4. Environmental Sustainability

Silks Hotel Group recognizes the profound impact of climate change and embraces our responsibility to protect the planet. Guided by international sustainability principles and the global movement toward net-zero emissions, we are committed to responsible resource utilization, environmental stewardship, and the fulfillment of our corporate social responsibility.

In today’s rapidly evolving global landscape, sustainable development has become essential to long-term business resilience. Through innovative energy management strategies, Silks Hotel Group demonstrates its alignment with the United Nations Sustainable Development Goals (SDGs). By enhancing energy efficiency, we not only reduce energy consumption and greenhouse gas emissions but also optimize operational performance and cost efficiency—contributing to environmental preservation, social well-being, and the mitigation of global warming.

Sustainability Strategy Blueprint

- Strengthening Climate Resilience and Embedding Sustainable Operations

Silks Hotel Group has established an Environmental Sustainability Committee and implemented a comprehensive energy management system to enhance the efficiency and resilience of our operations. We actively promote equipment upgrades and energy optimization through the adoption of LED lighting, intelligent temperature control systems, low-flow water fixtures, and AI-powered food waste management solutions.

In addition, we continuously promote waste reduction, recycling, and resource reuse, ensuring that low-carbon operations are integrated into every stage of our value chain. These efforts strengthen our capacity to respond to climate-related challenges and reinforce our commitment to sustainable business practices.

- Smart Management and Low-Carbon Transformation

Silks Hotel Group is committed to a data-driven approach to resource efficiency, focusing on energy and water conservation, circular resource utilization, and operational resilience. By implementing high-performance technologies, intelligent monitoring systems, and smart water management solutions, we actively minimize our environmental footprint.

Our sustainability framework integrates regulatory compliance, employee empowerment, and continuous improvement to establish a systematic, accountable, and future-ready management model that supports the Group’s long-term transition to a low-carbon economy.

- Enhancing Waste Management Resilience and Resource Circularity

In alignment with SDG 12: Responsible Consumption and Production and SDG 13: Climate Action, Silks Hotel Group is dedicated to advancing waste reduction, recycling, and resource circularity. Our Waste Management Plan follows the PDCA (Plan–Do–Check–Act) continuous improvement model, encompassing initiatives such as food waste segregation, packaging material recycling, source reduction, and employee engagement programs.

By strengthening waste management systems and continuously refining our operational processes, we strive to minimize landfill waste, promote sustainable consumption patterns, and foster a culture of environmental responsibility across all our properties and teams.

4.1 Climate Change Response

Performance Results

- In 2024, the replacement of 400 tons of ice water chillers improved single-unit energy efficiency by 38.2%.
- Through the AI food waste management system, the average food waste per person at the buffet restaurant Belle Table decreased by 47.3%, equivalent to a reduction of 55.4 tons of carbon emissions.
- The "EcoMeet Sustainable Meetings" project attracted participation from 141 companies, accounting for 21.5% of the total annual meetings, with a total of 24,871 attendees.

Single-unit energy efficiency improvement

38.2 %

Average food waste per person in the buffet restaurant decreased

47.3 %

"EcoMeet Sustainable Meetings" of total annual meetings

21.5 %

Future Goals

Short-term Goals	Medium to Long-term Goals

- Purchase energy-efficient labeled equipment.
- Fully switch to large-capacity refillable bottles and reduce paper usage by 3–5% annually.

Future Goals

Short-term Goals	Medium to Long-term Goals

- Gradually increase low-carbon and carbon-footprint products by 2% annually.
- Achieve 2–5% use of renewable energy by 2030.
- Reduce the proportion of imported raw materials by 5% within three years.
- Develop a carbon neutrality roadmap and renewable energy utilization plan in response to climate policies.

Impact

In response to climate change, the Group has identified five key risks: stricter environmental and regulatory policies (e.g., carbon taxes and carbon pricing), rising costs of low-carbon energy, raw material shortages and price increases, sustainable supply chain management, and changing consumer preferences requiring product and service transformation. Operationally, compliance costs and customers' green choices may lead to cost pass-through and potential reductions in market competitiveness.

Policy Commitment	The Group responds to government greenhouse gas reduction policies and international net-zero trends by establishing a Climate Action Policy and endorsing the 1.5°C Climate Action Declaration. Upholding the principles of responsible resource use and accountability, the Group implements low-carbon transition measures and environmentally friendly initiatives, demonstrating its proactive commitment to addressing climate change.
Actions Taken	The Group has established an Environmental Sustainability Task Force and an energy management system to drive equipment upgrades and improve energy efficiency. Technologies such as LED lighting, smart temperature controls, low-flow faucets, and AI food waste systems are implemented to enhance energy and water resource management. At the same time, waste sorting and recycling initiatives are promoted to achieve low-carbon operations. • **Improving energy efficiency** Established an Environmental Sustainability Task Force and an energy management system to drive equipment upgrades and improve energy efficiency. • **Water resource management** Implemented technologies such as LED lighting, smart temperature controls, low-flow faucets, and AI food waste systems to enhance energy conservation and water resource management. • **Waste management** Promoted waste sorting and recycling initiatives to achieve low-carbon operations.

