

2. Governance

2.1 Corporate Governance

Silks Hotel Group has identified Corporate Governance as a core element of corporate sustainability and has established a comprehensive and transparent governance framework designed to enhance the quality of corporate governance and strengthen accountability. Our corporate governance practices are closely aligned with the promotion of the United Nations Sustainable Development Goals (SDGs), in particular Goal 16 (Peace, Justice and Strong Institutions), which emphasizes the establishment of effective, accountable and inclusive systems to support sustainable development. (for more details, please refer to the Annual Report_ <https://regent.city/6lm3rs>)

■ Diversity of Board of Directors

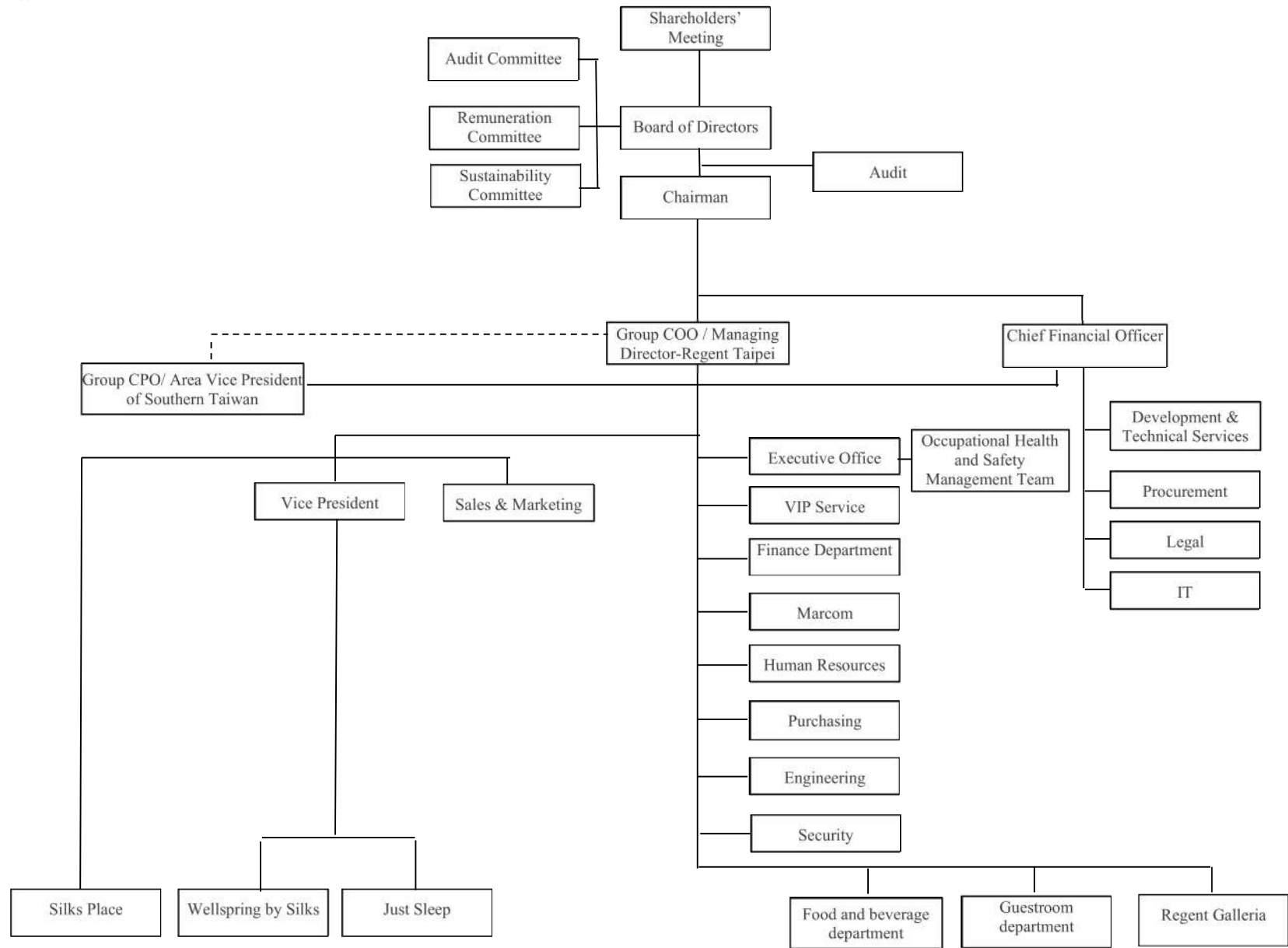
Silks Hotel Group clearly stipulates that the composition of the Board of Directors should be diversified in the “Corporate Governance Best-Practice Principles”, and formulates an appropriate diversity policy based on the Company’s own operations, business types, and development needs, including but not limited to the following two major standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

■ Independence of the Board of Directors

Board of Directors currently consists of 9 members, including 3 independent directors (33.33% of all directors). So far, all independent directors have complied with the requirements of the Financial Supervisory Commission on independent directors, and there is no requirement of Item 3 and Item 4 of Article 26-3 of the Securities and Exchange Act between each director and independent director. Please refer to 2023 Annual Report (Information on Directors-1) of the Company’s members. Four board meetings were held in 2023.

2.1.1 Corporate Governance Structure



Board of Directors Operations

The operation of the Board of Directors emphasizes diversity and independence. In accordance with the "Corporate Governance Best Practice Principles," the selection criteria for board members include gender, age, nationality, cultural background, and professional knowledge and skills, such as law, finance, accounting, industry knowledge, marketing, and technology.

- **Board members are re-elected every three years.**

The proportion of independent directors is 33.33%, which complies with the relevant regulations of the Financial Supervisory Commission.

- **Board performance evaluation is conducted annually.**

The scope covers the performance of the Board as a whole, individual board members, and functional committees. The performance evaluation results for 2023 show "significantly exceeding standards." These results serve as an important reference for the selection or nomination of directors and individual director remuneration.

- **Silks Hotel Group values gender equality.**

The target for the proportion of female directors is above 30%. Currently, among the nine directors, three are female, exceeding the 30% target.

Board members are re-elected every three years

once

Board performance evaluation is conducted annually

once

The proportion of female to male directors

33 %

Board of Directors List

Title	Name	Gender/Age	Major Education/Experience	Current Concurrent Positions within the Company and Other Companies
Chairman	Steven Pan (Representative of Ching Cheng Investment)	Male/ 50~60 years old	University of California, Berkeley Columbia University Graduate School	Director of Nan Fung Enterprise and legal representative of Tien Hsiang Regent Hotel, Ching Cheng Investment, Regent International Development, and Silks Palace (stock) company
Director	Constance Chiang (Representative of Ching Cheng Investment)	Female/ 50~60 years old	University of California, Berkeley	
Director	Johanna Wang (Representative of Ching Cheng Investment)	Female/ 70~80 years old	Department of Library Science, National Taiwan University EMBA Program, National Taiwan University	General Manager of JRV Ji Rui Fan Co., Ltd.
Director	Dick Lin (Representative of Ching Cheng Investment)	Male/ 70~80 years old	Hilton International Asia & Australia Training Center, Holiday Inn University	Legal representative of Tien Hsiang Regent Hotel and Regent Hospitality Management (Shanghai) Co., Ltd.; Supervisor of Regent Property Management & Maintenance (stock) company
Director	Kung-Wen Li (Representative of Regent International Development)	Male/ 70~80 years old	Department of Accounting and Statistics, Ling Tung Commercial College Honorary Doctorate of Engineering, National Pingtung University of Science and Technology	Chairman of Delta Precision Industry (stock) company, Jiangxi Delta Precision Technology Co., Ltd. (Ganzhou, Jiangxi), Leading Edge Composites Technology (Huizhou) Co., Ltd., and Hanlong Information Technology (stock) company; Director of Hong Kong Feng Tai International Co., Ltd.

