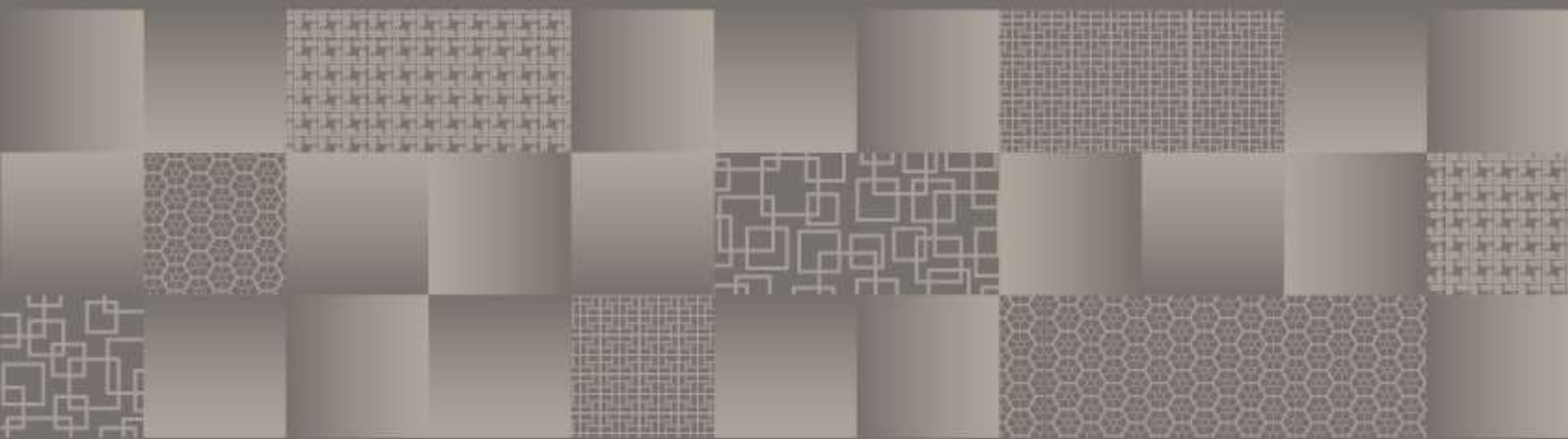


2023

SUSTAINABILITY REPORT



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Report Profile

In line with the corporate social responsibility and sustainable development of the Company, FORMOSA INTERNATIONAL HOTELS Corporation (stock code: 2707, hereinafter referred to as Silks Hotel Group, SHG, the Company, the Group or we) has issued the first sustainability report in 2015. Through the issuance of this report, we hope that our stakeholders will not only have a channel to communicate with us regarding the practice and management of corporate social responsibility, but also understand our efforts and contributions to the sustainable development of the Company. We hope that all stakeholders will further understand the Company's efforts and contributions to the sustainable development of the enterprise.

Sustainability Website : <https://www.silkshotelgroup.com/tw/relationship>

Report Period

The last edition of the 2022 Sustainability Report was issued in September 2023. The 2023 Report will continue to be published annually in Chinese and the first English version will be published at the same time, so as to disclose the relevant information to the public through the annual publication of the Sustainability Report, and to convey the Company's business philosophy and efforts to create corporate value.

The 2023 Sustainability Report will be the tenth publication of the Company's Sustainability Report, and we will continue to focus on the core of corporate sustainability and strengthen our risk management capabilities in the three major areas of Environment, Social and Governance. We aim to realize the goal of sustainable development by disclosing our efforts and achievements on major issues to the public and stakeholders who care about the company through open and transparent information and balanced reporting.

We adhere to the principles of ethics and integrity and the concept of sustainable management, and are committed to making a positive impact on society and creating added corporate value. The Company has long emphasized corporate governance (SDGs 16 Peace and Justice), food safety (SDGs 3 Good Health and Well-Being), risks and opportunities arising from climate change (SDGs 13 Climate Action), and the creation of a friendly, environmentally friendly and safe working environment (SDGs 8 Decent Work and Economic Growth).

We take an active interest in labor-employer relations (SDGs 8: Decent Work and Economic Growth) and social responsibility (SDGs 1: No Poverty), and we continue to maintain close communication with our stakeholders. We look forward to working with our employees, customers and partners to drive the company toward its sustainability goals.

Reporting Boundary

The scope of information disclosed in this report is based on the main reporting areas of Regent Taipei, Silks Place Hotel Tainan, Just Sleep and Silks Place Hotel Taroko, which are subsidiaries of the Silks Hotel Group. For the purpose of presenting the performance indicators in a sustainable and complete manner, some of the financial information in this report includes the data of the last three years of the aforementioned scope of information. The results of operations in this report are summarized in accordance with the financial statements disclosed in the International Financial Reporting Standard (IFRS), and the financial statements are expressed in New Taiwan dollars.

Preparation Guidelines

This report has been prepared in accordance with the GRI Universal Standards 2021 and related subject matter standards issued by the Global Reporting Initiative (GRI), and also in accordance with the “Regulations Governing the Preparation and Reporting of Sustainability Reports by Listed Companies” of the Taiwan Stock Exchange, the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

Data Gathering Process and Measurement

The information and data in this report were provided by the representatives of various departments of the Sustainable Development Committee, including the heads of Finance, Purchasing, Food & Beverage, Engineering, Housekeeping, Front Desk, Human Resources, and Marketing & Public Relations, etc. After being compiled by the Sustainability Reporting Team, the report was sent to the Sustainability Reporting Committee for review and finalization, and then approved by the Board of Directors for publication.

Internal Review and External Assurance of the Report

Internal Review.

The information and data disclosed in this report were initially verified by the supervisors of each level, then reviewed and revised by the core members of each department of the Sustainability Committee, and then compiled and edited by the compilation team and sent to the Chief Operating Officer, the Convener of the Sustainability Committee, and the Chairman of the Board of Directors for final review before finalization. The financial data are based on the information disclosed by the CPA after the audit, and some data are based on the information published by the governmental authorities or the Company's own statistics, and are presented in the normal way of numerical description. Relevant data, meetings, and verifications have been documented and stored.

External Assurance

We have engaged Crowe Horwath Associates, Certified Public Accountants to perform limited assurance in accordance with Statement of Standard on Assurance 3000, “Assurance Cases Involving the Examination or Review of Non-Historical Financial Information,” issued by the Accounting Research and Development Foundation of the Republic of China (the “ARDF”), and we have obtained a report on the assurance expressed by the auditors, which covers the scope of the assurance and the conclusions drawn thereon. The scope of the assurance and conclusions are set out in the independent assurance report appended to this report. The scope of the assurance and the conclusions are set out in the Independent Confirmation Report which is appended to this report on page 174.

Contact Information

We welcome your suggestions and comments on the contents of this report. Your valuable opinions are the driving force for us to continue to make progress.

We can be reached at the following address:

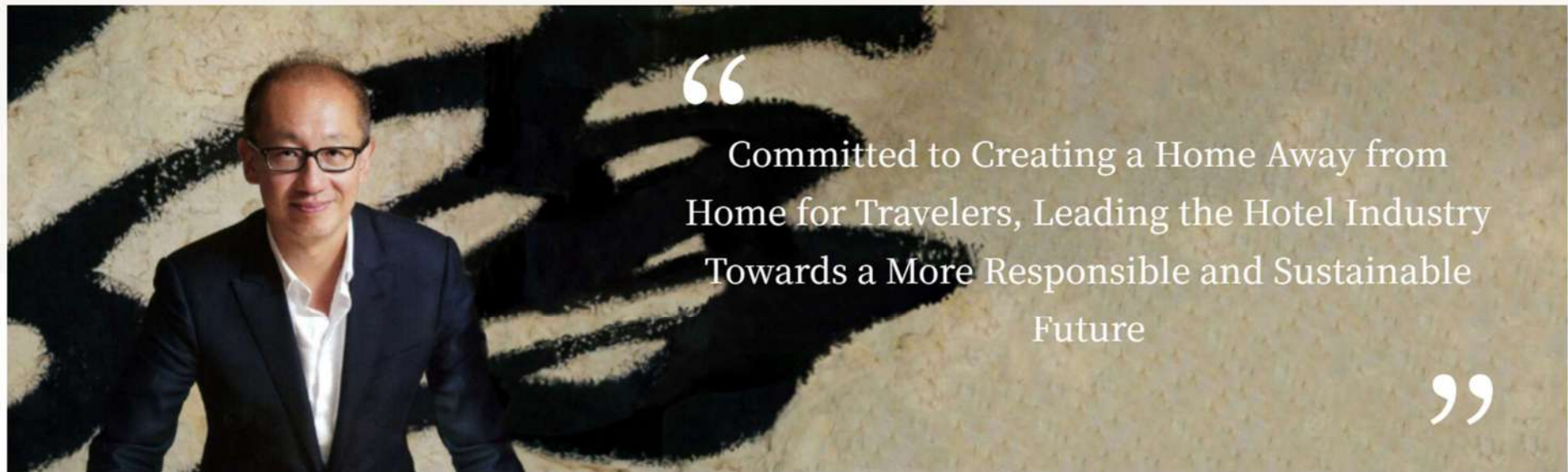
Silks Hotel Group

Address: No. 3, Lane 39, Sec. 2, Zhongshan North Road, Taipei City 104, Taiwan.

Phone: +886 2 2523 8000

Website: <https://www.silkshotelgroup.com/tw/>

E-mail: customerservice@regenttaiwan.com



Message from the Management

Committed to Creating a Home Away from Home for Travelers, Leading the Hotel Industry Towards a More Responsible and Sustainable Future.

■ Sustainability is a Long and Enduring Journey

Silks Hotel Group (the "Group") upholds the core value of "co-learning, co-creating, co-thriving, and co-sustaining." We are dedicated to providing travelers with a home away from home experience and leading the hotel industry toward a more responsible and sustainable future. By creating extraordinary experiences through sustainable innovation, we hope that travelers can experience the new meaning of travel while experiencing our "treat others how you would like to be treated" philosophy, creating a welcoming and sustainable journey for business travelers and urban vacationers.

We know that a company's success isn't just about financial results—it's also about making a positive impact on the environment, society, and economy. By fulfilling our commitment to sustainable development, we improve the company's long-term operating performance and promote sustainable economic growth and social progress.

We believe that sustainable development is a promise to future generations. That's why we blend our professional hotel management expertise with an open-minded approach to offer warm, high-quality service to travelers from around the world. We respect global cultural diversity and approach every guest with sincerity. Through our commitment to service, we aim to foster the healthy development of people, communities, and the environment, making a positive impact for all generations.

■ ESG Sustainability Commitment

The Group integrates ESG (Environmental, Social, and Governance) standards with the United Nations Sustainable Development Goals (SDGs) as the core strategy of our sustainability commitment. We focus on reducing our environmental impact, supporting community development, and strengthening our corporate governance to ensure long-term sustainable growth.

We also engage in social welfare activities and promote green innovation, striving to meet current needs while safeguarding future generations. These efforts highlight our commitment to environmental and social responsibility, enhance our competitive edge, and prepare us for future challenges and opportunities in the global market.

■ Environmental Sustainability

Our Group is dedicated to living in harmony with the environment and addressing the challenges of climate change. We actively implement measures to conserve energy, reduce carbon emissions, and minimize waste, while introducing smart energy management systems. We've launched initiatives like the "EcoMeet Sustainable Meeting" package, which avoids plastic and disposable items, and the "Leftover Produce" package, turning less-than-perfect ingredients into delicious dishes. At Regent Taipei, we use cage-free eggs in our signature restaurants. We also promote green tourism by encouraging travelers to choose eco-friendly travel options. By collaborating with suppliers and local farmers, we support green procurement and work towards building a sustainable supply chain. Together with our customers, we are committed to environmental protection and sustainable development.

■ Social Responsibility

The Group supports internationally recognized human rights conventions and related commitments, and formulates the company's human rights management policies accordingly, prohibiting any acts that infringe upon or violate human rights. We have conducted a human rights due diligence investigation on our employees, and the results show no human rights issues with moderate or higher risk. We will continue to conduct risk assessments and take preventive and mitigation measures to manage relevant risks. In terms of talent development, we are committed to offering a variety of learning and growth opportunities in a supportive workplace. In a friendly workplace environment, we continue to pay attention to employee rights and interests to ensure that they can explore their untapped potential, which in turn strengthens our overall market competitiveness.

■ Corporate Governance

We believe that corporate transparency and integrity are the most important governance cores, which rely on the establishment of a sound corporate governance system to deeply strengthen risk management. The Group particularly focuses on supervision in food safety, health, and information security to protect consumer rights and interests while maintaining the core value of sustainable business operations. Sound risk management is the cornerstone of our stable operations and commitment to society and the environment.

■ Sustainability in Our Every Day Lives

Guided by our core values of "co-learning, co-creating, co-thriving, and co-sustaining," our Group is committed to becoming a leading hotel group. We will continue to invest in talent development, innovation, and sustainable practices, while striving to enhance customer service and experience. We are dedicated to creating a better work environment for our employees, giving back to society, and protecting the environment. Our efforts will align closely with the Global Sustainable Development Goals (SDGs) to build a long-term, sustainable value chain.

As a leader in the hotel industry, Silks Hotel Group recognizes its vital role in promoting sustainability and social responsibility. We integrate our core values into every guest experience, aiming to realize our vision of "co-learning, co-creating, co-thriving, and co-sustaining." By doing so, we contribute to a better quality of life, further enhancing the international competitiveness and value of Taiwan's tourism.

Silks Hotel Group
Chairman Steven Pan

Company Profile

Silks Hotel Group - officially known as Formosa International Hotels Group

Founded in 1990, Silks Hotel Group is Asia's premier hotel management group and the largest and most profitable publicly traded company in Taiwan's tourism industry. The Group owns the world-renowned luxury hotel brand, Regent Taipei, as well as the top shopping mall, Regent Galleria, Silks Place, the first choice of the Chinese market in Taiwan and China, and Just Sleep, a stylish hostel emphasizing convenience and comfort. Combining Eastern simplicity and Western elegance, the Group's philosophy of co-sustaining and excellence through exquisite services and facilities, creates a platform for travelers to connect with the world's cultures, as well as an extraordinary accommodation and dining experience. Currently, the Group manages and operates hotels in Taipei, Yilan, Hualien, Tainan, and Kaohsiung, etc., and their performance and service reputation are modeled in the local market.

For more information, please visit <https://www.silkshotelgroup.com>.

晶華國際酒店集團旗下品牌

HOTELS		RESTAURANTS	RETAIL
			
晶英國際行館 SILKS CLUB	晶英酒店 WELLSPRING by SILKS		鹿品精品 Take Regent Home 晶華美食到你家
			
晶英薈旅	捷絲旅		
			
			
			
			
			
			
			

Silks Hotel Group was listed on the Taiwan Stock Exchange on March 9, 1998, and has been upholding a sound and rigorous corporate governance structure and establishing an effective management system and supervision mechanism. By enhancing the transparency, accountability and fairness of the Board of Directors, we are committed to protecting the interests of investors, enhancing the reputation and trust of the hotel group, reducing operational risks and strengthening competitiveness, and realizing the sustainable development of corporate governance. With professional hotel management knowledge, we focus on high-end hotel management and services, welcoming travelers from all over the world with an open mind and providing warm services; respecting global races and cultures, and treating each customer with whole-person hospitality and sincerity. As a leader in the hotel industry, we recognize our role and influence in promoting sustainable development and social responsibility.

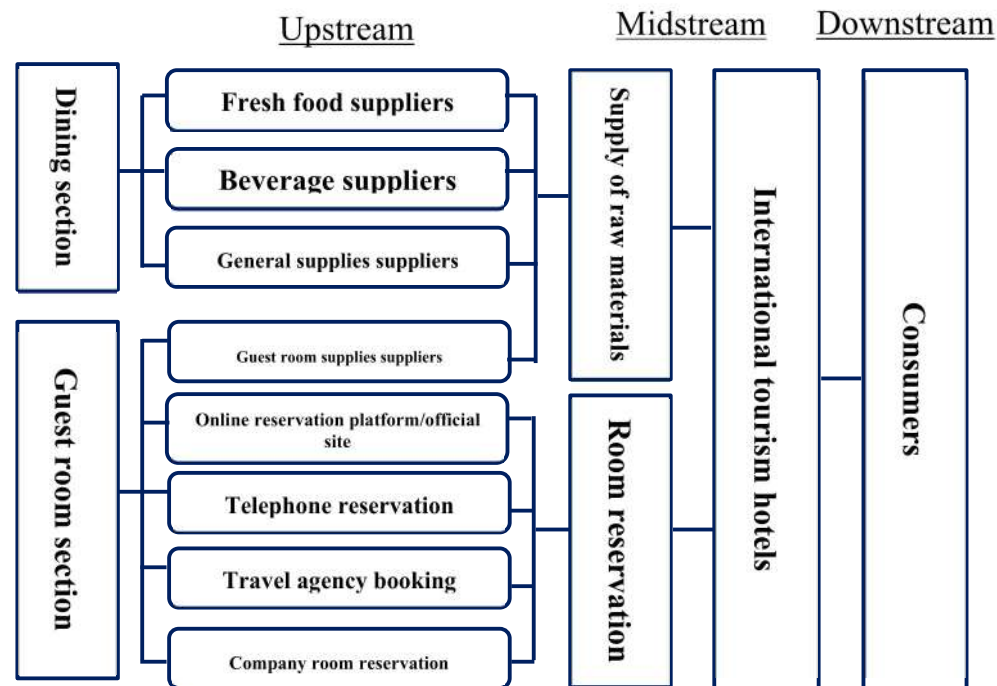
General Information

Organizational Information	Silks Hotel Group
Established	July 7, 1976
Opening date (Regent Taipei)	September 25, 1990
Employees	2,115
Paid-in capital	New Taiwan dollars \$1,274,030,238
Industry Main business	Operation of international tourist hotels, including restaurants, gymnasiums, saunas, and boutique retailing; other food and beverage, other retailing, and hotel management consulting.
Chairman	Mr. Steve Pan
Group Chief Operating Officer	Mr. Simon Wu
Headquarters Address	1~20F, No. 3, Lane 39, Sec. 2, Zhongshan N. Rd.
Official Website	https : // www.silkshotelgroup.com/tw/
Business Coverage	Taipei, Tainan, Yilan
Revenue	New Taiwan dollars \$6.76 billion
Hotel Brands	Regent 、Silks Place 、Wellspring by Silks 、Just Sleep
Restaurant Brands	Just Italian 、Spice Market 、Just Grill

Note: The 2023 Sustainability Report is based on the main reporting areas of Regent Taipei, Silks Place Tainan, Just Sleep and Silks Place Taroko.

■ Correlation among the up-stream, mid-stream and down-stream of the industry

Silks Hotel Group primarily operates international tourist hotels and provides dining, recreational and recreational facilities, meeting venues, and shopping services. In terms of the relevance of the overall tourist hotel industry, the company belongs to the middle reaches of the industry. The Company's main operating income sources are catering and housing income. The catering part is to purchase fresh food, beverages, and general supplies from upstream suppliers and provide delicious delicacies to downstream end consumers such as individual customers or tour groups; and for guest rooms, the company accepts online room reservations, individuals, travel agencies, or corporate groups, and purchases room related supplies from upstream suppliers to enable travelers to enjoy comfortable and high-quality housing services.



■ Brand Overview

Regent Taipei

Regent Taipei is the only hotel in Taiwan under IHG's most luxurious brand, Regent Taipei. With its outstanding service, exquisite design and world-class facilities, Regent Taipei provides guests with an unparalleled accommodation experience, a perfect combination of luxury and comfort.

Located in the vibrant, cultural, entertainment and shopping district of Taipei City, Zhongshan District, with the large Zhongshan Plaza No. 4 in front and the large green parks No. 14 and No. 15 at the back, the hotel is a perfect choice for city vacationers in the midst of an urban concrete forest.

The hotel has 538 guest rooms, including deluxe rooms and large suites, as well as the Taipan Executive Floor, which is specially designed for business travelers. The hotel has a total of 9 restaurants with a wide variety of cuisines, making it a unique “gourmet resort”, including the Michelin-recommended Cantonese restaurant Silks House and Robin's Grill Steakhouse & Teppanyaki, Brasserie, the only five-star buffet restaurant in Taipei recommended by CNN, and Beef Noodle, the winner of the Taipei International Beef Noodle Festival...etc., all of these restaurants offer spacious and luxurious accommodations, and exquisite and extraordinary dining experiences, From spacious and luxurious accommodations, to exquisite dining experiences, to exclusive shopping privileges at the Regent Galleria, the unique hospitality is designed to meet and exceed the expectations of our guests. For more information, please visit <https://www.regenttaiwan.com/>.