Evaluation Mechanisms	• **Reduction effectiveness evaluation** The Energy Management Team monitors data daily and reviews results monthly. The ESG Team tracks implementation during quarterly meetings and regularly reports progress to the Board of Directors. • **Supply chain evaluation** Suppliers' sustainability performance is periodically reviewed to ensure strategies are effectively implemented and risk management measures are adjusted promptly. • **ESG team meetings** Quarterly discussions are held to ensure all measures are effectively executed and achieve the intended outcomes, with regular reporting to the Board of Directors.
Stakeholder Engageme	The Group discloses its climate action achievements through reports and actively communicates with customers, employees, communities, and government agencies. It promotes customer participation in environmental initiatives, employee training, and community environmental activities, implementing SDGs Goals 7, 12, and 13, while fostering consensus and action among stakeholders.

4.1.1 Climate Change Risk Management

■ Governance

The Group’ s Environmental Sustainability Task Force under the Sustainability Development Committee is responsible for identifying climate change-related issues. The Task Force has adopted the TCFD framework for climate-related financial disclosures as a key basis for internally assessing climate risks and financial impacts. Issues and strategies proposed by the Task Force are evaluated and approved by management and reported annually to the Board of Directors to ensure transparency and effective climate governance.

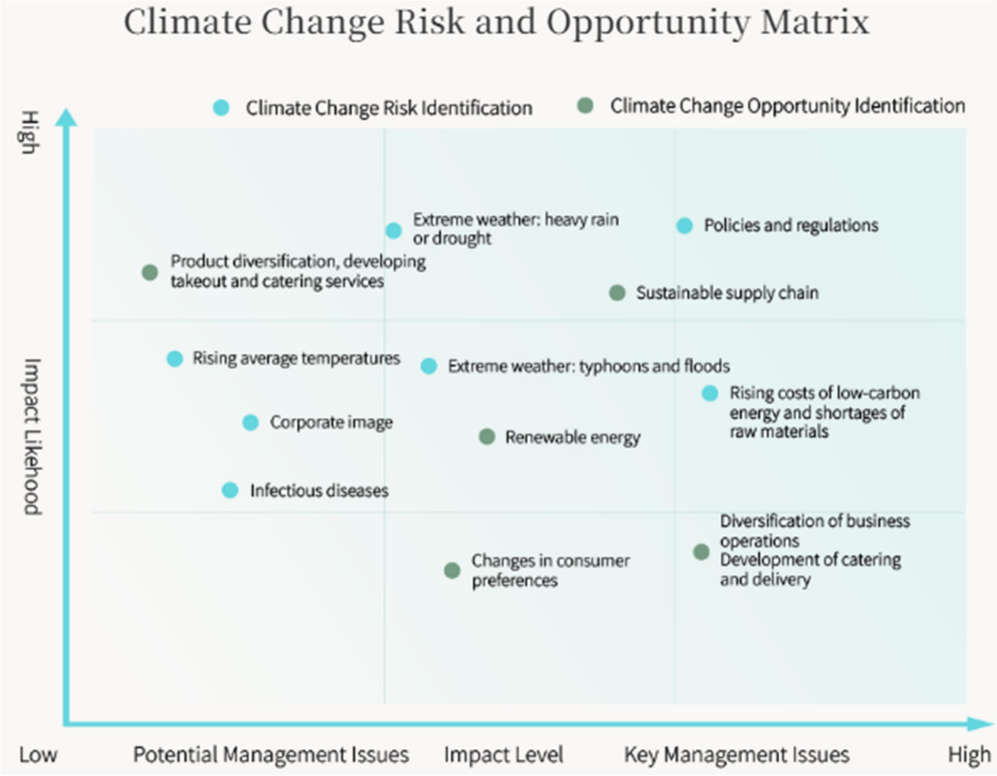
■ Strategy :

The Group identifies and assesses risks related to the transition to a low-carbon economy and physical climate risks, clearly defining five key risk management and opportunity areas.

■ Risk Management

Based on identified risks, the Group assesses significant climate change events and impacts, implementing risk monitoring mechanisms.

- Risk Identification and Matrix Analysis: Utilizing a climate risk matrix to quantify likelihood and impact, prioritizing risk management items.
- Institutionalized Risk Control Mechanisms: The greenhouse gas inventory team clearly divides responsibilities for emission identification, data verification, system establishment, and financial data integration.
- Operational Disruption Risk Management: Establishment of a disaster response team, water resource control procedures, installation of water-saving devices, and enhancement of recycling and reuse efforts.



■ Climate Change Risk Identification

Transition Risks:
Includes stricter environmental policies and regulations (such as carbon tax and carbon pricing), increased low-carbon energy costs, raw material shortages and price increases, sustainable supply chain standards, and changing consumer preferences leading to product and service transformation.

Physical Risks:
Includes extreme weather events (typhoons, floods, heatwaves) causing facility damage, water shortages, raw material scarcity, and operational interruptions.

■ Climate Change Opportunity Identification

- Develop low-carbon innovative products and strengthen supply chain resilience.
- Update renewable energy usage and energy-efficient equipment to reduce energy costs.
- Diversify products and expand operation modes such as catering and delivery.
- Enhance corporate sustainable brand image and customer loyalty.

Strategy

The Group identifies and assesses risks related to the low-carbon economy transition and physical climate impacts, clearly outlining five key risk management issues.

