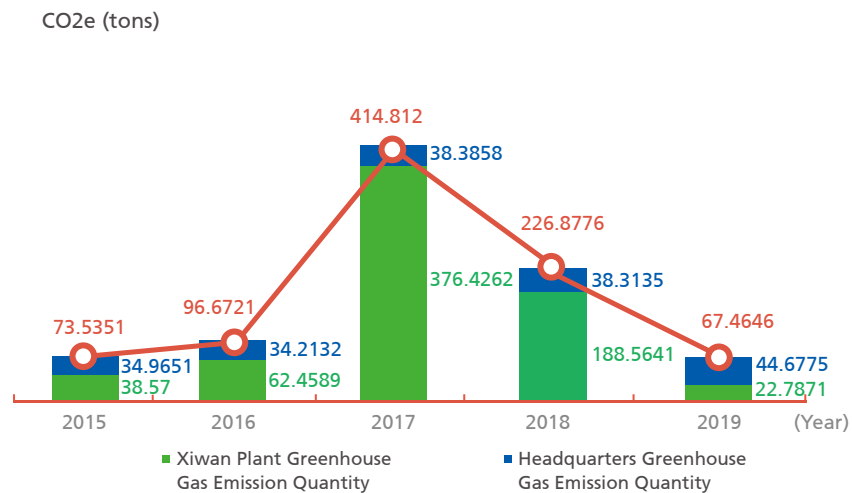
(Unit: tons CO<sub>2</sub>e/year)

### ► Achievement in Greenhouse Gas Reduction

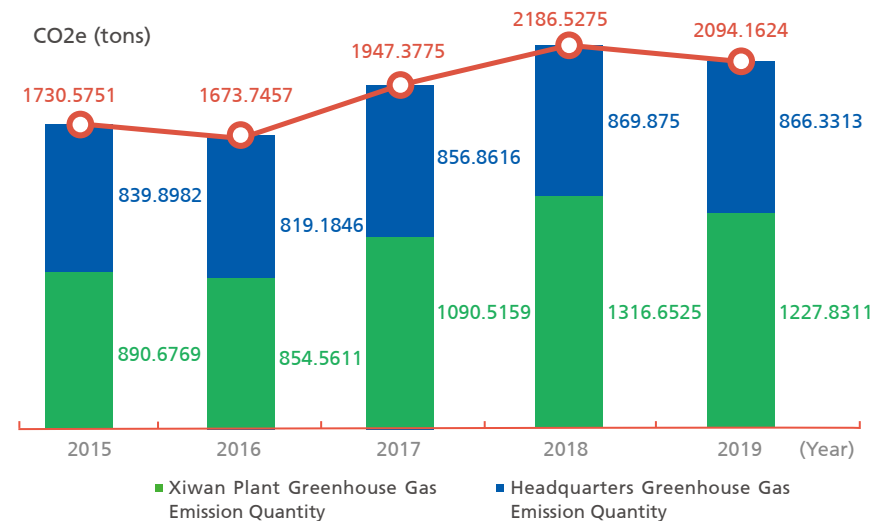
In 2019, ATEN will continue to monitor carbon emissions, and also established the goal of greenhouse gas emission intensity lower than 0.60 (greenhouse gas emission/individual financial report revenue (NT\$ million)) by 2021.

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

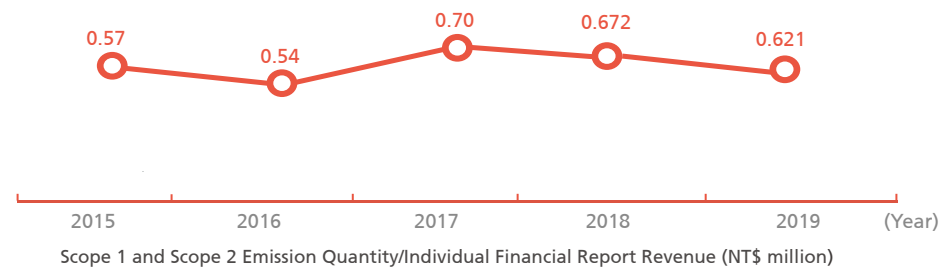
[Scope 1 Greenhouse Gas Emission Quantity]



[Scope 2 Greenhouse Gas Emission Quantity]



[Greenhouse Gas Emission Intensity]





# 7

## Supply Chain Management

- 7.1 Supply Chain Management
- 7.2 Sustainable Supply Chain Management Standards
- 7.3 Sustainable Supply Chain Management Strategy and Goal
- 7.4 Supply Chain Management Performance
- 7.5 Sustainable Supply Chain Joint Growth Plan






## Major Topics

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

### ▶ Meaning of Supply Chain to ATEN and Key Contributions of ATEN to SDGs

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

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

## ➤ Green Supply, Sustainability Commitment

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

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

## ➤ Responsible Units

ATEN Corporate Social Responsibility Management Committee - Green Operation Group

## ➤ Management Mechanism

Enterprise Sustainability (Plan)	Supplier Plan and Evaluation
Risk Assessment and Control (Do)	Source risk control.
Inspection Confirmation (Check)	Inspection of corporate sustainability implementation level.
Adopt Action (Action)	Including improvement within time-limit and termination of purchase agreement.