Silks Place Hotel / Wellspring by Silks

“Silks Place” is a five-star hotel brand under Silks Hotel Group that emphasizes on humanistic heritage. Its architecture and interior design incorporate local characteristics and emphasize on co-sustaining with local culture, in order to become the benchmark of local exquisite lifestyle. Wellspring by Silks is the first boutique hot spring resort brand of Silks Hotel Group. Tailored to a clientele that enjoys city vacations and seeks a quiet, exclusive stay, Wellspring by Silks aims to create an intimate retreat that allows travelers to escape the hustle and bustle of the city for a while. Currently, all five hotels under the Silks Place brand are located in Taiwan, including Silks Place Hotel Taroko, located in the world-class Taroko National Park in Hualien; Silks Place Hotel Tainan, located next to the Confucius Temple in Tainan City, which showcases the cultural heritage of the capital city; Wellspring by Silks in Jiaoxi, a spa destination in Northern Taiwan; which is located in the northern Taiwan hot

springs resort area. Silks Place Hotel in Kaohsiung, a franchised boutique hotel in Kaohsiung; and Silks Place Hotel Yilan, the number one choice for family vacations in Yilan. <https://www.silksplace.com>

Silks Place Hotel Taroko

Located in the Taroko National Park in Hualien, the hotel is the only top-quality hotel located in a national park, and the only five-star international mountain hotel in Taiwan. The hotel is surrounded by a number of Michelin three-star recommended attractions, such as 祥德寺、太魯閣大峽谷、燕子口與砂卡礑. The hotel's 160 guest rooms, including suites and relaxation rooms, are designed in a neo-Chinese style with extensive use of logs to create a grand and relaxing atmosphere. The facilities include an indoor and outdoor swimming pool, a children's play area, tennis courts and a multi-purpose yoga studio. Guests staying in the Suites can enjoy an exclusive lounge with drinks, light meals and red and white wines available all day. The hotel's two Chinese and Western restaurants, offer buffets and Cantonese and Taiwanese delicacies made from local ingredients. It is an ideal place for travelers to get away from the hustle and bustle of the city and enjoy the natural beauty of Taroko, where they can relax their minds, bodies and souls.

Silks Place Hotel Tainan

Located in the bustling Central and Western District of Tainan City, the hotel is conveniently located near the Shin Kong Mitsukoshi Department Store and the Xiaoximen shopping district. The hotel is within walking distance of the Confucius Temple and the Harbor Cultural Park, allowing travelers to explore Tainan's history and cultural heritage and to savor the cuisine of century-old local restaurants.

The hotel's 255 guest rooms are spacious, well-lit, and rich in Tainan's local art and culture. There are four restaurants in the hotel, including ROBIN'S Steakhouse, ROBIN'S Japanese & Teppanyaki, the Chinese restaurant and the creative cuisine restaurant. In addition, there is also the Tea Café and the Bar Lounge, a poolside bar, offering a wide range of dining options for travelers. The hotel offers a wide range of facilities, including an outdoor swimming pool, sitting area, gymnasium and elementary school, to create a quality and memorable stay for travelers.

Wellspring by Silks in Jiaoxi

Located in the center of Jiaoxi Township, Yilan County, which is a well-known hot springs resort. 120 rooms and the Jiaoxi Restaurant, offer sodium bicarbonate hot springs, and the whole hotel is surrounded by earth-colored grilles, creating a hidden and secluded world of Wellspring, and the quiet atmosphere of the hotel allows travelers to feel the quietness and relaxation as soon as they step in, and the ingenious design of the

hidden space allows travelers to easily find their way around the hotel. The space design allows travelers to easily reach all corners of the hotel, but at any time they can find that each corner has its own frame, creating a different time and space for each experience.

Just Sleep

Just Sleep brand is based on the spirit of “style and sophistication”, emphasizing on convenient transportation, exquisite service and unique design, allowing travelers to enjoy quality services comparable to five-star hotels at an affordable price.

Located in the Taipei area: including Ximen Hotel and 台大尊賢 Hotel. Ximen Hotel located in the Ximending district, the 143-room, Hotel features the Just Café restaurant, which serves breakfast to guests. Travelers can easily explore Taipei's historical sites, experience Taiwanese culture, and enjoy local cuisine. 台大尊賢 Hotel located next to National Taiwan University, the 76-room, and one Just Café serving breakfast, lunch and dinner. The hotel's guest rooms have been designed in a collegiate style to provide comfortable accommodation for teaching, internships, research, academic exchanges, conferences and visitors to the campus, creating an atmosphere of co-thriving with the campus.

Just Sleep Jiaoxi Hotel is located in the center of Jiaoxi, the city of hot springs. The 138-room and one Café restaurant, which offers a sodium bicarbonate hot spring where travelers can relax and unwind in a comfortable environment. In addition, travelers can walk to famous scenic spots such as Wufengqi Scenic Area and 湯圍溝 Hot Spring Park to enjoy the natural beauty of the area. <https://www.justsleephotels.com/>
<https://www.silksspring.com/>

■ Business Overview

In 2024, the Company will continue to operate in the domestic and overseas markets in accordance with the established marketing strategy to give full play to the brand spirit. At the end of 2023, the well-known and popular restaurants of Spice Market and Just Grill under Regent's Group ceased operations due to the expiration of their contracts. The Company immediately worked hard to find a suitable location. Spice Market was opened in March this year at the high-end gourmet market in Dazhi. Comprehensive upgrade of food and beverage content and addition of tableside services. The retail business, which has been cultivated for many years, will also make a breakthrough in 2024. The most famous Champion Beef Noodles gift box is expected to enter the Japanese market, and the Company is also entering the European market in the United Kingdom, France, the Netherlands, Spain, Germany, and Italy. Supermarkets bring Regent's products to the world, creating a new growth engine for the Group.

In terms of brand development, the first overseas location was established in Osaka, Japan under the self-owned brand Just Sleep for 2023. It is expected that the hotel's opening in Beitou will be in the third quarter of 2024. After the opening, it will be the third hot spring hotel under the Regent's brand. In addition, Wellspring by Silks Toucheng, Silks X Linkou, Just Sleep Linkou and Just Sleep Kenting will be added to the operating territory one after another.

■ Sustainable Travel

In the post epidemic, we have reintegrated a new vision of sustainability into our daily experience and have set 2023 as the first year of sustainability for company. We believe in the power of service to help people; communities and the environment thrive and to make a positive impact on all generations.

We promote sustainable tourism and eco-tourism to achieve a balance between tourism development and environmental protection. Through initiatives such as promoting the conservation of cultural and natural resources, we encourage travelers to participate in community activities and provide cultural and educational travel experiences. The management strategy aims to translate the Company's sustainable development objectives into concrete actions and to promote the exchange of cultural diversity through, among other things, cultural experience activities. Through sustainable cultural travel activities, travel is not just a short-term experience, but also makes a long-term impact and positive contribution to the local community.

Our spacious and luxurious guest rooms are designed with energy and resource efficiency in mind to minimize energy consumption. Personal butler service on the executive floors not only enhances the travel experience, but also encourages guests to participate in green initiatives. Dining services emphasize the use of local sustainable ingredients to reduce carbon footprint, and through collaboration with brands to organize special dining events, we emphasize the sustainability of food to bring our guests a unique and environmentally conscious culinary feast (please refer to the Sustainability section of our official website).

■ Economic Performance

Silks Hotel Group demonstrated excellent operating results in 2023, especially after the recovery of the overall economy following the lifting of the epidemic and the opening of the borders. In 2023, Company's consolidated revenue reached NT\$6.765 billion, representing a 20.86% year-on-year increase, the third highest in its history. Operating income reached a record high of NT\$1.843 billion, an annual increase of 50.95%.

Despite the decline in non-operating income for nearly 6 years, net income after tax attributable to parent company still reached NT\$1.415 billion, an annual increase of 56.78%, the second highest in history. In March, the Board of Directors approved the dividend distribution plan, resolving to distribute a dividend of NT\$11.3821 per share, which is an over-distribution of dividends (please refer to the annual report <https://regent.city/6lm3rs> for more financial information).

Although Japanese tourists to Taiwan have not yet fully recovered and were also adversely affected by the large number of nationals traveling outside of the country, we were able to achieve excellent results from the company's operations, supported by continued promotions and a return to normal demand for food and beverages.

Sustainability and Award

✧ Accreditations

Silks Hotel Group is renowned for its “heart-to-heart” approach to hospitality and is committed to creating comfortable accommodations and quality services for travelers from all over the world. As a result of this commitment, the Group's hotels have been recognized with numerous awards for excellence in nurturing talent, creating happy workplaces and sustainable operations.

Regent Taipei

“Forbes Traveler's Choice Awarded 4 Stars

Wellspring Spa was awarded 5-star by “Forbes Travel Awards” in Taiwan.

The Silks House Restaurant was awarded 11 out of 500 Plates in the “United Daily News 500 Plates Culinary Review”.

The banquet hall was awarded the HACCP food safety control system renewal certification by TQSCI.

EARTHCHECK certification program for sustainable tourism was launched in November 2023, and was awarded the Bronze certification in April 2024.

Silks Place Hotel Tainan

Green Travel Seal 2-Star

Silks Place Hotel Taroko

Chinese Restaurant is certified as an environmentally friendly restaurant.

Awarded Booking.com “Sustainable Travel Mark”, the highest award of Level 3 certification.

Certified as one of Hualien's top 100 souvenirs.

Just Sleep Jiaoxi

Green Mark Hotel Bronze-Level

Booking.com Sustainable Travel Top 3 Award

Green Mark Hotel Bronze-Level

Booking.com

Just Sleep Xiamen

Booking.com Sustainable Travel Top 3 Award

2023 Booking.com

✧ Award Recognition

Silks Hotel Group outstanding performance and continuous pursuit of excellence have set it apart from the rest of the international hotel industry with numerous awards and recognitions. The Group's hotels have been highly recognized in various areas, including the Gold Award for Happiness Enterprise, the Forbes Magazine Travel Awards, the Gourmet Awards, as well as the Hotelier of the Year and his/her staff of the year awards, among others. These honors not only highlight Silks Hotel Group leading position in the global marketplace, but also demonstrate its dedication to delivering high quality accommodation experiences. Through these achievements, Silks Hotel Group has once again demonstrated its excellence in creating a happy working environment and sustainable operations.

Silks Hotel Group

Won the 1111 Human Resource Bank's "Happy Company Gold Award" for the third consecutive year.

Taipei City Government's "Annual Recognition of Excellent Hotel Industry and Its Employees" won five awards, including the Outstanding Hotel Industry Group Award and the Outstanding Employee Individual Award.

Silks Place Tainan

Agoda Guests' Choice Honors

Agoda Golden Ring Award

Trip.com - Best Sales Hotel Award

Silks Place Taroko

The first Hualien County Outstanding Tourism Industry Hotel Group Award.

Tourism Industry Employee Group-Taiwan Tourism Gold Award.

Just Sleep Xiamen

Taipei City Outstanding Hotel and Guesthouse Employee Recognition - Outstanding Hotel and Guesthouse Industry Groups

Taipei City Outstanding Hotel and Guesthouse Employee Recognition - Outstanding Hotel and Guesthouse Employee Group

Sustainable Travel

Silks Hotel Group is committed to sustainable operations, with the protection of the environment, support for community development and enhancement of customer experience as our core values. We understand that sustainability is not only a corporate responsibility, but also a commitment to future generations.

Under the guidance of this mission, Silks Hotel Group embraces the core values of co-learning, co-creating, co-thriving and co-sustaining, and welcomes travelers from all over the world with professional hotel management knowledge and an open mind. We are committed to co-learning, creating an extraordinary hostel experience for travelers from around the world through professional training and succession, creating value for Taiwan's tourism, and treating each customer with a fully humanized hospitality approach.

■ Co-Creating

Under the concept of co-creating, Silks Hotel emphasizes cultural preservation and local characteristics, and cooperates with local communities to promote traditional crafts and support sustainable diets to jointly create economic development and cultural heritage in the community. In pursuit of common good, we emphasize environmental protection and social responsibility, and actively implement measures to save energy, reduce emissions and recycle resources to ensure the long-term development of the company, while actively contributing to an environmentally and socially friendly society.

Silks Hotel believe in the value of symbiosis, and by providing an extraordinary travel experience, every traveler can feel the new meaning of travel and deeply experience our “heart to heart” hospitality culture. We believe in the power of service to promote the well-being of people, communities and the environment, and to have a positive impact on all generations. We will continue to integrate a new vision of sustainable development and incorporate these core values into each guest's daily experience, striving to realize the vision of learning together, creating together, doing together and living together, and contributing our efforts to the betterment of life and the well-being of mankind.

■ Co-Learning - Learning Through Service

Our employees are our most important asset. In order to further instill the momentum of continuous learning and growth in our organization, we encourage our employees to participate in educational activities, and through the teaching-learning model, we are able to enhance their professional knowledge and skills as well as their care for the local culture in a timely manner.

Co-Creating - Innovation in Service Supporting local businesses and giving back to the communities in which we operate is the goal of the hotel in every way, from the inside out. By interacting and multiplying each other's resources, we create a unique and extraordinary experience for our guests.

■ Co-Thriving - Thriving in Service

With housing programs and dining events that link to the unique cultural and natural beauty of each of our hotels, we pride ourselves on familiarizing our guests with local tourism and supporting local businesses and communities.

■ Co-Sustaining - Committed to sustainability

As climate change poses an imminent threat to the environmental health of the planet, all sectors are looking for ways to live and thrive in a sustainable manner. Through interaction and cooperation with governments, communities and employees, we are firmly on the path to a sustainable future.

1. Sustainable Governance

1.1 Sustainability: Vision, Strategy and Practice Vision and Strategies

Silks Hotel Group upholds the sustainable development values of co-learning, co-creating, co-thriving, and co-sustaining, and is committed to establishing a happy, healthy, and vibrant sustainable corporate ecosystem. We believe that the power of service can help humans, communities, and the environment flourish and have a positive impact on future generations.

Practice & Effectiveness

■ Environment

In 2023, Silks Hotel Group will officially launch its “Sustainable Table” program, using its highest-income buffet restaurant, Park Lane, as a model to demonstrate three proactive measures, including the introduction of an “AI Food Waste System” to help reduce food waste through modern technology, and the creation of a “Herb Garden” in the backyard of the restaurant, which will be used to create a friendly eco-friendly environment by organizing activities for urban farmers and growing spices. In the backyard of the restaurant, the company will organize urban farmer activities and create an eco-friendly environment by planting spices. Meanwhile, the company has joined hands with international celebrity chefs to launch the “Leftover Food Program”, which turns NG ingredients into delicacies on the dining table, actively realizing the United Nations' Sustainable Development Goals (SDGs) and working with consumers to eat in an environmentally friendly and sustainable manner.

The “EcoMeet Sustainability Conference” project was launched, with plastic- and disposable-free venue decorations, traceability of ingredients, reduced paper use and use of local ingredients, as well as physical and mental health activities and city tours, which brought a pleasant experience for attendees. Tainan Silks Place cooperates with Wo Nai Chuan Soya Bean Factory to utilize soybean dregs to make gourmet food, reducing food waste and practicing sustainable food and beverage circular economy, providing consumers with healthy and delicious food choices while supporting the development of local agriculture and public welfare.

In line with its business philosophy of co-sustaining and co-thriving with the environment, Silks Hotel Group treasures ingredients and respects animal welfare, and is committed to using cage-free eggs in its specialty restaurants, starting with Regent Taipei in 2024, and extending to all of its hotels in 2030, as a positive response to the sustainability goals advocated globally, and to fulfill its responsibility as a global citizen.

■ Social

We are pursuing diversity and equality in the workplace by realizing equal pay for equal work and equal promotion opportunities for both men and women, with a male to female ratio of 48:52 in fiscal year 2023, and a male to female ratio of 46:54 at the managerial level. At the same time, in addition to the statutory benefits for employees, we encourage employees to join the stockholders' association, which not only provides them with company grants, but also provides them with dividend benefits similar to those of ordinary stockholders, helping them to build up their own wealth and to plan for the future retirement Life

In 2023, the Company will launch the “Sustainable Talent Strategy” and the “iGPS Career Navigation Map” program to provide a two-year learning and growth platform for the tourism and hotel industry. The program consists of the “iDiscover GPS” project, which is designed for social freshmen, and the “iBreakthrough GPS” program, which welcomes participants with three to five years of working experience. Participants can rotate between three different locations or positions within 24 months to explore their career paths.

Regent Taipei ROBIN'S Teppanyaki Chef Chunsheng Chen has been organizing a charity cooking event at Hualien New Dawn Institution for eight consecutive years since 2016 years ago, and in 2023, a total of 115 volunteers, including renowned chefs and local organizations, participated in the event. A total of 12 courses of 400 servings of high-quality seven-star cuisine were prepared to provide warmth to the mentally challenged. In addition to food sponsorship, the event was also supported by corporate and individual donations. In addition, we continue to adopt the facilities of the No. 4 Park Plaza in Zhongshan District, maintain its cleanliness, provide green space in the community, and add festive ambience during holiday celebrations. We also sponsor local government cultural and tourism activities and social welfare measures to promote the development of the local community culture and tourism industry.

In line with the Group's business philosophy of living together with the community, the flagship hotel of the Silks Hotels Group, Regent Taipei, held its first off-site bazaar to demonstrate its commitment to sustainable development. In collaboration with the Taipei Metro, the “Sustainable Charity Christmas Bazaar” was held in Zhongshan District, recommended by London's Time Out magazine as the “2023 World's Coolest

Neighborhood”, which is also the neighboring area of Regent Taipei, and featured a variety of festive food and handicrafts, and invited a number of star chefs to participate, underscoring the importance of the quality of the ingredients and the culinary skills. At the same time, the event was organized in collaboration with our partner suppliers, who provided ingredients and sponsored products for charity sale, echoing the concepts of green purchasing and sustainable consumption. All proceeds from the event were donated to the Hiban Children's Foundation, demonstrating the company's commitment to social responsibility and the core value of sustainable management. In addition, Silks Hotel Tainan, Silks Hotel Taroko, Just Sleep Jiaoxi and Wellspring by Silks cooperate with charitable organizations to organize a series of charitable activities to give back to the community and care for the disadvantaged, and to jointly promote the concept of sustainable management that allows for co-sustaining and co-thriving in the local community.

Through active community involvement and philanthropic practices, Silks Hotel Group are committed to supporting and improving the communities we serve through charitable activities and environmental practices, as well as building inclusive, safe, resilient and sustainable towns and communities.

In line with its business philosophy of co-sustaining and co-thriving with the environment, Silks Hotel Group treasures ingredients and respects animal welfare, and is committed to using cage-free eggs in its specialty restaurants, starting with Regent Taipei in 2024, and extending to all of its hotels in 2030, as a positive response to the sustainability goals advocated globally, and to fulfill its responsibility as a global citizen.

Governance

In accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, Silks Hotel Group has formulated a code of corporate governance practices, which is disclosed on the Market Observation Post System and the company's website, and will be followed on an ongoing basis. Meanwhile, with reference to international sustainability trends and examples, we have included significant sustainability issues in the stakeholder questionnaire of the 2023 Sustainability Report, and based on the results of the questionnaire, we have evaluated and formulated relevant risk control strategies to strengthen our corporate governance and implement corporate sustainability. Thanks to the concerted efforts of all SHG staff, the Group's consolidated operating revenue and net profit after tax for 2023 have reached record highs when compared to the same base.

In addition to strengthening operational performance management, We established the CSR Committee in 2014 and renamed it as the “Sustainability Committee” in 2021, with the Chairman of the Board of Directors as the chief convenor and the Chief Operating Officer and

Managing Director of SHG as the vice-convenor, and created a new Sustainability Director in 2023 to co-ordinate the sustainability-related issues. In addition to the creation of a Sustainability Coordinator to coordinate and coordinate sustainability-related issues, we will also reorganize the composition of the committee by linking up the Group's cross-brand and cross-departmental resources. The committee will hold sustainability meetings at least once a month in order to refine our sustainability strategies and action plans, and to realize the impact of a sustainable enterprise in terms of the environment and the society.

■ Sustainability Strategy

The Group aims to be a model of sustainable tourism and green management and set a good example for the industry.

We have developed the following sustainability strategy to demonstrate our commitment to sustainable development and to emphasize our ongoing efforts in the three areas of environment, society and governance.

In order to respect animal welfare, we are committed to using cage-free eggs in our specialty restaurants, starting in 2024 at Crystal Park Taipei, and extending the use of cage-free eggs to all of our hotels by 2030, in response to global sustainability initiatives and our responsibility as a global citizen.

Through continuous innovation and responsibility, we lead Taiwan's service industry toward a greener and more inclusive sustainable future.

Sustainable Strategies

01

Building a Sustainable Tourism Environment

By collaborating with international sustainability standards like EarthCheck, we aim to further reduce the environmental impact of tourism activities, allowing guests to experience local culture and natural resources in a more sustainable way.

02

Supporting a Green Supply Chain

When selecting supply chain partners, we prioritize their sustainability practices and environmental performance. We also encourage suppliers to provide more low-carbon products and environmental innovations, jointly promoting the green transformation of the entire supply chain.

03

Ensuring Food Safety and Hygiene

We comprehensively implement food safety management systems (such as HACCP certification) and use the highest hygiene standards to ensure that the process of food from farm to table complies with international and domestic regulatory standards.