Transition Risks | Physical Risks | Opportunities

Identified Risks and Opportunities	Risk Description	Potential Impact on Operations and Finances	Impact Level / Timeframe	Response Strategies and Goals
		• Failure to achieve the 1% annual electricity		• Implement multiple energy-saving and carbon reduction measures, including

Policies and Regulations	Under the Energy Management Act, an annual electricity savings target of 1% must be achieved. The scope of carbon fees and carbon taxes may expand.	savings may result in the competent authority not approving the submitted implementation plan. • Compliance costs may increase due to equipment upgrades, participation in carbon markets, or carbon tax payments, impacting the cost structure and operational profitability.	High / Long-term	adopting low-energy and high-efficiency equipment and improving resource utilization, to strengthen climate risk management and operational resilience. • Three chiller units of 900, 600, and 400 tons have been successively replaced, with the 600-ton chiller scheduled for replacement in 2025.
Technical Risks Increased Costs of Low-carbon Technology Transition	With the rapid development of energy-saving and carbon-reduction technologies, failure to adopt them in a timely manner may result in a loss of competitiveness.	Switching products and services to low-carbon alternatives may increase costs.	Medium / Medium-term	Adopt low-carbon amenities and services, introducing products with lower carbon footprints (e.g., bio-based cleaning agents, recycled materials) and suppliers, to build a green supply chain.
				• Procure sustainable hospitality products and launch green lodging programs to meet the needs of environmentally conscious customers. • Strengthen the brand's sustainability image by showcasing sustainability initiatives

Market Risks • Changes in customer behavior • Rising material costs	With increasing consumer awareness of environmental sustainability, demand for products and services is shifting.	Revenue and occupancy rates may decline, market share may shrink, and brand image could be affected.	Medium / Long-term	on the official website, enhancing customer recognition and loyalty. • Adapt sustainable strategies and service models to rising costs and regulations by offering optional low-carbon value-added services, improving revenue stability. • Reduce reliance on imported materials and establish long-term partnerships with local suppliers.
Reputational Risks Corporate image	Damage to reputation reduces consumer trust.	Increases labor recruitment costs, decreases revenue, and may lead to loss of business partners.	Medium / Long-term	• Comply strictly with regulations and policies, implementing standards and oversight for products and services. • Implement ESG goals to ensure sustainable business operations.

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	• Extreme weather may cause power and water interruptions or restrictions, leading to business disruption; flooding can result in property and equipment damage. • Climate change may also affect the supply chain, causing raw material shortages.	Increased operational costs and reduced business performance; frequent incidents and enhanced coverage conditions may result in higher insurance premiums.	Medium/Long-term	• Implement emergency response procedures to minimize property damage; install generators and uninterruptible power supply systems to prevent business interruptions. • Establish vendor management for water supply, ensure adequate insurance coverage, transfer risks, and compensate for losses.
Long-term Risks Heavy Rain / Drought / Infectious Diseases	Heavy rain may cause equipment damage and revenue loss; drought may disrupt power and water supply, affecting operations.	• Increased raw material procurement costs. • Global infectious disease outbreaks may impact business performance.	High/Long-term	• Strengthen climate resilience of facilities, prioritizing improvements to building drainage systems, rooftop structures, and heat- and drought-resistant infrastructure. • Enhance health and safety management systems; establish rapid response protocols for

				potential future infectious disease outbreaks to ensure the safety of guests and employees while maintaining service quality.
Rising Average Temperatures	• Climate change leads to higher average temperatures, water resource depletion, and sea level rise. • Maintaining comfortable temperatures in operational facilities requires increased energy consumption. • Impacts customer behavior and willingness to engage in outdoor activities.	• Results in higher carbon emissions and energy costs, reducing operational performance. • New equipment purchases increase operational costs and may affect tourist flow patterns.	Medium/Long-term	• IImplement high-efficiency air conditioning and insulation systems; fully introduce smart energy monitoring systems by 2025. • Develop take-out and retail product channels.

Identified Risks and Opportunities	Risk Description	Potential Impact on Operations and Finances	Impact Level / Timeframe	Response Strategies and Goals
Resource Use Efficiency	Use higher-efficiency LED lighting, replace old system pumps, and adopt dual-effect energy-saving equipment with heat pump systems.	• Operational cost reduction: Energy-saving equipment and improved water efficiency reduce electricity and water expenses. • Regulatory compliance cost control: As carbon pricing and emission regulations tighten, effective energy and water efficiency can prevent future carbon cost increases and penalties. • Increase in fixed asset value: Modernized,	Medium/Mid-term	• Equipment upgrades: Fully replace outdated high-energy equipment with variable-frequency pumps and dual-effect heat pump systems to enhance energy efficiency. • Smart energy and resource management: Monitor electricity and water usage data to identify high-consumption areas and optimize adjustments in real-time. • Resource recycling and sustainable supply chain standards: Implement waste sorting and resource reuse systems; integrate ESG and sustainability principles into procurement, establishing responsible partnerships with suppliers.

		energy-efficient equipment improves durability and asset valuation. • Brand image and market competitiveness enhancement: Resource efficiency and green initiatives strengthen ESG image, creating brand value.		• Water-saving and carbon reduction strategies: Integrate water-saving facilities (e.g., products with water-saving certifications) and conduct employee education on energy conservation. • Annual performance review: Target LED lighting adoption at 90%, 100% procurement of energy-saving equipment, 1.5% annual reduction in per-room electricity density, and 3–5% reduction in paper use and food waste.
Energy Sources	Digital technology transformation to reduce	• Operational cost optimization: Utilize digital technology to enhance energy management and operational automation, reducing labor and energy waste. • Market competitiveness enhancement: Introduce renewable energy and low-carbon	Medium/Long-term	• Target 2%–5% use of renewable energy by 2030. • Gradually increase low-

	operational costs.	products to meet customer demand for green accommodations. • Strengthening stakeholder relationships: Green energy and low-carbon procurement strategies attract ESG-conscious investors.		carbon and carbon-footprint products by 2% annually.
	Consumers' preference for sustainable and eco-	• Digital marketing is leveraged to expand the customer base, proactively offering ESG-compliant products and services to		• Innovation and Sustainable Tourism Product Development: Promote low-carbon menus, carbon-footprint-labeled products, and green travel experiences to meet customers' sustainable consumption expectations. • Packaging and Plastic Reduction Initiatives: Use reusable or biodegradable packaging to reduce plastic usage. • Digital Transformation and New Channel Development: Conduct