## ➤ Commitment, Actions, and Goals

Commitment	2019 Execution item	2019 Execution Outcome	Future Goals and Actions
Implementation of Green Supplier Assessment System	For new supplier evaluation, the evaluation items include not only quality related system management but also ensuring supplier's working environment safety, greenhouse gas management, conflict mineral management and EU regulations, etc.	In 2019, there were 17 new suppliers for new supplier evaluation.	By 2023, jointly implement corporate social responsibility (Responsible Business Alliance Code of Conduct) with suppliers.
Qualified Supplier Monthly Evaluation	The Quality Control implements supplier evaluation monthly according to the delivery status of suppliers.	There are a total of 10 suppliers of Class C and D requiring the issuance of External Contact form (Q1008-06) for improvement and guidance.	
Hazardous substance management and supplier promotion and investigation RoHS EU Directives & REACH regulation update	Through irregular update of laws, perform mail investigation on suppliers complying with the requirements of international environmental protection laws.	Surveyed the exiting suppliers and new suppliers for REACH SVHC 205 items compliance with regulations, and requested supplier response rate of 100%.	

## 7.1 ATEN's Supply Chain Management

Suppliers of the Company refer to suppliers for various types of raw materials, materials and electronic parts, including chips, converters, connectors, PC boards, product outer casing (metal, plastic materials), cables, electronic parts, packaging materials and other materials, etc.

The Company upholds the attitude of suppliers as partners in order to continuously improve the social responsibility awareness of suppliers, including environmental and ethical management issues, etc. In addition, the Company also invites suppliers to respond to the global sustainability policy jointly in order to gradually achieve the sustainable development direction and goal. ATEN also further includes social responsibility and environmental safety and health evaluation related items in the "Supplier Evaluation Regulations Standard Operation Procedure" in order to continuously promote suppliers to fulfill corporate social responsibility and to comply with international environmental protection regulations and customer requirements. Through our influence, we promote relevant ideas and beliefs to reach the upstream and downstream partners in our supply chain.

## 7.2 Sustainable Supply Chain Management Standards

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

## 7.3 Sustainability Supply Chain Management Strategy and Goal

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

Risk Assessment and Identification Mechanism

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

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

### ▶ Supply Chain Management Strategy

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



First, from the new suppliers introduced earlier, key suppliers are identified by the system according to the industry type. With strengthening of management and through quality and system, development and equipment, production and capacity, operation and service, environment and health, etc., the supplier risk and assessment control mechanisms are implemented promptly, in order to continuously improve the management depth and implementation level.

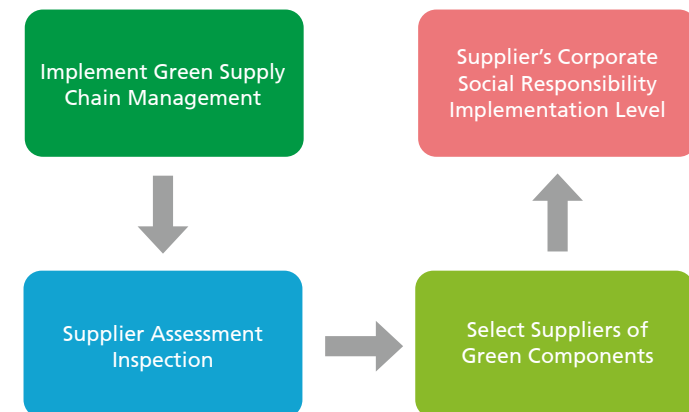
## 7.4 Supplier Chain Management Performance

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

Supplier Management Performance	Execution Method	Performance Achievement
Improve field assessment and identify supplier's social responsibility awareness	Assessment items include: "Contribution in social participation", "Gender equality and anti-sexual harassment policy", and "Energy saving, carbon reduction and greenhouse gas inspection".	100%
Implementation of Supplier Assessment System	Supplier's green/sustainable supplier risk assessment are conducted in accordance with the ISO document of Supplier Management Procedure (QP-024) and Supplier Assessment Regulations (QI-008), the supplier's field and written green risk assessment are evaluated. In addition, the safety of the working environment of the supplier, employees being respected with dignity, business operation environmental protection, and compliance with morality and ethics are ensured. 【New Suppliers Assessed: 17 suppliers】	100%
New suppliers' compliance with the international environmental protection laws	International environmental protection laws updates include Directive 2011/65/EU & (EU)2015/863 RoHS 2.0 REACH SVHC 205 items.	100%
Thorough Execution of Supplier Operation Procedure	For suppliers identified to be subject to any concern of violating quality and environment and corporate social responsibility, such suppliers are requested to improve within the time-limit, submit written a report, and accept irregular inspections and guidance.	100%

## 7.5 Sustainable Supply Chain Joint Growth Plan

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



### ▶ Purchase Non-Conflict Material Raw Materials

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

With regard to ATEN’s expectations for suppliers, the suppliers are requested to cooperate with the following:

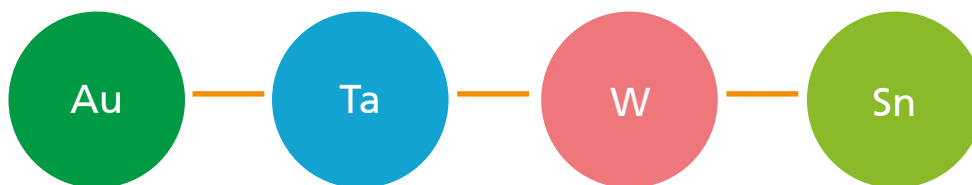
- Request suppliers to conduct reasonable due diligence on the supply chain in order to ensure that the materials provided by the suppliers to ATEN contain no conflict materials.
- Request our suppliers to inform immediately in the case where materials provided to ATEN use conflict materials.
- Request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

### ▶ Convey Corporate Core Value

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

### ▶ Protect Environmental Sustainability and Expand Green Influence

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







## Customer Satisfaction and Service

# 8

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

## Management Directives

Service Quality, Customer Partnership

Since ATEN launched its own brand of “ATEN” in 1991, the Company deeply understands the challenges for promoting its own brand worldwide. For own brand promotion, the success relies on the establishment of customer satisfaction and achieving the most optimal professional service. Under the main business model of B2B and a competitive environment, we need to understand where our customers are, and most importantly, we need to know what the customer demands are, and how these demands can be satisfied. In 2016, we selected one country in Asia and Europe each for the Pro AV professional media product line, and performed a series of customer interviews. Under the assistance of the professional brand consultant, we were able to eliminate the past burden and existing opinions in order to listen to the existing customers and future potential customers opinions on our products, services, marketing, brand positioning, etc. Through statistics and analysis, we summarized the things cared about the most by customers into the meaningful MOT (Moment of Truth). In 2017, the company expanded the production line to KVM switches. Through the understanding of different production lines on MOTs and discussion, we adopted the customer-oriented approach, and after sufficiently understanding the customer demands, we developed a customer combination and service platform with innovative value and competitive capability. In 2018, we provided complete online product knowledge technology educational training in order to use systematic system to introduce the product technology knowledge of each product line of ATEN, product specification and characteristic as well as market application examples. In addition, we also organized global branch technical support full product line physical course trainings at the headquarter in order to cultivate technical staff with thorough and professional technical problem-solving abilities. In 2019, the Pro AV and Control System online product knowledge technical educational training and Pro AV product physical training courses received the AVIXA certification. (AVIXA's full name is Audiovisual and Integrated Experience Association. The association has been established in 1939 and is now the world leading hosting unit for multimedia exhibition Infocomm, providing the most comprehensive media collective results to consumers)

ATEN is committed to provide high quality products and services satisfying customers are our key to success.



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

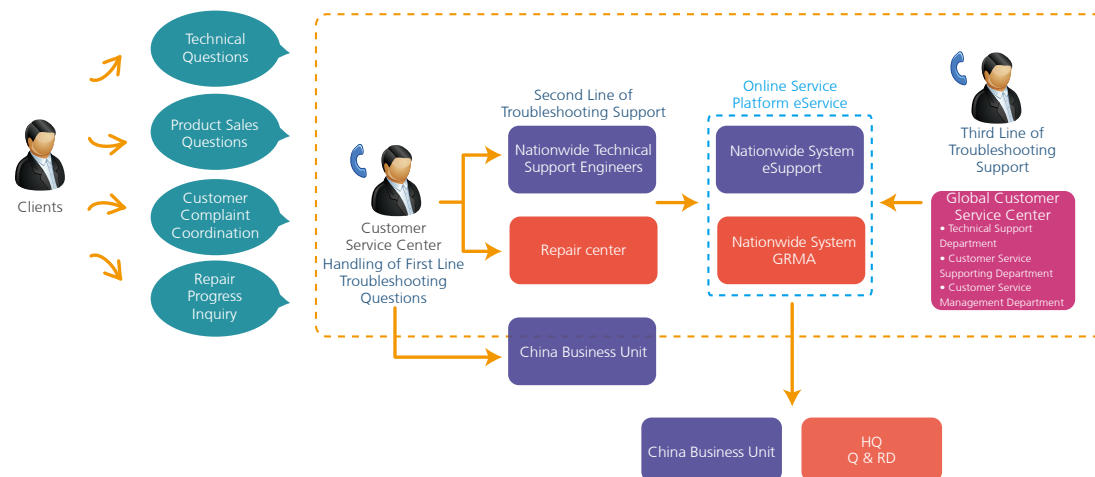
## 8.1 Complete Customer Service System

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



### ▶ Customer Service Direct Line

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



### ➤ Online Service Platform (eService)

Single entry for Online Service Platform (eService: <http://eservice.aten.com>) to provide service to customers of different languages worldwide conveniently and instantly, thereby providing complete and timely after-sale services.