Director	Kung-Wen Li (Representative of Regent International Development)	Male/ 70~80 years old	Department of Accounting and Statistics, Ling Tung Commercial College Honorary Doctorate of Engineering, National Pingtung University of Science and Technology	Chairman of Delta Precision Industry (stock) company, Jiangxi Delta Precision Technology Co., Ltd. (Ganzhou, Jiangxi), Leading Edge Composites Technology (Huizhou) Co., Ltd., and Hanlong Information Technology (stock) company; Director of Hong Kong Feng Tai International Co., Ltd.
Director	Henry Kao (Representative of Regent International Development)	Male/ 70~80 years old	Master of Public Administration, University of San Francisco	Chairman of I-MEI Foods Co., Ltd.; Chairman of the Chinese International Economic Cooperation Association; Chairman of the International Chamber of Commerce, Republic of China Committee; Director of Taishin International Bank
Independent Director	Se-Jen Lai	Female/ 70~80 years old	Department of Business Administration, Fu Jen Catholic University Master of Management Science, National Chiao Tung University	Independent Director of Mos Burger Taiwan Ltd.
Independent Director	David Chang	Male/ 60~70 years old	Department of Sociology, National Taiwan University MBA, Columbia University	Chairman of Storm Media Group
Independent Director	Jason Wang	Male/ 70~80 years old	Graduate Institute of Business Administration, National Taiwan University	Chairman of Lion Travel Service Co., Ltd. and Twin Lion International Travel Service Co., Ltd.

- 22nd term of the Board of Directors: August 20, 2021 to August 19, 2024

■ Procedure for Determining Directors' and Managers' Remuneration':

In order to evaluate the compensation and remuneration of directors and managerial officers on a regular basis, the remuneration is based on the evaluation results of the Company's "Board of Directors Performance Evaluation Policy" and the "Performance Appraisal Policy" applicable to managerial officers and employees. Based on the level of participation and contribution to the Company's operations, and the achievement rate of work targets, the salaries of managerial officers are determined with reference to the salary level in the same industry in order to maintain the overall competitiveness of human resources and ensure the Company's operational performance.

In order to inspire employees to actively create company profits and reward employees' efforts, the Company has formulated performance bonus measures. The calculation of performance bonus is based on the after-tax profit and loss multiplied by the bonus appropriation ratio, and the operating performance of the profit center is combined and distributed to managers at the end of the year.

The degree of participation in and contribution to the company's operations as referred to above is highly correlated with the goal achievement rate and performance evaluation, and includes financial indicators (such as the company's profitability) and non-financial indicators (such as operational safety management, customer satisfaction and the implementation of quality assurance and management-related performance targets). The remuneration of directors and managerial officers is regularly assessed and determined by the Remuneration Committee, and is submitted to the Board of Directors for approval.

■ Correlation with business performance and future risks:

The Company's remuneration policy is primarily based on its overall operating status, determining payment standards by evaluating performance attainment rates and contributions that enhance the Board of Directors' and managerial officers' overall team effectiveness. Remuneration for directors is linked to the Company's operating performance, and the Remuneration Committee regularly assesses the alignment between individual directors' and managers' performance and the Company's operational results and future risks to establish appropriate compensation.

The Group's Compensation Committee regularly reviews and adjusts the salaries of directors and managers, submitting evaluation results to the Board of Directors for approval. The evaluation considers both financial indicators, such as profitability, and non-financial factors like operational safety management, customer satisfaction, and product and service quality. Moreover, the Group emphasizes ESG (Environmental, Social, and Governance) performance, reflecting its commitment to sustainability and social responsibility. Integrating ESG into the compensation system supports the Group's long-term development and enhances its social impact.

Silks Hotel Group actively implements a diversified corporate governance structure, establishing an Audit Committee, a Remuneration Committee, and a Sustainability Development Committee to strengthen corporate governance and promote sustainable development goals.

Audit Committee

Enhances the transparency and accuracy of financial reports and supervises internal control and regulatory compliance.

Remuneration Committee

Responsible for evaluating and setting the remuneration policies for the company's senior management, ensuring alignment with company performance and market standards.

Sustainability Development Committee

Serves as a cross-departmental coordination mechanism, responsible for promoting strategies and measures for environmental, social, and economic sustainable development, and regularly reporting on their implementation performance.

2.1.2 Performance

In 2023, we achieved remarkable operating performance, particularly following the lifting of pandemic restrictions and the reopening of borders, leading to an overall economic recovery. The Group's consolidated operating revenue and net profit after tax in 2023 reached record highs on a comparable basis.

In 2023, Regent Taipei's room revenue nearly returned to pre-pandemic levels. Additionally, with a rise in demand for business events like year-end banquets, large conferences, and exhibitions, our catering revenue saw significant growth. Despite some impact from outbound travel on Taiwan's domestic leisure market, our properties focused on domestic travel—Silks Place Taroko, Silks Place Tainan, Wellspring by Silks, and several Just Sleep branches—surpassed their revenue from the previous year, demonstrating solid performance.

In 2023, Silks Hotel Group's consolidated operating revenue reached NT\$6,765,042,000 (including NT\$3,313,245,000 in catering revenue, NT\$2,504,117,000 in room revenue, and NT\$947,680,000 in other revenue). Net profit after tax reached NT\$1,908,685,000, representing a

46.35% increase compared to the previous year. The increase in net profit after tax was mainly attributed to the post-pandemic recovery and the growth in catering, accommodation, and boutique revenue.

2023 Operating Performance

Unit: Thousand New Taiwan

Item	2021	2022	2023
Catering Revenue	2,857,441	2,829,445	3,313,245
Room Revenue	1,378,058	1,896,333	2,504,117
Other Revenue	695,195	871,545	947,680
Group Consolidated Operating Revenue	4,930,694	5,597,323	6,765,042
Group Consolidated Profit Before Tax	2,401,535	1,304,188	1,908,685



2.1.3 Compliance and Integrity

Silks Hotel Group adheres to the business philosophy based on integrity. In accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, We has formulated the “Code of Ethical Conduct”, the “Guidelines for Ethical Conduct and Operating Procedures”, and the “Code of Ethical Conduct Management”, which specifically regulate the matters that should be noted in the execution of the business of the company's employees, including the directors and the managers.

The “Rules Governing Board Meetings” provides for a system of avoidance of director's interests. A director who has an interest in a matter before a board of directors that concerns him/her or a legal entity that he/she represents should explain the importance of his/her interest at the board of directors' meeting, and if there is a risk that the company's interests may be jeopardized, he/she may not participate in the discussion or vote, and he/she should abstain from discussion and voting and may not exercise his/her right to vote as a proxy for other directors.

The Human Resources Department is responsible for the planning and implementation of integrity management policies, providing regular education and training to ensure that business operations comply with legal, ethical, and social responsibility standards, and has reported to the Board of Directors on November 13, 2023 on the status of its implementation. In 2023, We conducted 892 education and training sessions on integrity management courses for a total of 446 person-hours.

The Company strictly require that business activities be conducted in a fair and transparent manner, and that we consider the legitimacy of suppliers, travel agencies, customers, or other business counterparts and the existence of a record of dishonest behavior before engaging in business transactions, and that we should avoid engaging in transactions with persons with a record of dishonest behavior. When entering into a contract with another party, it is advisable to include the principle of good faith and the termination or rescission of the contract at any time if the counterparty is involved in dishonest behavior.

We have established a comprehensive complaint mechanism and procedures for handling dishonest behavior, encouraging internal and external parties to report dishonest behavior, and ensuring the anonymity and safety of whistleblowers. During the year under review, there were no instances of dishonest operations or reports of dishonest operations.

2.1.4 Membership and Industry Associations

External engagement organizations can have a positive impact on corporate governance and operations at multiple levels to ensure that corporate operations are in line with social expectations, social responsibility, regulations, integrity and ethical standards, as well as to protect the rights and interests of stakeholders. Silks Hotel Group actively participates in various external organizations and associations, including the Association for the Advancement of Industry and Commerce (AACI), American Chamber of Commerce (AMCHAM), British-Chinese-Chinese Chamber of Commerce and Trade (BCCT), European Chamber of Commerce in Taiwan (ECCT), and the French Chamber of Commerce and Industry (CCIFT), etc. Through exchanges and collaborations, we are able to work with multiple industries to promote the ESG sustainability initiatives, to learn from each other, and to keep abreast of the market dynamics and industry information. Through exchanges and cooperation, we promote ESG sustainability initiatives with diversified industries, learn from each other, and keep abreast of market dynamics and industry information, as well as regulatory requirements, in order to strengthen the company's global governance, social responsibility, and environmentally sustainable development practices.

2.2 Risk Management

Silks Hotel Group is committed to promoting sustainable development and achieving the United Nations Sustainable Development Goals (SDGs), including Goal 8 (Decent Work and Economic Growth), Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action).

By strengthening our corporate governance and risk management, we ensure that our operations meet the highest standards and minimize negative environmental and social impacts. We believe that sound risk management is not only the cornerstone of sound business operations, but also the embodiment of our commitment to society and the environment.