Products and Services Consumer Preference Shifts	friendly products has increased, prompting the company to adjust its product mix and supply chain to meet demand.	mitigate operational risks, while innovation and development of low-carbon products enhance competitiveness. • Purchase costs may increase.	Medium/Long-term	at least three digital marketing campaigns per month (social media, KOL) to precisely reach eco-conscious consumers; expand takeout and delivery channels using plastic-free containers combined with ESG promotion platforms. • Innovation and Service: Promote sustainable lodging options; release 2–3 sustainable travel products per quarter, increase the proportion of unchanged towels over three years by 5%, and publish sustainable product stories monthly to strengthen customer recognition.
				• Alternative Raw Material Development: Prioritize the use of recyclable and locally sourced eco-friendly materials to reduce dependence on imported and high-carbon materials.

Market	• In response to rising raw material costs, develop alternative materials and new products. • Promote accelerated low-carbon economic transformation and develop a diversified supply chain.	Control raw material costs to enhance operational performance.	Medium/Long-term	• Local Sustainable Supply Chain: Establish an ESG-compliant sustainable supply chain, maintain stable partnerships, and increase the proportion of locally sourced ingredients and materials. • Product and Service Diversification: Promote low-carbon dining, plastic-free lodging, and local cultural experiences to expand into new markets, while enhancing online sales, delivery services, and related merchandise development.
Climate Resilience	Develop the capacity to adapt, make decisions, and identify opportunities in response to risks arising from climate change and extreme weather events.	-	Medium/Long-term	Based on material risks, establish emergency response measures to minimize losses and enhance operational performance.

■ Climate Scenario Analysis

The Group conducts scenario simulations according to TCFD recommendations, including various warming scenarios, to evaluate potential impacts on assets, operations, and financial performance, serving as a basis for adaptation strategy formulation.

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
Transitional Risk – Policies and Regulations (Update)	In response to policies such as carbon fee levies, energy-saving and carbon-reduction mandates, and ESG compliance, low-carbon energy costs are expected to rise. If adjustments are not made in a timely manner, revenue and brand image may be affected. Some costs may be passed on to consumers, potentially weakening competitiveness; energy costs are projected to increase by approximately 10%, with an annual purchase cost increase of around NT$10 million.	Acquire high-efficiency equipment to improve energy efficiency and implement low-carbon technologies.Implement comprehensive management of water, electricity, wastewater, and waste to reduce resource wastage and strengthen operational resilience.	• Set targets of 1% reduction for water and electricity consumption. • Improve water reuse rates. • Plan carbon reduction targets through the introduction of renewable energy. • Establish supplier carbon inventory and audit mechanisms. • Implement operational backup plans and management systems for energy and water resource reserves. • Ensure adequate insurance coverage, risk transfer, and loss compensation. • Expand digital channels (e-commerce platforms, delivery partnerships) to diversify risks, strengthen customer relationship management, and enhance repurchase rates and brand loyalty.
Physical Risk – Extreme Weather: Heavy Rain and Drought	Abnormal weather events may cause power and water supply interruptions or restrictions, resulting in business disruption and increased disaster insurance costs. Simultaneously, supply chain disruptions could lead to raw material shortages and higher costs, with raw material purchase costs projected to increase by over 5% annually, approximately NT$50 million.	Utilize digital marketing and customer relationship management to expand sales channels, broaden the customer base, and establish long-term clients to stabilize revenue.	

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
Physical/Transition Risk – Rising Raw Material Costs	Rising temperatures beyond expectations may disrupt the supply and demand of agricultural products and increase transportation costs, putting pressure on operational expenses.	To address this, we are building a diversified supply chain to maintain stable product quality, while enhancing independent R&D and raw material diversification capabilities.	We focus on developing new products, increasing local sourcing, and fostering stable supply chains through partnerships with small-scale farmers. Research and development prioritize readily available or alternative agricultural inputs, and long-term cooperation agreements are established with agricultural cooperatives or local institutions.
Transition Risk – Changing Consumer Habits	As consumer awareness of sustainability rises, expectations for ESG performance increase, driving higher demand for low-carbon products and services.	In response, we develop a sustainable brand image and service model to strengthen market competitiveness.	Through diversified marketing, we attract consumers, enhance product quality and sustainability value, expand catering, delivery, and takeout services, and reinforce ESG communication and engagement with customers.

Based on the identified climate change risks and opportunities, we have formulated adaptation strategies, including regulatory compliance, resource recycling and reuse, operational efficiency enhancement, energy conservation and carbon reduction, diversification of low-carbon products, and greenhouse gas emission reduction measures. These strategies aim to mitigate operational risks posed by global extreme weather events and progressively incorporate assessments of their financial impacts.