04

Creating a Happy and Inclusive Workplace

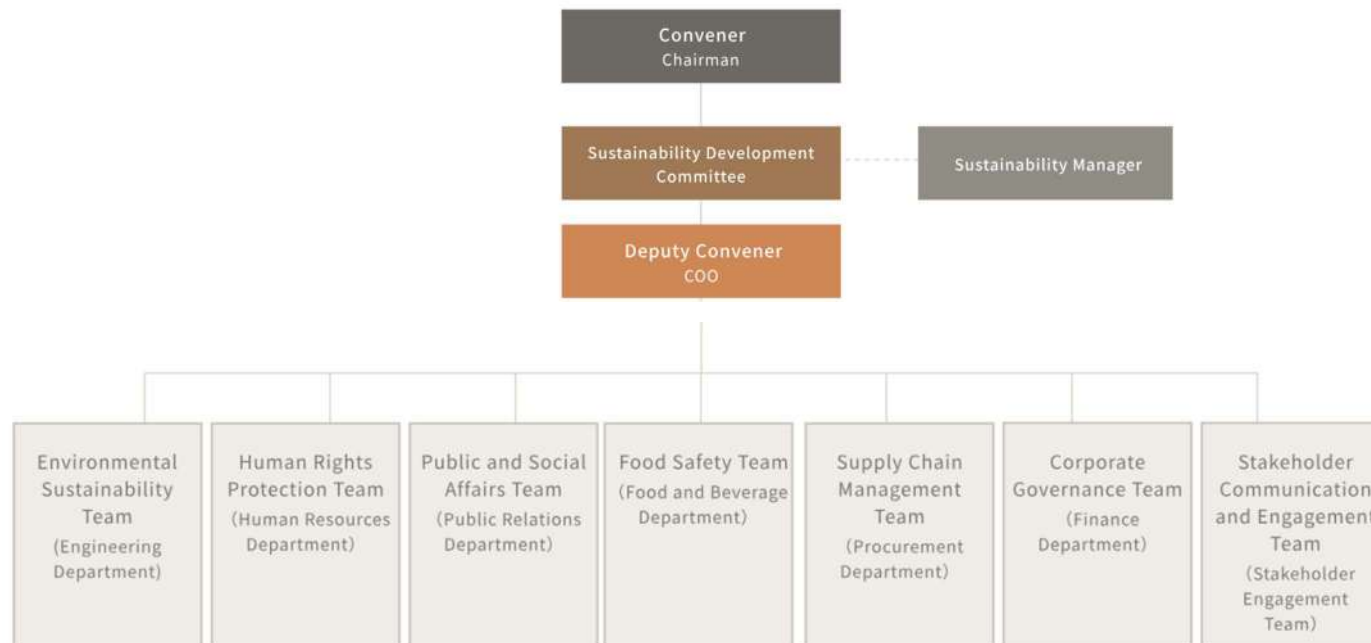
We value employee career development plans and health promotion activities, focusing on both their skill enhancements and mental well-being, ensuring that all employees can thrive in a safe and supportive environment.

1.2 Sustainability Development Committee

Established in 2014 as the CSR Corporate Social Responsibility Committee, it was renamed the "Sustainability Development Committee" in 2021, defining 2023 as the first year of Silks Hotel Group's sustainability journey.

The committee is chaired by the Chairman, with the Group COO and General Manager of Regent Taipei serving as the Vice Chairman. In 2023, committee members include: Group Executive Director of Marketing and Communications, Group Executive Director of Accounting, Group Executive Director of Rooms Operations, Executive Assistant Manager of Rooms, Group Director of Strategy and Revenue Management, Director of Procurement, Director of Human Resources, Chief Accountant, Director of Engineering, and Manager of Sustainable Development. The committee convenes sustainability meetings at least once a month to discuss and refine sustainability development strategies and actions.

Sustainability Development Committee Structure



Sustainability Development Committee Responsibilities



Environmental Sustainability Team

- Promotes environmental policies and plans to reduce the company's environmental impact during production and operations.
- Measures and reports environmental indicators such as carbon footprint, water resource usage, and waste management.
- Promotes the use of renewable energy and reduces energy consumption and emissions.
- Responsible for environmental compliance operations and greenhouse gas emissions inventory.



Human Rights Protection Team

- Assesses potential human rights risks in the company's operations and takes corresponding measures.
- Develops and implements employee welfare programs to ensure that employees are fully protected in terms of physical and mental health, working environment, and career development.
- Promotes employee diversity and inclusion, ensuring that employees at all levels have equal opportunities.
- Provides continuous education and skills training to help employees grow in their careers.



Public and Social Affairs Team

- Promotes positive interaction between the company and society and develops social welfare activities.
- Evaluates and participates in community development projects to ensure that the company gives back to society.
- Manages charitable donations and social investment projects.
- Ensures transparency in the company's social impact and regularly publishes relevant public welfare reports.



Food Safety Team

- Ensures that company products meet food safety standards and prevents any food safety incidents.
- Supervises the supply chain to ensure that the quality and source of raw materials comply with relevant regulations.
- Implements a food safety management system and conducts regular inspections and tests.
- Trains employees to enhance food safety awareness and operating standards.



Supply Chain Management Team

- Ensures the sustainability of the entire supply chain, ensuring that every step from raw material acquisition to product delivery meets sustainability standards.
- Evaluates the environmental and social responsibility performance of suppliers to ensure compliance with the company's sustainability policies.
- Implements supply chain transparency policies to enhance control and risk management over every link in the supply chain.
- Supervises human rights conditions in the supply chain to ensure that suppliers comply with the company's human rights standards.



Corporate Governance Team

- Promotes transparency and information disclosure, ensures the diversity and independence of the board of directors, and strengthens shareholder rights protection.
- Manages risks and establishes internal control mechanisms to prevent potential financial and operational risks.
- Monitors and analyzes changes in regulations related to sustainable development to ensure that all aspects of the company's operations comply with legal requirements.
- Protects data privacy and security, ensuring that the company's and customers' data is protected.



Stakeholder Communication and Engagement Team

- Develops and implements communication strategies with stakeholders.
- Establishes stakeholder engagement mechanisms to collect and provide feedback on their opinions and suggestions regarding the company's sustainable development.
- Publishes sustainability reports to showcase the company's achievements and challenges in environmental, social, and governance aspects to stakeholders.
- Participates in and responds to public and media concerns about the company's sustainable development issues, safeguarding the company's image.

1.3 Stakeholders' Engagement and Material Issues

The Sustainability Committee follows the AA1000 five criteria for stakeholder engagement (responsibility, influence, concern, dependence, and multiple perspectives) to identify potential stakeholders who may have close contact with the company's business, and who may be affected by or have an impact on the organization's or management decisions. The Committee also reviews the stakeholder identification and engagement process on a yearly basis, and understands the stakeholders' concerns about sustainable development. We also review the stakeholder identification and consultation process year by year to understand their concerns about sustainable development issues, focus on major issues based on their feedback, and refine our sustainable development strategies and action plans to realize the impact of a sustainable enterprise on the environment and society.

Sustainability Committee reviewed and identified eight categories of key stakeholders

01 Employees	02 Customers/Consumers
03 Shareholders/Investors	04 Mall Tenants
05 Media	06 Strategic Partners (e.g., suppliers, contractors)
07 Government Regulatory Authorities	08 Communities and Non-profit Organizations



Silks Hotel Group engages in communication and interaction with stakeholders through various channels, gathering their needs and expectations on issues of concern, and reviewing key performance indicators for each issue to provide responses. The identification results of these concerns serve as the basis for formulating our business strategies, product innovation, and service optimization, aiming to create sustainable value for stakeholders. The company's sustainable development goals are not only focused on improving operational performance but also on leveraging our influence to promote social well-being.





The official website has a dedicated contact section where any stakeholder can exchange views with us at any time. To effectively and promptly respond to issues that stakeholders value, in addition to collecting and responding through various contact methods and communication channels, we have also set up an online questionnaire in the stakeholder section of our website to understand their concerns and expectations on various major topics, providing valuable insights for the company's sustainable operations. Furthermore, the Sustainability Development Committee reports to the Board of Directors at least once a year on communication with various stakeholders.


■ Identifying Stakeholders

Stakeholders	Significance to the Company	Stakeholder Contact Window
Employees	We are committed to creating a happy working environment and actively protecting the rights and interests of our employees through various measures. We believe that continuous social contribution and employee well-being are at the core of corporate sustainability.	ivy.fu@regenttaiwan.com
Customer/Consumer	The sustainability goal is to create an extraordinary experience for travelers to experience a new meaning of travel and our unique “heart-to-heart” hospitality culture.	customerservice@regenttaiwan.com
Shareholders/ Investors	The issues of concern will serve as an important reference for the Company in making operational decisions, with a view to managing and promoting the Company's sustainability strategy more effectively.	brita.wang@regenttaiwan.com
Shopping Center Tenant	Strive to inspire more industries through strategic alliances and sustainable policies to create a fairer and more environmental friendly future.	edward.yu@regenttaiwan.com
Media/Internet Community	Committed to the principles of integrity, professionalism and openness, and we emphasize on corporate reputation and image risk management.	ellen.chang@regenttaiwan.com
Strategic partners (e.g. suppliers, contractors)	Continuously explore new sustainable technologies and strategies to realize a sustainable business model, and implement the three ESG dimensions through rigorous supply chain management and socially friendly connections.	juliet.liu@regenttaiwan.com
Government Authorities	Developing and implementing compliant administrative strategies and procedures in response to the promulgation of new laws and regulations to minimize legal compliance risks.	brita.wang@regenttaiwan.com
Community and Non-Profit Organizations	work with our neighbors and partners to support and improve the communities we serve through charitable activities and environmental practices, while building inclusive, safe, resilient, and sustainable towns and communities.	brita.wang@regenttaiwan.com

■ Stakeholders' Engagement

Stakeholders	Issues of Concern	Frequency and method of communication	Communication Performance in 2023
 Employees	<ul style="list-style-type: none"> • Talent cultivation and career development • Employee care and benefits • Diversity and Inclusion • Occupational safety and health 	Occasional announcements on the bulletin board, Silks University APP, HR consultation Employee satisfaction survey Regular employee welfare committee meetings, labor-management meetings, and occupational safety and health meetings Annual training plan	Regular labor-management meetings and Occupational Health and Safety Committee meetings Conducted career on-the-job training for a total of 3,276 people, with a total of 7,746 man hours and human rights protection-related training for 5,365 participants and 11,217 person-hours
 Shareholder/ Investor	<ul style="list-style-type: none"> • Sustainable Development Strategy and Action Plan • Corporate governance (investor relations, business performance, functions of the Board of Directors, ethical corporate management, and anti-corruption codes of conduct) • Risk management • Innovation and customer service 	Board of Directors and General Meeting of Shareholders, Issuance of Annual Report, and Perpetuity Report Institutional investor conference and investment forum Market Observation Post System Company website, grievance hotline, email	4 Board of Directors meetings and 1 shareholders' meeting held Held 4 institutional investor conferences Released 18 pieces of material information Publication of annual sustainability report

 <p>Customers/ consumers and tenants of shopping malls</p>	<ul style="list-style-type: none"> • Food Safety and Health • Supply chain management (supplier evaluation and procurement mechanism) • Personal information protection and information security 	<p>Corporate website, Sustainability Report</p> <p>Customer satisfaction survey</p> <p>Social media, press releases</p> <p>Telephone, E-mail</p> <p>Club Membership Bulletin</p>	<p>Publication of annual sustainability report</p> <p>Customer Satisfaction Score: 83</p> <p>Enhance information security systems</p>
 <p>Strategic partners (e.g. suppliers, contractors)</p>	<ul style="list-style-type: none"> • Food Safety and Health • Supply chain management (supplier evaluation and procurement mechanism) 	<p>Non-scheduled supplier meetings</p> <p>Regular supplier audit and evaluation</p> <p>Unscheduled vendor visits</p> <p>Number and e-mail for reporting ethical violations</p>	<p>A total of 121 suppliers' written reviews and 16 on-site inspections were conducted. As a result, there were no suppliers that failed the assessment with a total score of less than 60.</p> <p>No violation of business ethics reported</p>
 <p>Media/Online community</p>	<ul style="list-style-type: none"> • Operational performance • Innovation and customer service • Community Care and Charity 	<p>Unscheduled Press Conference</p> <p>Unscheduled press releases, exclusive interviews, Hotline, E-mail</p>	<p>Monthly/quarterly press release and social media feed</p>
	<ul style="list-style-type: none"> • Sustainable development policy • Corporate governance • Risk management 	<p>Periodic regulatory review</p> <p>Market Observation Post System</p> <p>Advocacy of relevant policies and laws of the competent authority</p>	<p>Complete the publication of the annual product disclosure sustainability report in accordance with the government's food safety</p>

Government authority	<ul style="list-style-type: none"> • Food Safety and Health • Occupational safety and health • Waste management • Energy management • Climate Change and Environmental Protection 		regulations
 <p>Community and Non-Profit Organizations</p>	<ul style="list-style-type: none"> • Integrity Management • Community Care and Charity 	<p>Responding to social welfare activities and initiatives of different organizations</p> <p>Publication of annual sustainability report</p> <p>Meeting with villagers</p> <p>Telephone, email, letter communication</p>	<p>Adoption at No. 4 Park Plaza, Zhongshan District and continued the 8th cooking charity event. The Group's subsidiaries include Regent Taipei, Silks Place Tainan, Silks Place Taroko, Wellspring by Silks, and Just Sleep held a series of year-end charity activities to spread warmth and support to the community.</p>

■ Materiality Analysis and Identification

The Sustainability Development Committee follows the GRI 3: Material Topics 2021 to conduct materiality analysis on sustainability issues. The identification process is as follows:

01

Identifying Issue Questionnaire

The identification of material topics is based on the adjustment of the material topic list from recent years. In addition to considering the impact of the company's products on the economy, society, and environment based on industry characteristics, new trends in sustainable development, concerns of the same industry, and the actual needs and expectations of stakeholders are also key considerations in the identification process. This ensures the significance, completeness, and inclusiveness of the topic list.

02

Identifying Material Topics

The collected questionnaires statistically analyze the differences in the degree of concern among various stakeholders for each topic and the main risks and potential opportunities that each topic may pose to the company's operations and sustainability strategies. The responsible units assess the impact of relevant topics on the environment, society, and economy, as well as their impact on the company's internal operations, to rank and identify major concerns.

03

Confirming Material Topics

The preliminary results of material topic identification and ranking are submitted to the management for adjustment and confirmation of material topics to ensure that the results comply with the GRI principles of materiality, completeness, and stakeholder inclusiveness. The impact and boundaries of material topics on the company's internal and external organizations are also grasped to formulate strategic directions and response measures, which are included in the annual report as a reference.

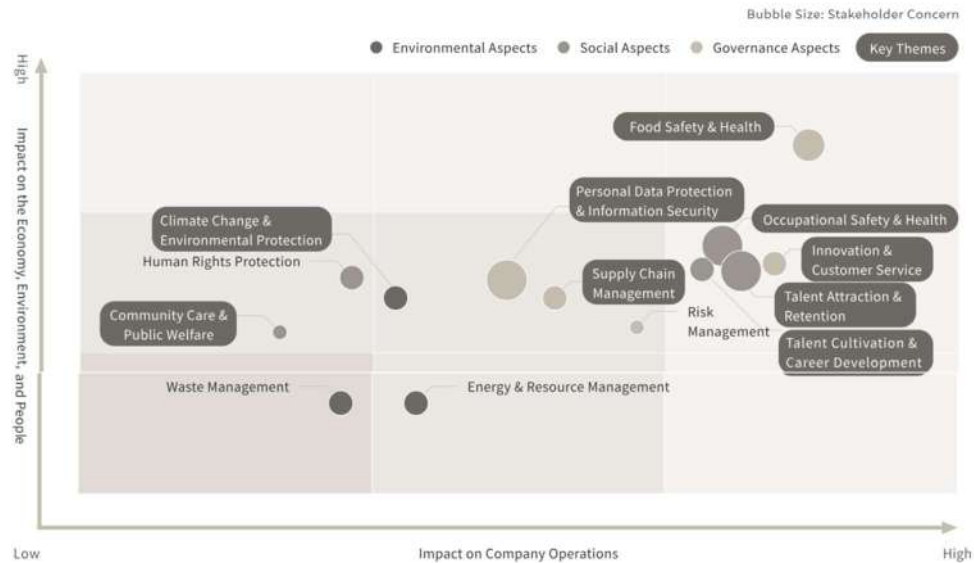
Reviewing and Examining Completeness

The preparation of the sustainability report follows the identified material topics, covering their scope, boundaries, and reporting period. The Sustainability Committee members and responsible units conduct a final review to ensure that the information on material topics is fully and truthfully disclosed in the report.

In 2023, the list of material topics was compiled by collecting a total of 285 questionnaires, from which 13 issues related to corporate governance, society, and the environment were selected. The level of stakeholder concern for these issues was analyzed and statistically evaluated. Responsible units then discussed and ranked the impact of each issue on the economy, society, and the environment. Following a materiality matrix analysis, the Sustainability Development Committee members further deliberated on these issues. Finally, after review, adjustment, and confirmation by the management, a total of 9 highly important issues were identified.

Materiality Analysis Matrix










1. Food Safety and Health
2. Privacy and Information Security
3. Occupational Safety and Health
4. Talent Attraction and Retention
5. Talent Cultivation and Career Development
6. Innovation and Customer Service
7. Climate Change Response
- 8 Supply Chain Management
9. Community Care and Public Welfare














■ Table of differences between material issues in two years

Major Topic	Difference from the previous year	Description of Differences
Talent Attraction and Retention	Topic Name Change	2022 Topic Name Employee Rights and Benefits Changed to Talent Attraction and Retention due to increasing labor shortage.
Innovation and Customer Service		2022 Topic Name Products and Services Change due to Market Competition Trends
Climate Change Response		2022 Topic Name Climate Change Risks and Opportunities
Community Care and Public Welfare	Self-defined Major Theme	in response to SHG Year of Sustainability public service activities and environmental protection practices.
Epidemic Development Measures	Removed	Epidemic decline is no longer an issue of concern.
Sustainability and Risk Management	Issue Removal Integration	Integration of sustainable management, risk management
Energy Conservation and Circular Economy		Integration of climate change and environmental protection issues
Regulatory Compliance	Adjustment	Integration into Corporate Governance

■ Material issues Comparison & Impact Scope

Aspects	Material Issue	GRI/SASB Standards Matching Table	Corresponding chapter	Corresponding to the SDGs	Impact	
					Organization	outside
					The company	(Stakeholders)
Governance	Food Safety and Healthy	GRI 416 Customer Health and Safety 2016 GRI 417 Marketing and Labeling 2016 FB-RN-250 Food Safety	2.4 Food Safety and Healthy	 3 Good Health and Well-being  12 Responsible Consumption and Production	●	●
	Privacy and Information Security	GRI 418 Customer Privacy 2016	2.6 Privacy and Information Security	 9 Industry Innovation and Infrastructure  16 Peace, Justice and Strong Institutions	●	●
	Innovation and Customer Service	NA	2.3 Innovation and Customer Service	 8 Decent Work and Economic Growth	●	●
	Supply Chain	GRI 204 Procurement Practices 2016 GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment SASB FB-RN-430 Supply Chain Management & Food Sourcing	2.5 Sustainable Supply Chain	 12 Responsible Consumption and Production  15 Life on Land  17 Partnerships for The Goals	●	●
Social	Occupational Health & Safety	GRI 403 Occupational Health and Safety 2018	3.1 Occupational Health & Safety	 8 Decent Work and Economic Growth	●	

	Talent Attraction and Retention	GRI 401 Employment 2016 GRI 402 Labor/Management Relations 2016 GRI 405 Diversity and Equal Opportunity SASB FB-RN-310/ SV-HL-310 Labour Practices	3.2 Talent Attraction and Retention	 5 Gender Equality  8 Decent Work and Economic Growth  10 Reduced Inequalities	●	
	Talent Cultivation and Career Development	GRI 404 Training and Education 2016	3.3 Talent Cultivation and Career Development	 4 Quality Education  8 Decent Work and Economic Growth	●	
	Community	GRI 413 Local Communities 2016	3.4 Community Care and Public Welfare Activities	 10 Reduced Inequalities  11 Sustainable Cities and Community  12 Responsible Consumption and Production  13 Climate Action  15 Life on Land	●	●
Environmental Sustainability	Climate Change and Environment Protection	GRI 302 Energy 2016 SASB FB-RN-310 Labour Practices SV-HL-130 Energy Management SV-HL-160 Ecological Impacts SV-HL-450 Climate Change Adaptation	4.1 Climate Change and Environment Protection 4.2 Energy Management	 13 Climate Action	●	●