Established written principles for overall risk management and provided written policies for specific areas and matters. While the Board of Directors serves as the highest governing body for risk management, day-to-day risk management tasks are carried out by the Group's Finance Department in accordance with policies approved by the Board. This is achieved through close collaboration with various operating units within the Group, with the participation and promotion of managers and employees at all levels. In accordance with the implementation rules, various risks are clearly classified, management guidelines are established, and corresponding responsible units are set up for inspection. Through the process of identifying, analyzing, measuring, monitoring, responding to, and reporting risks, if any significant abnormalities are found, the responsible units will assess and report them to the Board of Directors, formulate improvement plans and response strategies, and report to the Board of Directors at least once a year.



■ Risk Categories and Response Measures

The company's daily operations are affected by various risks, including financial risks, operational risks, food safety risks, information security risks, occupational safety risks, and climate change environmental risks. The company's operating policies are handled in accordance with legal regulations, and we pay close attention to important domestic and international policies and regulatory changes that may affect operations. Relevant departments identify, assess, analyze, and measure potential risks, and consult with relevant experts in a timely manner to respond. Risks are centrally managed and implemented in a hierarchical manner based on their characteristics and impact levels to keep risks under control at all times and formulate risk control strategies, reducing the potential adverse impact of all operational risks on business operations.

■ Corporate Governance and Economic

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Corporate Governance	Board Operations, Functional Committees	The risk of corporate sustainable development management has been elevated to an important issue for enterprises beyond financial aspects.	<ul style="list-style-type: none"> • Information transparency and openness • Follow regulations to formulate financial policies and various response measures. • In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," evaluate the effectiveness of the design and implementation of internal control systems. • Implement operational risk control mechanisms in each department. • Value the interests and expectations of stakeholders, and formulate operating strategies to address major sustainability issues based on communication and identification results with them.

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Financial Risks	Accounting Department	Market risks, exchange rate risks, price risks, credit risks, and liquidity risks may have potential adverse effects on the company's financial position and financial performance.	Responsible for capital allocation and utilization, ensuring accounts receivable and creditor's rights, compliance with and promotion of various laws and regulations, and the reliability of financial statements; interest rate change monitoring; operational performance analysis and risk control.
Operational Risks	General Manager, Sales & Marketing Department, Business Development Department	The rapid changes in economic and trade due to the interconnected impact of geopolitics and extreme weather, as well as inflation, can cause business impacts.	Formulate company operating strategies and evaluate operational benefits; monitor market price changes in response to inflation, adjust sales pricing, and choose to cooperate with multiple qualified manufacturers to reduce impact; formulate digital marketing strategies, diversify product research and development and promotion; evaluate and develop new business investments to diversify operational risks.
Information Security Risks	IT Department	Improper computer operations leading to company data leakage, hacker intrusion, resulting in losses in operational performance and corporate image.	Establish computer network system information security control mechanisms; conduct information security knowledge education and training; establish information security reporting procedures and regularly conduct information security audits; establish customer privacy protection policies.
Corporate Image	Accounting Department, Marketing and	Corporate business conduct may lead to reputational risks, financial risks, legal compliance risks, human rights	Establish a sound internal control system, formulate policies and procedures that comply with regulations, strengthen supply chain risk assessment and diversify the supply chain; adopt parks,

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Food Safety and Supply Chain Management	Communications Department	protection risks, and supply chain risks.	sponsor NGOs, participate in community co-thriving development activities, and enhance corporate image.
	Food Safety & Hygiene Committee	Food safety incidents may cause damage to the company's image and lead to liability for compensation.	Establish a comprehensive food safety control system and set up a food safety and hygiene team to regularly review and improve food safety and quality management matters; screen the supply chain, monitor raw material safety and supply stability; formulate response measures for changes in laws and regulations; conduct food safety risk hazard analysis and control.

■ Human Rights Protection and Social

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Occupational Safety and Health	Occupational Safety & Health Committee	Improper equipment operation or inadequate implementation of workplace safety measures may lead to occupational accidents.	Establish an occupational safety and health committee for regular review; implement employee safety and health management; conduct education and training and formulate occupational accident prevention plans to reduce the risk of accidents.
Talent Attraction, Training, and	Human Rights Protection Committee	The phenomenon of labor shortage poses operational risks to the labor-intensive tourism industry.	Create a happy working environment and actively protect employee rights and interests, striving to enhance the company's overall competitiveness and market position. Hire with diversity

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Retention			and inclusion, and strengthen employee benefits and care.
Community Care and Public Welfare	Public Relations Department, Stakeholder Engagement Committee	Stakeholder concerns have expanded from financial performance and profitability to non-financial corporate sustainable development risks.	We deeply understand the importance of corporate social responsibility in establishing sustainable development. Through public welfare activities and community care programs, we actively participate in community improvement efforts and directly contribute to achieving the United Nations Sustainable Development Goals.

■ Environmental

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Environmental Protection and Energy	Sustainable Energy Management Committee	Stricter environmental regulations may lead to corporate transformation risks, potentially impacting corporate operations and financial planning.	The Environmental Sustainability Committee is responsible for environmental impact risk assessment and establishing preventive measures for environmental hazards, as well as supervising implementation effectiveness. Comply with laws and regulations to ensure the effective operation of the environmental management system; integrate energy-saving concepts into daily operations through announcements, publicity, education and training, etc., including waste management and reduction, sewage discharge, implementation of energy conservation and carbon reduction

Risk Category	Responsible Unit	Risk Description	Risk Control Strategies
Climate Change	Sustainable Energy Management Committee	The impact of extreme weather risks is becoming increasingly severe, which may cause difficulties in obtaining raw materials or increase costs, leading to business interruption risks, property losses, and reduced operational performance.	<p>policies, reduction of ineffective electricity waste, reduction of single-use toiletries packaging containers, switching to large-capacity press bottles, and purchasing equipment with environmental labels.</p> <p>In accordance with the TCFD's recommendations for climate-related financial disclosures, identify climate change risks and opportunities, and establish indicators and conduct target management based on the identification results. Establish a cross-departmental sustainable energy management committee to manage energy use efficiency and greenhouse gas reduction and emission targets; implement energy-saving policies; strengthen supply chain integration and seek alternative raw materials; and obtain adequate insurance to reduce losses.</p>

■ Financial Risks

The financial strategy is based on prudence and conservatism, adhering to various laws and regulations to ensure the reliability of financial statements. In recent years, there have been no high-risk, high-leverage investments or derivatives transactions. Risk management is carried out by the Group's Finance Department in accordance with policies approved by the Board of Directors. The Group's Finance Department, through close cooperation with various operating units within the Group, is responsible for identifying, assessing, and mitigating financial risks.

■ Operational Risks

A Food Safety Committee has been established to formulate and supervise the implementation of food safety policies, and an occupational safety officer is responsible for employee workplace safety education and training to reduce workplace accidents. The Energy Team is responsible for formulating and implementing energy-saving policies. Based on the guiding principle of customer first, we aim to enhance the company's overall corporate image and prevent corporate crisis risks. We continue to monitor market price changes, adjust sales pricing, and maintain good interaction with suppliers to ensure that multiple qualified alternative suppliers are available. We incorporate raw material price increases and inflation risks into our annual operating plans to reduce their impact on the company's profit and loss.

■ Corporate Image

01 Establish an internal control system

In accordance with the "Risk Management Best Practices for Listed and OTC Companies," formulated risk management policies and procedures for Silks Hotel Group, clearly stating that the Board of Directors is the highest governing body for corporate risk management. We formulated and implemented policies and procedures that comply with regulations to ensure that corporate behavior meets relevant regulatory requirements, reducing legal compliance risks.

02 Strengthening Supply Chain Risk Assessment

Mitigate supply chain risks by meticulously screening and monitoring suppliers, ensuring a stable and reliable supply chain. Actively collaborate with global partners to explore innovative sustainable technologies and strategies, fostering greener operational practices. Through these endeavors, we aspire to inspire companies within our industry and beyond, collectively working towards a fairer and more environmentally conscious future, guiding our supply chain towards sustainable development.

03 Social Responsibility and Public Welfare Activities

We are dedicated to supporting and improving the communities we serve through public welfare activities and environmental practices, while also contributing to the development of inclusive, safe, resilient, and sustainable cities and communities. Examples include adopting parks to maintain their greenery and artistic lighting, enhancing the quality of life for local residents; participating in community co-thriving development activities, such as annually organizing charity cooking events at the Hualien Dawn Center to provide catering services for people with intellectual disabilities; and hosting sustainable charity Christmas markets, bazaars, and blood donation drives to support disadvantaged families in remote areas and the Hualien New Dawn Educare Center, embodying corporate social responsibility and enhancing our corporate image.