Through these measures, Regent International Hotels Group not only reduces its environmental footprint but also strengthens its resilience to the challenges of climate change, demonstrating its commitment and proactive actions as a responsible enterprise.

■ Climate Action Strategies and Adaptation Measures

Facing climate change risks and opportunities, the Group implements multiple mitigation and adaptation strategies, including energy saving and carbon reduction, resource recycling, operational resilience, and green innovation to strengthen sustainable competitiveness. Key measures include:

- Improve energy efficiency by upgrading to high-efficiency equipment and lighting to reduce energy consumption and maintenance costs.
- Green procurement and supply chain management: prioritize environmentally friendly products and packaging, promote local sourcing, and sustainable supply chain management.
- Low-carbon commuting and paperless initiatives: encourage employees to use public transportation, electronic documents, and digital signatures.
- Waste management and process optimization: introduce AI food waste systems to reduce food waste and resource losses.
- Community and employee engagement: promote the "Green Leaf Card"; establish internal green teams and provide sustainability training to employees.
- Disaster response and operational resilience: establish disaster response teams and water resource risk management processes.
- Sustainable building and water-saving measures: implement green building standards, water-saving technologies, and waste reduction actions.
- Support low-carbon transportation: install 10 electric vehicle charging stations encouraging guests and employees to use electric and shared vehicles.
- Through these concrete actions, the Group effectively reduces environmental impact, enhances climate adaptation, and demonstrates corporate sustainability commitment and responsibility.

■ Medium to Long-term Indicators and Goals:

- Increase low-carbon and carbon footprint products by 2% annually.
- Plan energy-saving programs, including purchasing renewable energy.
- Reduce paper usage by 10–15% within three years starting 2024.
- Develop new products using local raw materials, reducing imported raw materials procurement by 5% within three years.
- Formulate strategies aligned with changing consumer behavior, such as transitioning to off-site catering and delivery.

4.1.2 Greenhouse Gas Inventory

The Group has established a greenhouse gas inventory team and developed standard operating procedures for greenhouse gas emission management to assist each hotel in implementing inventory and carbon reduction measures. Members of the team undergo basic training on greenhouse gas emissions to understand corporate environmental policies and reduction measures, receiving professional training on greenhouse gas inventory and reduction strategies, energy management, energy-saving technology applications, and compliance with policies and regulations.

■ Hotel Energy Consumption Overview

Energy consumption in hotels primarily comes from purchased electricity and natural gas. Electricity accounts for approximately 70–80% of total carbon emissions, mainly driven by air conditioning and refrigeration systems. Natural gas, used predominantly for kitchen operations and cooking, contributes about 20%, while other forms of energy use make up the remaining 3%.

Greenhouse Gas Emissions in Recent Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Category	2022	2023	2024
Scope 1: Direct Emissions (Metric Tons CO2e)	2,665.092	5,845.230	5,285.2657
Scope 2: Indirect Emissions (Metric Tons CO2e)	9,852.591	9,859.210	9,920.761
Scope 3 (Metric Tons CO2e)	Not Applicable	281.810 *	247.728
Total (Metric Tons CO2e)	12,517.583	15,986.250	15,453.7547
Revenue (Million NTD)	3,027	3,846	4,046
Emission Intensity (Metric Tons CO2e / Million NTD)	4.1353	4.160	3.8195

Regent Taipei discloses Scope 3 greenhouse gas emissions starting from 2024

Greenhouse Gas Emissions in Recent Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Category	2022	2023	2024
Scope 1: Direct Emissions (Metric Tons CO2e)	NA	NA	415.762 *
Scope 2: Indirect Emissions (Metric Tons CO2e)	2,017.837	2,338.759	3,858.840
Total (Metric Tons CO2e)	2,017,837	2,338.759	4,274.602
Revenue (Million NTD)	383	451	552
Emission Intensity (Metric Tons CO2e / Million NTD)	5.269	5.186	7.744

- Scope 1 statistics have not been conducted yet and are expected to be disclosed starting from 2024.
- 2024 Increase in emissions at Just Sleep Ximen Branch.

Greenhouse Gas Emissions in Recent Three Years

Regent Taipei | Just Sleep | **Silks Place Tainan** | Silks Place Taroko

Category	2022	2023	2024
Scope 1: Direct Emissions (Metric Tons CO2e)	816	874	1,069.016
Scope 2: Indirect Emissions (Metric Tons CO2e)	3,792.86	4,660.071	3,886.921
Total (Metric Tons CO2e)	4,608.86	5,534.071	4,955.937
Revenue (Million NTD)	864	904	854
Emission Intensity (Metric Tons CO2e / Million NTD)	5.334	6.122	5.803

Greenhouse Gas Emissions in Recent Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | **Silks Place Taroko**

Category	2022	2023	2024
Scope 1: Direct Emissions (Metric Tons CO2e)	1,017.75	1,070.22	2,168.860
Scope 2: Indirect Emissions (Metric Tons CO2e)	2,938.03	2,999.079	1,489.374
Total (Metric Tons CO2e)	3,955.78	4,069.30	3,658.234
Revenue (Million NTD)	668	684	171
Emission Intensity (Metric Tons CO2e / Million NTD)	5.9218	5.949	21.393 *

4.2 Energy and Water Resource Management

To actively support the United Nations Sustainable Development Goals (SDGs), particularly SDGs 7 "Affordable and Clean Energy" and SDGs 13 "Climate Action," the Group continuously promotes innovative and efficient energy management strategies. Through systematic energy management, the Group not only effectively reduces energy consumption and carbon emissions, improving overall energy efficiency, but also achieves operational cost optimization and fulfills corporate social responsibility commitments.