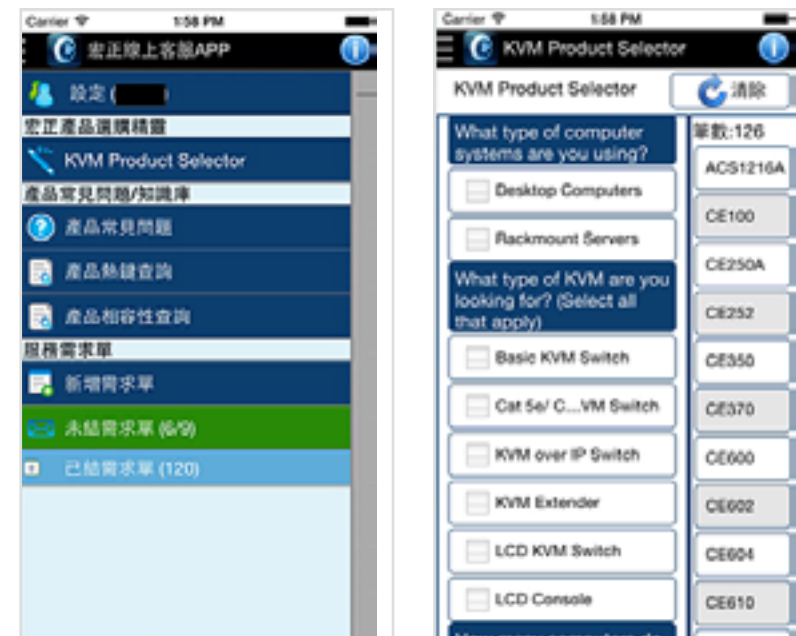
The eService platform integrates the following functions:

#### Online Technical Support Service eSupport

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



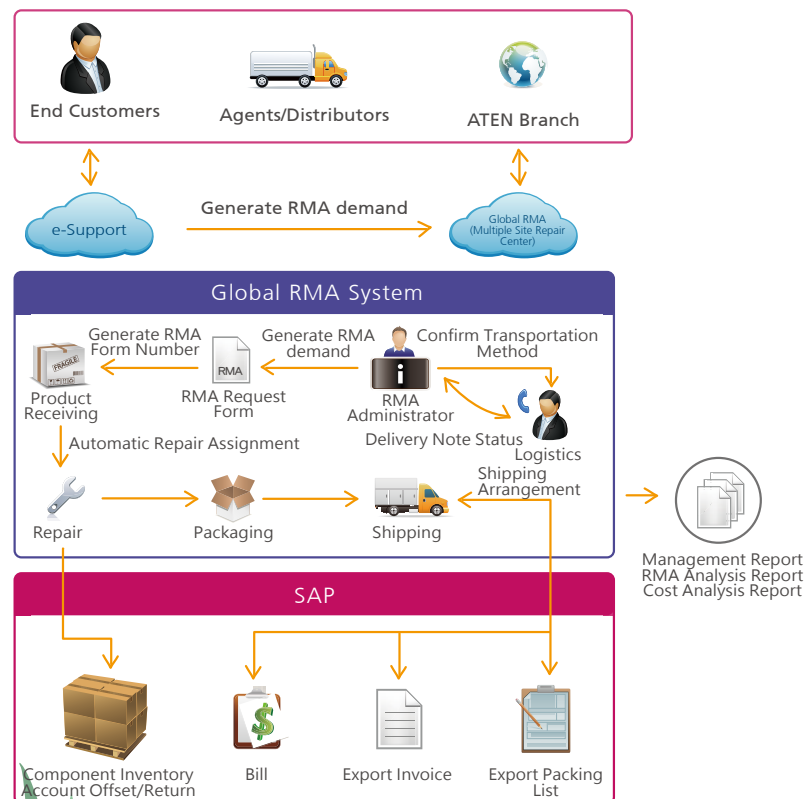
In addition, we also developed the mobile "ATEN Online Customer Service APP", a small yet exceptional APP that can be completely integrated with the original eService in order to provide a set of useful tools to help clients to solve questions about selecting products, technical information, and online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



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

### Online Maintenance Service Global-RMA System

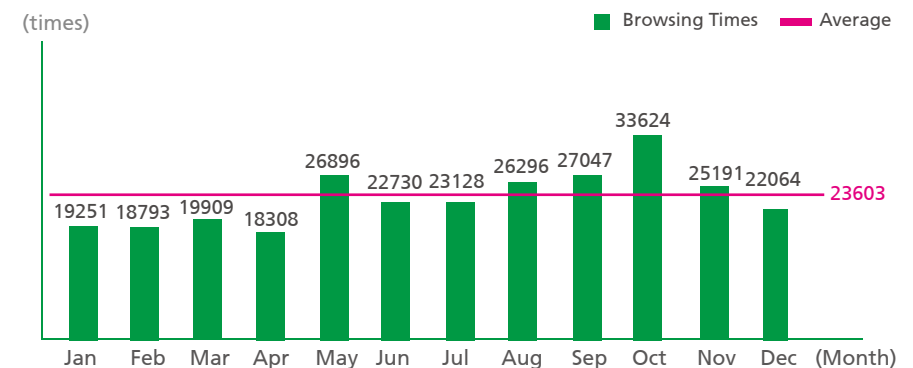
By filling out an online application form, customers can request repair service. Our dedicated RMA (Return Material Authorization) professionals will then receive the form and provide an RMA code and delivery address. Customers can obtain a product's warranty information and real-time maintenance progress information through online records. They can also access records of prior maintenance so as to conveniently retrieve relevant information regarding repairing and maintenance. This is a system with a complete RMA process, through which maintenance records from all over the world are obtained, further monitoring product quality. RMA Rate Reports are produced and sent to the relevant departments every month to propose improvement strategies.