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

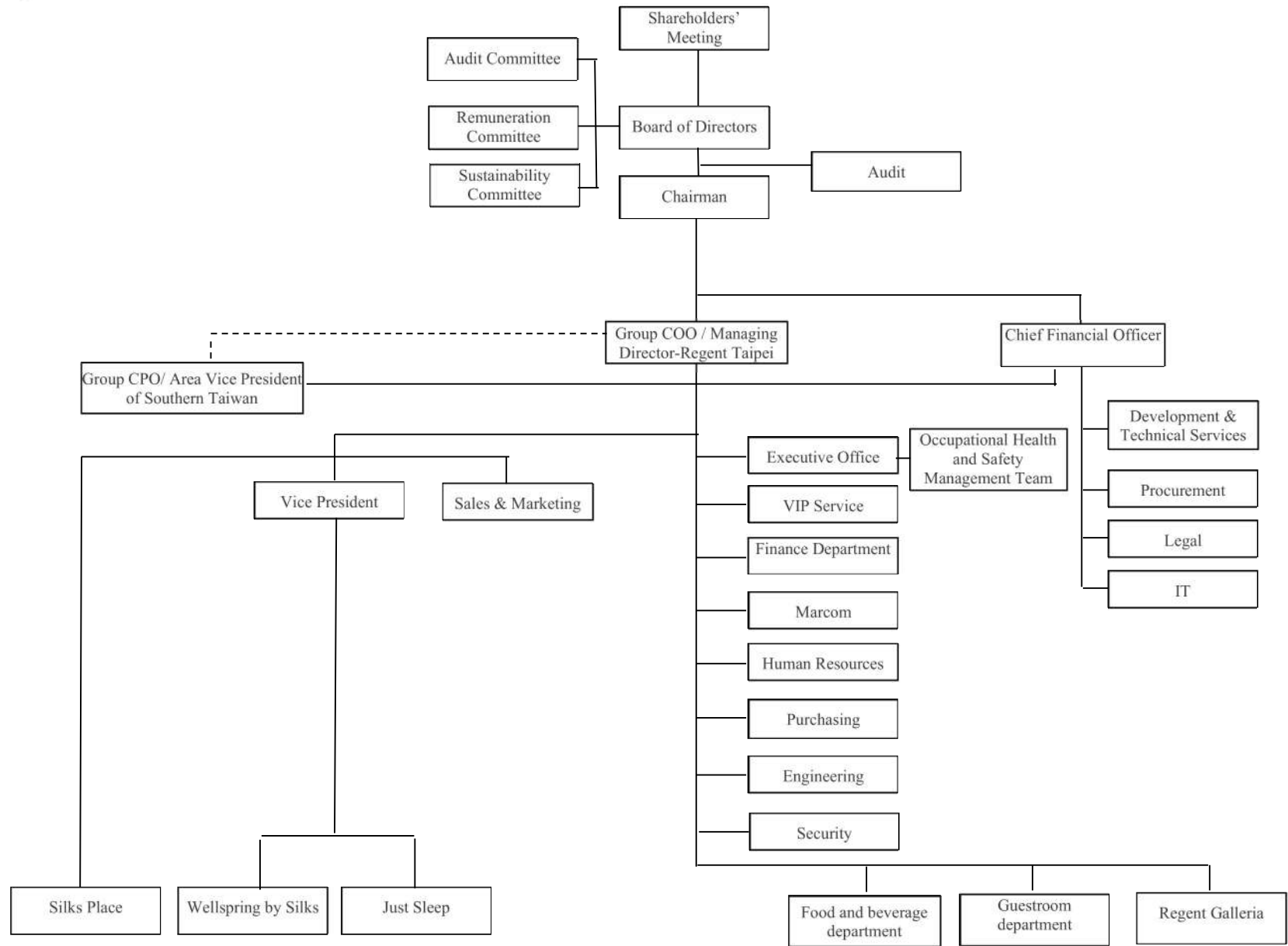
Silks Hotel Group clearly stipulates that the composition of the Board of Directors should be diversified in the “Corporate Governance Best-Practice Principles”, and formulates an appropriate diversity policy based on the Company’s own operations, business types, and development needs, including but 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.
-

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

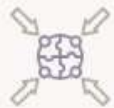


Cultural Experience Activities



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:

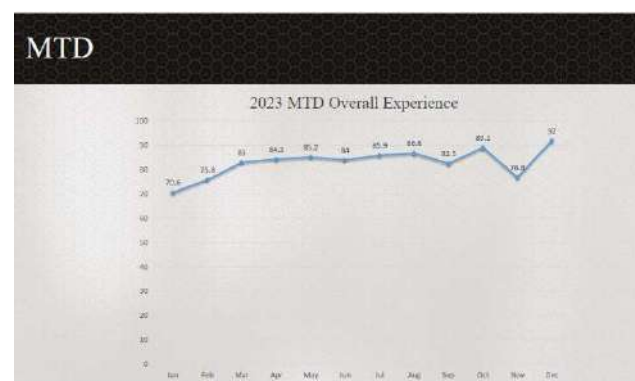
Traditional Chinese mailbox link : <https://event.silkshotelgroup.com/ContactUs/zh-tw>

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	<ul style="list-style-type: none"> • 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.

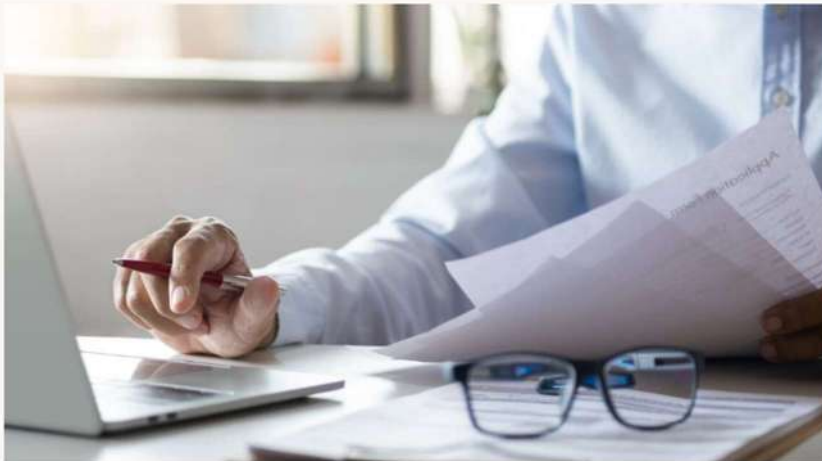
In 2023, Silks Hotel Group conducted internal training on major information processing for a total of 892 participants, accumulating 223 in-person hours.

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.

3. Social

3.1 Occupational Health and Safety

Performance Results	Future Goals	
<ul style="list-style-type: none">• In 2023, there were a total of [58] cases of disabling injuries, with [744] days of injury-related absence, an absence rate of [0.16%], and no work-related fatalities.• Workplace environment monitoring results were all in compliance with legal standards.• Safety drills and employee health checkups were scheduled as planned.• Work content and working hours were adjusted for maternal health cases and middle-aged and elderly employees.	Short-term Goals	Medium to Long-term Goals
	<ul style="list-style-type: none">• Enhance employee safety awareness.• Increase the frequency of safety training sessions.	<ul style="list-style-type: none">• Establish a more comprehensive occupational safety management system.• Continuously improve employee health indicators and reduce the incidence of occupational injuries.

Impact

Silks Hotel Group firmly believes that only by providing a healthy workforce can we deliver high-quality services that satisfy customers. We consider the safety and health of employees, suppliers, contractors, and other partners as a major sustainability theme, aiming to realize a work environment free from physical and mental harm.

Policy Commitment

Silks Hotel Group deeply recognizes the importance of occupational safety and health, and insists on establishing and maintaining an "Occupational Safety and Health Committee" in accordance with legal standards. The committee, led by the General Manager, comprises department heads, professional safety and health personnel, and labor representatives. Together, they review, establish, and implement occupational safety and health policies and goals, striving to create a low-risk and injury-free work environment.

Actions Taken

- **Education, Training, and Emergency Response Management**

We have designed a series of education and training programs and disaster prevention drills to enhance the emergency response capabilities of employees in various departments, including fire escape, emergency evacuation, and basic first aid.

- **Occupational Environment and Employee Health**

We conduct regular workplace environment monitoring to ensure that employees work in a safe and healthy environment. We also provide comprehensive health checkup services and health education.

Evaluation Mechanisms

- Conduct annual management reviews to assess implementation performance and goal achievement.

Impact

Silks Hotel Group firmly believes that only by providing a healthy workforce can we deliver high-quality services that satisfy customers. We consider the safety and health of employees, suppliers, contractors, and other partners as a major sustainability theme, aiming to realize a work environment free from physical and mental harm.

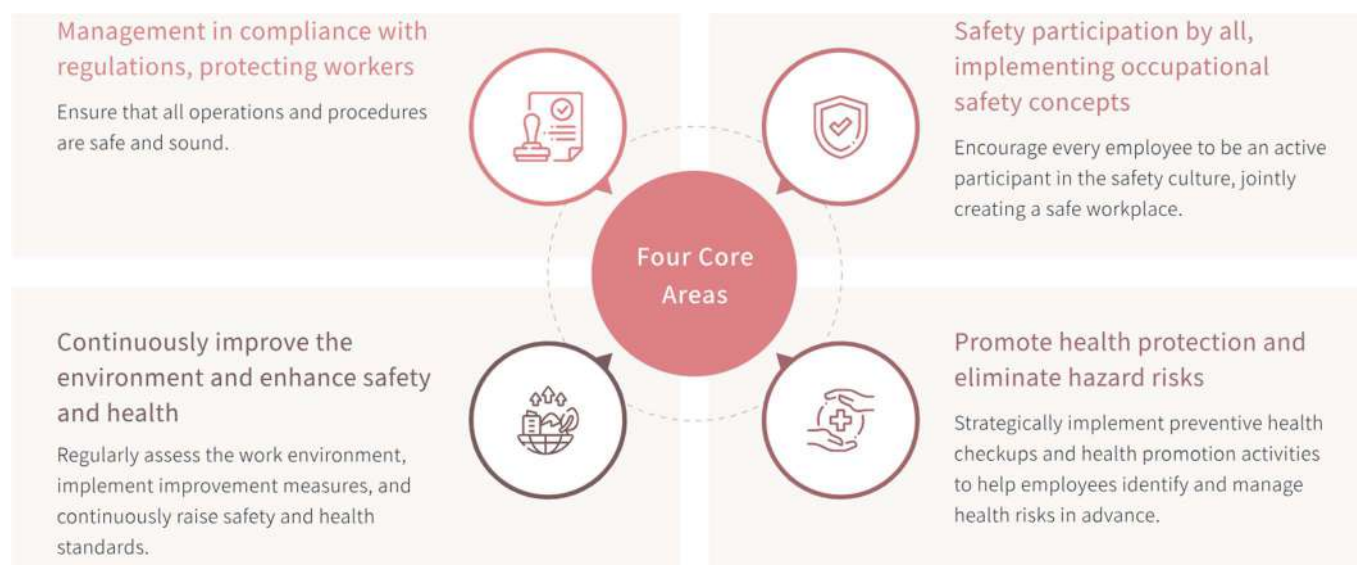
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Silks Hotel Group is committed to achieving the United Nations Sustainable Development Goals (SDGs), particularly Goal 8 (decent work and economic growth), in our daily operations. We recognize that creating a safe and healthy work environment is key to achieving these goals. To this end, we have established a comprehensive Occupational Safety and Health Management System that emphasizes the importance of risk prevention and employee well-being. SHG ensures workplace conditions that meet the highest safety standards through the ongoing efforts of our Occupational Safety and Health Committee and close collaboration with suppliers and contractors. These measures not only raise health and safety standards for our employees, but also reflect our commitment to continuous improvement and corporate responsibility, furthering the practice of sustainable development.

Occupational Safty and Health Policy

Silks Hotel Group deeply recognizes the importance of occupational safety and health and insists on establishing and maintaining an Occupational Safety and Health Committee in accordance with legal standards. The establishment of this committee not only complies with the legal requirements, but also reflects the company's commitment to providing a safe and healthy working environment. The Committee is led by the General Manager and comprises department heads, professional safety and health personnel, and labor representatives, who work together to review, establish, and implement occupational safety and health policies and objectives, with the goal of establishing a low-risk and occupationally injury-free work environment.



Education, Training, and Emergency Response Management

To ensure that all employees are familiar with emergency response procedures and safe operating practices, we have designed a series of educational training programs and disaster prevention drills aimed at enhancing the emergency response capabilities of staff across various departments. These training sessions not only encompass theoretical learning but also emphasize practical operations and drills, such as fire escape, emergency evacuation, and basic first aid.

2023 AED Operation and CPR First Aid Training Courses at Each Hotel

	Regent Taipei	Just Sleep	Silks Place Tainan	Silks Place Taroko
Total Number of Courses	11	2	2	2
Total Course Hours	21.4	3	6	2
Total Number of Participants	597	73	30	56
Total Participant-Hours	1,173	219	180	112

Occupational Environment and Employee Health



Environmental Monitoring and Safety Practices



We strictly adhere to the "Regulations for Occupational Safety and Health Monitoring of Working Environments" to regularly inspect items related to the working environment and safety, and strengthen the promotion of safety and health management guidelines for supervisors and workers to follow. For abnormal inspection results or items with high values, we will discuss with relevant units and take immediate corrective actions. In addition to publicly announcing the results, the original monitoring report will be stored in the Safety and Health Management Office for inspection by the competent authorities.



Storage and Management of Hazardous Substances in the Environment



Silks Hotel Group has established standard operating procedures (SOPs) for the management of hazardous substances. The implementation departments cover engineering, laundry, housekeeping, stewarding, kitchens, club swimming pools, etc., with the main items being engineering materials, detergents, and cleaning agents.



Physical and Mental Health and Welfare Promotion



We provide comprehensive health checkup services for all employees, ranging from basic pre-employment physical examinations to regular professional checkups, covering both general and special examination items. We pay particular attention to the health status of high-risk positions and employees working long night shifts. Additionally, we offer heart rate variability analysis and vascular elasticity tests for management personnel to help them prevent potential health problems. Through collaborating with the government to organize four-cancer screening activities, we strive to raise employee awareness of personal health management and provide professional medical consultations and follow-up management for any abnormalities detected during screenings.

To create a workplace environment that supports the holistic development of employees, Silks Hotel Group has a professional infirmary staffed with a resident physician and dedicated nurses, regularly providing health education, disease prevention, and emergency medical treatment. We conduct regular workplace safety assessments and adjust the work environment based on employees' health conditions and work needs. In particular, we provide suitable work adjustments and healthcare measures for pregnant women and middle-aged and elderly employees to ensure their job stability and well-being.



Prevention of Illegal Harm and Occupational Accidents



Illegal Harm

Silks Hotel Group has formulated a prevention plan for illegal harm encountered during the performance of duties in accordance with the Occupational Safety and Health Act, clearly defining reporting procedures and mechanisms. Upon receiving complaints or reports, we will promptly assign HR specialists to conduct investigations or handle the matter, and respond to the incident swiftly.

Occupational Accident Prevention

Through regular safety training and emergency response drills, we enhance employees' awareness of occupational safety and their self-protection abilities. We conduct detailed analysis and formulate preventive measures, such as strengthening traffic safety education and improving the physical layout of workplaces, to reduce the incidence of accidents and ensure the health and safety of employees.

In 2023, there were 30 occupational accidents at Regent Taipei, an increase of 1 case compared to 2022. Just Sleep had 4 occupational accidents, a decrease of 1 case compared to 2022. Silks Place Tainan had 14 occupational accidents, an increase of 1 case compared to 2022. Silks Place Taroko had 13 occupational accidents, a decrease of 5 cases compared to 2022. Analysis suggests that the overall workload increased compared to during the pandemic, leading to a rise in the number of injuries from cuts and burns. Specific response measures include enhancing supervisors' on-site control capabilities and strengthening the promotion of safety precautions.

Occupational Injury Rate

Occupational Injury Rate	Regent Taipei	Just Sleep	Silks Place Tainan	Silks Place Taroko
Total Days of Absence	550	30	100	64
Total Working Days	257,048	53,988	81,909	61,669
Absence Rate	0.0214	0.056	0.122	0.104
Occupational Accident Rate per 1,000 Employees	30.811	4.889	42.52	3.8
Disabling Injury Frequency	14.588	2.315	21.365	16.22
Disabling Injury Severity Rate	267.459	69.45	152.608	129
Total Injury Index	1.975	0.401	1.806	1.44

Calculation Explanations :

1. Absence Rate (AR) = Total Days of Absence / Total Working Days * 100%
2. Total Days of Absence includes menstrual leave, sick leave, injury leave, and work-related injury leave.
3. Occupational Accident Rate per 1,000 Employees ‰ = Number of Occupational Accidents / Total Number of Employees * 1,000
4. Disabling Injury Frequency (FR) = Total Number of Injuries and Fatalities / Total Working Hours of Company Employees * 1,000,000
5. Disabling Injury Severity Rate (SR) = Total Lost Days / Total Working Hours of Company Employees * 1,000
6. Total damage index = $\sqrt{(\text{Disabling Injury Frequency FR} * \text{Disabling Injury Severity Rate SR})} \div 1000$

3.2 Talent Attraction and Retention



Impact

Silks Hotel Group believes that continuous social contributions and employee well-being are at the core of sustainable corporate development. By creating a happy working environment and actively safeguarding employee rights and interests, we strive to enhance the company's overall competitiveness and market position.

Policy Commitment

Silks Hotel Group is dedicated to providing a friendly workplace environment, protecting employee health and safety, and offering fair wages and promotion opportunities. Furthermore, we are committed to achieving gender equality and diverse and equal employment opportunities, free from gender discrimination.

Actions Taken

We provide employees with comprehensive labor and health insurance, maternity/parental leave, and other relevant insurance. In addition, we offer various benefits such as an employee stock ownership association, club activities, employee travel, and the establishment of an employee welfare committee to further enhance employees' work and life quality.

Evaluation Mechanisms

We conduct regular "R12 questionnaire surveys" and [Happiness Index] to reflect employee engagement and job satisfaction, and adjust relevant policies and measures based on the survey results.

Stakeholder Engagement

Silks Hotel Group regularly communicates with employees through various channels, including labor-management meetings, internal websites, and the Silks University APP, ensuring that employees can freely express their opinions and participate in the company's decision-making process, promoting labor-management harmony and mutual growth.

Silks Hotel Group firmly believes that sustainable social contribution and employee well-being are at the core of corporate sustainability. We are committed to protecting the rights of our employees and creating a happy working environment through various measures. 2023 JHH Group has been awarded the 1111 Human Resource Bank's "Gold Award for Happiness" for the third consecutive year in the category of Leisure & Entertainment Services, standing out from the rest. The Group is committed to creating a friendly workplace environment by emphasizing the principle of "treating guests with care and concern". The competitiveness of a company comes from the competitiveness of its people. The Group is committed to providing excellent development opportunities and benefits to enable employees to realize their potentials at work and create value for the company.

Our employee care and welfare strategy are closely aligned with the United Nations' Sustainable Development Goals (SDGs), and we are particularly committed to the following objectives: Goal 5 (Gender Equality) Ensure that men and women receive equal pay for equal work and work of equal value, and that there is no gender discrimination, so as to create diversified and equal employment opportunities. Goal 8 (Decent Work and Economic Growth) Provide reasonable wages and fair and open promotion channels to protect employees' rights and interests. Goal 10 (Reduce Inequality) Protect the equality of employees, safeguard personal freedom, and reject any form of discrimination and unequal treatment.

Employee Hiring: Diversity and Inclusion

The company hires talents with relevant competencies based on positions, without discrimination based on nationality, race, gender, disability, marital status, political stance, etc. We formulate work rules in accordance with the Gender Equality Employment Act and relevant labor laws, strictly prohibiting the employment of individuals under the age of 16, forced labor, and any form of workplace bullying, discrimination, or harassment. We emphasize human rights and ensure non-discriminatory treatment in employee hiring qualifications. In accordance with relevant laws protecting workers' rights, we have hired 27 employees with disabilities, accounting for 1.3% of the total workforce.

Number of employees with disabilities hired

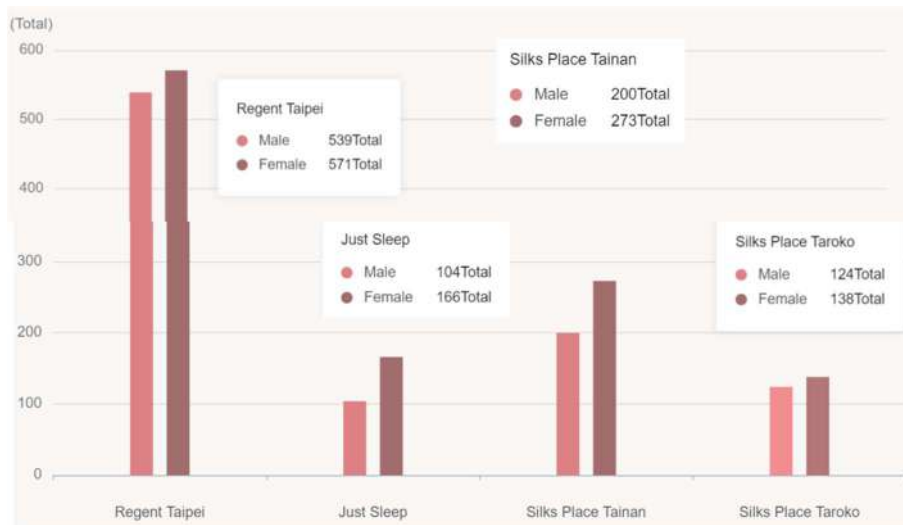
27



Full-time Employee Gender and Hiring Ratio

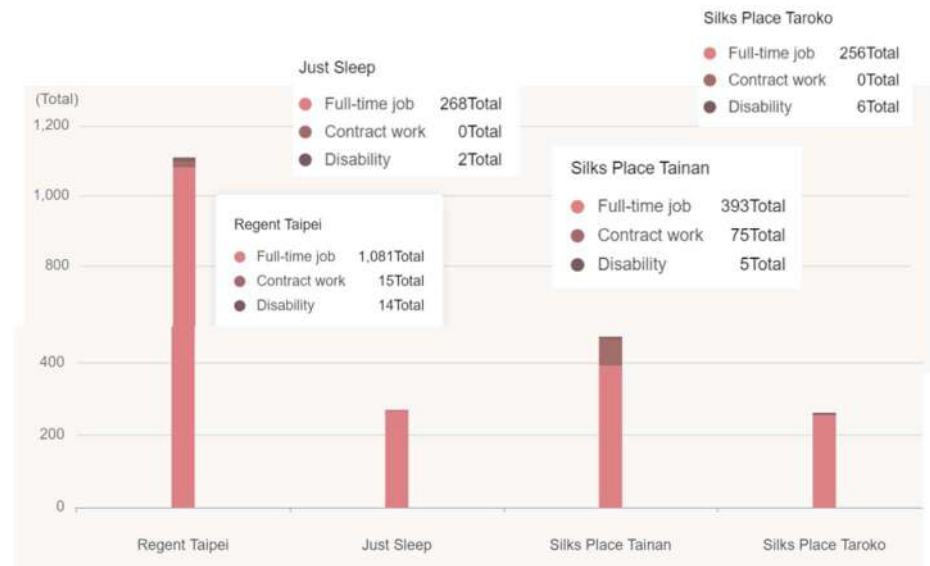
Employee Gender Ratio

● Male ● Female



Employee Hiring Ratio

● Full-time job ● Contract work ● Disability



Gender and Position Ratio

	<u>Regent Taipei</u>		Just Sleep	Silks Place Tainan	Silks Place Taroko	
	2021			2022	2023	
Gender	Male	Female		Male	Female	
General Staff	45.12%	54.88%		46.35%	53.65%	47.85% 52.15%
Mid-level Management	51.48%	48.52%		53.76%	46.24%	52.67% 47.33%
Senior Management	42.11%	57.89%		39.02%	60.98%	40.91% 59.09%

	Regent Taipei	<u>Just Sleep</u>		Silks Place Tainan	Silks Place Taroko	
		2021			2022	2023
Gender		Male	Female		Male	Female
General Staff		37.57%	62.43%		37.69%	62.31% 37.41% 62.59%
Mid-level Management		28.57%	71.43%		33.33%	66.67% 37.50% 62.50%
Senior Management		12.50%	87.50%		28.57%	71.43% 0% 100%

	Regent Taipei	Just Sleep	<u>Silks Place Tainan</u>		Silks Place Taroko	
			2021		2022	2023
Gender			Male	Female	Male	Female
General Staff			38.74%	61.26%	37.70%	62.30% 62.39% 37.61%
Mid-level Management			57.95%	42.05%	52.63%	47.37% 48.89% 51.11%
Senior Management			50.00%	50.00%	50.00%	50.00% 60.00% 40.00%

	Regent Taipei	Just Sleep	Silks Place Tainan	<u>Silks Place Taroko</u>		
				2021		
Gender				Male	Female	Male
General Staff				65.22%	34.78%	61.29% 38.71% 66% 40%
Mid-level Management				32.79%	67.21%	35.29% 64.71% 35.21% 64.79%
Senior Management				22.22%	77.78%	33.33% 66.67% 38.46% 61.54%

Compensation and Benefits Policy

We provide a market competitive salary scheme, regularly review the salary market in the industry, and exchange the salary range with hotels of the same level every year to ensure a reasonable salary system to protect the basic life of employees, so that employees can see the value of their work and grow with the company. (Note: The remuneration of the board of directors of the highest governance unit is disclosed in 2.5 Company Chapter).