Through these initiatives, we not only elevate our corporate image but also create lasting positive impacts on local communities, demonstrating our commitment as a responsible corporate citizen. We firmly believe that true business success stems from bringing continuous and tangible benefits to society, and we remain dedicated to driving positive social and environmental change. Uphold the principles of integrity, professionalism, and sound management, and value corporate image and risk control. Enhance Taiwan's image and strive to put customers first to improve the Group's overall image through adopting parks, sponsoring NGOs, and cooperating with the Tourism Bureau in conducting domestic and international promotional activities. As of the date of this report in 2023, there have been no significant changes in corporate image leading to corporate crisis management situations.

2.3 Innovation and Customer Service

Performance Results		Future Goals		Future Goals	
		Short-term Goals	Medium to Long-term Goals	Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">Silks Hotel Group achieved an average customer satisfaction score of 83, with Silks Place Taroko reaching an impressive 92, demonstrating travelers' recognition and high regard for our hotel service quality. Furthermore, on reputable international travel OTA review websites, over 90% of travelers acknowledge our high-quality service.We have also implemented intelligent technologies to provide faster service and address customer needs more efficiently. The investment in research and development for innovative products amounted to NT\$4,455,000.		<ul style="list-style-type: none">Plan itineraries to attract travelers based on travel seasonality and holiday periods.Develop new culinary recipes and invite international chefs for guest appearances to maintain competitiveness.		<ul style="list-style-type: none">Reposition the brand to meet new demands.Expand business models in line with market trends to enhance operational performance.	

Impact

After experiencing the impact of the three-year pandemic, Silks Hotel Group faces the upcoming opening of new hotels and needs to actively respond to changes in market demand, increased competition, shifts in consumer preferences, and the growing issue of labor shortages. To ensure successful future operations, the Group must take several measures, including optimizing products and services, driving technological innovation, flexibly adapting to changes in customer needs, and improving customer satisfaction and employee retention rates to maintain competitiveness in the post-pandemic market.

Policy Commitment

Silks Hotel Group possesses professional hotel management knowledge and welcomes travelers from around the world with an open mind, providing warm and heartfelt service. We respect global ethnicities and cultures. Our goal is to create extraordinary experiences, allowing travelers to feel the new meaning of travel while experiencing our unique "Heartfelt Hospitality" culture. We are committed to ensuring the company's sustainable operation, continuing to lead the hotel industry towards a more sustainable and responsible future through continuous innovation and service optimization.

Actions Taken

- **Effectively collect customer feedback and suggestions:**
Established diverse communication channels, including a customer service mailbox webpage in five languages within the Customer Relationship Management (CRM) system, dedicated phone lines for each hotel, online chat, and social media.
 - **Accurate market analysis and demand forecasting:**
Understand market trends and consumer preferences to flexibly adjust product, marketing, and pricing strategies.
 - **Regularly collect customer feedback data:**
Understand customer needs and suggestions through dedicated personnel who regularly analyze satisfaction reports, formulate corresponding improvement measures, and use them to continuously improve our products and service processes.
 - **Enhance problem-solving skills:**
Promote potential development and education and training programs to ensure employees have good communication skills and professional competence.
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Evaluation Mechanisms

- Review operational performance and adjust business strategies in a timely manner.
- Regularly review customer satisfaction and evaluations on international travel OTA review websites.
- Invest in innovative product research and development.

Stakeholder Engagement

Silks Hotel Group interacts with customers through various communication channels, utilizes CRM big data analysis to understand customer preferences, and provides personalized stay experiences. We formulate operational strategies based on customer feedback to maintain market competitiveness and enhance innovation efficiency and overall service quality through internal employee training.

Innovative Products and Services

The Group's hotels will continue to utilize unique local resources and combine them with nearby cultural landscapes and in-depth tourism resources as attractions for travelers. The renowned British cultural publication "Time Out" announced the "40 Coolest Neighborhoods in the World" in 2023, and Taipei's Zhongshan District was recognized as one of the coolest neighborhoods in the eyes of foreigners due to its unique traditional customs, characteristic architecture, and rich entertainment culture. Tainan, as the historical and cultural capital of Taiwan, preserves numerous historical buildings and artifacts, carrying hundreds of years of Taiwanese history and cultural stories, attracting travelers with its rich and charming cultural heritage. Taroko Gorge is a natural wonder in Taiwan, with breathtaking scenery composed of magnificent marble cliffs, deep valleys, and azure rivers.

In recent years, international hotel chains have entered Taiwan's tourism market, which will inevitably impact the supply and demand relationship in the tourism industry. To enhance our competitiveness, we will focus on improving high-quality service experiences and unique differentiated products, paying attention to details and customer needs, strengthening marketing and promotion, expanding target markets, enhancing local cultural experiences, promoting industry collaboration and integration, improving infrastructure and convenience, and driving innovative technology applications. We will attract more travelers and expand our market share through diversified strategies.

enhancing local cultural experiences, promoting industry collaboration and integration, improving infrastructure and convenience, and driving innovative technology applications. We will attract more travelers and expand our market share through diversified strategies.



Regent Taipei invites local community leaders to guide guests on strolls through alleys and in-depth exploration of Chifeng Street.



Silks Place Tainan adopts salt fields and leads guests to experience the traditional culture of ancient salt-making methods.

Innovative Products for Economic Sustainability

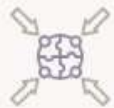


Cultural Experience Activities



Provide diverse cultural activities to enhance travelers' understanding of local culture and encourage cultural exchange.

- Combine local culture and the Zhongshan shopping district to emphasize support for social and cultural preservation and the local economy.
- Room package products extended from the three years of the pandemic, with different floors of guest rooms clearly targeting various customer segments.
- Collaboration with local culture and different industries, such as the Greater Taipei New Year's Market, Taipei Lantern Festival, and the well-received Taiwan High-Speed Rail and double-decker sightseeing bus discounts, making accommodation products full of different characteristics and attracting different customer groups.



Long-term Community Impact



The core of local revitalization lies in telling the stories of local characteristics and designing activities and itineraries so that tourism is not only short-term entertainment but also brings sustainable positive impact to the local community.



Green Accommodation Environment



Create energy-efficient and resource-efficient accommodation facilities and encourage guests to participate in environmental protection actions. With the increasing environmental awareness of consumers, we avoid using disposable plastic products and reduce food waste and unnecessary resource consumption. These measures not only align with environmental trends but also enhance our corporate image and demonstrate our sense of responsibility towards the environment.



Innovative Technology Services



With the advent of the AI technology era, it is imperative to introduce AI intelligent products to improve service quality and accommodation convenience.



Improve efficiency and cost-effectiveness



Enhance operational efficiency and achieve a sustainable business model through energy management systems and resource recycling programs.



Promote sustainable development



Reduce environmental impact and promote sustainable development through innovative technologies and solutions, such as energy-saving equipment, renewable energy, and green building design.



Sustainable dining experience



Emphasize the use of local sustainable ingredients, reduce carbon footprint, and provide customers with unique and environmentally friendly dining experiences through brand collaborations and special dining events.

Innovative Products for Environmental Sustainability

Silks Hotel Group constantly strives for excellence, dedicated to providing customers with unique and unforgettable experiences. We maintain competitiveness through innovative thinking and technology applications, continuously launching new products and services to meet the increasingly diverse needs of customers. For example, we offer accommodation experiences that integrate local culture, allowing travelers to gain a deeper understanding of the beauty of Taiwan. This includes artist-in-residence programs, Taipei Lantern Festival, Dadaocheng Summer Festival, Taipei double-decker sightseeing bus special accommodation packages, as well as Brasserie's "Sustainable Dining Table" and "Sheng (Sheng) Project," transforming NG ingredients into delicious dishes. At the same time, we actively integrate into local culture, showcasing the beauty of Taiwan to the world. Silks Hotel Group will continue to invest in research and development, launching more innovative products and services that meet customer needs and further enhancing the customer experience.



Guest Chefs and Cross-Industry Collaboration



Regent Taipei invited Adam Rawson, chef of "Dragon Burger," who was named the most promising young chef by British media in 2015. He won the championship in the London mini burger competition "Slider Decider" in 2015 and 2016 with his original burgers. In January 2023, he was a guest chef at Regent Taipei, bringing popular new burger delicacies.

Regent Taipei collaborated with the Miyazaki Prefectural Government in Japan to create the "Miyazaki Specialty Feast," featuring fully ripe kumquats with a sugar content of 18 degrees. They also invited Yui Ogata, the 2022 World Class bartender champion, to the 2nd-floor Gallery Lounge to present a series of cocktails. Robin's Grill also launched the "Surf and Turf Steak Kumquat Set Menu," inviting discerning gourmets to savor the supreme taste of premium kumquats.