### Search for Frequently Asked Questions (FAQ)

According to the statistics, the monthly average number of FAQ website browsing inquiries in 2019 was 23,603 times, an increase of 13% from the monthly average of 20,525 times in 2018. This means that the service has been widely used by customers, and also demonstrates that many customers worldwide have improved their understanding of the product operation through such service. For ATEN and customers, this is the most economic method. We will continue to provide more complete FAQs with our best effort in order to satisfy customers' needs to overcome problems themselves.

[2019 FAQ Browsing Statistics Table]



### Partner Center

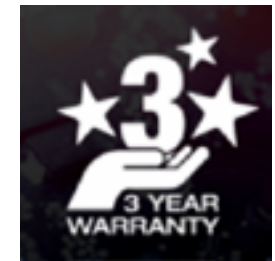
ATEN also provides sales partners with real-time market intelligence and product information by establishing an information sharing platform aimed at sales partners, so as to allow our distributors worldwide to utilize resources on the sharing platform to provide the most supreme service to end customers.



### Global RMA Replacement and Repairing Service System Structure

#### Perfect After-sales Service and Product Guarantee

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



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

#### Fast Repairing Service

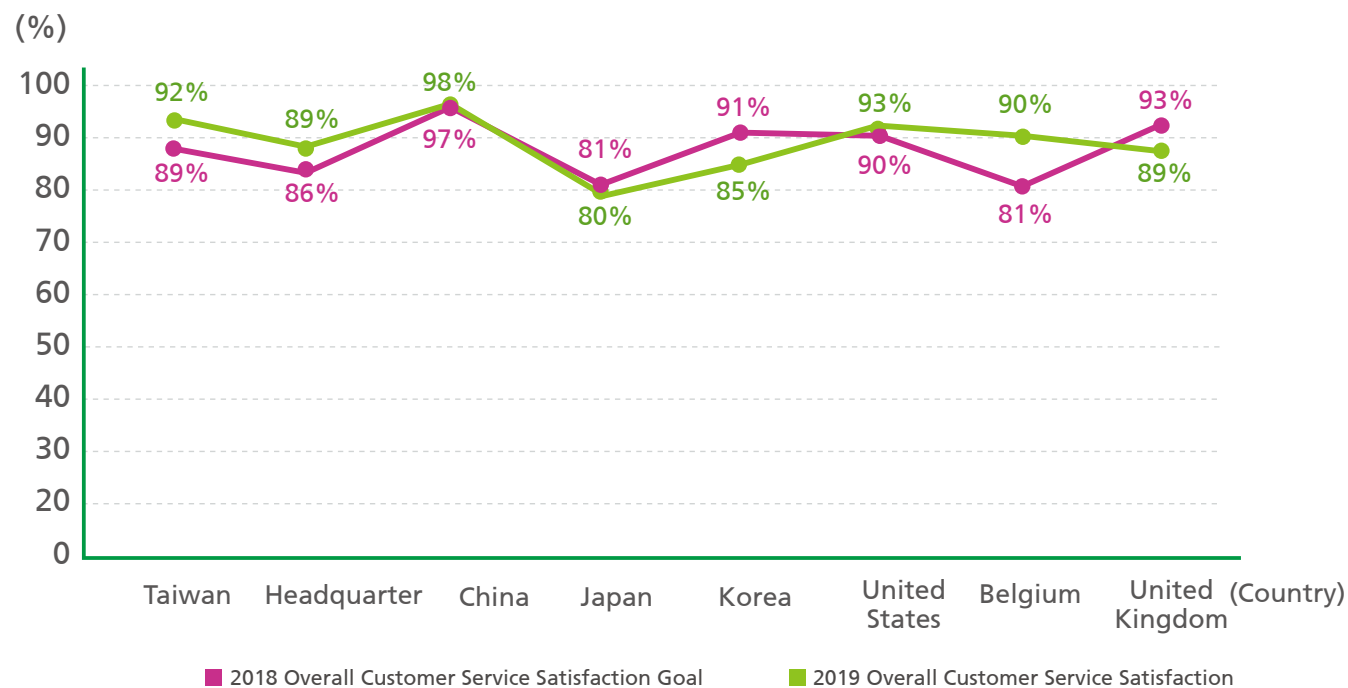
Through the well-developed, comprehensive service network of the Company headquarters and subsidiaries, we manage to offer TAT (Turn-Around-Time) three working days fast repair service in Asia Pacific and TAT five working day service in Europe and America, cutting the wait time for clients and gaining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