A well-established compensation system can bring employees a better quality of life and create a happy workplace. The basic salary is more than 10% above the legal minimum wage standard, and the salaries of temporary and part-time employees are in compliance with the Labor Standards Law. We also review the salary market in the industry from time to time to ensure a reasonable salary system to provide employees with the protection they deserve, in order to enhance employee welfare and take care of their basic family life, and to allow employees to see the value of their work and grow together with the company.

In order to achieve the purpose of attracting, motivating, retaining and cultivating talents, we provide salaries that are better than the market rate, and differentiate the salaries, salary adjustments, and bonuses based on each employee's job title, performance and contribution. We also review the salary and bonus system on a regular basis in order to ensure that the salary level is competitive in the market. In addition, we adopt the principle of equal pay for equal work for both men and women, which is fair, open and non-discriminatory.

Employee Care and Benefits

We provide employees with a safe working environment, reasonable salaries, and fair and transparent promotion channels. All employees enjoy labor and health insurance, maternity/parental leave, and other relevant insurance. In addition to complying with government regulations for labor insurance, national health insurance, and establishing an employee welfare committee, we have also formulated various welfare measures, including an employee stock ownership association, club activities, employee competitions, employee travel, employee spring wine banquets, performance and year-end bonuses, etc.

We value workplace equality, non-discrimination, and a safe working environment. We strengthen the prevention of illegal employment or any form of forced labor and are committed to upholding employee equality, protecting personal freedom, and rejecting any potential harm to personal safety, discrimination, harassment, coercion, or unequal treatment in the workplace. We treat all employees equally in terms of recruitment, salary, performance, training, and benefits, striving to create a harmonious and equal labor-management relationship and protect employee human rights.

We provide working hours, leave, and allowances that comply with legal regulations, and arrange annual health checkups. We have facilities such as an infirmary, library, employee cafeteria, and employee lounge, as well as overnight dormitories for the convenience of night shift and remote employees.

In 2023, a total of 10 male and 19 female employees at Silks Hotel Group applied for childcare leave. In the same year, the actual number of employees returning to work after childcare leave was 4 males and 7 females, with a return-to-work rate of 61%.

2023 male employees
applying for
childcare leave

10

2023 female
employees applying
for childcare leave

19

2023 return-to-work
rate for those on
childcare leave

61 %

Retirement System

The retirement plan applies to all formally hired employees. In accordance with labor pension regulations, 6% of the employee's monthly salary is contributed to their individual pension account. Employees who have worked for 15 years or more and are at least 55 years old, or have worked for 24 years or more, or have worked for 10 years or more and are at least 60 years old are eligible to apply. The payment methods for the old and new pension systems are determined by the Labor Standards Act and relevant labor pension regulations, and retirement planning advice is provided to employees who are about to retire.

Employee Welfare Committee and Employee Stock Ownership

To encourage employees, we have established an employee stock ownership trust. Full-time or part-time employees with at least one year of service are eligible to join. In 2023, the number of employees participating in the trust and holding shares was 685, an increase of 127 compared to 2022, representing a 19% year-on-year growth.

2023 increase in the number of employees participating in trust and holding shares

127



Positive Communication and Rewards

Each month, department heads nominate and select model employees of the month, and those selected have the opportunity to become the annual best employee. We recognize and reward these outstanding performers.

We respect the rights granted to every colleague by law and ensure freedom of association and assembly. We are committed to

"R12 questionnaire" and "Happiness Index" surveys to reflect employee engagement and job satisfaction, and formulate policies accordingly. We have various communication channels for employee opinions and feedback, including employee meetings, email mailboxes, internal bulletin boards, labor-management meetings, sexual harassment prevention hotlines, reward and punishment appeals, the stakeholder section on the official website, performance appraisal appeals, and the Silks University APP. Employee feedback is handled promptly by dedicated personnel from the Human Resources Department, and we share information about the company's business philosophy, policies, and employee rights and interests through these communication platforms.

3.3 Talent Cultivation and Career Development

Performance Results

Silks Hotel Group's training and development programs have significantly enhanced employees' professional skills and occupational literacy, further improving customer service quality and strengthening the Group's market competitiveness and brand value.

Future Goals

Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">Enhance employees' awareness and ability to provide high-quality customer service.Increase opportunities for employees to participate in professional training and skills enhancement.	

Future Goals

Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">Actively collaborate with global educational institutions to continuously improve education quality and internship opportunities.Establish a continuous professional development support system to foster a self-sustaining learning organization.	

Impact

Silks Hotel Group firmly believes that the core competitiveness of the tourism industry lies in providing exceptional services and products. Through deepening talent training and enhancing employees' professional capabilities and communication skills, the Group ensures that every customer enjoys the best service experience, thereby improving customer satisfaction and the Group's market competitiveness.

Policy Commitment

Silks Hotel Group is dedicated to cultivating and developing talent, consistently investing substantial resources in human resource training and career development programs. The Group not only focuses on talent recruitment and competency strengthening but also values the cultivation of future successors to pass on the Group's corporate culture and core values. We are committed to promoting the missions of "Heartfelt Hospitality" and "Bringing the world's best to Taiwan and bringing Taiwan's best to the world," striving to achieve the goal of sustainable operation.

Actions Taken	Silks Hotel Group collaborates with higher education institutions, such as Southern Taiwan University of Science and Technology and St. John's University in Indonesia, to provide students with professional education and internship opportunities, expanding their learning and career development space. Additionally, through programs like the "iGPS Career Navigation Map," we offer targeted vocational training to employees to enhance their employability and entrepreneurial skills.
Evaluation Mechanisms	Through regular management reviews and performance evaluations, Silks Hotel Group ensures the effective implementation of education and training programs and the achievement of established training goals.
Stakeholder Engagement	Silks Hotel Group, in accordance with its stakeholder engagement mechanism, conducts regular and irregular communication and interaction, transparently disclosing information in sustainability reports, the Regent University APP, and the Group's website to maintain a high level of transparency and mutual trust.

Our talent cultivation and career development strategy also actively respond to the United Nations Sustainable Development Goals (SDGs) of “Decent Work and Economic Growth” (Goal 8) and “Quality Education” (Goal 4), and aims to achieve sustainable development by upgrading the professional knowledge and skills of our employees.

SDG4 Quality Education Targets	Compliance
4.3 ensure that all women and men have equitable, affordable and quality opportunities for technical, vocational and tertiary education, including university education.	SHG has partnered with Southern Taiwan University of Science and Technology and St. John's University of Technology (St. John's University of Technology) in Indonesia to provide professional education and internship opportunities through industry-academia collaboration. This not only expands students' vocational education opportunities, but also directly enhances their professional knowledge and skills, in line with SDG 4.3's goal of promoting affordable and high-quality vocational and technical education.
4.4 Significantly increase the number of youth and adults with technical and vocational skills needed for employment, formal work, and entrepreneurship.	Through the “iGPS Career Navigator Map” program, SHG provides systematic training and career development opportunities designed for employees at different stages of experience to help them enhance the technical and vocational skills needed for employment and entrepreneurship.
4.b Significantly increase the number of scholarships for developing countries around the world by 2020, especially for the Least Developed Countries (LDCs), Small Island Developing States (SIDS) and African countries, to improve access to tertiary education in these countries.	Through the establishment of the New Southbound Program, JH provides education and internship opportunities for students from Indonesia. The program aims to enhance the quality of education and employment opportunities for these students upon completion of their studies, echoing the goals of SDG 4.b. The program is designed to enhance the quality of education and employment opportunities for these students. By the end of 2023, a total of 80 Indonesian students will have received professional education and internships at Crystal Hotels Taipei and Crystal Hotels Tainan.

Industry-Academia Collaboration for Innovative Talent Development

Silks Place Tainan collaborated with Southern Taiwan University of Science and Technology in August 2022 to establish the "Silks Place Tainan Elite Academy," cultivating future entrepreneurs through industry-academia collaboration and building long-term partnerships. In 2023, Silks Hotel Group continued to expand its industry-academia collaboration efforts by signing a cooperation agreement with St. John's University in Indonesia. They plan to jointly launch a New Southbound special program specifically for Indonesian students in the 2024 academic year, concretely promoting the New Southbound Policy and cultivating talent needed in the hotel industry.



Southern Taiwan University of Science and Technology and Silks Place Tainan established the "Silks Place Tainan Academy" and signed an industry-academia collaboration agreement. (Photo provided by Southern Taiwan University of Science and Technology)



Silks Hotel Group signed a contract with St. John's University on the 20th to launch a New Southbound special program next year to cultivate hotel talent. (Photo provided by Silks Hotel Group)

Diverse Training for Sustainable Legacy

In 2023, Silks Hotel Group launched the brand-new "iGPS Career Navigation Map" program, designing the "iExplore GPS" curriculum for new graduates and the "iBreakthrough GPS" curriculum for those with 3 to 5 years of work experience, providing two-year learning and growth opportunities.

We continue to implement the "4 Disciplines of Execution (4DX)" employee training, from "Focus on the Wildly Important Goal (WIG)," "Act on the Lead Measures," "Keep a Compelling Scoreboard," to "Create a Cadence of Accountability," training employees to focus on important goals, enhance their thinking, and bravely take responsibility for results.



The Regent Talk in-depth interview training program has been implemented for many years. Through online guided reading seminars and book-sharing sessions, senior executives share their experiences, passing on the corporate culture and values, enhancing employees' professional knowledge and skills, strengthening their work abilities and career development, and promoting mutual growth between the company and its employees, thereby realizing corporate sustainability. The "Silks University" APP, a digital learning platform developed and built in 2021, leverages the convenience and personalization of mobile devices to enhance the learning environment and effectiveness for all colleagues within the Group.

Meticulous Service, Sustainable Hospitality

To enhance the company's sustainable competitiveness, in 2023, we once again invited British butler expert Wayne Fitzharris to conduct training courses for butler talents and senior F&B executives at various hotels within the Group, strengthening their butler qualities and professional skills, and continuously optimizing the Group's leadership position in the high-end market.

Through this series of courses, participants not only learn how to deepen connections with guests but also develop plans to continuously improve luxury service levels to provide exceptional service that exceeds customer expectations. The training also includes personal development and professional skills cultivation, aiming to nurture an elite team capable of providing personalized and attentive service to guests.

Furthermore, in 2023, we also invited the female sake sommelier from the Ukai Group's Tofuya and Teppanyaki restaurants, renowned for their top-notch service in Japan, to share their meticulous and attentive service experiences. We also organized basic catering service courses for new employees, covering knowledge and skills such as pouring water, carrying trays, and understanding beverages.

2023 Training Courses and Participation Statistics

Regent Taipei

Just Sleep

Silks Place Tainan

Silks Place Taroko

● Number of Participants ● Total Number of Participants



Integrity Management Courses

● Number of Participants 328Total

● Total Number of Participants 164Total Person-Hours

CSR Courses & Activities

● Number of Participants 534Total

● Total Number of Participants 1,047Total Person-Hours

Food Safety

● Number of Participants 509Total

● Total Number of Participants 1,162Total Person-Hours

Professional Skills & Leadership Courses

● Number of Participants 585Total

● Total Number of Participants 2,537.5Total Person-Hours

4 Disciplines of Execution

● Number of Participants 46Total

● Total Number of Participants 92Total Person-Hours

Other Professional Management Courses

● Number of Participants 119Total

● Total Number of Participants 292Total Person-Hours

2023 Training Courses and Participation Statistics

Regent Taipei

Just Sleep

Silks Place Tainan

Silks Place Taroko

● Number of Participants ● Total Number of Participants



ESG, SDGs, and Sustainable Development

● Number of Participants 97Total
● Total Number of Participants 291Total Person-Hours

Execution Training

● Number of Participants 11Total
● Total Number of Participants 220Total Person-Hours

Professional Skills Training Courses

● Number of Participants 235Total
● Total Number of Participants 1,055Total Person-Hours

Safety and Health Workshops

● Number of Participants 21Total
● Total Number of Participants 84Total Person-Hours

ChatGPT Extension and Application

● Number of Participants 11Total
● Total Number of Participants 20Total Person-Hours

3.4 Community Care and Public Welfare Activities

Performance Results

Through active community participation and public welfare practices, Silks Hotel Group has established a positive image in the community, enhanced employee engagement, and continuously received multiple social responsibility awards. In November 2023, the Group launched the Sustainable Tourism Earth Check certification program, making Regent Taipei the first five-star hotel in Taiwan to comprehensively implement sustainability goals. In April 2024, the Group was awarded the Bronze certification, reflecting recognition of our long-term efforts and achievements, and we continue to strive towards obtaining the Silver certification.

Future Goals

Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">• Become a leading brand in promoting sustainable community development.• Achieve deep integration of community resources and mutually beneficial symbiosis.	

Future Goals

Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">• Expand the scale and impact of public welfare activities to improve the quality of life in the community.• Enhance environmental awareness and the practice of resource recycling.	

Impact

Silks Hotel Group deeply recognizes the importance of corporate social responsibility in establishing sustainable development. Through public welfare activities and community care programs, the Group actively engages in community improvement efforts and directly contribute to achieving the United Nations Sustainable Development Goals.

Policy Commitment

Silks Hotel Group is dedicated to supporting and improving the communities the Group serves through public welfare activities and environmental practices, while also contributing to the development of inclusive, safe, resilient, and sustainable cities and communities.

Actions Taken	Silks Hotel Group collaborates with local groups to regularly organize events such as the charity cooking event at the Hualien Dawn Center and co-organize the "Sustainable Charity Christmas Market" with the Taipei Rapid Transit Corporation. The Group promote energy-efficient equipment and eco-friendly cleaning products, implementing green procurement strategies to reduce environmental impact.
Evaluation Mechanisms	Through regular project evaluations and community feedback, Silks Hotel Group assesses the effectiveness of public welfare projects and community service activities, ensuring continuous improvement and alignment with community needs.
Stakeholder Engagement	Silks Hotel Group maintains regular communication with community neighborhoods, partners, and government agencies to ensure that our activities genuinely meet the needs of the community. Our transparent and open communication strategy strengthens trust and cooperation with stakeholders.

Silks Hotel Group recognizes the importance of Corporate Social Responsibility (CSR) in building sustainable development. This section aims to demonstrate how the Group actively improves and supports the communities we serve through our philanthropic activities and community care programs, and directly contributes to the achievement of the United Nations Sustainable Development Goals (SDGs):

Goal 10 (Reduced Inequalities): Our charitable activities have a particular focus on disadvantaged groups, working to reduce inequality and support social inclusion.

Goal 11 (Sustainable Cities and Communities): To build towns and communities that are inclusive, safe, resilient and sustainable.

Goal 12 (Responsible Consumption and Production): The Group will implement green procurement strategies and environmentally friendly operational practices, such as the use of energy-saving equipment and eco-friendly cleaning products.

Goals 13 (Climate Action)and 15 (Life on Land): We participate in and support initiatives related to climate protection, such as the firefly eco-tourism program, which aims to promote biodiversity and ecosystem health.

Through our ongoing community involvement and philanthropic practices, Silks Hotel Group is committed to creating a lasting positive impact on the local community, demonstrating our commitment to being a responsible business. We believe that true business success comes from being able to bring sustainable and tangible benefits to the community.

2023 Social Sustainability Projects



Continuous Giving Back, Public Welfare Practices



8th Annual Charity Cooking Event

Since 2016, Regent Taipei has been organizing the charity cooking event at the Hualien Dawn Center for eight consecutive years. This event, led by ROBIN'S Teppanyaki Chef Chen Chun-sheng, received support from 115 volunteers, including local groups and renowned chefs. Through these activities, we not only provided 400 meals of 12 exquisite dishes to people with intellectual disabilities but also promoted community unity and support.

Compared to 2022, the number of participating volunteer service teams increased by 40, and the number of sponsored food portions increased by 20%. Through our efforts, we are realizing the sustainable action of social well-being.





Community Park Adoption Program and Neighborhood Care

Regent Taipei has been adopting No. 4 Park in Zhongshan District, Taipei City, for a long time, dedicated to maintaining its greenery and artistic lighting. Through these efforts, the park has not only become a green oasis for community residents but also a place to enhance the festive atmosphere during holiday celebrations. We continue to provide meals to low-income households and elderly people living alone in the community through arrangements with the community leader, and we have sponsored food and beverages or provided manpower assistance for community events on multiple occasions.

The total cost of adoption, maintenance, and neighborhood care in 2023 was NT\$797,000, a 56% increase compared to 2022.

Total related expenses

NT\$

7,085,000

Increase compared

to 2022

56 %

Public welfare
activities cost
NT\$

709,000

Decrease compared to
2022

23.5 %

Promoting Community Culture and Tourism Public Welfare Activities

Regent Taipei has been donating to the Taipei City Government's cultural and tourism public welfare activities and social welfare measures throughout the year to promote the development of local community culture and the tourism industry.

The cost of public welfare activities in 2023 was NT\$709,000, a 23.5% decrease compared to 2022.



Sustainable Charity and Public Welfare Activities

In 2023, Silks Hotel Group launched a series of public welfare activities, embodying the concept of sustainable operation and coexisting and prospering with the local community.

The Group leveraged its brand influence to invite the public to participate, giving back to society through practical actions, conveying warmth and love, and creating a better future for society. The total donation amount for the first year of activities was NT\$259,000.

Total donation amount for the first year of activities

NT\$ 259,000



Expanding Love, Social Participation

Care Home Charity Donation

Various Just Sleep branches collaborated with Care Home on a public welfare project, inviting travelers from home and abroad to "do charity while doing laundry." Donation boxes were placed, and all proceeds from laundry detergent purchased by guests during their stay, along with personal donations in the boxes, were donated to Care Home, a non-profit organization supporting disadvantaged foreign children. Let's "leave love behind" and spread love across borders.

We called on the public to support those in need through practical actions. A total of NT\$14,500 was raised.



Charity fundraising amount

NT\$ 14,500



Public Welfare Activities for Disadvantaged Groups

Upholding the concept of sustainable development, Silks Place Taroko collaborated with the Hualien Dawn Sheltered Workshop to launch the year-end limited edition "Love and Goodness Thanksgiving Gift Box," containing the hotel's handmade jam, tea bags, special handmade cookies, and nougat cookies and drip coffee bags made by the Hualien Dawn Sheltered Workshop. This initiative not only supports the local economy and promotes sustainable resource utilization but also supports the self-reliance of people with disabilities through practical actions, embodying corporate social responsibility.

By leveraging brand influence, we invited the public to participate, achieving the dual goals of gift-giving and contributing to public welfare. During the event, 285 Thanksgiving Gift Boxes were sold, encouraging disadvantaged groups in society to create a better future.