Sugalabo, the most difficult-to-book restaurant in Tokyo, operates on an introduction-only basis. Inspired by "Japan to the World," they use seasonal Taiwanese ingredients for menu design. The open kitchen allows customers to witness the chefs and their team in action, offering guests an ultimate dining experience.

The Korean donut brand "Knotted" is widely loved by locals, with its iconic cute yellow smiley face as its unique symbol. They offer popular flavors with overflowing fillings and two globally exclusive donut flavors for a pop-up in Taiwan.

Okujo Shoten, Hokkaido's first pilgrimage restaurant specializing in shrimp broth soup curry, made its debut pop-up in Taiwan. The restaurant, now in its third generation, showcases the delicious aroma of the ocean in its curry spices, creating an irresistible unique flavor of soup curry.



Pursuit of Service Excellence

Silks Hotel Group is committed to enhancing customer satisfaction through high-quality products and services, fostering long-term partnerships, cultivating customer loyalty, and reducing customer churn. Our goal is to enhance product competitiveness and achieve continuous growth in operational performance.

To effectively gather customer feedback and suggestions, we have established diverse communication channels, including a customer service mailbox webpage available in five languages within our Customer Relationship Management (CRM) system, dedicated phone lines for each hotel (refer to the official website of each hotel), online chat, and social media.

Enhance customer satisfaction and loyalty

Exceptional customer service is key to ensuring customer satisfaction. We are dedicated to providing personalized and attentive service, making every guest feel valued and cared for. This not only enhances customer satisfaction but also increases loyalty, encouraging them to return and recommend us to others.

Respond to customer needs promptly

Excellent service involves responding to customer needs and feedback quickly and effectively. We handle issues and provide



Create unforgettable experiences

We provide unique cultural activities, local cuisine, and personalized travel recommendations, allowing guests to deeply experience the local culture and create wonderful memories.

Establish a positive brand image

High-quality service is an important way to

Strategies to Improve Service Quality and Competitiveness



- **Discussion and Strategy Formulation**
Engage in thorough discussions during meetings to formulate improvement strategies.
- **Satisfaction Report Analysis**
Regularly analyze satisfaction reports to identify areas for improvement and develop corresponding measures.
- **Tracking and Evaluation**
Implement tracking and evaluation mechanisms to ensure the effectiveness of improvements in low-scoring areas.



- **Service Optimization Measures**
Innovate and optimize services to ensure we maintain a competitive edge in the market.
- **Industry Best Practices**
Regularly review service processes and stay informed about industry best practices to identify areas for improvement and implement new initiatives.
- **Customer Feedback**
Actively collect and analyze customer feedback to gain insights into their needs and expectations, enabling us to flexibly adjust our strategies and service standards.



- **Service Optimization Measures**
Recognize the importance of talent needs and internal professional skills development. Invest in training programs and provide opportunities for employees to enhance their skills and knowledge.
- **Enhance Problem-Solving Skills**
Foster potential development and implement education and training programs to ensure employees possess excellent communication skills and professional competence. Empower staff to effectively address customer concerns and provide solutions in a timely and efficient manner.

We are dedicated to enhancing customer satisfaction by delivering high-quality products and services, fostering long-term relationships, increasing customer loyalty, and minimizing customer turnover. Our goal is to strengthen the competitive advantage of our products and achieve sustainable growth in operational performance.

To gather customer feedback and suggestions more effectively, we have established a range of communication channels. These include the customer service webpage in our five-language Customer Relationship Management (CRM) system, dedicated phone lines at each hotel (available on the official website of each hotel), online chat services, and social media platforms. Each hotel department is equipped with dedicated staff to ensure all customer feedback is addressed within 24 hours. We sincerely appreciate our customers' positive feedback and warmly welcome them back to our hotels.

Further feedback is collected through customer satisfaction surveys, social media monitoring, and customer feedback forms. This feedback is regularly analyzed by dedicated teams to develop improvement strategies that are continuously applied to enhance our products and service processes.

Mailbox Link:

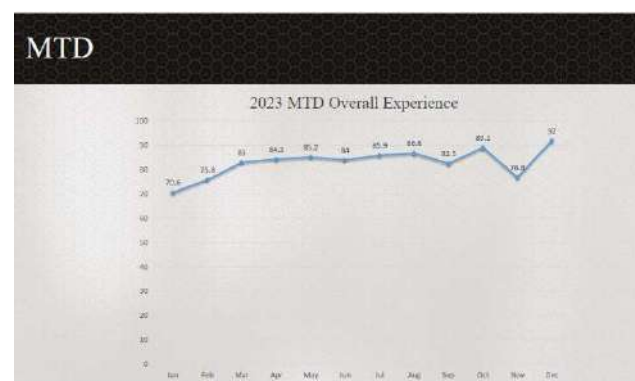
Traditional Chinese mailbox link : <https://event.silkshotelgroup.com/ContactUs/zh-tw>

Simplified Chinese mailbox link : <https://event.silkshotelgroup.com/ContactUs/zh-cn>

English mailbox link : <https://event.silkshotelgroup.com/ContactUs/en>

Japanese mailbox link : <https://event.silkshotelgroup.com/ContactUs/ja>

English mailbox link : <https://event.silkshotelgroup.com/ContactUs/ko>



旅遊平台獎項紀錄



餐飲及其他服務獲獎紀錄



2.4 Food Safety and Healthy

Performance Results		Future Goals		Future Goals	
<ul style="list-style-type: none">Silks Hotel Group's hotels had no incidents of fines imposed for violating food safety and hygiene management regulations in 2023.In September 2023, the Regent Taipei banquet hall passed the renewal certification of the HACCP food safety control system issued by TQSCI. A total of 64 self-inspections, 14 internal food safety and hygiene audits, and 32 venue cleaning, maintenance, and hygiene inspections were conducted.Silks Place Tainan conducted 4 microbial self-inspections, 8 internal food safety and hygiene audits, and 35 venue cleaning, maintenance, and hygiene inspections.		Short-term Goals	Medium to Long-term Goals	Short-term Goals	Medium to Long-term Goals
		<ul style="list-style-type: none">Strict adherence to food safety regulations, employee training, and ingredient source supervision.Implement employee food safety training to ensure all staff understand and comply with the latest safety regulations and procedures.		<ul style="list-style-type: none">Strengthen the emphasis on customer health and safety, creating greater value for all stakeholders.	

Impact	Food safety incidents pose a serious threat to customer health and directly affect their trust in the hotel, leading to customer loss. Negative news reports and social media reviews can significantly impact potential customers' willingness to choose the hotel, thereby affecting revenue. The hotel may also face legal proceedings and high compensation, and may even be subject to temporary closure and fines, resulting in operational losses. By implementing a comprehensive food safety management system, Silks Hotel Group takes direct responsibility for protecting consumer health.
Policy Commitment	Silks Hotel Group demonstrates a significant and ongoing commitment to food safety and health. We not only actively enhance food safety management standards but also promote education and training to ensure that our employees and suppliers adhere to the strictest hygiene standards. We deeply understand that the ultimate goal of food safety is to protect consumer health and well-being while maintaining the company's reputation and image.

Actions Taken	We implement the "Food Safety and Hygiene Environmental Standard Operating Procedures," adopting stringent food safety management, continuous employee training, and effective emergency measures to mitigate food safety risks, protect customer health, maintain brand reputation, and ensure sustainable economic benefits.
Evaluation Mechanisms	<ul style="list-style-type: none"> • Through internal and external audits, we ensure that all food handling processes comply with international and domestic regulatory standards. • Supplier annual evaluation results. Number of participants and hours in employee food hygiene and safety training courses. • Instances of fines imposed for violating food safety and hygiene management regulations.
Stakeholder Engagement	Based on the results of stakeholder engagement identification, Silks Hotel Group will continue to lead the industry, constantly innovating and improving our performance in food safety and hygiene management, further achieving sustainable development goals and creating greater value for all stakeholders.

2.4.1 Food Safety Risk Management

The company has a dedicated food safety risk management team, led by the general managers of each hotel. Members include the Sustainability Manager or dedicated personnel, Hygiene Manager, Food and Beverage Department Manager, and Executive Chef, who jointly monitor food safety risk management. Following the international standards of Good Hygiene Practices (GHP) and Hazard Analysis and Critical Control Points (HACCP), we have formulated the "Food Safety and Hygiene Environmental Standard Operating Procedures" as the control standard for food safety and hygiene self-management and internal audits.