## 8.2 Global Customer After-sales Service Satisfaction Survey

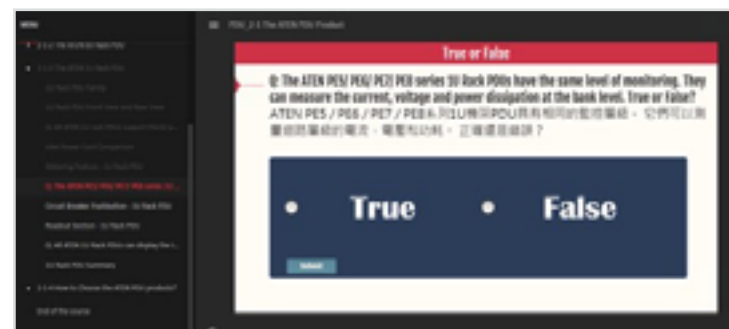
The “Global Customer Service Division” of ATEN conducts the “Global Customer After-sales Service Satisfaction Survey” on a regular basis, using comprehensive, continued first-hand feedback to understand client experiences and to improve our services accordingly. For items not yet completed, we also perform in-depth analysis and establish an inspection tracking mechanism in order to ensure that customer demands are resolved. In the past two years, the average overall customer service satisfaction was 84%, and in 2018 and 2019, the actual overall customer service satisfaction was maintained at 89%. The customers’ opinion will continue to be transformed into the driving energy for our review and improvement. When satisfaction feedback is worse than the expectation, we will perform understanding and request improvement immediately. In addition, ATEN also establishes two-way and diverse customer communication channels, such as: product box equipped with feedback form, repair report equipped with customer satisfaction form, all regional websites worldwide are provided with a customer feedback section, and the Company website is available in more than 12 languages, and contact email addresses, etc., such that customers’ requests can be responded to and supported in the shortest time. With such establishment, we are able to strengthen the relationship of trust between customers and ATEN in order to improve the customers’ loyalty and brand trust.

### [2019 Global Customer After-Sale Service Satisfaction Survey Statistics]



## 8.3 Product Knowledge Educational Training

Starting from 2017, ATEN has provided the English version of online educational training for each product line (ProAV/Control System/KVM/PDU) for internal employees and external customers. The training courses are designed for sales business, dealership and agency, FAE, and technical customer service personnel. On a brand-new operation interface, visual graphic teaching is adopted in conjunction with a great amount of interactions in order to systematically introduce ATEN, product technology and knowledge of each production line, product specifications and characteristics, as well as market application examples. In 2018, the headquarters and branches provided four courses (KVM/ProAV/PDU/Control System), and a total of 1,589 people attended the courses with an overall course satisfaction score of 87 points, including a total of 1,172 people attending the course with an overall course satisfaction of 92 points. In 2019, the Korean version, Simplified Chinese version and Traditional Chinese version of on-line educational training courses for various product lines (ProAV/Control System/KVM/PDU) were completed consecutively. The headquarter and branches provided four courses (KVM/ProAV/PDU/Control System), and a total of 919 people attended the courses with an overall course satisfaction score of 88 points, including a total of 1,561 people attending the course with an overall course satisfaction of 90 points. In addition to the online product knowledge educational training, we also organized numerous sessions of technical and physical training courses and certifications at the headquarter and branches in order to cultivate technical staff with more comprehensive and professional technical problem-solving abilities.



## 8.4 Customer Health and Safety

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

Since 2005, ATEN has established the “Hazardous Substance Restricted Use Management” project. Presently, all products are 100% compliant with the global relevant regulatory certifications of REACH, RoHS 2.0, etc. In addition, through the implementation of international regulations and standards, such as: ErP, WEEE, we also synchronously comply with the regulations and standards announced by the European Parliament and Council, in order to provide healthy and safe products and services to customers.



## 8.5 Information Security and Guaranteeing Customers’ Rights to Privacy

The Company values the security and privacy of customer data significantly. For example: On January 1, 2020, the “California Consumer Privacy Act” has become officially effective in the U.S., and it is enforced starting on July 1 of the same year. As the customers and business of the Company expand across the globe, for all regions and countries, regardless of whether such regions have established laws for privacy protection, we have the responsibility to ensure that customer information receives certain level of protection. Accordingly, the Company requests personnel with job duties related to personal data shall receive educational training specified in the “ATEN’s Personal Data Protection Management Policy”. We have designed a complete digital course for the “California Consumer Privacy Act” in order to allow em-



ployees to complete the reading of the digital course via the “Human Resource e-School” platform.

