

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.

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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

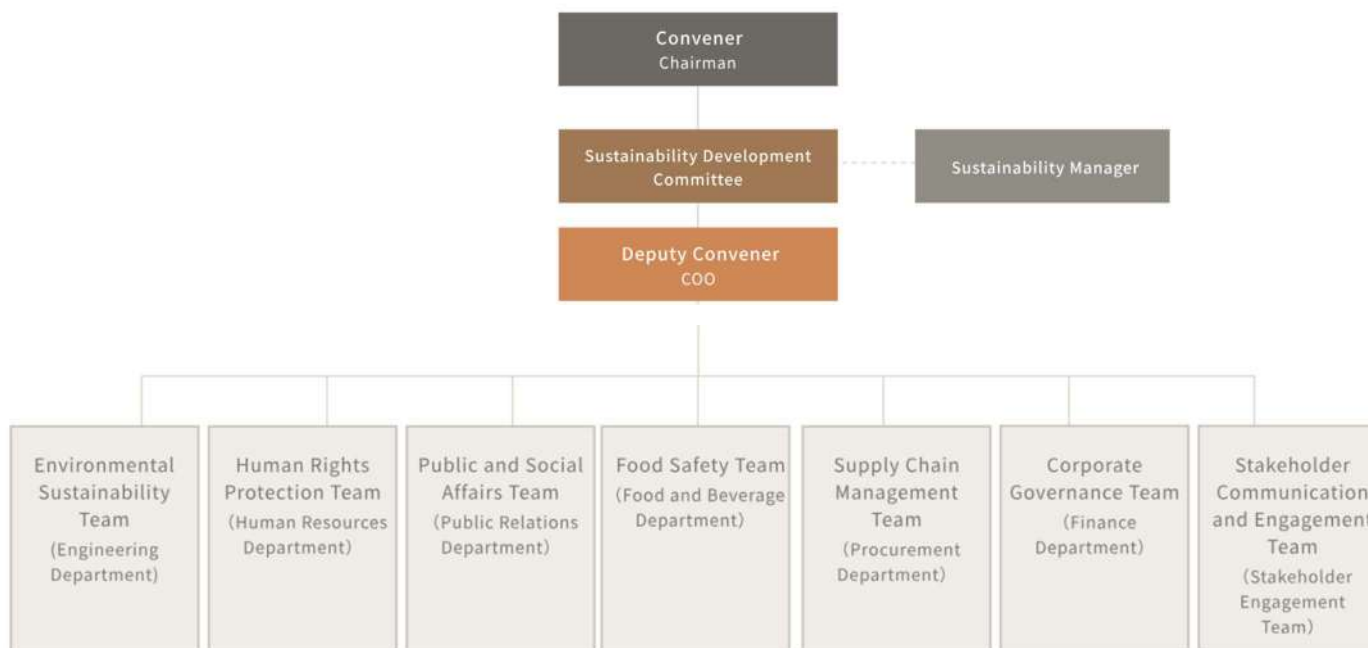
We value employee career development plans and health promotion activities, focusing on both their skill enhancements and mental well-being, ensuring that all employees can thrive in a safe and supportive environment.

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>

<p>Government authority</p>	<ul style="list-style-type: none"> • Food Safety and Health • Occupational safety and health • Waste management • Energy management • Climate Change and Environmental Protection 		<p>regulations</p>
 <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.

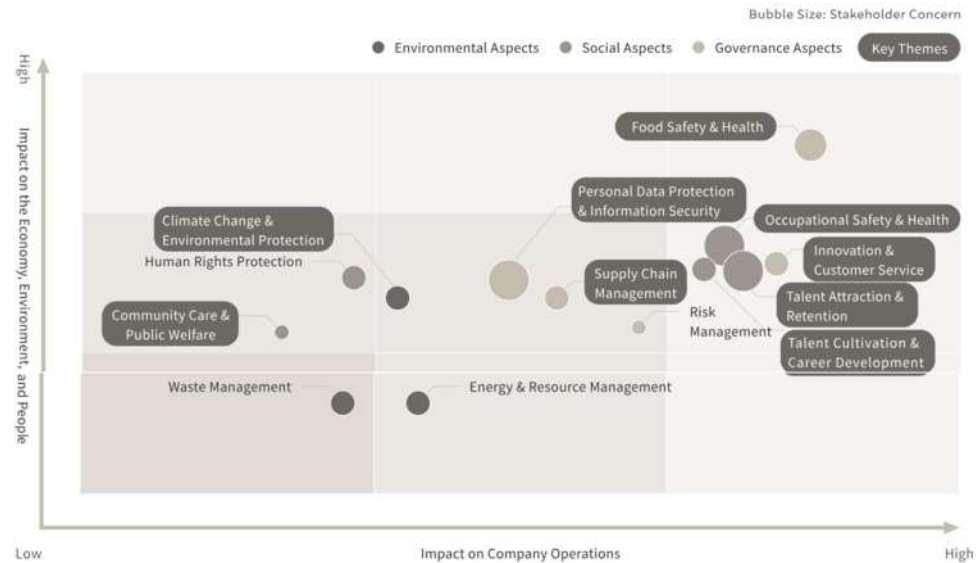
Reviewing and Examining Completeness

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.

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










Materiality Analysis Matrix














■ 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	●	●