01 Incoming Goods and Inspection

Monitor the transportation process of ingredients and raw materials, truck temperature, quality of delivery and acceptance, and inventory quantity.

07 Waste and Pest Control Management

The Food and Beverage Department and the Function Dining Department are responsible for supervising the cleaning company and ensuring the legal disposal of food waste and other waste; carefully select professional pest control companies to regularly disinfect kitchens, restaurants, and work areas to effectively implement pest control.

06 Production Workplace Hygiene and Environmental Maintenance

The HACCP control team is responsible for the daily routine audit of environmental hygiene and cleanliness in each business unit, providing improvement methods for deficiencies and conducting follow-up inspections.

Food Hygiene, Safety, and Inventory Control

Obtain qualified inspection certificates for ingredients and raw materials, supervise warehouse personnel to follow the first-in, first-out principle for delivery, and implement inventory management.

03 Employee Food Safety and Hygiene Education

Conduct internal and external training courses to enhance personnel's professional skills.

04 Food Preparation and Process Control

Control procedures from ingredient preparation to finished product serving (including manufacturing, temperature control, preparation procedures, cross-contamination prevention, operator hygiene, and record maintenance), and conduct random inspections of semi-finished products' physical and chemical properties.

Food Safety and Hygiene Environmental Standard Operating Procedures

05 Self-inspection and External Testing

Conduct irregular self-inspections or external testing of pesticide residues in raw materials, and physical and chemical properties of semi-finished and finished products.



■ Workplace Certification

The scale and diversity of catering services pose significant challenges in food safety management, especially for banquet halls, which often exceed the scale of typical restaurants and require diverse dishes, thereby increasing potential food safety risks. In response, we have conducted detailed hazard analysis for various banquet dishes and established strict critical control points to ensure the food safety and health of every customer.

Since 2014, the banquet hall at Regent Taipei has been certified with the HACCP food safety control system by TQSCI. This not only affirms the effectiveness of our food safety management system but also demonstrates our compliance with international standards. This certification requires annual review, and we successfully passed the renewal assessment in September 2023. The audit results indicate that our food safety management fully complies with the ISO19011 international standard.

Obtained TQSCI HACCP certification
since 2014

HACCP

Food safety management fully
complies with ISO19011

ISO19011



Food Safety Supervision and Implementation

To effectively supervise the Food Safety and Hygiene Environmental Standard Operating Procedures, Silks Hotel Group has established a HACCP control team with the following functions and implementations:

- **Organizational Structure and Responsibilities:**

The control team consists of the hygiene management supervisor, hygiene management specialist, restaurant department supervisor, and head chef. This team is responsible for formulating, revising, and abolishing all food safety management plans, ensuring that daily hygiene conditions meet the highest standards.

- **Education and Training:**

All HACCP documents, GHP documents, and record forms must be properly organized and archived. Control team members must complete 60 hours of HACCP-related courses and obtain the necessary certifications to ensure they possess the capability to implement high-standard food safety controls.

- **Continuous Professional Development:**

To maintain professional standards, control team members must participate in at least 12 hours of HACCP system-related professional training, seminars, or courses conducted by institutions recognized by the central authority every three years, and obtain the corresponding certification of hours.

- **Food Safety Document Management:**

All documents related to the food safety control system, including formulation, revision, and abolition, are drafted by hygiene management personnel, reviewed by the banquet hall sous chef, and ultimately approved and signed by the banquet business director. This process ensures transparency and accountability in decision-making.





- **Application of Principles and Monitoring:**

By applying HACCP principles, we can identify and control hazards and critical control points in catering services. The real-time and effective monitoring of this system is key to ensuring food safety and protecting customer health.



Furthermore, we have planned internal audit operating procedures, implementing comprehensive hygiene and safety inspections from procurement, storage, and production to the dining environment. We also conduct regular environmental hygiene cleaning and deficiency improvements to achieve continuous improvement in food safety and hygiene.

The core focus areas are as follows:

01	Regular inspections and evaluations Regularly inspect and evaluate the operation of the food safety control system to ensure that all operations comply with HACCP risk control standards.	
02	Auditor qualifications The audit professional team consists of hygiene management personnel with HACCP and relevant food safety training.	
03	Audit frequency At least one complete internal audit is conducted annually.	
04	On-site audit activities The audited unit can assign personnel to accompany the audit for better understanding and improvement. Audit results will be recorded in the internal food safety and hygiene audit report and scored based on the scoring sheet.	

05

Deficiency improvement and tracking

Deficiencies identified during the audit must be addressed by relevant departments with improvement plans within the specified timeframe, and continuous tracking and evaluation are required until the issues are completely resolved.



06

Equipment management and updates

To ensure the functional safety of equipment, regularly assess equipment that may affect the hygienic environment and allocate budgets annually for updates or replacements based on needs.



■ Traceability and Food Labeling

In response to increasingly stringent food safety regulations and to ensure food hygiene and safety, the group is committed to strengthening raw material source management. All raw materials, semi-finished products, and finished products are traceable, from order placement, receipt inspection, to daily kitchen operations. We strictly control the incoming material process. All ingredients are labeled with expiration dates and are managed according to the "First In, First Out" principle. Seasonings are marked with the date of receipt to track suppliers and ingredient batches. Relevant information for certain products has been disclosed on the Food Traceability Management Information System platform of the Ministry of Health and Welfare's Food and Drug Administration.

Additionally, since 2022, the Regent Taipei's Brasserie and the Thai Market Buffet restaurant have publicly registered ingredient source information on the Taipei City Government's "Hotel Buffet Section" food ingredient registration platform. Customers can simply scan their phones to immediately view ingredient sources, alleviating any food safety concerns.

We also comply with the food labeling and advertising regulations outlined in the "Act Governing Food Safety and Sanitation" to ensure that customized retail product labels clearly display traceable source information, including the name, phone number, and address of the manufacturer,

or report the above information to the competent authority of the jurisdiction. This ensures transparency in procurement, traceability, and public disclosure of information.

2.4.2. Workplace Personnel Cleanliness and Hygiene Management

We comply with the Ministry of Health and Welfare's Food Safety and Sanitation Management Act and related regulations, implementing a comprehensive hygiene management system, including personal hygiene checks for employees, annual health examinations, and strict control of potential food safety risks.



Education, Training, and Development

We have established an annual education and training plan, inviting professionals or internal management to serve as lecturers, providing employees with professional training on food hygiene and safety. New employees must undergo training on dress code, hand hygiene, and food contamination prevention behaviors before officially starting work. We also encourage chefs and other catering staff to participate in hygiene training courses organized by relevant authorities or recognized institutions to ensure their professional skills stay up-to-date.

Annual Health Examinations

All new employees must pass a comprehensive health examination conducted by qualified professionals to ensure they have no health issues that may affect food safety.

Frontline kitchen and food service personnel undergo stricter annual health examinations. Before starting work each day, we confirm the health status of employees and reassign those with any abnormalities or wounds to avoid direct contact with food. Additionally, catering staff undergo regular checkups for noise and high temperatures in their work environment.



2.4.3 Independent Testing Laboratory

Since 2016, to strengthen the self-management and monitoring of food, we have established an independent testing laboratory. Our testing instruments and methods adhere to the standards set by the central competent authority and internationally recognized testing procedures, ensuring the accuracy and reliability of the tests. Laboratory equipment undergoes regular calibration and maintenance to guarantee that the results of each test accurately reflect the safety status of the food. In addition to internal testing, Silks Hotel Group also collaborates with third-party laboratories for external testing on specific items, providing double assurance for food safety.



Laboratory Operation and Monitoring

Laboratory operations encompass everything from raw material inspection, sampling, and analysis to data recording. Each testing operation adheres to strict standards. The laboratory is managed by a dedicated team to ensure the accuracy and completeness of records, strictly adhering to the principle of not arbitrarily modifying data. All data and records must be retained for at least five years for traceability and auditing purposes.

Quality Control and Hygiene Standards

Independent testing focuses on microbial testing for "total bacterial count" and "coliform bacteria." These tests not only meet national standards but also serve as crucial indicators for assessing the hygiene conditions of our food processing. Through these indicators, we can promptly identify potential hygiene issues in the production process and swiftly take necessary corrective measures.