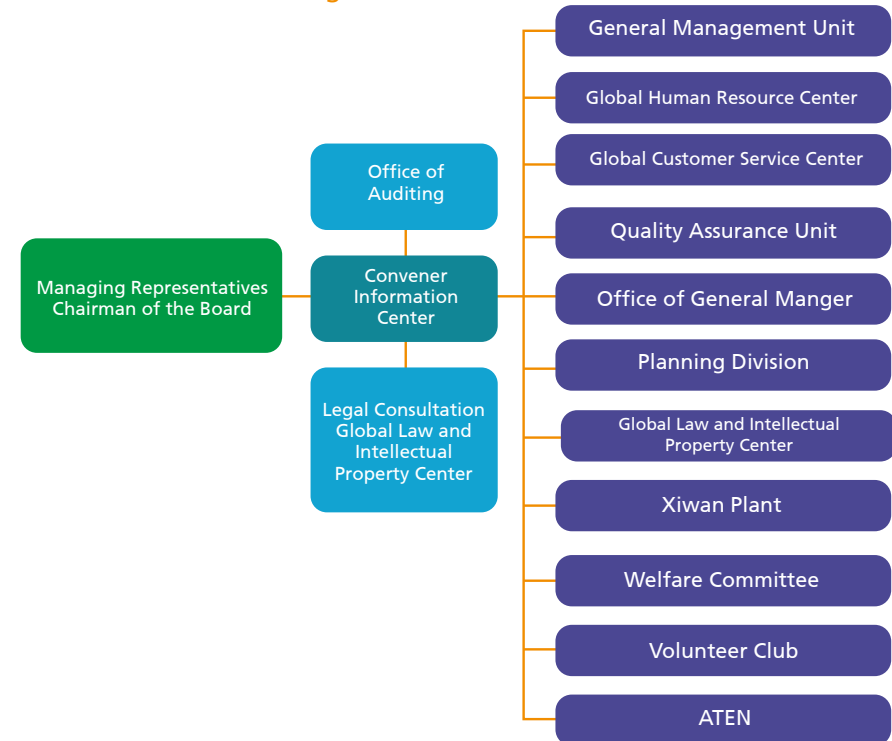
In addition, EU’s GDPR (General Data Protection Regulation) became officially effectively on May 25, 2018, and its penalty fine and scope of influence are great. It is also the most important regulation affecting global data protection action in recent years. ATEN is a global operating company, and products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

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



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

### Personal Information Management Promotion Team – Organization Structure



## Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

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

### › GRI 102: General Disclosure 2017

Item	Disclosure Item	Disclosure Item Content	Page	Notes
Organizational Profile	102-1	Organization Name	4, 17	
	102-2	Activities, Brands, Products, and Services	19-23	
	102-3	Headquarters Location	4, 17	
	102-4	Operation Location	26-27	
	102-5	Ownership and Legal Form	4, 17	
	102-6	Market With Service Provided	26-27	
	102-7	Organization Scale	16, 26, 27	
	102-8	Information of Employees and Other Workers	43	
	102-9	Supply Chain	87-89	
	102-10	Major Change of the Organization and its Supply Chain		No major changes.
	102-11	Precautionary Principle or Directive	4	
	102-12	External Advocacy	7	
	102-13	Membership of Unions and Associations	31	
Strategy	102-14	Statement From Decision Maker	5	
	102-15	Key Impacts, Risks, and Opportunities	25	
Ethics and Integrity	102-16	Values, Principles, Standards, and Code of Conduct	33-39	
	102-17	Recommendation Related to Ethics and Mechanism for Matters of Concern	12, 39	
Governance	102-18	Governance Structure	34-35	
	102-19	Authorization	8-9	
	102-20	Senior Management Level's Responsibility for Economy, Environment, and Social Topics	8-9	
	102-21	Consultation with Stakeholders on Economy, Environment, and Social Topics	11	
	102-22	Composition of the Highest Governing Unit and its Committees	35	
	102-23	Chairperson of Highest Governance Unit	35	Kevin Chen, Chairman and General Manager
	102-24	Nomination and Election of Highest Governance Unit	37	
	102-25	Conflict of Interest	37	
	102-26	Role of the Highest Governance Unit in the Establishment of Principles, Values, and Strategies	35	
	102-27	Group Knowledge of the Highest Governance Unit	37	

## Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

Item	Disclosure Item	Disclosure Item Content	Page	Notes
Governance	102-30	Effectiveness of Risk Management Procedure	8-9	
	102-31	Review of Economy, Environment, and Social Topics	8-9	
	102-32	Role of the Highest Governance Unit in Reporting of Sustainability	8-9	
	102-35	Remuneration Policy	38	
	102-36	Remuneration Determination Process	38	
Stakeholder Engagement	102-40	Stakeholder Group	10	
	102-41	Group Agreement		No trade union
	102-42	Stakeholder Identification and Selection	10	
	102-43	Stakeholder Communication Directive	10-11	
	102-44	Proposal on Key Topics and Matters of Concern	13-14	
Report Parameter	102-45	Entities Included in the Consolidated Financial Statements	4	
	102-46	Define Report Content and Topic Boundaries	4, 13-14	
	102-47	Major Topic List	14	
	102-48	Information Restatements		No information restatements.
	102-49	Report Change		No major report change
	102-50	Reporting Period	4	
	102-51	Date of Last Report	4	
	102-52	Reporting Cycle	4	
	102-53	Contact Person for Responding to Questions Related to the Report	4	
	102-54	Declaration According to GRI Standards Report	4	
	102-55	GRI Content Index		Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index
	102-56	External Guarantee/Assurance	4	



## › GRI 103: Management Directive 2106

Item	GRI Specific topic	Disclosure Item Content	Page	Notes
Management Directives	103-1	Explanation of Major Topics and Boundaries Thereof	14	
	103-2	Management Directive and Elements Thereof		Please refer to corresponding content of p.14 Major Topic Form.
	103-3	Management Directive Assessment		Please refer to corresponding content of p.14 Major Topic Form.