Thanksgiving Gift Boxes sold

285



Green First, Environmental Advocacy



Package

Just Sleep Yilan Jiaoxi launched the "Firefly River" ecological firefly watching room package, led by professionals to visit Paoshayaulun, the "Hometown of Fireflies," in Jiaoxi Township. This is the first firefly watching area in Yilan achieved through public-private collaboration. With the dedicated efforts of local residents, fireflies are gradually being restored in the pristine and unpolluted natural ecological environment. Every evening from April to May, a 50-minute firefly light show takes place, with thousands of fireflies cascading down the mountain walls along the way, creating a spectacular scene of a firefly dance party.

Green Energy and Environmental Protection

Various branches under the Just Sleep brand jointly adopt green energy appliances, such as refrigerators, TVs, and dehumidifiers in guest rooms, implementing energy conservation. Based on the number of rooms, NT\$10 is donated to the Environmental Quality Protection Foundation for every room per night, serving as a fund to promote environmental education and continue a better ecological environment for the next generation.

Adopting green energy appliances, implementing energy conservation, and making donations to support environmental education and protection measures, aligning with the United Nations Sustainable Development Goals. The annual donation amount is NT\$10,000, the same as in 2022.



Sustainable Tourism

Silks Place Taroko launched the "Mountain Valley Secret Afternoon Tea" itinerary, combining a Gu Yuan Farm tour with a local ingredient afternoon tea. Upholding the concept of sustainable development, we collaborate with organic farms in Hualien to shorten food miles, achieve the United Nations Sustainable Production Goals, and promote sustainable tourism, allowing travelers to enjoy nature and delicious food with zero time difference.

Collaborate with local farms to reduce carbon footprint from food transportation, promote sustainable tourism, and achieve the United Nations Sustainable Production Goals.





Charity for Women and Children, Showcasing Culture

Christmas Charity Event

Just Sleep's Christmas charity event has been held for over 10 years. During this season of love and hope, we celebrate Christmas with the Yixuan Women and Children Care Association, a long-term advocate for the rights and welfare of new immigrants, women, and children. For the first time, a Christmas wish tree was set up in the hotel lobby, adorned with the heartfelt wishes and dreams of children. Through the Just Sleep Christmas Wish Fulfillment Project, we aim to make these children's dreams come true. The enthusiastic response and generosity of travelers will be the most precious gift in their lives.

Just Sleep sponsored NT\$75,000 for the charity event and offered a NT\$500 accommodation voucher to guests participating in the "Christmas Wish Fulfillment Project," hoping to lead by example and encourage more people to help underprivileged children.

Expenses for sponsoring the charity event

NT\$ **75,000**





Innovative Ingredients, Local Sustainability

Sustainable Agriculture and Good Food Movement

Silks Place Tainan has embraced sustainable agriculture and the good food movement. Through its partnership with Hidekawa Soybean Products, the hotel is committed to integrating sustainability into its daily culinary practices, demonstrating a deep commitment to environmental responsibility and food innovation. This collaboration utilizes okara, a byproduct of local soybean production, not only reducing food waste but also enriching menu options and raising awareness of sustainable dining. It's not just an investment in environmental protection but also a promotion of a green and healthy food culture, aligning with the spirit of This initiative reflects Silks Place Tainan's role as a leader in sustainable development within the hotel industry and showcases its ongoing commitment to improving its social and environmental impact. By collaborating with local partners, we are working together to realize the vision of a sustainable dining table.



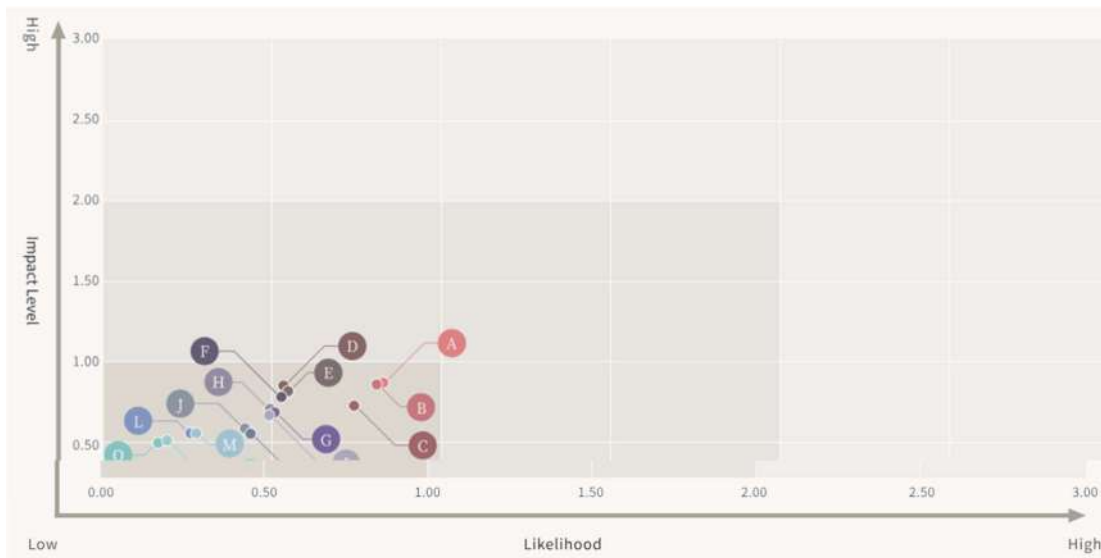
3.5 Human Rights Protection and Diversity & Inclusiveness

The Global Reporting Initiative (GRI) requires companies to disclose their human rights policies and due diligence, including DEI (Diversity, Equity, Inclusion) management practices, which is a management culture that many international companies are actively focusing on nowadays, and is also an important indicator of sustainable development. It is also an important indicator of sustainable development, and is closely related to the United Nations Sustainable Development Goals (SDGs) of Goal 5 (Gender Equality), Goal 10 (Reducing Inequality), and Goal 17 (Global Partnership for Progress towards the Goals).

The Company abides by local labor laws and regulations, supports the norms and principles of internationally recognized human rights conventions, including the basic spirit of the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policies, etc., and formulates the Company's human rights management policies in accordance with their guiding principles, and eliminates any acts of infringement and violation of human rights. We also regularly review the status of our human rights management in accordance with the aforementioned norms and guiding principles, so that all relevant personnel are treated with fairness and dignity, and we fulfill our commitment to human rights-related policies.

■ Human Rights Due Diligence

Our company, referencing international human rights conventions, relevant guidelines, and human rights due diligence reports from leading companies, has compiled relevant human rights risk issues and assessed potential human rights risks within our value chain, incorporating them into our human rights risk assessment process. This year, we conducted a human rights risk assessment for our internal employees through an online questionnaire survey. Based on the results of the 2023 employee human rights due diligence investigation, no human rights issues with moderate or higher risk have been identified yet. Our company will continue to conduct human rights risk assessments and implement preventive and mitigation measures to manage related risks.



- A** Protection of working and labor conditions
- B** Right to health - Health protection measures
- C** Freedom of speech and expression - Providing channels for speech and expression
- D** Personal freedom and safety
- E** Privacy protection
- F** Right to health - Providing occupational safety and health training
- G** Right to family life - Not harming the right to family life
- H** Freedom of speech and expression - Protecting freedom of speech and expression

- I** Non-discrimination - Promotion
- J** Non-discrimination - Recruitment
- K** Forced labor
- L** Freedom of assembly and association - Protecting freedom of assembly and association
- M** Freedom of assembly and association - Establishing collective bargaining mechanisms
- N** Right to family life - Providing childcare support and benefits
- O** Child protection

Diverse Hiring, Equal Human Rights

In line with the United Nations Sustainable Development Goals for gender equality, we are committed to equal treatment of men and women in recruitment, employment, training, and promotion, creating diverse and fair employment opportunities, and achieving equal pay for equal work and equal promotion opportunities to foster a diverse and equitable workplace.

The company hires talents with relevant competencies based on positions, without discrimination based on nationality, race, gender, disability, political stance, etc. We formulate work rules in accordance with the Gender Equality Employment Act and relevant labor laws, prohibiting child labor, forced labor, and any form of workplace bullying, discrimination, or harassment.

In upholding our human rights policy, we prioritize workplace equality, non-discrimination, and a safe working environment. We collaborate with relevant departments in various schools for internship programs, strengthen the prevention of illegal employment or any form of forced labor, and implement the protection of employee equality, personal freedom, and rejection of any potential harm to personal safety, discrimination, harassment, coercion, or unequal treatment in the workplace.

Furthermore, the Group provides comprehensive postpartum support measures, such as maternity leave and breastfeeding facilities, to support employees in balancing family and work life. In accordance with the "Act of Gender Equality in Employment," we offer both male and female employees the opportunity to apply for maternity leave and parental leave. We also have a nursery room and have signed contracts with nearby childcare institutions to allow female employees to work with peace of mind.

We treat every employee and customer with sincerity and continue to improve the management of human rights-related issues. We implement leave systems and encourage colleagues to pay attention to work-life balance. We are committed to providing a good working environment and space for learning and growth, creating a diverse, equal, and harmonious workplace.



Employee Participation and Digital Rights

Silks Hotel Group promotes an employee stock ownership plan to encourage employee participation in the company's long-term development. Through this approach, employees can directly share the economic benefits brought about by the company's growth, further strengthening the Group's commitment to social responsibility and economic inclusion.

Employee Communication and Complaint Mechanisms

We have established a comprehensive labor-management communication platform and complaint channels, with dedicated personnel from the Human Resources Department handling employee feedback in a timely manner. Through sound human rights systems, welfare systems, and stable remuneration, we implement education and training and work performance evaluations, and build a healthy and safe working environment, allowing every employee to feel secure in showcasing their talents in the workplace and demonstrating the sustainable goal of co-learning and mutual benefit.



4. Environmental Sustainability

4.1 Climate Change Response

Performance Results			Future Goals		Future Goals	
<ul style="list-style-type: none">Upgraded a 400-ton chiller, improving single-unit energy efficiency by 38.2% and achieving energy-saving goals.80% of photocopy paper, napkins, and toilet paper used are internationally certified.Over 70% implementation rate of large-capacity refillable bottles for toiletries.Utilizing AI food waste machines to monitor and optimize product processes, reducing food waste generation.			Short-term Goals	Medium to Long-term Goals	Short-term Goals	Medium to Long-term Goals
<ul style="list-style-type: none">Prioritize purchasing electrical equipment with international energy-saving labels.Promote renewable energy: Evaluate the feasibility of installing solar panels at various hotels within the Group.			<ul style="list-style-type: none">Achieve 20% renewable energy usage by 2030.Develop new products using local raw materials and reduce the proportion of imported raw material procurement by 5% before 2026.			
Single-unit energy efficiency improvement	International certification percentage	Implementation rate of large-capacity toiletries	<ul style="list-style-type: none">Fully switch to large-capacity refillable bottles for toiletries by the end of 2024.Use 5% to 10% renewable energy by 2026 and increase low-carbon and carbon footprint products by 3%.			
38.2 %	80 %	70 %				

Impact

Following the TCFD's recommendations for climate-related financial disclosures, Silks Hotel Group has identified five key risk management issues related to climate change: environmental regulations and policies, increased costs of low-carbon energy, raw material shortages and price increases, changes in market demand and consumer preferences, and product and service transformation. The impact on operations includes increased compliance costs and low-carbon energy costs, raw material shortages and price increases, and the growing consumer focus on environmental protection and sustainability, which influences their hotel choices. Hotels may need to pass on some costs to consumers, potentially affecting their competitiveness and market demand.

Policy Commitment

Silks Hotel Group aligns with the national overall greenhouse gas reduction strategy to achieve sustainable development goals of energy conservation and carbon reduction. We are concerned about global climate change and adapt to international environmental trends, effectively utilizing resources and fulfilling corporate social responsibility. In response to the international net-zero sustainability trend, we participate in the 1.5°C Climate Action Declaration signed by the Chinese National Association of Industry & Commerce, formulating climate action policies and environmentally friendly measures to take practical action towards low-carbon transformation and contribute to mitigating global warming.

Actions Taken

- The Environmental Sustainability Committee is responsible for environmental risk assessment and establishing preventive measures for environmental hazards, as well as supervising and implementing daily operations.
- We encourage employees to implement energy-saving practices in their daily work, implementing concrete measures for energy conservation, carbon reduction, and environmental protection.
- **Improving energy efficiency**
Replacing air conditioning systems with magnetic levitation chillers, adding air conditioning monitoring equipment systems, installing LED lighting and intelligent temperature control systems in hotel rooms and public areas, and using R-717 refrigerant for all storage equipment.
- **Water resource management**
Installing low-flow faucets and showerheads, collecting swimming pool overflow wastewater, and treating and recycling it for cooling tower water usage.
- **Waste management**
Implementing waste sorting, recycling, and reuse programs to reduce landfill waste.

Evaluation Mechanisms

- **Reduction effectiveness evaluation**

The energy management team regularly reviews statistical data of various equipment and facilities daily and evaluates reduction effectiveness monthly, adjusting reduction strategies in a timely manner.

- **Supply chain evaluation**

Regularly review the sustainability performance of major suppliers.

- **ESG team meetings**

Conduct discussions quarterly to ensure that all measures are effectively implemented and achieve the expected results, and regularly report the effectiveness to the Board of Directors.

Stakeholder Engageme

Based on the stakeholder engagement mechanism, Silks Hotel Group upholds the concept of sustainable development, actively addresses the challenges brought by climate change, encourages customers to participate in our environmental protection programs, and provides employees with training on sustainable development and climate action to enhance environmental awareness. We also disclose the results of our efforts to all stakeholders through sustainability reports.

Silks Hotel Group is committed to the concept of sustainable development and the challenges posed by climate change, as well as the realization of the United Nations Sustainable Development Goals (SDGs), including Goal 7 (Affordable and Clean Energy), Goal 12 (Responsible Consumption and Production), and Goal 13 (Climate Action), etc. SHG is also committed to the implementation of the UN's Sustainable Development Goals (SDGs).



Governance

The Environmental Sustainability Team of the Sustainability Development Committee at Silks Hotel Group is responsible for identifying potential climate change risks and opportunities. We have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to facilitate stakeholders and management in understanding the impacts and financial implications of climate change. The management evaluates and approves response strategies, relevant risk indicators, and targets for climate change risks and opportunities based on the discussions of the Environmental Sustainability Team, and regularly reports the implementation effectiveness to the Board of Directors annually.

Strategy

Silks Hotel Group has identified climate change-related risks and opportunities through "transition risks" associated with the low-carbon economy and "physical risks" related to the impact of climate change. We have listed five key risk management issues, including environmental regulations and policies, increased costs of low-carbon energy, raw material shortages and price increases, changes in market demand and consumer preferences, and product and service transformation.

Transition Risks

Physical Risks

Opportunities

Identified Risks and Opportunities	Risk Description	Potential Impact on Operations and Finances	Impact Level / Timeframe	Response Strategies and Goals
Policies and regulations	Subject to the Energy Management Act, 1% energy saving is required annually. The scope of carbon fee and carbon tax collection may expand.	<ul style="list-style-type: none"> • If the annual energy saving rate does not reach 1%, the competent authority may not approve the submitted implementation plan. • Changes in government policies and regulations on carbon reduction and promoting sustainable development may affect operating methods and cost structures, and increase sustainability-related expenses. 	High / Long-term	<ul style="list-style-type: none"> • Actively promote various environmental protection, energy conservation, and carbon reduction measures, adopt low-energy-consuming equipment, and reduce greenhouse gas emissions; observe changes in environmental policies and formulate response measures. • Adopt environmentally friendly and low-energy-consuming equipment, review and optimize product processes to achieve energy-saving goals.

<p>Technical risks Increased costs of low-carbon technology transformation</p>	<ul style="list-style-type: none"> • Government and consumer concerns about carbon footprint may drive emission reduction measures. 	<p>Product and service changes to low-carbon options lead to increased costs.</p>	<p>Medium / Medium-term</p>	<p>Improve energy management performance and energy use efficiency, formulate short, medium, and long-term high-efficiency equipment purchase plans; choose low-carbon transportation tools and optimize the supply chain to enhance product quality.</p>
<p>Market risks</p> <ul style="list-style-type: none"> • Changes in customer behavior • Rising material costs 	<ul style="list-style-type: none"> • Increased consumer awareness of environmental sustainability leads to changes in demand for products and services. • Extreme weather causes reduced raw material production. 	<p>Due to raw material shortages, product supply falls short, leading to decreased revenue.</p>	<p>Medium / Long-term</p>	<ul style="list-style-type: none"> • Strengthen product research and development, enhance cooperation plans with the supply chain, and adopt low-carbon footprint products. • Reduce the use of imported raw materials and establish long-term cooperative relationships with local suppliers.

Reputational risks Corporate image	Damage to reputation reduces consumer trust.	Increased labor recruitment costs and decreased revenue.	Medium / Long-term	<ul style="list-style-type: none"> • Comply with regulatory policies, implement product and service standards and supervision. • Implement sustainable management and ESG goals.
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Transition Risks

Physical Risks

Opportunities

Identified Risks and Opportunities	Risk Description	Potential Impact on Operations and Finances	Impact Level / Timeframe	Response Strategies and Goals
Immediate (Extreme) Risks Typhoons, Floods	<ul style="list-style-type: none"> • Extreme weather events can lead to power and water supply disruptions or restrictions, causing business interruptions. Flooding can also result in property 	Increased operating costs and reduced operational performance, frequent claims, and the need to pay higher premiums for	Medium/Long-term Response	<ul style="list-style-type: none"> • Implement relevant response measures according to disaster emergency handling procedures to minimize property damage. • Install generators and uninterruptible power supply (UPS) systems to prevent business

	<p>damage to equipment.</p> <ul style="list-style-type: none"> • Climate change may affect the supply chain, leading to raw material shortages. 	<p>enhanced insurance coverage.</p>		<p>interruptions.</p> <ul style="list-style-type: none"> • Establish water resource transportation vendor data management, obtain adequate insurance, transfer risks, and compensate for losses.
<p>Long-term Risks Heavy rain/drought/infectious diseases</p>	<p>Heavy rain may cause equipment damage and reduce revenue. Drought may lead to power and water supply interruptions, affecting operations.</p>	<ul style="list-style-type: none"> • Increased capital expenditures, and decreased revenue. • Increased costs for purchasing raw materials. • The spread of global pandemics impacts operational performance. 	<p>High/Long-term Response</p>	<ul style="list-style-type: none"> • Activate backup mechanisms in case of disasters to protect customer rights and interests and minimize company financial losses. • Conduct regular disaster education and training. • Implement supply chain management to select suppliers with stable supply and excellent quality.

<p>Rising Average Temperatures</p>	<ul style="list-style-type: none"> • More energy is required to maintain operating temperatures. • Impacts customer consumption habits and willingness to go out and spend. 	<ul style="list-style-type: none"> • Increased carbon emissions and energy costs, reduced operating revenue. • New equipment purchases lead to increased operating costs. 	<p>Medium/Long-term Response</p>	<ul style="list-style-type: none"> • Implement air conditioning equipment efficiency analysis, replace old equipment to improve equipment utilization efficiency; formulate corresponding strategies based on changes in consumption patterns, such as transitioning to off-site catering and delivery.
				<ul style="list-style-type: none"> • Purchase energy-efficient equipment. • Develop takeout and retail product channels.

Transition Risks

Physical Risks

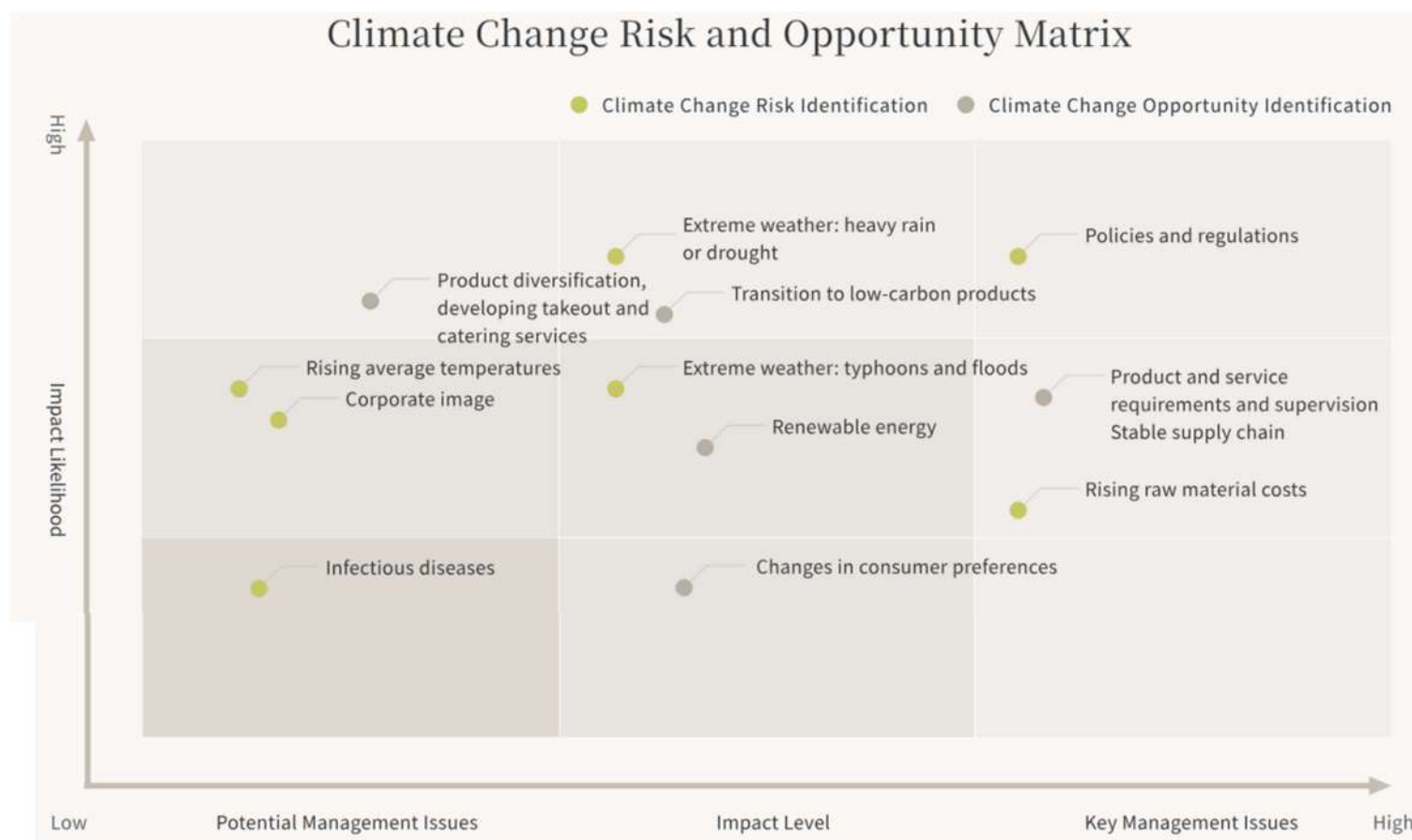
Opportunities

Identified Risks and Opportunities	Risk Description	Potential Impact on Operations and Finances	Impact Level / Timeframe	Response Strategies and Goals
Resource Use Efficiency	Use more efficient LED lighting, replace old system pumps, and adopt dual-effect energy-saving equipment such as heat pump systems.	<ul style="list-style-type: none"> • Introduce high-efficiency production equipment, reduce energy expenditure. • Increase fixed asset value. 	Medium/Mid-term Response	<ul style="list-style-type: none"> • Recycle and reuse waste, require suppliers to use recyclable transportation tools and containers, reduce garbage incineration, lower carbon emissions, and implement water-saving strategies. • Set a goal of reducing greenhouse gas emissions by 3% within 3 years.