2023 Achievements and Practices

Achievement 1

In 2023, Regent Taipei and Silks Place Tainan conducted a series of food hygiene and safety inspections and audits. Regent Taipei performed 64 self-inspections, with one instance each of pesticide residue and sulfur dioxide detection failing to meet standards, resulting in immediate product returns. The remaining 62 tests were compliant. Silks Place Tainan also conducted 4 microbial self-inspections, all meeting the required standards. Regent Taipei, contributing to over half of the Group's catering revenue, executed 14 internal food safety and hygiene audits and 32 venue cleaning, maintenance, and hygiene inspections in 2023. The audits and inspections covered areas such as supplier evaluation, food preparation, food storage, hygiene and working environment, as well as cleaning and disinfection. The catering revenue influenced by these 14 internal food safety and hygiene audits at Regent Taipei accounted for 95.27% of its net catering revenue and 48.71% of its net operating revenue.

Regent Taipei food
safety and hygiene
self-inspections

64 times

Silks Place Tainan food
safety and hygiene
self-inspections

4 times

Internal food safety
and hygiene audits

14 times

Venue cleaning,
maintenance, and
hygiene inspections

32 times

Percentage of catering
revenue at Regent
Taipei affected by the
internal audits on food
safety and hygiene, as
a portion of the total
net catering revenue at
Regent Taipei

95.27 %

Percentage of catering
revenue at Regent
Taipei impacted by the
internal audits on food
safety and hygiene, as
a portion of the total
net operating revenue
at Regent Taipei

48.71 %

Percentage of catering
revenue at Regent
Taipei's banquet
halls, certified with
the HACCP food
control system, as a
portion of the total net
catering revenue at
Regent Taipei

22.81 %

The related amount for
the Regent Taipei's
laboratory cost is
NT\$438,197, which
representing a
percentage of the net
revenue from Taipei's
food and beverage
services.

0.018 %

Achievement 2

Although Silks Place Tainan has not obtained any food safety control system certification, it strictly implements food safety management in accordance with the Group's "Food Safety and Hygiene Environmental Standard Operating Procedures." Starting from November 2023, it conducts 8 internal food safety and hygiene audits and 35 venue cleaning, maintenance, and hygiene inspections for all restaurants every month.

Silks Place Tainan
internal food safety
and hygiene audits

8 times

Silks Place Tainan
venue cleaning,
maintenance, and
hygiene inspections

35 times

Achievement 3

Regent Taipei

Regent Taipei conducted a total of 382.2 hours of internal food hygiene and safety training courses. Chefs received a total of 1,162 hours of internal and external hygiene training, with 509 participants. HACCP team members also completed 38 hours of external professional training courses.

Internal food hygiene
and safety training

382.2 hours

Chef internal and
external hygiene
training

509 participants

Chef internal and
external hygiene
training

1,162 hours

HACCP team external
professional training

38 hours

Silks Place Tainan

Silks Place Tainan conducted a total of 506 hours of internal food hygiene and safety training courses, and chefs received a total of 680 hours of internal and external hygiene training.

Internal food hygiene
and safety training

560 hours

Chef internal and
external hygiene
training

680 hours

Silks Place Taroko

Silks Place Taroko conducted a total of 143 hours of internal food hygiene and safety training courses, with 286 participants. HACCP team members also completed 40 hours of external hygiene training courses.

Internal food hygiene
and safety training
courses

286 participants

Internal food hygiene
and safety training
courses

143 hours

HACCP team external
professional training

40 hours

Just Sleep

Just Sleep, which mainly focuses on room revenue, also conducted three chef hygiene external training sessions, with a total of 231 hours.

External chef hygiene training

231 hours

Achievement 4

Silks Hotel Group strictly adheres to the Food Safety and Sanitation Management Act and related regulations and policies. In 2023, Regent Taipei passed 62 on-site inspections and item sampling by the Taipei City Department of Health. Silks Place Tainan passed 2 on-site inspections by the Tainan City Department of Health. Silks Place Tainan's Silks House and banquet hall also passed the 2023 Tainan City Catering Hygiene Grading Assessment as hygienic restaurants.

On-site inspections
and item sampling

62 times

Silks Place Tainan
passed on-site
inspections by the
Tainan City
Department of Health

2 times

2.5 Sustainable Supply Chain

Performance Results	Future Goals		Future Goals	
<ul style="list-style-type: none">Regent Taipei completed document reviews for 69 major suppliers and conducted on-site audits for 11 suppliers. Silks Place Tainan completed document reviews for 52 major suppliers and conducted on-site audits for 5 suppliers. The evaluation results showed that no supplier had a total score below 60.The purchase amount from suppliers audited on-site by Regent Taipei was NT\$119,694,044, accounting for 13.05% of Regent Taipei's total food and beverage (including fresh food) transaction amount in 2023. The purchase amount from suppliers audited on-site by Silks Place Tainan was NT\$19,346,474, accounting for 10.72% of Silks Place Tainan's total food and beverage (including fresh food) transaction amount in 2023.The proportion of spending on tea and coffee beverages with international certifications or labels: Regent Taipei 26.32%, Silks Place Tainan 50.62%.The procurement of customer supplies such as napkins and toilet paper with Forest Stewardship Council (FSC) international certification reached over 80%. All photocopy machines use environmentally friendly machines with energy-saving labels, achieving an energy-saving and carbon reduction rate of over 10%.	Short-term Goals	Medium to Long-term Goals	Short-term Goals	Medium to Long-term Goals
	<ul style="list-style-type: none">By the end of 2026, all restaurants in the Group will fully adopt cage-free eggs and increase low-carbon products by 3%.Increase the use of ingredients from farms that practice animal welfare, expanding support for sustainable development.Develop new dishes using local and seasonal ingredients to reduce carbon footprint and food waste during transportation.		<ul style="list-style-type: none">By the end of 2026, all restaurants in the Group will fully adopt cage-free eggs and increase low-carbon products by 3%.Increase the use of ingredients from farms that practice animal welfare, expanding support for sustainable development.	

Impact

Extreme weather events may affect food supply and logistics transportation, requiring hotels to establish contingency plans to address these unforeseen challenges. Geopolitical instability can impact the stability of international supply chains, as political unrest in certain regions may lead to shortages or price increases of imported goods. Through rigorous supply chain management, we ensure food safety and quality, respond to energy conservation and environmental protection, promote ethical procurement to connect with society, and practice the three aspects of ESG for sustainable mutual benefit.

Policy Commitment

Silks Hotel Group will continue to collaborate with global partners to explore new sustainable technologies and strategies to achieve greener operating models. We hope these efforts can inspire companies in the same industry and other industries to jointly create a fairer and more environmentally friendly future.

Actions Taken

Silks Hotel Group has established a comprehensive food safety control system, including food safety and hygiene operating standards, promoting ingredient traceability management, avoiding the use of high-risk ingredients, and conducting external inspections. The Regent Taipei's independent testing laboratory serves as the last line of defense for food safety, implementing management and audits of raw material suppliers.

Evaluation Mechanisms

- Through supplier management measures and evaluation systems, we strictly control the quality of suppliers and comply with food safety regulations.
- Evaluate the proportion of transactions based on annual supply chain management reviews and supply chain evaluation results.
- Statistically analyze the achievement of goals for purchasing internationally certified and low-carbon products.

Stakeholder Engagement

Based on the stakeholder engagement mechanism, we conduct regular or irregular meetings and visits with suppliers to ensure smooth communication and strengthen trust and understanding between partners. Additionally, we have a hotline and email for reporting unethical behavior to ensure that all parties operate in a fair environment.

■ Safe and Secure Food Supply Chain Management

Silks Hotel Group has established a comprehensive food safety control system, including food safety and hygiene practices, promoting traceability management of ingredients, avoiding the use of high-risk ingredients, and outsourcing inspections. Taipei Epistar's own inspection laboratory is the last line of defense to ensure food safety, and implements the management and auditing of raw material suppliers. The HACCP management team oversees the implementation of HACCP to ensure that every step of the process, from the procurement of raw materials to the supply of finished products, complies with food safety standards. At the same time, the suppliers and procurement mechanism are carefully evaluated, and all raw materials are imported according to the record of the date of purchase and the expiration date of the label, so as to facilitate the tracking of suppliers and ingredient batches.

We conduct supplier audits based on two self-developed standards: the "Process and Quality Control Standard Operating Procedures" and the "Supplier Evaluation Record Form." The procurement, food safety and hygiene, and food and beverage departments jointly manage the assessment. From raw material procurement to on-site operations, we strictly implement food safety management.

Supplier Evaluation and Procurement Mechanism

We evaluate suppliers based on two self-developed standards: the "Process and Quality Control Standard Operating Procedures" and the "Supplier Evaluation Record Form." The procurement, food safety and hygiene, and food and beverage departments are jointly responsible for the assessment points, criteria, frequency, and results, incorporating corporate sustainability and human rights protection into the evaluation system.