4.2.1 Water Resource Management

In 2024, the Group’ s total water consumption amounted to 885.703 thousand cubic meters, with zero water wastage, based on data from water utility bills and county water meters.

The Energy Management Team is responsible for monitoring and managing water resources, conducting regular inspections across operational sites to review energy-saving and water-saving performance, ensuring efficient and sustainable water use. Considering the risks of flooding and drought caused by extreme weather events, the Group has also established a Disaster Response Team responsible for developing and continuously optimizing various disaster prevention Standard Operating Procedures (SOPs), and regularly conducting disaster drills to strengthen response capabilities and reduce operational risks.

■ Specific management measures

01

Routine Inspections

Regularly check water pipes, faucets, and bathroom facilities; immediately repair any abnormalities or leaks detected in water meters to reduce losses.

02

Water Flow Adjustment

Fully implement water-saving certified bathroom fixtures and install pressure-reducing valves in supply pipelines to precisely control water usage and prevent waste.

03

Recycled Water Reuse

Strengthen the recovery of steam condensate; reuse swimming pool overflow water for chilled water systems, cooling towers, irrigation, and toilet flushing.

04

Operational Process Adjustments

Modify kitchen soaking and washing procedures to avoid prolonged continuous water discharge.

05

Equipment Optimization

Activate drinking fountains with a sleep mode according to operational hours; dynamically adjust water pressure during peak and off-peak periods to minimize ineffective water use.

06

Wastewater Treatment

All wastewater is treated and discharged in compliance with local government regulations.

07

Staff Training and Awareness

Continuously enhance employee water-saving awareness and encourage guests to participate in water conservation efforts.

In addition, the Group's hotels across all brands have long implemented the "Green Leaf Program," encouraging guests on consecutive stays to opt out of daily towel and linen changes. This initiative not only significantly reduces water and detergent consumption—saving nearly 40% in water, energy, and cleaning costs—but also effectively lowers the carbon footprint.

Water resource consumption

Hotel	Unit	Year 2022	Year 2023	Year 2024
Regent Taipei	1,000 m^3	408.154	469.525	479.205
Just Sleep/Wellspring	1,000 m^3	110.610	117.283	179.080
Silks Place Tainan	1,000 m^3	140.490	141.309	141.551
Silks Place Taroko	1,000 m^3	208.640	199.331	85.867

4.2.2 Energy Management Policy

To comply with the relevant provisions of the "Energy Management Act," Regent Taipei has been registered as a regulated user under the Ministry of Economic Affairs' Bureau of Energy. The hotel is required to achieve an annual average electricity savings rate exceeding 1%. It also regularly reports energy-saving measures, energy savings, and implementation results through the "Energy Audit Network Reporting System" as mandated.

■ Energy Use Structure and Key Management Areas

The hotel's main energy sources are purchased electricity and natural gas, with electricity consumption being the primary focus. Air conditioning and lighting are the key energy-consuming areas. The energy consumption distribution across hotel facilities is as follows:

Hotel	Proportion of Energy Consumption for Air Conditioning and Lighting
Regent Taipei	76%
Silks Place Tainan	61.5%
Silks Place Taroko	76.11%

In response to this energy consumption structure, the Group has clearly established improving equipment efficiency and replacing high-energy-consuming devices as its primary strategy for energy saving and carbon reduction.

- Smart Management Measures and Energy Saving & Carbon Reduction Achievements

The Group continuously complies with domestic and international environmental regulations, implementing energy-saving and carbon reduction policies. By improving energy efficiency, introducing high-efficiency equipment, and adopting intelligent management systems, the Group reduces carbon emissions and energy consumption during operations, achieving sustainable goals that balance environmental protection and operational performance.

To effectively improve the energy consumption of the air conditioning system, in 2024 Regent Taipei completed the installation of a high-efficiency water-cooled variable-frequency magnetic levitation centrifugal chiller (400RT), which officially started operation in October. Regent Taipei plans to replace another 600RT chiller unit in 2025. Preliminary assessments indicate that the new unit can save over 10% in energy costs compared to existing equipment. This energy-saving improvement project is expected to be completed by the end of 2025 and will contribute to advancing low-carbon operational targets.

The chiller replacement plan is complemented by an intelligent monitoring management system that can monitor and adjust the number of operating chillers and outlet water temperature in real time. This ensures the units operate in an optimized state, enhancing energy efficiency as well as overall system stability and reliability. Through these energy-saving measures, the Group expects to effectively reduce carbon emissions, extend equipment lifespan, and simultaneously achieve dual benefits of operational cost control and minimized environmental impact.

- Natural Gas Management Measures

Natural gas is primarily used in kitchen cooking operations. The Group improves management both through institutional policies and employee behavior:

- Employees are required to turn off gas equipment immediately after use to prevent wasteful combustion.
- Priority is given to purchasing energy-efficient, certified gas stoves, ovens, and water heaters to enhance energy efficiency.
- Regular safety inspections and maintenance of gas equipment are conducted to prevent energy waste and potential risks caused by aging or malfunctions.

- Energy Consumption Trends

As operations gradually stabilized in 2024, the Group saw significant improvements in overall occupancy rates and business activities, driving an increase in energy demand across hotels.