Energy Sources	<ul style="list-style-type: none"> Utilize new technologies and energy-efficient equipment to reduce energy costs. Purchase renewable energy. 	<ul style="list-style-type: none"> Innovate product research and development to lower operating costs. Purchase renewable energy, which leads to increased energy costs. 	Medium/Long-term Response	<ul style="list-style-type: none"> Use low-carbon product raw materials for production Set a goal of purchasing 5% to 10% renewable energy by 2026 and increasing low-carbon and carbon footprint products by 3% Enhance product and service competitiveness, carefully select packaging materials, promote plastic reduction activities, and expand the customer base for takeout and delivery markets
Products and Services Consumer Preference Shifts	Innovate products and develop low-carbon, carbon footprint products to enhance product competitiveness; adopt digital marketing to expand the customer base	<ul style="list-style-type: none"> Increasing consumer preference for sustainable and environmentally friendly products may necessitate adjusting product portfolios and supply chains to meet these demands. 	Medium/Long-term Response	<ul style="list-style-type: none"> Implement sustainable

		<ul style="list-style-type: none"> Increased purchase costs 		<p>environmental practices and enhance brand awareness</p> <ul style="list-style-type: none"> Increase revenue and improve operational performance
Market	<ul style="list-style-type: none"> In response to rising raw material costs, develop alternative raw materials and new products Promote accelerated low-carbon economic transformation and develop a diversified supply chain 	Control raw material costs and create operational performance	Medium/Long-term Response	<ul style="list-style-type: none"> Ensure supply chain stability to avoid disruptions due to shortages Diversify product operations and develop new markets to improve operational performance
Resilience	In response to the risks arising from climate change, cultivate adaptability, decision-making capabilities, and identify opportunities in the face of extreme weather	-	Medium/Long-term Response	Formulate emergency response measures based on materiality risks to reduce losses and improve operational performance

Silks Hotel Group uses a risk matrix to assess significant climate change events and impacts. Identify the financial impact of priority entity and transformational risks. Implement mechanisms to monitor and control risks. To cooperate with the competent authorities in the promulgation of laws and regulations to formulate energy-saving and carbon reduction policies. Based on the TCFD assumptions about the impact of different warming scenarios on the business model, we conduct a climate change scenario analysis, which serves as a basis for us to consider our response strategies and adjustments in the face of climate change.



Category	Impact Description and Financial Impact	Opportunities	Response Strategies
Policies and regulations	In response to new policies and regulations, carbon credits and equipment updates will lead to increased compliance costs and low-carbon energy costs. Some costs will be passed on to consumers, affecting market competitiveness. Energy purchase costs will increase by at least 10% or more, approximately NT\$10 million.	Purchase high-efficiency equipment to improve energy use efficiency. Implement water, electricity, wastewater, and waste management policies to reduce resource waste and create operational performance.	<ul style="list-style-type: none"> Set water and electricity saving targets of 1%, collect swimming pool overflow wastewater for treatment and reuse as cooling tower water. Use renewable energy to achieve carbon reduction goals.
Heavy rain, drought	May affect the supply chain, leading to raw material shortages and increased purchase costs. Power and water supply interruptions or restrictions due to extreme weather may cause business interruptions and increase insurance premiums. Raw material purchase costs are estimated to increase by more than 5%, approximately NT\$30-40 million.	Enhance product competitiveness, adopt digital marketing to expand the customer base, and establish long-term customers to stabilize revenue.	<ul style="list-style-type: none"> Establish water resource transportation vendor data management, obtain adequate insurance, transfer risks, and compensate for losses. Implement supply chain management to select suppliers with stable supply.

1.5°C Warming Scenario Assumptions (Occurring within 3-5 years)

Temperature Increase >2.8°C Scenario Assumptions (10 years l

Category	Impact Description and Financial Impact	Opportunities	Response Strategies
Rising raw material costs	Temperature rise exceeding expectations, fluctuations in crop supply and demand, and transportation costs will lead to increased raw material costs, raising operating expenses.	Carefully select suppliers to maintain stable supply quality and develop new products using local raw materials.	Adopt readily available raw materials to develop new products, increase local procurement, cultivate a stable supply chain, and cooperate with small farmers on contract farming.
Changes in consumer habits	Increased consumer awareness of sustainability leads to changes in demand for products and services.	Diversify product research and development, undergo technological transformation, and purchase low-carbon products.	Implement diversified marketing strategies, improve product quality, and attract consumers. Expand off-site catering, takeout, and delivery business models.

We have formulated adaptation strategies based on the identified climate change risks and opportunities, such as regulatory compliance, resource recycling and reuse, improving operational efficiency, energy conservation and carbon reduction, low-carbon product diversification, and greenhouse gas emission reduction measures, in order to mitigate the operational risk impact caused by global extreme climate and gradually incorporate the assessment of financial impact.

Through these strategies, Silks Hotel Group not only reduces the burden on the environment but also enhances its adaptability to climate change challenges, demonstrating its commitment and actions as a responsible company.

Greenhouse Gas Inventory

Due to the nature of hotel operations, the main types of energy used are purchased electricity and natural gas. The carbon emissions from purchased electricity account for the highest proportion at 60%, with air conditioning and refrigeration equipment being the primary sources of electricity consumption, followed by kitchen cooking gas at 30% and waste at 3%.

Silks Hotel Group established a greenhouse gas inventory promotion organization and formulated standard operating procedures for greenhouse gas emission control in 2023 to facilitate the implementation of greenhouse gas inventory and carbon reduction measures by each hotel.

Greenhouse Gas Inventory Promotion Organization and Structure

The responsibilities of the greenhouse gas inventory promotion organization are as follows:

Manager – Approves the greenhouse gas inventory report and the identification results of indirect significant greenhouse gas emissions, and supervises the operation of the inventory team

Executive Secretary - Supervises and provides human resource support for conducting the greenhouse gas inventory, convenes and forms an internal verification team, and reviews indirect significant greenhouse gas emissions.

Inventory Team Leader - Serves as the primary contact window for each hotel or department, handles the identification of indirect significant greenhouse gas emissions, collects greenhouse gas emission factors, prepares the greenhouse gas emission inventory and inventory report, and develops and revises relevant procedural documents and regulations for greenhouse gas inventory.

Financial Committee Member - Responsible for all accounts, provides data and receipts to the inventory team leader, and assists in verification and reimbursement.

The implementation status of greenhouse gas inventories of the Company and consolidated financial reporting subsidiaries (including the Parent Company and certain subsidiaries) is described below:

	Scopes	Unit	2022	2023
Company	Scope 1 direct emissions	Metric Ton CO2e	3,481.092	6,719.230
	Scope 2 indirect emissions	Metric Ton CO2e	15,663.288	16,858.040
	Scope 3 indirect emissions	Metric Ton CO2e		281.810
	Sub Total	Metric Ton CO2e	19,144.380	23,859.080
Certain Subsidiaries in the Consolidated Financial Statements	Scope 1 indirect emissions	Metric Ton CO2e	1,017.750	1,070.220
	Scope 2 indirect emissions	Metric Ton CO2e	2,938.030	2,999.079
	Sub Total	Metric Ton CO2e	3,955.780	4,069.299
	Grand Total	Metric Ton CO2e	23,100.160	27,928.379

4.2 Energy Resources Management

In a rapidly changing global environment, sustainability has become an important goal for all industries and SHG is actively responding to the United Nations Sustainable Development Goals (SDGs) through the implementation of innovative energy management strategies.

The company has been actively responding to the United Nations Sustainable Development Goals (SDGs), in particular Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action), by implementing innovative energy management strategies. Effective energy management not only reduces energy consumption and carbon emissions, but also improves energy efficiency and lowers operating costs, further promoting environmental protection and social responsibility. Effective energy management can reduce energy consumption, lower carbon emissions, improve energy management performance, and decrease operating costs. In the past three years, Regent Taipei has successively replaced two older, less efficient screw chillers and absorption chillers with high-efficiency magnetic levitation centrifugal chillers. We have also installed an energy management information system (EMS) to monitor and collect equipment operation data in real-time. After the new machines were put into use, energy consumption decreased significantly. Silks Place Taroko has planned to replace inefficient cooling towers and heat pumps, while Silks Place Tainan and Just Sleep are also evaluating the establishment of energy management systems.

For the operation of the hotel, the main sources of energy are purchased electricity and natural gas, and the main energy-consuming items are air-conditioning and lighting equipment, which account for 60% to 70% of the total energy consumption.

Therefore, improving energy efficiency and upgrading equipment to minimize energy waste is the primary goal of carbon reduction. In order to enhance the energy efficiency of our equipment, the Group has strengthened the review and evaluation of the performance of important equipment and prioritized the procurement of high-efficiency equipment. In the past three years, the Group has successively replaced two old screw-type chiller and absorption-type chiller with lower power and replaced them with high-efficiency magnetic levitation centrifugal chiller, and has also installed the Energy Management Information System (EMIS) to monitor and collect data on the operation of the equipment in real time, which has significantly reduced energy consumption after the commissioning of the new machines. The energy consumption of the new machine has been significantly reduced after its installation.

■ Water Resource Management

Water resource management is overseen by the Energy Management Team, which is responsible for monitoring and implementing energy management plans, conducting regular inspections of work sites, and reviewing energy-saving performance.

In response to potential flooding or drought caused by extreme weather, the Disaster Response Team is responsible for establishing standard operating procedures for various disaster prevention and control measures and conducting regular disaster prevention drills to mitigate operational risks associated with flooding. Regarding water conservation policies, in addition to strengthening employee implementation of energy-saving plans and measures, we have also established standard operating procedures for water resource risk control to monitor and manage water resource usage. The Energy Management Team regularly inspects work sites for water resource usage and reviews water-saving performance.



Silks Hotel Group's various hotel brands maintain the long-standing "Green Leaf Card" program to encourage travelers to value environmental awareness. For guests staying multiple nights, linens and bed sheets are not changed daily to reduce water waste. This program has been promoted for many years with remarkable energy-saving results, saving nearly 40% of water, energy, and detergent usage, achieving energy conservation and carbon reduction goals. More importantly, it has received recognition and support from numerous travelers, leading them to join us in protecting the Earth.

Specific Management Measures

01

Routine inspections

Inspect facilities such as pipes, faucets, and toilets, and promptly address any abnormal water meter readings or leaks.



02

Water flow adjustment

Install water-saving certified bathroom fixtures and pressure reducing valves on water supply lines to effectively adjust water flow and avoid waste.



03

Recycled water reuse

- Enhance the recovery and reuse of condensate water from steam lines.
- Implement water recycling systems, such as collecting swimming pool overflow water for reuse in chillers, and utilize recycled water for irrigation and cooling towers.



04

Changes in ingredient water usage

Modify chefs' water usage practices when handling ingredients, and change the way ingredients requiring soaking are handled, such as using multiple short soaks instead of prolonged running water, and avoid prolonged running water when washing vegetables and fruits.



05

Sleep mode

Set water dispensers to sleep mode during non-working hours.



06

Water pressure adjustment

Adjust water pressure during peak and non-peak business hours to avoid waste.



07

Wastewater discharge treatment

Conduct legal treatment in accordance with local government regulations based on the hotel's location.



08

Strengthen water conservation measures

Enhance employee implementation of water conservation measures and encourage guests to participate in protecting the Earth.



4.3 Waste Management

In the face of global environmental challenges and resource pressures, implementing an effective waste management strategy is not only a corporate responsibility, but also an important way to promote sustainable development. We are dedicated to achieving the United Nations Sustainable Development Goals (SDGs), particularly Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action). Through stringent waste segregation, recycling and reuse, and innovative food waste management techniques, not only reduces its burden on the environment, but also enhances the efficiency of resource utilization.

Silks Hotel Group's primary operations focus on accommodation and catering, and we do not generate waste that causes significant harm to the environment. During the provision of products and services, the types of waste generated include general waste, food waste, recyclable waste, and waste cooking oil. Our waste management adheres to the "Methods for Storage, Clearance, and Treatment of Industrial Waste" and the "Regulations for Permit Management of Public and Private Waste Clearance and Treatment Institutions," as well as our self-established "Waste Management Plan." We carefully categorize the waste generated daily and conduct irregular promotions to various departments on waste reduction and recycling measures. The Stewarding Department of each hotel records the weight of waste daily, and the waste reduction results and effectiveness evaluations are included in meeting minutes.

Procurement Policies within the Waste Management Plan

01 Purchase concentrated cleaning products

03 Prioritize purchasing products with minimal packaging

05 Collaborate with suppliers and waste contractors to minimize waste reception and maximize reuse and recycling opportunities

07 Reuse or recycle empty cartons

02 Purchase products containing recycled content

04 Purchase fresh food or goods packaged in reusable, non-plastic crates and containers

06 Ensure perishable products are stored as soon as possible after delivery to avoid spoilage and waste, as well as unnecessary waste disposal costs

Waste Management Performance Results



AI Food Waste System "Winnow"

The AI food waste system "Winnow" introduced at Regent Taipei's Brasserie buffet restaurant comes from the UK and has successfully reduced food waste by up to 70% or more in over 30 countries. The short-term goal is to achieve a 15% reduction in food waste, from 0.22 kg per person in 2023 to 0.18 kg. The system includes a scale, screen, scanner, and data recording equipment, which can instantly record the weight of food waste and display the cost, raising employee awareness of waste reduction. Daily reports help restaurant managers optimize dishes and portion sizes.



Herb Garden

Brasserie serves four meal periods daily, and through data analysis of hundreds of dishes, managers and the team adjust the menu content and portion sizes weekly to reduce unnecessary food waste. The "Urban Herb Garden" in the backyard cultivates various edible herbs, which the chefs flexibly incorporate into dishes, providing fresh, delicious, and diverse meals.



Urban Farmer Activities

We believe that sustainable dining is both a concept and an action. In the future, in addition to continuing to promote food waste reduction, the "Herb Garden" will also plan "Urban Farmer Activities," allowing the public to participate in picking herbs and creating dishes, combining actions and concepts to create a friendly food ecosystem. We hope this initiative can be extended to various restaurants, hotels, and even the entire Group, setting an industry benchmark and realizing the sustainable goals of coexistence, co-prosperity, and mutual benefit with the environment.

5. Appendix

5.1 Global Reporting Initiative (GRI) Content Index

Statement of Use	Based on GRI Guidelines Reporting for the year 2023 (January 1, 2023 to December 31, 2023) Period
GRI Used	GRI 1 : Foundation 2021
Applicable GRI Industry Standard	There are no applied GRI industry standards during the reporting year of this report.

GRI Standard	Disclosure	Corresponding Chapter	Page	Remark
GRI 2	General Disclosures 2021			
Organization and Reporting Practices				
2-1	Organizational details	Company Profile	7	
2-2	Entities included in the organization's sustainability reporting	Report Profile	1	
2-3	Reporting period, frequency and contact point	Report Profile	1	
2-4	Restatements of information		No Information Redacted	
2-5	External assurance	Report Profile	1	
Activities and Workers				
2-6	Activities, value chain and other business relationships	Company Profile	7	
2-7	Employees	3.2 Talent Attraction and Retention	103	

2-8	Workers who are not employees	3.1 Occupational Health & Safety	95	
Governance				
2-9	Governance structure and composition	2.1.1 Corporate Governance Structure	42	
2-10	Nomination and selection of the highest governance body	2.1.1 Corporate Governance Structure	42	
2-11	Chair of the highest governance body	2.1.1 Corporate Governance Structure	42	
2-12	Role of the highest governance body in overseeing the management of impacts	2.1.1 Corporate Governance Structure	42	
2-13	Delegation of responsibility for managing impacts	2.1.1 Corporate Governance Structure	42	
2-14	Role of the highest governance body in sustainability reporting	2.1.1 Corporate Governance Structure	42	
2-15	Conflicts of interest	2.1.3 Compliance and Integrity	49	
2-16	Communication of critical concerns	2.1.3 Compliance and Integrity	49	
2-17	Collective knowledge of the highest governance body	2.1.1 Corporate Governance Structure	42	
2-18	Evaluation of the performance of the highest governance body	2.1.1 Corporate Governance Structure	42	
2-19	Remuneration policies	2.1.1 Corporate Governance Structure	42	
2-20	Process to determine remuneration	2.1.1 Corporate Governance Structure	42	
2-21	Annual total compensation ratio	2.1.1 Corporate Governance Structure	42	
Strategies, Policies and Practices				
2-22	Statement on sustainable development strategy	1.1 Sustainability: Vision, Strategy and Practice Vision and Strategies	20	
2-23	Policy commitments	1.1 Sustainability: Vision, Strategy and	20	

		Practice Vision and Strategies		
		2.2 Risk Management	51	
2-24	Embedding policy commitments	1.2 Sustainability Development Committee	20	
		2.1.3 Compliance and Integrity	49	
		2.2 Risk Management	51	
2-25	Processes to remediate negative impacts	2.1.3 Compliance and Integrity	49	
2-26	Mechanisms for seeking advice and raising concerns	2.1.3 Compliance and Integrity	49	
2-27	Compliance with laws and regulations	1.2 Sustainability Development Committee	25	
		2.1.3 Compliance and Integrity	49	
2-28	Membership associations	2.1.4 Membership and Industry Associations	50	
Stakeholder consultations				
2-29	Approach to stakeholder engagement	1.3 Stakeholders' Engagement and Material Issues	30	
2-30	Collective bargaining agreements			Organizations with no union
Material Issues				
GRI 3	Material Topics 2021			
3-1	Process to determine material topics	1.3 Stakeholders' Engagement and Material Issues	30	
3-2	List of material topics	1.3 Stakeholders' Engagement and Material Issues	30	
Economic Governance				
Food Safety and Health				
GRI 3-3	Management of material topics	2.4 Food Safety and Healthy	70	

GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.4 Food Safety and Healthy	70	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.4 Food Safety and Healthy	no such case during the reporting year of this report	
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.4 Food Safety and Healthy 2.4 Food Safety and Healthy	70	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.4 Food Safety and Healthy	no such case during the reporting year of this report	
	417-3 Incidents of non-compliance concerning marketing communications	2.4 Food Safety and Healthy	no such case during the reporting year of this report	
Information Security Risk				
GRI 3-3	Management of material topics	2.6 Privacy and Information Security	89	
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Privacy and Information Security	89	
Innovation and Customer Service				
GRI 3-3	Management of material topics	2.3 Innovation and Customer Service	59	
Supply Chain Management				
GRI 3-3	Management of material topics	2.5 Supply Chain Management	84	
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.5 Supply Chain Management	84	

GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.5 Supply Chain Management	84	
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.5 Supply Chain Management	84	
Social				
Occupational Safety and Health				
GRI 3-3	Management of material topics	3.1 Occupational Health & Safety	95	
GRI 403 Occupational Health & Safety 2018	403-1 Occupational health and safety management system	3.1 Occupational Health & Safety	95	
	403-2 Hazard identification, risk assessment, and incident investigation	3.1 Occupational Health & Safety	95	
	403-3 Occupational health services	3.1 Occupational Health & Safety	95	
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.1 Occupational Health & Safety	95	
	403-5 Worker training on occupational health and safety	3.1 Occupational Health & Safety	95	
	403-6 Promotion of worker health	3.1 Occupational Health & Safety	95	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business	3.1 Occupational Health & Safety	95	

	relationships			
	403-8 Workers covered by an occupational health and safety management system	3.1 Occupational Health & Safety	95	
	403-9 Work-related injuries	3.1 Occupational Health & Safety	95	
	403-10 Work-related ill health	3.1 Occupational Health & Safety	95	
Talent Attraction and Retention				
GRI 3-3	Management of material topics	2.1 Corporate Governance 3.2 Talent Attraction and Retention	41 103	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	3.2 Talent Attraction and Retention	103	
GRI 402 Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	3.2 Talent Attraction and Retention	103	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	3.2 Talent Attraction and Retention	103	
Talent Cultivation and Career Development				
GRI 3-3	Management of material topics	3.3 Talent Cultivation and Career Development	112	

GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs	3.3 Talent Cultivation and Career Development	112	
Community				
GRI 3-3	Management of material topics	3.4 Community Care and Public Welfare Activities	119	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	3.4 Community Care and Public Welfare Activities	119	
Environmental				
Climate Change Risk and Opportunity				
GRI 3-3	Management of material topics	4.1 Climate Change Response 4.2 Energy Management	132 149	
GRI 302 Energy 2016	302-1 Energy consumption within the organization 302-3 Energy intensity	4.1 Climate Change Response 4.2 Energy Management	132 149	

5.2 Sustainability Accounting Standards Board (SASB) Index of Content

Disclosures in accordance with SASB Hotels & lodging and Restaurants industry standards

Reveal Topic / Indicator Code	Disclosure Indicators	Description/Corresponding Chapter	Page
Energy Management			
SV-HL-130a.1	(1) Total energy consumed	(1) 217,242.0485(GJ)	/ 4.2 Energy Management 149
FB-RN-130a.1	(2) Percentage grid electricity	(2) 100%	
	(3) Percentage renewable	(3) 0%	
Water Management			
SV-HL-140a.1	(1) Total water withdrawn		/ 4.2 Energy Management 149
FB-RN-140a.1	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 927.448 Million Liters (2) Not Applicable	
Ecological Impacts			
SV-HL-160a.1	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Not Applicable	
SV-HL-160a.2	Description of environmental management policies and practices to	/1. Sustainable Governance	20

preserve ecosystem services

Labor Practices				
SV-HL-310a.1	(1) Voluntary turnover rate	(1) 100%	/3.2.Talent Attraction and Retention	103
FB-RN-310a.1	(2) Involuntary turnover rate for lodging facility employees	(2) 0%		
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labour law violations			103
FB-RN-310a.3	no such case during the reporting year of this report			
	(1) Average hourly wage	(1) 200	/3.2. Talent Attraction and Retention	
SV-HL-310a.3	(2) percentage of lodging facility employees earning minimum wage, by region	(2) 0% (Minimum wage higher than statutory basic wage)		
SV-HL-310a.4	Description of policies and programs to prevent worker harassment		/3.1 Occupational Health &Safety	95
Climate Change Adaptation				
SV-HL-450a.1	Number of lodging facilities located in 100-year flood zones		Not Applicable	
Activity Metrics				
SV-HL000.A	Number of available room-nights	1,430	/Company Profile	7

SV-HL000.B	Average occupancy rate	71.5%~81.67%	/2.1.2 Performance	47
SVH-L000.C	Total area of lodging facilities	257,849.71m²		
SV-HL000.D	Number of lodging facilities and the percentage that are: (1)managed, (2) owned and leased, (3) franchised	100% Self-operated Including 7 hotels owned or leased	/Company Profile	7
Activity Metrics				
FB-RN-000.A	Number of (1) entity-owned and (2) franchise restaurants	100% Self-operated 19 Restaurants	/Company Profile	7
FB-RN-000.B	Number of employees at (1) entity-owned and (2) franchise locations	966 (no franchise restaurant)	/Company Profile	7
Food Safety				
FB-RN-250a.1	(1) Percentage of restaurants inspected by a food safety oversight body (2) Percentage receiving critical violations	(1) 100% (For Regent Taipei) (2) 0%	/2.4 Food Safety and Healthy	70
FB-RN-250a.2	(1) Number of recalls issued (2) Total amount of food product recalled	no such case during the reporting year of this report		70
Supply Chain Management & Food Sourcing				

FB-RN-430a.1	(1) Percentage of food purchased that meets environmental and social sourcing standards (2) Percentage of food purchased is certified to third-party environmental or social standards	(1) Regent Taipei 26.32% Silks Place Tainan 50.62% (2) Regent Taipei 13.05% Silks Place Tainan 10.72%	/2.5 Sustainable Supply Chain	84
FB-RN-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare		/1. Sustainable Governance	20

5.3 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

#	確信項目說明（附表一之一）	對應章節	
1	為改善食品衛生、安全與品質，而針對其從業人員、作業場所、設施衛生管理及其品保制度等方面進行之評估與改進及所影響之主要產品與服務類別與百分比。	2.4 食品安全與健康	台北晶華 2023 年共執行了 14 次的食品安全與衛生內部稽核及 32 次的場所清潔維護及衛生檢查，稽核及檢查內容包含供應商評鑑、食品製備、食品儲存、衛生與工作環境及清潔與消毒等項目。台北晶華經上述 14 次食品安全與衛生內部稽核所影響之餐飲收入占台北晶華的餐飲收入淨額為 95.27%，占台北晶華營業收入淨額為 48.71%。台北晶華食品衛生安全內部訓練課程共計 382.2 小時，HACCP 小組成員亦完成 38 小時的外部專業培訓課程。
2	違反有關產品與服務之健康與安全法規及未遵循產品與服務之資訊與標示法規之事件類別與次數、產品下架次數及下架產品總重量。	2.4 食品安全與健康	2023 年台北晶華通過台北市衛生局的現場稽查與物品抽驗 62 次，台南晶英通過台南市衛生局的現場稽查為 2 次。 晶華國際酒店集團 2023 年並未有任一飯店有因違反食品安全衛生管理相關法規被裁處罰鍰之情事。

<p>採購符合國際認可之產品責任</p> <p>3 標準者占整體採購之百分比，並 2.5 供應鏈管理依標準區分。</p>	<p>台北晶華、台南晶英採購獲國際認證或標章的品項有 Taylors 茶包、璽龍烏龍茶茶包、立頓紅茶、Nespresso 咖啡膠囊，卡塔摩納耳掛式咖啡及 Twinings 茶包，前述國際認證或標章包含國際雨林聯盟認證(Rainforest Alliance Certified)、國際有機運動聯盟認證(International Federation of Organic Agricultural Movements)、非基因改造生物計畫認證(Non-GMO Project Verified)或道德茶葉合作夥伴標章(Ethical Tea Partnership)等(註)。2023 年度上述獲任一國際認證或標章的茶包、咖啡膠囊採購金額台北晶華為新台幣 3,015 仟元，占當年度茶飲類(茶包、茶葉、茶磚及茶粉，不包含酒水)及咖啡飲品類(咖啡豆、咖啡粉及膠囊)採購支出 26.32%，台南晶英採購金額為新台幣 1,474.6 仟元，採購支出占比為 50.62%。</p>
<p>經獨立第三方驗證符合國際認證之食品安全管理系統標準之 2.4 食品安全與健康廠房所生產產品之百分比。</p>	<p>台北晶華宴會廳 2023 年 9 月已通過 HACCP 食品管制系統認證續評，台北晶華宴會廳餐飲收入占台北晶華的餐飲收入淨額為 22.81%。</p>

5 對供應商進行稽核之家數及百分比、稽核項目及結果。

2.5 供應鏈管理

供應商評鑑分書面審核(供應商基本資料及食品系統認證效期更新)及實地查核。實地評核標準分五大面向:文件評核(25%)、現場評核(35%)、供貨情況(20%)、服務品質(16%)和永續發展(4%)。總分達 80 分以上即為「優良供應商」，列為持續合作以穩定優質食材來源；總分 60-79 分列入「一般供應商」；總分 60(不含)以下即為不合格，需密切追蹤缺失改善結果，若連續兩次評分結果為不合格或有違反相關法律行為及具重大食安疑慮者，經評鑑小組確認後會立即於供應商名單中剔除，終止與該供應商合作。2023 年台北晶華對主要的 69 家協力廠商進行了詳細的書面審查，並對其中 11 家供應商進行了實地稽核。台南晶英則對主要的 52 家協力廠商進行書面審查，並對其中 5 家供應商進行了實地稽核，評鑑結果皆沒有任何供應商的總分低於 60 分。

台北晶華經過實地稽核廠商之進貨金額為新台幣 119,694,044 元元，占台北晶華 2023 年食品與飲料(含生鮮)交易金額的 13.05%。台南晶英經過實地稽核廠商之進貨金額為新台幣 19,346,474 元，占台南晶英 2023 年食品與飲料(含生鮮)交易金額的 10.72%。

	<p>依法規要求或自願進行產品追</p>	<p>集團致力於強化原物料源頭管理。所有原材料、半成品及成品的採購皆可追溯，從下訂單、驗收到廚房每日作業，我們嚴格管控原材料的進貨流程。所有食材均標示有效期限，並依照「先進先出」的原則進行管理，調味料則標註進貨日期，以便追蹤供應商及食材批次。部分產品的相關信息已揭露於衛生福利部食品衛生管理署的食品追溯追蹤管理資訊系統平台上。</p>
6	<p>溯與追蹤管理之情形及相關產品占所有產品之百分比。</p> <p>2.4 食品安全與健康</p>	<p>此外，2022 年起，台北晶華栢麗廳及外館泰市場自助型餐廳在臺北市政府的「飯店 Buffet 專區」食材登錄平台上，公開食材來源資訊。顧客只需掃描手機即可立即查看食材來源，消除食安疑慮。我們亦遵循《食品衛生安全管理法》中的食品標示及廣告管理規範，確保客製化零售商品的標示清楚顯示可追溯的來源資訊，包括製造廠商名稱、電話號碼及地址，或將上述信息通報至轄區主管機關，確保採購追蹤溯源及信息公開透明。</p>
7	<p>依法規要求或自願設置食品安全實驗室之情形、測試項目、測試結果、相關支出及其占營業收入淨額之百分比。</p> <p>2.4 食品安全與健康</p>	<p>台北晶華於 2016 年建立了自主檢驗實驗室，以強化食品安全的自主管理與監控。台北晶華自主檢驗計 64 次，其中有農藥殘留及二氧化硫檢測各一次不合格，立即退貨處理，其餘 62 次均符合標準。台北晶華實驗室相關費用計新台幣 438,197 元，合計費用占台北晶華餐飲收入淨額為 0.018%。</p>

8	消耗能源總量、外購電力百分比、再生能源使用率	4.2 能資源管理	飯店營運，能源使用主要為外購電力及天然氣，電力主要耗能項目為空調與照明設備。2023 年總消耗能源總量為〔217,242.0485(GJ)〕十億焦耳。數據來源為臺電電費單及天然氣公司帳單；外購電力百分比為 62.34%；2023 年度無外購再生能源。
9	總取水量及總耗水量	4.2 能資源管理	2023 年總耗水量為 927.448 百萬公升，耗水量數據來源為自來水公司帳單。
10	售出產品重量、生產設施場所數量	企業概況	合計擁有七間飯店，共 19 間餐廳。

5.4 Climate Change and Greenhouse Gas Inventory

We have formulated adaptation strategies based on the identified climate change risks and opportunities, such as regulatory compliance, resource recycling and reuse, improving operational efficiency, energy conservation and carbon reduction, low-carbon product diversification, and greenhouse gas emission reduction measures, in order to mitigate the operational risk impact caused by global extreme climate and gradually incorporate the assessment of financial impact.

Due to the nature of hotel operations, the main types of energy used are purchased electricity and natural gas. The carbon emissions from purchased electricity account for the highest proportion at 60%, with air conditioning and refrigeration equipment being the primary sources of electricity consumption, followed by kitchen cooking gas at 30% and waste at 3%.

Silks Hotel Group established a greenhouse gas inventory promotion organization and formulated standard operating procedures for greenhouse gas emission control in 2023 to facilitate the implementation of greenhouse gas inventory and carbon reduction measures by each hotel.

The implementation status of greenhouse gas inventories of the Company and consolidated financial reporting subsidiaries (including the Parent Company and certain subsidiaries) is described below:

	Scopes [↗]	Unit [↗]	2022 [↗]	2023 [↗]
Company [↗]	Scope-1 [↗] direct emissions [↗]	Metric-Ton-CO2e [↗]	3,481.092 [↗]	6,719.230 [↗]
	Scope-2 [↗] indirect emissions [↗]	Metric-Ton-CO2e [↗]	15,663.288 [↗]	16,858.040 [↗]
	Scope-3 [↗] indirect emissions [↗]	Metric-Ton-CO2e [↗]		281.810 [↗]
	Sub-Total [↗]	Metric-Ton-CO2e [↗]	19,144.380 [↗]	23,859.080 [↗]
Certain Subsidiaries in the Consolidated Financial Statements [↗]	Scope-1 [↗] indirect emissions [↗]	Metric-Ton-CO2e [↗]	1,017.750 [↗]	1,070.220 [↗]
	Scope-2 [↗] indirect emissions [↗]	Metric-Ton-CO2e [↗]	2,938.030 [↗]	2,999.079 [↗]
	Sub-Total [↗]	Metric-Ton-CO2e [↗]	3,955.780 [↗]	4,069.299 [↗]
	Grand-Total [↗]	Metric-Ton-CO2e [↗]	23,100.160 [↗]	27,928.379 [↗]

..5°C Warming Scenario Assumptions (Occurring within 3-5 years)

Temperature Increase >2.8°C Scenario Assumptions (10 years)

Category	Impact Description and Financial Impact	Opportunities	Response Strategies
Policies and regulations	In response to new policies and regulations, carbon credits and equipment updates will lead to increased compliance costs and low-carbon energy costs. Some costs will be passed on to consumers, affecting market competitiveness. Energy purchase costs will increase by at least 10% or more, approximately NT\$10 million.	Purchase high-efficiency equipment to improve energy use efficiency. Implement water, electricity, wastewater, and waste management policies to reduce resource waste and create operational performance.	<ul style="list-style-type: none"> Set water and electricity saving targets of 1%, collect swimming pool overflow wastewater for treatment and reuse as cooling tower water. Use renewable energy to achieve carbon reduction goals.
Heavy rain, drought	May affect the supply chain, leading to raw material shortages and increased purchase costs. Power and water supply interruptions or restrictions due to extreme weather may cause business interruptions and increase insurance premiums. Raw material purchase costs are estimated to increase by more than 5%, approximately NT\$30-40 million.	Enhance product competitiveness, adopt digital marketing to expand the customer base, and establish long-term customers to stabilize revenue.	<ul style="list-style-type: none"> Establish water resource transportation vendor data management, obtain adequate insurance, transfer risks, and compensate for losses. Implement supply chain management to select suppliers with stable supply.

1.5°C Warming Scenario Assumptions (Occurring within 3-5 years) Temperature Increase >2.8°C Scenario Assumptions (10 years later)

Category	Impact Description and Financial Impact	Opportunities	Response Strategies
Rising raw material costs	Temperature rise exceeding expectations, fluctuations in crop supply and demand, and transportation costs will lead to increased raw material costs, raising operating expenses.	Carefully select suppliers to maintain stable supply quality and develop new products using local raw materials.	Adopt readily available raw materials to develop new products, increase local procurement, cultivate a stable supply chain, and cooperate with small farmers on contract farming.
Changes in consumer habits	Increased consumer awareness of sustainability leads to changes in demand for products and services.	Diversify product research and development, undergo technological transformation, and purchase low-carbon products.	Implement diversified marketing strategies, improve product quality, and attract consumers. Expand off-site catering, takeout, and delivery business models.

Through these strategies, Silks Hotel Group not only reduces the burden on the environment but also enhances its adaptability to climate change challenges, demonstrating its commitment and actions as a responsible company.

5.5 Independent Auditors' Limited Assurance Report



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會計師有限確信報告

晶華國際酒店股份有限公司 公鑒：

本會計師接受晶華國際酒店股份有限公司（以下簡稱晶華國際酒店集團）之委任，對其民國 112 年度永續報告書中所選定之永續績效資訊（以下簡稱確信目標的）執行確信程序並出具有限確信報告。有關晶華國際酒店集團所選定之目標的資訊及其適用基準，詳附件一。

管理階層之責任

管理階層之責任係依據臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」及全球永續性報告協會（Global Reporting Initiatives, GRI）發布之 GRI 準則（GRI Standards）編製永續報告書，並應設計、執行及維護與報告編製相關之內部控制，以蒐集並揭露永續報告書內容，並確保永續報告書所報導之永續績效資訊永存有重大不實表達。

會計師之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃及執行有限確信工作，對上期永續報告書所選定之目標的資訊（詳附件一）在所有重大方面是否永存有重大不實表達取得有限確信。相較於合理確信，有限確信案件所執行程序之性質及時間與適用合理確信案件不同，其範圍相對較小，故有限確信程序取得之確信程度明顯較合理確信為低。

確信工作

本會計師針對上期永續報告書所述之確信目標的資訊依專業判斷執行有限確信程序，以獲取相關目標的資訊之有限確信證據。且任何內部控制均受有先天限制，因此未必能查出所有業已存在之重大不實表達。本會計師主要執行之確信程序包括：

- 取得晶華國際酒店集團民國 112 年度永續報告書，並閱讀其內容；
- 與晶華國際酒店集團之管理階層及相關人員進行訪談，以瞭解晶華國際酒店集團編製永續報告書有關之政策及程序；
- 針對報告中所選定之確信目標的資訊進行分析性程序；必要時抽選樣本核對相關文件，以獲取足夠及適切之有限確信證據。

先天限制

因諸多確信目標的係屬非財務資訊，相較於財務資訊之確信存在更多先天性之限制，對於該資訊之揭露內容可能涉及晶華國際酒店集團管理階層之重大判斷、假設及解釋，故不同利害關係人可能對於該等資訊有不同之解讀。

品質管理與獨立性

本會計師及所隸屬之事務所遵循品質管理準則 1 號「會計師事務所之品質管理」之規範，建立並維護完備之品質管理制度，包含遵循職業道德規範、專業準則及所適用法令規範相關之政策或程序，亦遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

有限確信結論

依據所執行之確信程序及所獲取之證據，本會計師並未發現晶華國際酒店集團民國 112 年度永續報告書中所選定之確信目標的資訊在所有重大方面有未遵循其適用基準編製而須作修正之情事。

其他事項

本確信報告出具後，貴公司對任何確信目標的之適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

國富浩華聯合會計師事務所

會計師：林品硯



中華民國 113 年 8 月 26 日

確信項目彙總表

編號	確信項目	指標敘述	對應章節	衡量基準
一	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號二	為改善食品衛生、安全與品質，而針對其從業人員、作業場所、設施衛生管理及其品保制度等方面進行之評估與改進及所影響之主要產品與服務類別與百分比。	2.4 食品安全與健康	晶華國際酒店集團 2023 年度台北晶華(註一)HACCP 管制小瓶針對餐廳、酒廊與廚房進行衛生稽查之次數，其影響之餐飲收入範圍占台北晶華餐飲收入淨額之比例，及占台北晶華營業收入淨額之比例。
二	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號二	違反有關產品與服務之健康與安全法規及未遵隨產品與服務之資訊與標示法規之事件類別與次數、產品下架次數及下架產品總重量。	2.4 食品安全與健康	晶華國際酒店集團 2023 年違反有關產品與服務之健康與安全法規及未遵隨產品與服務之資訊與標示法規之事件
三	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號三	採購符合國際認可之產品責任標準者占整體採購符合國際認可	2.5 供應鏈管理	晶華國際酒店集團 2023 年台北晶華及台南晶華(註二)採購符合國際認可

編號	確信項目	指標敘述	對應章節	衡量基準
三	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號三	購之百分比，並依標準區分。	2.4 食品安全與健康	晶華國際酒店集團 2023 年台北晶華通過 HACCP 餐飲收入占其餐飲總收入之金額及比例
四	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號四	經獨立第三方驗證符合國際認證之食品安全管理系統標準之廠商所生產產品之百分比。	2.4 食品安全與健康	晶華國際酒店集團 2023 年台北晶華通過 HACCP 餐飲收入占其餐飲總收入之金額及比例
五	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號五	對供應商進行稽核之次數及百分比，稽核項目及結果。	2.5 供應鏈管理	晶華國際酒店集團 2023 年對供應商進行稽核之次數及百分比，稽核項目及結果
六	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號六	依法規要求或自願進行產品追溯與追蹤管理之情形及相關產品占所有產品之百分比。	2.4 食品安全與健康	晶華國際酒店集團 2023 年原材料、半成品及成品之追溯管理情形
七	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號七	依法規要求或自願設置食品安全實驗室之情形、測試項目、測試結果、相關支出及其占營業收入淨額之百分比。	2.4 食品安全與健康	晶華國際酒店集團 2023 年台北晶華產品檢驗情形、結果、相關支出及其占營業收入淨額之百分比
八	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號八	消耗能源總量、外購電力百分比、再生能源使用率	4.2 能源管理	晶華國際酒店集團 2023 年消耗能源總量、外購電力百分比、再生能源使用率

編號	確信項目	指標敘述	對應章節	衡量基準
九	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號九	總取水量及總耗水量	4.2 能源管理	晶華國際酒店集團 2023 年總取水量及總耗水量
十	臺灣證券交易所「上市公司編製與中報永續報告書作業辦法」第四條附表一之一編號十	售出產品重量、生產設施場所數量	企業概況	晶華國際酒店集團 2023 年餐廳數量

註一：台北晶華係指晶華國際酒店集團集團旗下的台北晶華酒店。

註二：台南晶華係指晶華國際酒店集團集團旗下的台南晶華酒店。