Regent Taipei conducted detailed document reviews for 69 major cooperative suppliers. Among them, 40 suppliers have certifications related to food safety and hygiene management systems such as HACCP, ISO22000 FSSC, TQF, or CAS, while 29 suppliers have other relevant food safety certifications. On-site audits were conducted for 11 of these suppliers. Silks Place Tainan conducted detailed document reviews for 52 major cooperative suppliers. Among them, 24 suppliers have certifications related to food safety and hygiene management systems such as HACCP, ISO22000 FSSC, TQF, or CAS, and on-site audits were conducted for 5 of these suppliers. The evaluation results showed that no supplier had a total score below 60, demonstrating that our suppliers adhere to our high standards.

Number of suppliers with a total score below 60

0

Green and Sustainable Supply Chain Risk Management

When selecting partners, we strictly consider their sustainability practices and environmental performance, encouraging suppliers to provide low-carbon and energy-saving products and implement environmental innovations. By setting clear environmental procurement policies, we collaborate with the supply chain to drive a comprehensive green transformation.



Procurement of Environmentally

- The raw material for photocopy paper has the KHAN-NA label, signifying that the trees were cultivated sustainably without harming rainforests.
- Over 80% of customer supplies, such as napkins and toilet paper, are procured with Forest Stewardship Council (FSC) international certification.
- All photocopy machines utilize energy-efficient models with energy-saving labels, achieving an energy conservation and carbon reduction improvement rate exceeding 10%.



Choosing Local and Seasonal Ingredients

seasonal and locally sourced, effectively reducing energy consumption during transportation and storage.



Reducing Single-use Plastic Packaging Usage

Iaroko, and Just Sleep have achieved a 100% implementation rate. Regent Taipei's implementation rate exceeds 70%, with plans to reach 100% by the end of 2024.

Sustainable Supply Chain with Ethical Procurement

Starting from April 2024, Silks Hotel Group will prioritize the use of cage-free eggs in some of its restaurants, with plans to fully transition to all restaurants by the end of 2026. This move reflects our commitment to animal welfare and a significant step towards environmental sustainability. Through collaboration with the Environment & Animal Society of Taiwan and the Hualien Dawn Center, we are not only improving the living conditions of domestic laying hens but also driving the transformation of Taiwan's livestock industry towards humane farming practices. Moreover, the Group is actively promoting the use of other ingredients sourced from farms that practice animal welfare, further expanding its support for sustainable development.

These measures not only enhance our corporate image but also set new benchmarks for environmental protection and animal welfare. They fully demonstrate how businesses can contribute to the positive development of society and the environment without compromising economic interests. In addition to providing our customers with safe and healthy food, we aspire to leverage our influence to lead our partners towards valuing corporate social responsibility and collectively create sustainable businesses.



2.6 Privacy and Information Security

Performance Results	Future Goals		Future Goals	
<ul style="list-style-type: none">Silks Hotel Group achieved an average customer satisfaction score of 83, with Silks Place Taroko reaching an impressive 92, demonstrating travelers' recognition and high regard for our hotel service quality. Furthermore, on reputable international travel OTA review websites, over 90% of travelers acknowledge our high-quality service.In 2023, an information security officer was appointed to be responsible for information security management matters.In 2023, Silks Hotel Group conducted internal training on major information processing for a total of 892 participants, accumulating 223 person-hours.	Short-term Goals	Medium to Long-term Goals	Short-term Goals	Medium to Long-term Goals
	<ul style="list-style-type: none">Establish effective security measures to enhance customer trust and satisfaction.Collaborate with other relevant industries to share best practices and security information, collectively improving the overall security level of the industry.Conduct at least one annual security assessment of core systems, including vulnerability scans and penetration tests, and one annual internal information security audit.		<ul style="list-style-type: none">Establish effective security measures to enhance customer trust and satisfaction.Collaborate with other relevant industries to share best practices and security information, collectively improving the overall security level of the industry.Conduct at least one annual security assessment of core systems, including vulnerability scans and penetration tests, and one annual internal information security audit.	

Impact

Silks Hotel Group holds a vast amount of customer personal information, and protecting this data is crucial. A data breach incident would severely damage the hotel's brand reputation and reduce customer trust in the hotel's privacy and security protection, potentially leading them to choose other hotels with higher security. Customer financial losses due to identity theft could result in hefty fines and domestic and international legal proceedings, increasing operating costs. Major information security incidents could also cause hotel system downtime or data loss, affecting operations. To ensure the security of information systems, establishing comprehensive information security policies and regulations is paramount for personal data protection and information security.

Policy Commitment

Silks Hotel Group is committed to building a safe and secure information environment to protect corporate assets and customer data from information security threats. Through continuous education, technology updates, and collaboration with international experts, we continuously strengthen the company's overall information security protection capabilities, effectively safeguarding the interests of both the company and its customers.

Actions Taken

- **Continuous monitoring and auditing**

Conduct regular information security audits and monitoring to ensure compliance with laws and internal security policies.

- **Employee training**

Provide regular information security training to employees, ensuring they understand and adhere to the latest security policies and procedures.

- **Emergency response plan**

The hotel needs to develop and implement an emergency response plan to quickly and effectively address potential information security incidents, minimizing losses and impact.

Evaluation Mechanisms

Silks Hotel Group has formulated an information security policy in accordance with the "Information and Communications Security Management Act and Subordinate Regulations Compilation" issued by the Executive Yuan in September 2021 and the Financial Supervisory Commission's "Guidelines for Information and Communications Security Control for Listed and OTC Companies." The information security policy is regularly reviewed and revised, and reported to the Board of Directors.

Stakeholder Engagement

Silks Hotel Group interacts with customers through various communication channels and utilizes big data analysis to enhance service quality, protect customer data, and maintain long-term business development. Through our data protection management system and its implementation, we ensure that these activities comply with the highest privacy standards and regulatory requirements.

Information Security Policies and Regulations

To strengthen information and communication security protection and management mechanisms, and in compliance with Article 9 of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" on "Control Operations Related to the Use of Computerized Information Systems for Processing," we have formulated an information security policy in accordance with the "Information and Communications Security Management Act and Subordinate Regulations Compilation" issued by the Executive Yuan in September 2021 and the Financial Supervisory Commission's "Guidelines for Information and Communications Security Control for Listed and OTC Companies." The policy is regularly reviewed and revised, and reported to the Board of Directors.

- Establish information system classification and protection standards
- Clearly define that the development or introduction of information systems must pass verification by an impartial third party
- Appoint an information security officer and one information security personnel to be responsible for information security management matters
- Conduct internal information security audits once a year
- Establish appropriate backup mechanisms and contingency plans, including core business backup, emergency operating procedures, resource allocation, and other related measures
- Implement security control, personnel access control, and environmental maintenance for computer rooms and important areas

Information Security Protection and Control Measures

Silks Hotel Group conducts vulnerability scans and penetration tests on core systems at least once a year. Through objective assessments by third-party professional security consultants, we promptly address any detected security vulnerabilities. The annual information security review covers network architecture, malicious activity monitoring on the network and user side, and security configuration audits for servers and firewalls, effectively blocking potential threats.

Information Security Incidents and Reporting

We have established information security incident response and reporting procedures, including determining the impact of incidents and damage assessment, internal and external reporting processes, methods for notifying other affected agencies, reporting windows, and contact information. If a major information security incident occurs that meets the "Taiwan Stock Exchange Corporation's Procedures for Verification and Public Disclosure of Material Information by Listed Companies," we will handle it in accordance with relevant regulations.

Information Security Awareness and Promotion

We emphasize enhancing employees' information security awareness and skills, especially for information security personnel, who are required to complete at least eight hours of professional security training annually to ensure they can identify and respond to various information security challenges. General users receive at least one hour of general information security education and training per year. These training sessions help employees understand the latest information security technologies and strategies and implement effective security measures in their daily work.

In 2023, Silks Hotel Group conducted internal training on major information processing for a total of 892 participants, accumulating 223 in-person hours.

Number of
participants in
information
security-related
training

892

In-person hours of
information
security-related
training

223



Personal Data Protection

We implement specific measures to protect customer privacy, including: transparent privacy statements, right to erasure, diverse communication channels, lawful and compliant data analysis, enhanced information security and privacy protection policies. Silks Hotel Group's privacy statement provides clear guidance on information collection, usage, and deletion, ensuring that customers have control over their personal data at all times.