For example, Regent Taipei has continuously worked on improving equipment efficiency and energy-saving renovations over the years, with proven results. In 2024, per capita energy consumption decreased by 3% compared to 2023, and per capita carbon emissions also decreased by 7.3%. These achievements demonstrate the Group’ s proactive efforts in enhancing energy efficiency and effectively mitigating the environmental impacts of business growth.

■ Energy consumption

Regent Taipei

Item	Unit	Year 2022	Year 2023	Year 2024
Energy Consumption	KWh	19,532,200	19,917,600	20,063,200
Natural Gas	m^3	1,404,076	1,847,693	1,707,981

Note: Natural gas consumption includes usage from the kitchen and boilers.

Just Sleep/Wellspring

Item	Unit	Year 2022	Year 2023	Year 2024
Energy Consumption	KWh	4,037,240	4,394,738	Note1 7,806,230
Natural Gas	m^3	48,515	72,523	Note2 159,515

Note 1:Include the energy consumption data of Just Sleep Ximending & Beitou Wellspring, which began operations in September 2024

Note 2:natural gas consumption data.Just Sleep Jiaoxi and Wellspring by Silks Jiaoxi do not use natural gas.

Silks Place Taroko

Item	Unit	Year 2022	Year 2023	Year 2024
Energy Consumption	KWh	5,935,400	5,798,600	3,011,400
Liquefied Petroleum Gas	KG Note	53,054	51,294	Note 24,517

Note :The unit & consumption data in the 2023 statement was misprinted

Silks Place Tainan

Item	Unit	Year 2022	Year 2023	Year 2024
Energy Consumption	KWh	7,451,600	7,511,000	7,860,600
Natural Gas	m^3	434,205	470,781	407,375

4.2.3 Environmental Regulatory Compliance

The Group, with tourism hotels providing accommodation and dining services as its core business, strictly complies with relevant domestic environmental regulations and continuously strengthens its sustainability management system, covering various aspects such as air quality, water resource management, waste treatment, energy efficiency improvement, and climate change response. Through the implementation of pollution prevention and effective resource utilization, we are committed to ensuring that business operations comply with regulatory requirements while minimizing environmental impact.

- Regulatory Compliance and Sustainability Management

The Group, in accordance with the "Air Pollution Control Act," "Waste Disposal Act," "Water Pollution Control Act," "Climate Change Response Act," and "Energy Management Act," has established a self-monitoring mechanism to implement pollution prevention, effective resource utilization,

carbon inventory, and energy-saving measures, ensuring that all business activities comply with regulatory standards and reduce potential environmental impacts.

- Environmental Pollution Prevention Measures

  - Air Pollution Control: Fume emissions generated from restaurant operations are discharged after dual filtration through electrostatic precipitators and fume washing equipment.
  - Water Pollution Management: Oily wastewater from kitchens is pre-filtered through grease traps, effectively preventing grease and residues from entering the sewage system or sanitary sewer. The grease in grease traps and septic tanks is removed and deodorized with chemicals by qualified contractors on a regular basis, 1–2 times per month.
  - Waste Classification and Management: Business waste and general waste are strictly separated, and classification, temporary storage, and outsourced legal disposal procedures are carried out in accordance with regulations.
  - Chemical Management: The use of substances involving engineering materials, cleaning agents, and detergents is managed in compliance with the "Toxic and Concerned Chemical Substances Control Act," with standard operating procedures (SOPs) in place to control chemical flow and storage safety.
  - Carbon Inventory and Energy Management: In response to the "Climate Change Response Act," the Group is gradually establishing a carbon inventory system, formulating energy-saving strategies and carbon reduction pathways, and aligning with future carbon fee policy trends.

- Inspections and Employee Education & Training

  To enhance employees' environmental awareness and ensure the implementation of operational standards, the Group regularly organizes training on waste classification and pollution prevention. All business locations cooperate with irregular inspections conducted by government environmental authorities. In 2024, a total of 18 inspections were carried out, with no major violations recorded and no penalties imposed by authorities for breaches of environmental regulations.

4.3 Waste Management

As the world faces increasingly severe environmental challenges and resource pressures, implementing effective waste management strategies is not only a corporate responsibility but also a key action for achieving sustainable development. The Group actively responds to the United Nations Sustainable Development Goals (SDGs), focusing particularly on SDGs 12: Responsible Consumption and Production and SDGs 13: Climate Action. Through rigorous waste classification, resource recycling, and innovative food waste management technologies, we strive to reduce environmental burdens and enhance resource efficiency.

During operations, the Group generates various types of waste, including general waste, food waste, recyclable materials, and waste cooking oil. Waste management follows relevant environmental laws and regulations such as the Waste Disposal Act and the Management Regulations for Licensed Waste Collection and Disposal Organizations. In addition, waste handling is carried out in accordance with our internally developed Waste Management Plan, ensuring daily management and continuous improvement.

The Food & Beverage departments of each hotel record daily waste weights, with regular analysis and tracking. To strengthen internal awareness, waste reduction and recycling measures are periodically promoted across departments, and the results of waste reduction are included in operational meeting records for evaluation and strategy optimization.