## › GRI Specific Topic Standard Disclosure

Item	GRI Specific topic	Disclosure Item Content	Page	Notes
Economic Performance ☆	201-1	Direct economic value generated and distributed	28	
	201-3	Define Welfare Plan and Obligation as Well as Other Retirement Plan	43	
	201-4	Finance Assistance Received From the Government		None
Indirect Economic Impacts	203-1	Development and impact of infrastructure investments and services supported	51	
	203-2	Significant Indirect Economic Impacts	51	
Energy	302-1	Energy consumption within the organization	76	
	302-3	Energy intensity	76	
Emissions	305-1	Direct (Scope 1) Greenhouse Gas Emissions	82-83	
	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	82-83	
	305-4	Greenhouse Gas Emission Intensity	84	
	305-6	Emissions of Ozone-depleting Substances (ODS)		Production and products do not use any ozone-depleting substances (ODS) materials.
	305-7	NOx, SOx, and Other Significant Material Gas Emissions		No significant emission of air pollutants.
Waste Sewage and Waste	306-1	Water Discharge According to Water Quality and Discharge Destination		ATEN has different types of effluent and wastewater discharge facility, which properly treat wastewater from each of our plants before discharging it into government-owned sanitation sewers.
	306-2	Waste Classified by Type and Treatment Method	80	
	306-5	Water Body Affected by Effluent and Other (Surface) Drainage		Except for rainwater, all drainage is treated before draining into the sewage system in the Park; therefore, there is no direct impact.

☆ Major Topics

## Appendix 1 Global Reporting Initiative Standards (GRI Standards) Index

Item	GRI Specific topic	Disclosure Item Content	Page	Notes
Environmental Protection Related Legal Compliance ☆	307-1	Violation of Environmental Protection Laws		No punishment related to noncompliance with environmental laws and regulations received in 2019.
Supplier Environmental Assessment	308-1	Adopt Environmental Standards for Screening New Suppliers	88-89	
Labor-Management Relationship ☆	401-1	New Employees and Resigned Employees	43	
	401-2	Welfare Provided to All Employees	43	
	401-3	Parental Leave	43	
Labor/Management Relations	402-1	Minimum Notice Periods Regarding Operational Changes		Handled according to Labor Standards Act related regulations.
Occupational Safety and Health	403-1	Worker representatives in the Safety and Health Committee formed jointly by the labor-management.	46	
	403-2	Type of injury, injury, occupational disease, number of working days lost, absence ratio, etc., and number of deaths in the course of job duties.	46	
	403-3	Workers with a high incidence or high risk of incidents that are related to their occupation.		With the use of Volatile Organic Solvents with n-hexane which can cause numerous neurological diseases, employees in contact with such substance frequency are tracked periodically for the health condition, and currently, there are no relevant occupational diseases.
	403-4	Health and Safety Topics Covered in Formal Agreements With Trade Unions		No trade union
Training and Education ☆	404-1	Average Hours of Training per Year per Employee by Gender, and By Employee Category	44	
	404-3	Percentage of Employees Receiving Periodic Performance and Occupational Development Reviews, By Gender and by Employee Category	44	
Employee Diversity and Equal Opportunity	405-1	Diversity of Governance Unit and Employees	37	
Local Communities ☆	413-1	Communicate With Local Communities, Impact Assessment, and Development Plan Operation Activities		Communicate frequently with local government agencies, nursing homes, charity organizations, social service centers, in order to assess the community needs, and provide timely assistance.
Supplier's Social Assessment	414-1	New Suppliers That Were Screened Using Social Criteria	88	
Public policy	415-1	Political Donations		No political donations in 2019.
Customer Health and Safety ☆	416-1	Assess the impact of products and services on health and safety.	73-74	
Marketing and Labeling ☆	417-1	Product and service information as well as labeling requirements.		All products of ATEN comply with relevant information and labeling requirements. Please refer to ATEN's company website for product information.
Social and Economic Regulatory Compliance ☆	419-1	Non-compliance with laws and regulations in the social and economic area.		No violation of relevant laws and regulations in 2019.

☆ Major Topics



## INDEPENDENT ASSURANCE OPINION STATEMENT

### 2019 ATEN International Co., Ltd. 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 verification of the sustainability statements contained in this report.

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

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

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

### Scope

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

1. The assurance scope is consistent with the description of 2019 ATEN International Co., Ltd. Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the ATEN's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000 Assurance Standard (2008) with 2018 Addendum assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

### Opinion Statement

We conclude that the 2019 ATEN International Co., Ltd. Corporate Social Responsibility Report provides a fair view of the ATEN CSR programmes and performances during 2019. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ATEN and the sample taken. We believe that the 2019 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate ATEN's efforts recognized by its stakeholders.

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

### Methodology

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

- a review of issues raised by external parties that could be relevant to ATEN's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 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 organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

### Conclusions

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

### Inclusivity

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

### Materiality

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

### Responsiveness

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

### Impact

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

### GRI Sustainability Reporting Standards (GRI Standards)

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

### Assurance level

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

### Responsibility

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

### Competency and Independence

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

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



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