■ Waste Reduction Plan

The Waste Management Plan serves as a guiding framework for the Group’ s waste control initiatives, applying the four core principles of Plan–Do–Check–Improve to assess performance:

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■ Procurement Policy and Source Reduction Measures

01 Prioritize purchasing products with minimal or no packaging	02 Procure fresh goods and food stored in reusable containers (e.g., non-plastic crates)
03 Select concentrated cleaning agents and products made with recycled materials	04 Encourage suppliers to use reusable or recyclable packaging materials
05 Collaborate with suppliers and waste collection contractors to set waste reduction targets and improve recycling rates	06 Ensure perishable items are promptly stocked and properly stored to prevent spoilage and disposal losses
07 All empty cardboard boxes are recycled or reused for internal operations	

■ Employee and Guest Engagement

To maximize waste reduction effectiveness, the Group enhances both employee training and guest participation:

- Conducting regular waste management and SOP training to strengthen practical skills and environmental awareness among employees.
- Restaurant service staff proactively remind guests to order appropriate portions to avoid food waste.
- Broadcasting waste reduction messages via internal communication platforms and in-room multimedia systems to encourage sustainable practices and lead by example.

■ Waste Handling Procedures

Following the Group’s Waste Disposal Standard Operating Procedures, each hotel’s food preparation areas are equipped with lidded waste bins. Designated personnel transport waste to specified temporary storage areas daily. Packaging waste such as cardboard boxes and bags are sorted and transferred to waste storage zones for regular collection by licensed contractors.

To prevent odor and hygiene issues in waste storage areas, ozone machines are installed for odor breakdown, and cleaning is carried out at least once daily, with all activities recorded in cleaning logs.
Waste is classified into general waste, recyclable materials, food waste, and waste oil:
Used batteries are collected by the Engineering Departments and sent to certified recycling operators; at Silks Place Taroko, batteries are taken by designated staff to convenience store collection points.
Food waste from kitchens is stored in cold storage waste rooms before being collected daily or weekly by licensed waste contractors approved by local EPAs.
Pest control schedules are set according to the scale and operational characteristics of each location, with services provided by certified pest management companies.
At Silks Place Taroko, recyclable resources are collected by local social welfare organization Tzu Chi Hualien, fostering local collaboration and resource circulation.

Waste Category Statistics Table for the Past Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Item	General Waste	Food Waste	Recyclables (Paper/Bottles & Cans)	Waste - Cooking Oil
Collection Frequency	Daily*	Daily	Daily	Weekly
2024 Annual Output/Tons	1,446.06	441.10	156.08/11.17	11.49
2023 Annual Output/Tons	1,487.72	414.80	158.91/10.73	8.550
2022 Annual Output/Tons	1,520.77	380.88	113.57/10.68	8.536
Disposal Method	Incineration	Reuse as feed	Recycling	Repurposing into biodiesel

Note: The weight of general waste at Regent Taipei decreased by approximately 3%.

Waste Category Statistics Table for the Past Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Item	General Waste	Food Waste	Recyclables (Paper/Bottles & Cans)	Waste - Cooking Oil
Collection Frequency	Daily*	Daily	Daily	Weekly
2024 Annual Output/Tons	259.699	32.653	4.16/4.40	1.539
2023 Annual Output/Tons	213.61	35.71	4.41/6.66	1.314
2022 Annual Output/Tons	176.81	20.07	4.32/5.83	1.374
Disposal Method	Incineration	Reuse as feed	Recycling	Repurposing into biodiesel

Note: The general waste weight of Just Sleep/Wellspring by Silks increased slightly increased slightly by 2.15%, mainly due to the addition new of the Wellspring by Silks Beitou location in September 2024.

Waste Category Statistics Table for the Past Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Item	General Waste	Food Waste	Recyclables (Paper/Bottles & Cans)	Waste - Cooking O
Collection Frequency	Daily*	Weekly (3 times)	Daily	Weekly (2 times)
2024 Annual Output/Tons	168.05	39.761	10.380	2.12
2023 Annual Output/Tons	168.19	39.804	11.167	2.08
2022 Annual Output/Tons	156.42	37.017	10.385	1.96
Disposal Method	Incineration	Reuse as feed	Recycling	Repurposing into biodiesel

Note: Since the implementation of the plastic reduction policy in October 2023, the recorded volume of recycled plastics was 11.167
metric tons in 2023 and 10.380 metric tons in 2024, representing a reduction of 0.787 metric tons after the policy took effect.

Waste Category Statistics Table for the Past Three Years

Regent Taipei | Just Sleep | Silks Place Tainan | Silks Place Taroko

Item	General Waste	Food Waste	Recyclables (Paper/Bottles & Cans)	Waste - Cooking Oil
Collection Frequency	Daily*	Daily*	Weekly	Weekly (2 times)
2024 Annual Output/Tons	41.97	71.10	Donated to Tzu Chi, not measured by Tzu Chi	0.558
2023 Annual Output/Tons	42.11	252	Donated to Tzu Chi, not measured by Tzu Chi	1.548
2022 Annual Output/Tons	39.99	304.2	Donated to Tzu Chi, not measured by Tzu Chi	1.404
Disposal Method	Incineration	Reuse as feed	Donated to Tzu Chi	Repurposing into biodiesel

Note: Due to closure caused by the 403 earthquake, the amount of waste generated decreased.

■ Waste Management Performance

The Brasserie introduced the UK-based Winnow AI food waste system, which has successfully reduced food waste by over 70% in more than 30 countriese. By 2024, this system has reduced per capita food waste at the Brasserie by 47.3%, equivalent to 55.4 metric tons of CO_2 emissions avoided. The system includes scales, screens, scanners, and data recording devices, enabling real-time measurement of food waste and displaying cost implications—enhancing staff awareness of waste reduction. Daily reports support restaurant managers in optimizing menu planning and portion sizes.